

# State of North Carolina

Department  
of the  
Secretary of State

To all to whom these presents shall come, Greeting:

*I, Thad Eure, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached ( 4 sheets) to be a true copy of*

ARTICLES OF INCORPORATION

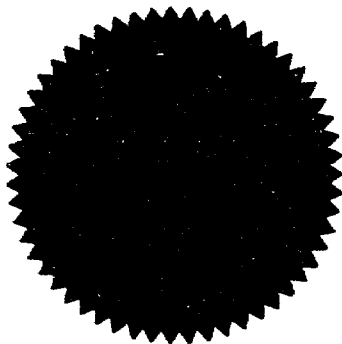
OF

FOREST TRAILS HOMEOWNERS ASSOCIATION

*and the probates thereon, the original of which was filed in this office on the 20th day of November 1987, after having been found to conform to law.*

*In Witness Whereof, I have hereunto set my hand and affixed my official seal.*

*Done in Office, at Raleigh, this 20th day of November in the year of our Lord 1987.*



*Thad Eure*  
Secretary of State

ARTICLES OF INCORPORATION  
OF  
FOREST TRAILS HOMEOWNERS ASSOCIATION

In compliance with the requirements of Chapter 55A of the North Carolina General Statutes, the undersigned, a natural person of full age, has this day executed these Articles of Incorporation for the purpose of forming a non-profit corporation and hereby certified:

DOCUMENT # 17199  
FILED  
NO FEE  
SECRETARY OF STATE  
NORTH CAROLINA

ARTICLE I  
NAME

The name of the corporation is FOREST TRAILS HOMEOWNERS ASSOCIATION.

ARTICLE II  
REGISTERED OFFICE

The initial registered office of the Association is located at 112 Greenhaven Drive, Winston-Salem, Forsyth County, North Carolina, 27107.

ARTICLE III  
REGISTERED AGENT

Emery Edward Garrett, Jr., whose address is 112 Greenhaven Drive, Winston-Salem, Forsyth County, North Carolina, 27107, is hereby appointed the initial registered agent of this Association.

ARTICLE IV  
PURPOSES AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and improvement to the entrance, street lights and other properties used for the common good of the residents of Forest Trails, a subdivision located in Forsyth County, State of North Carolina, and being set forth on a plat of the same, recorded in Plat Book 32 at Page 74 in the Office of the Register of Deeds of Forsyth County, North Carolina, to which reference is hereby made for a more particular description thereof, and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association, and for this purpose to:

- (a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association

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as set forth in that certain Plan of Development and Declaration of Covenants, Conditions and Restrictions (whether one or more), hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in Book 1626 at Page 2532, in the Office of the Register of Deeds of Forsyth County, North Carolina, and as the same may be amended from time to time as therein provided, said Plan of Development and Declaration being incorporated herein as if set forth at length;

(b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Plan of Development and Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charged levied or imposed against the property of the Association;

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) Borrow money, and with the assent of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of each class of members; and,

(f) Have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

#### ARTICLE V MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

ARTICLE VI  
VOTING RIGHTS

The Association shall have one class of members who shall be all owners of lots in Forest Trails Subdivision as aforesaid. Each member shall be entitled to one vote for each lot owners; provided, however, when more than one person holds an interest in any lot, all of such persons shall be members and, the vote for such lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote or any fraction of a vote be cast with respect to any lot.

ARTICLE VII  
BOARD OF DIRECTORS

The affairs of this Association will be managed by a Board of Directors, who need not be members of the Association. The initial Board of Directors shall be three (3) in number. The number of Directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of the initial Directors until the selection of their successors are:

Ronnie J. Roberts	233 West Mountain Street Kernersville, N. C. 27284
Joe L. Pinnix	233 West Mountain Street Kernersville, N. C. 27284
Emery Edward Garrett, Jr.	112 Greenhaven Drive Winston-Salem, N. C. 27107

The Directors shall be classified with respect to time for which they severally hold office by dividing them into three (3) classes with one class of one (1), a second class of one (1), and a third class of one (1). At the first annual meeting, the members shall elect the Directors of the first class for a term of one (1) year, the Directors of a second class for a term of two (2) years, and the Director of the third class for a term of three (3) years. At each annual meeting thereafter, the members shall elect successors to the class of Directors whose term or terms shall expire that year for a term of three (3) years, and such Directors as elected shall serve for the term to which they were elected or until their respective successors are properly elected and qualified.

ARTICLE VIII  
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the

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