

ARTICLES OF INCORPORATION

OF

SUTTON OAKS HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirement of Chapter 55-A 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 certifies:

ARTICLE I

The name of the corporation is Sutton Oaks Homeowners Association, Inc., hereinafter called the "Association".

ARTICLE II

The principal and registered office of the Association is located at 2007 B Boulevard Street, Greensboro, NC 27407. **Guilford County**

ARTICLE III

Keith D. Badorf, whose address is 2007 B Boulevard Street, Greensboro, NC 27407, is hereby appointed the initial registered agent of this Association.

ARTICLE IV

PURPOSE AND POWERS OF THIS ASSOCIATION

The Association does not contemplate pecuniary gain or profit to the members thereof and no part of the Association's net income shall insure to the benefit of any of its officers, directors or members or any other private individual. The purposes and objects of the Association shall be to provide for administration, maintenance, preservation and architectural control of the Lots and Common Area within that certain tract of property described as follows:

Lying and being in Guilford County, North Carolina, and being more particularly described on Exhibit A attached hereto and incorporated herein by reference and any additional property which may hereafter be brought within the jurisdiction of this Association.

and to promote the health, safety, and welfare of the residents within the above described property, 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 as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the

“Declaration,” applicable to the property and recorded or to be recorded in the Office of the Register of Deeds of Guilford County, North Carolina, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set at length;

- (b) fix, levy, collect and enforce payment of, by any lawful means, all charges or assessments pursuant to the terms of the 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 charges 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 property as security for money borrowed or debts incurred (provided that for any mortgage of the Association’s real property to be effective, a consent of the Members shall be executed and recorded as required by the Declaration);
- (e) dedicate, sell or transfer all or any part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors. No such dedication or transfer shall be effective unless an instrument has been signed by at least two-thirds (2/3) of each class of Members agreeing to such dedication, sale or transfer;
- (f) participate in mergers and consolidations with other non-profit 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;
- (g) 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

All persons or entities who or which are recorded owners of a fee or undivided fee interest in any Lot which is subject by covenants or record to assessment by the Association and Sutton Oaks, LLC (as well as its successors and/or assign, if Sutton Oaks, LLC shall make an express

conveyance of its developer rights under the Declaration to such successor and/or assign) shall be voting Members 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. Such 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 be two classes of voting membership:

CLASS A. Class A Members shall be all Owners other than the Declarant. Class A Members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote or votes for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

CLASS B. Class B Members shall be the Declarant and shall be entitled to three (3) votes for each lot owned by it shown on the Master Development Plan approved by the Guilford County Technical Review Committee, as that plan is from time to time amended. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- a. when the total votes outstanding in the Class A membership equal to the total votes outstanding in the Class B membership; or
- b. on December 31, 2010.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of Directors who need not be members of the Association. The number of members of the first Board of Directors shall be three (3). The number directors on subsequent Boards shall be as set forth in the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

NAME	ADDRESS
Keith D. Badorf	P.O. Box 1975 Jamestown, NC 27282
Bruce Hubbard	2210 Cloverdale Ave. Suite 2C Winston-Salem, NC 27103

Angelia D. Badorf

P.O. Box 1975
Jamestown, NC 27282

At the first annual meeting the Members shall select two (2) directors for a term of two (2) years and one director for a term of one (1) year; and at each annual meeting thereafter the Member shall elect directors for a term of two (2) years.

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 voting Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purpose.

ARTICLE IX

DURATION

The corporation shall exist perpetually.

ARTICLE X

AMENDMENTS

Amendment of these Articles shall require the affirmative vote of seventy-five percent (75%) of the Members entitled to vote.

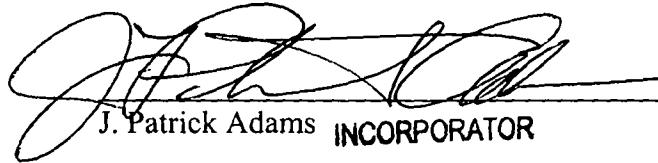
ARTICLE XI

INCORPORATOR

The name and address of the incorporator is as follows:

Name	Address
J. Patrick Adams	201 W. Market Street, Suite 410 Greensboro, NC 27401

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hands and seal this 7th, day of June, 2005.



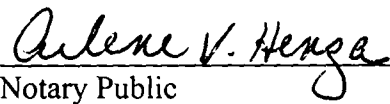
J. Patrick Adams INCORPORATOR (Seal)

NORTH CAROLINA
GUILFORD COUNTY

THIS IS TO CERTIFY, that on the 7 day of June, 2005, before me, a Notary Public, personally appeared J. Patrick Adams, who I am satisfied is the person named in and who executed the foregoing Articles of Incorporation, and I having first made known to him the contents thereof, he did acknowledge that he signed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

IN TESTIMONY WHEREOF I have hereunto set my hand and seal this 7th day of June, 2005.

Seal



Notary Public

My Commission Expires: 3/26/10

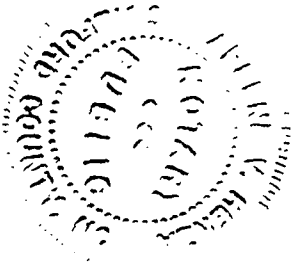


EXHIBIT A

BEING all of the property shown on the Plat entitled "Sutton Oaks at Olde Sedgfield, Phase I, Maps 1 and 2 as recorded in Plat Book 156, Pages 136 and 137 in the office of the Guilford County Register of Deeds and any additional phases of Sutton Oaks at Olde Sedgfield which may be subsequently recorded.