

**ARTICLES OF INCORPORATION
OF
CROSSWINDS TOWNHOME HOA, INC.**

In compliance with the requirements of Chapter 55A of the North Carolina General Statutes, the undersigned, 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 Crosswinds Townhome HOA, INC., hereinafter called "the Corporation".

ARTICLE II.

The period of duration of the Corporation shall be perpetual.

ARTICLE III.

The registered and principal office of the Corporation is located at 3015 Maplewood Avenue, Winston Salem, Forsyth County, North Carolina 27103

ARTICLE IV.

Grover Shugart, Jr., whose address is 3015 Maplewood Avenue, Winston Salem, Forsyth County, North Carolina 27103, is the initial registered agent and incorporator of the Corporation.

ARTICLE V.

The Corporation does not contemplate pecuniary gain or profit to the members thereof and no part of the Corporation's net income shall inure directly to the benefit of any of its officers, directors or members or any other private individual. The purposes and objects of the Corporation shall be to own, administer the operation and management of the common property and affairs of the Corporation as more particularly set forth in the Declaration of Covenants, Conditions, Reservations and Restrictions for Crosswinds Townhomes, herein "the Declaration" and the Corporation's by-laws from member assessments provided for therein and in any Phase Declaration.

ARTICLE VI.

The Corporation shall have the right to merge or consolidate with other planned communities and may be terminated in accordance with Chapter 47F of the General Statutes of North Carolina. The Corporation may be dissolved with the assent given in writing and signed by Members having not less than eighty per cent (80%) of the total voting power of the Corporation. Upon dissolution of the Corporation, other than incident to a merger or consolidation, the residual assets of the Corporation shall be dedicated to purposes for which this Corporation was created. In the event such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted such similar purposes or handled as by law provided.

ARTICLE VII.

The Corporation shall have members which may be divided into such classes as are provided for in the Declaration and the owner(s) of each lot, parcel or living unit shall automatically be members of the Corporation, acquire the voting power as stated in the Declaration and/or in any Phase Declaration or amendments thereto and membership may not be separated from ownership.

ARTICLE VIII.

The directors of the Corporation shall be appointed or elected in the manner and for the terms provided in the Declaration and bylaws.

ARTICLE IX.

The number of members of the initial Board of Directors of the Corporation shall be three (3) and thereafter shall be as set forth in the by-laws. The names and addresses of the initial Board of Directors are as follows:

Grover Shugart, Jr.	3015 Maplewood Avenue Winston Salem, NC 27103
Kenneth J. Capron	3015 Maplewood Avenue Winston Salem, NC 27103
Brian D. Shugart	3015 Maplewood Avenue Winston Salem, NC 27103

ARTICLE X.

The initial bylaws shall be adopted by its Board of Directors. Thereafter the bylaws may be altered, amended or repealed upon a majority vote of the members present and entitled to vote at a meeting at which a quorum is present unless the Declaration or bylaws provide otherwise.

ARTICLE XI.

These Articles of Incorporation may be amended upon receiving at least two-thirds(2/3rds) of the vote entitled to be cast by members unless the Declaration provides otherwise.

ARTICLE XII.

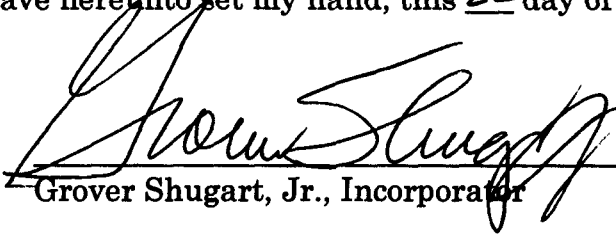
Every director and every officer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Corporation, whether or not he is a director or officer at the time such expenses are incurred, except in such case wherein the director or officer is adjudged to have acted in bad faith or to have been liable or guilty by reason of willful misfeasance or malfeasance in the performance of his duties, provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement, or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interest of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled under the laws of the State of North Carolina.

ARTICLE XIII.

To the fullest extent permitted by applicable law, as it now exists or may hereafter be amended, no director of the Corporation shall have any personal liability arising out of any action, whether by or in the right of the Corporation or otherwise, for monetary damages for breach of his or her duty as a director. This Article shall not impair any right to receive indemnity or insurance from the Corporation or any third party, which any director may

now or hereafter have. Any repeal or modification of this Article shall not impair or otherwise adversely affect any limitation on, or elimination of, the personal liability of a director affected hereby with respect to acts or omissions occurring prior to such repeal or modification.

IN WITNESS WHEREOF, I have hereunto set my hand, this 22 day of May, 2003.


Grover Shugart, Jr., Incorporator