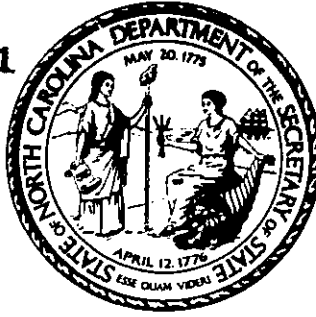


B. Deal boy

LA 191



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 (6 sheets) to be a true copy of

ARTICLES OF INCORPORATION

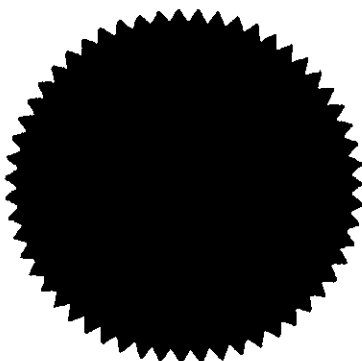
OF

CRANBERRY HILL HOMEOWNERS ASSOCIATION, INC.

and the probates thereon, the original of which was filed in this office on the 15th day of April 1988 , 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 15th day of April in the year of our Lord 1988.




Secretary of State

163872684

ARTICLES OF INCORPORATION

OF

CRANBERRY HILL HOMEOWNERS ASSOCIATION, INC.

In compliance with the requirements of G. S. 55A-1, et seq., the undersigned, all of whom are residents of the State of North Carolina and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

FILED
THAD FURE
SECRETARY OF STATE
NORTH CAROLINA

ARTICLE I

The name of the corporation is Cranberry Hill Homeowners Association, Inc., hereafter called the "Association".

ARTICLE II

The principal and registered office of the Association is located in Forsyth County at 203 Ridgehaven Drive, Winston-Salem, North Carolina 27104.

ARTICLE III

Ann B. Weiss, whose address is 203 Ridgehaven Drive, Winston-Salem, Forsyth County, North Carolina, is hereby appointed the initial registered agent of this Association.

ARTICLE IV

PURPOSE 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 architectural control of the residence Lots and Common Area within that certain tract of property described as:

Cranberry Hill a plat of which is recorded in Plat Book 32, Page 83, Forsyth County Registry.

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 by annexation, as provided in Article IX herein, and for this purpose:

(a) To 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(s) 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 Forsyth 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 forth at length;

(b) To fix, levy, collect and enforce payment 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) To 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) To borrow money, and with the assent of two-thirds (2/3) of the 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) To dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(f) To participate in mergers and consolidations with other nonprofit corporations organized for the same purpose or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members; and

(g) To 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 within the tract referred to in ARTICLE IV hereof, 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.

ARTICLE VI

VOTING RIGHTS

The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be owners of Lots (other than the Developer) within the Properties, and shall be entitled to one vote for each such Lot owned. When more than one person holds an interest in any such Lot, all such persons shall be members. The vote 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. The Class B member shall be the Developer who shall be entitled to three (3) votes for each Lot owned. 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 equals the total votes outstanding in the Class B membership; or

b) at such earlier time Declarant shall elect by written notice to the Association to convert its membership to Class A.

c) January 1, 1993.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of not less than three (3) nor more than five (5) Directors, who must be members of the Association. The total 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 Directors until the selection of their successors are:

| <u>NAME</u> | <u>ADDRESS</u> |
|----------------|---|
| Ann B. Weiss | 203 Ridgehaven Drive Winston-Salem, N.C. 27104 |
| Ray Farrell | 611 Spyglass Drive Advance, N.C. 27006 |
| R. Brandt Deal | 2990 Bethesda Place Suite 605-C Winston-Salem, N.C. 27103 |

At the first annual meeting, the members shall elect the Directors in a manner and for the terms as provided in the By-Laws.

ARTICLE VIII

LIABILITIES

The highest amount of indebtedness or liability, direct or contingent, to which this Association may be subject at any one time shall not exceed 150 percent of its income for the previous fiscal year, provided that additional amounts may be authorized by the assent of two-thirds (2/3) of each class of members.

ARTICLE IX

ANNEXATION OF ADDITIONAL PROPERTIES

The Association may, at any time annex additional residential properties and common areas to the Properties described in Article IV, and so add to its membership under the provisions of Article V, provided that any such annexation shall have the assent of two-thirds (2/3) of each class of members.

ARTICLE X

MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit organizations 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.

ARTICLE XI

AUTHORITY TO MORTGAGE

Any mortgage by the Association of the Common Area defined in the Declaration shall have the assent of two-thirds (2/3) of each class of members.

ARTICLE XII

AUTHORITY TO DEDICATE

The Association shall have power to dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No dedication or transfer shall be effective unless an instrument has been signed by members entitled to cast two-thirds (2/3) of the votes of each class of members agreeing to such dedication, sale or transfer.

ARTICLE XIII

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 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 nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XIV

DURATION

The corporation shall exist perpetually.

ARTICLE XV

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

ARTICLE XVI

RIGHTS OF FIRST MORTGAGEES

Section 1. Notification of Default by Mortgagor. The holder of any Mortgage or Deed of Trust, under which the interest of any Owner is encumbered and which Mortgage or Deed of Trust has first and paramount priority subject only to the lien of general or ad valorem taxes and assessments (First Mortgagees), on any Lot shall be entitled, upon written request to the Association, to written notification by the Association of any default by the mortgagor of such Lot in the performance of such mortgagor's obligations under these Articles when such default is not cured within thirty (30) days from its occurrence.

Section 2. Assent of First Mortgage to Certain Actions by the Association. The following actions or nonactions by the Association shall require the assent in writing of at least seventy-five percent (75%) of the First Mortgagees (based upon one vote for each first lien deed of trust) which assent shall not be arbitrarily withheld:

(a) Abandonment, partition, subdivision, encumbrance, sale or transfer of real estate or improvements thereon which is owned by the Association for the benefit of the Lots. Provided, however, that the granting of easements for public utilities or for other public purposes consistent with the intended use of such property

by the Association shall not be deemed a transfer within the meaning of this subparagraph.

(b) Alteration or amendment of the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner.

(c) Waiver of abandonment of any scheme of regulations or enforcement thereof, pertaining to the architectural design of the exterior appearance of any building, fence, wall or other structure upon the properties, the exterior maintenance of Lots, the maintenance of party walls or common fences and driveways within the Properties, or the upkeep in lawns and plantings within the Properties.

(d) Use of hazard insurance proceeds for losses to improvements located on Association property for other than the repair, replacement or reconstruction of such improvements.

In the event a First Mortgagee fails to respond to a written request for assent within thirty (30) days after such request has been submitted to it by the Association, written assent will not be required by said First Mortgagee and said First Mortgagee shall be deemed to have given its assent in compliance with this Section.

Section 3. Taxes and Insurance. Any First Mortgagee of a Lot acting alone or with other First Mortgagees may pay taxes or other charges which are in default and which may or have become a charge against any property owned by the Association and may pay overdue premiums on hazard insurance policies on property owned by the Association or secure renewal of such hazard insurance coverage upon the lapse of a policy for such property, and First Mortgagees making such payments shall be entitled to immediate reimbursement therefor from the Association.

ARTICLE XVII

PRIOR APPROVAL OF VA AND/OR FHA FOR CERTAIN ACTIONS

Notwithstanding any of the provisions as set forth in these Articles of Incorporation, for so long as there exists a Class B membership for voting as provided in Article VI of these Articles, the following actions shall require the prior written approval of the VA and/or FHA:

- a) Annexation, mergers and consolidation of additional properties to this development.
- b) Dedication of Common Area.
- c) Amendment of the Articles of Incorporation.
- d) Mortgaging the Common Area.
- e) Dissolution of the Association as established in these Articles of Incorporation.

ARTICLE XVIII

INCORPORATORS

The name and address of the Incorporator is:

NAME

Ann B. Weiss

ADDRESS

203 Ridgehaven Drive
Winston-Salem, N.C. 27104

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, I, the undersigned, incorporator of this Association, have executed these Articles of Incorporation this the 12 day of APRIL, 1988.

Ann B. Weiss (SEAL)
ANN B. WEISS

STATE OF NORTH CAROLINA

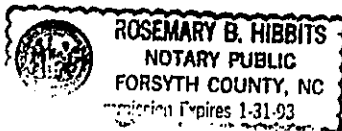
COUNTY OF FORSYTH

I, Rosemary B. Hibbits, a Notary Public of the above State and County, do hereby certify that Ann B. Weiss personally appeared before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and notarial seal, this 12th day of April, 1988.

Rosemary B. Hibbits
Notary Public

My Commission Expires:



PRESENTED FOR
REGISTRATION
AND RECORDED

APR 20 4 00 PM '88

L. E. SPEAS
REGISTER OF DEEDS
FORSYTH CTY, N.C.

JB. #17.00 jcd.

BOOK 1638 P 2690