

**ARTICLES OF INCORPORATION
OF
THORNTON HOMEOWNERS
ASSOCIATION**

In compliance with the requirements 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
NAME**

The name of the corporation is THORNTON HOMEOWNERS ASSOCIATION, hereinafter called the "Association."

**ARTICLE II
REGISTERED ADDRESS**

The principal and registered office of the Association is located at 404-B North Eugene Street, Greensboro, Guilford County, North Carolina 27401.

**ARTICLE III
REGISTERED OFFICE**

Anthony Dillon, whose address is 404-B North Eugene Street, Greensboro, Guilford County, North Carolina 27401, is hereby appointed the initial registered agent of this Association.

**ARTICLE IV
PURPOSE AND POWERS OF THE ASSOCIATION**

The Association does not contemplate pecuniary gain or profit to the members thereof and no part of the Association's net income shall inure 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 Elements within that certain tract of property described as follows:

SEE EXHIBIT "A" ATTACHED HERETO.

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 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 forth 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 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; to maintain the permanent wet detention/retention pond as directed by the governmental office having jurisdiction for water protection;

(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 the members entitled to cast two-thirds (2/3) of all the votes of each class, mortgage, pledge, deed of trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Elements (with the exception of any water quality or erosion control device including, without limitation, any permanent wet detention/retention pond) 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, sell or transfer shall be effective unless agreed to in an instrument signed by the members entitled to cast at least two-thirds (2/3) of all the votes of each class;

(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 the members entitled to cast at least two-thirds (2/3) of all the votes of each class;

(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 hereinafter have or exercise.

ARTICLE V MEMBERSHIP

Every person or entity who or which 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 shall be a voting 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. 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 have 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. The Class B Member shall be the Declarant and shall be entitled to three (3) votes for each lot it shall own within those areas shown on the Preliminary Site Plan for "THORNTON" approved by the City of Greensboro Technical Review Committee as that Plan is from time to time amended and approved. 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 the total votes outstanding in the Class B membership; or

(b) on December 31, 2012.

**ARTICLE VII
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 maximum number of 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:

| <u>Name</u> | <u>Address</u> |
|----------------|--|
| Curtis Nichols | P.O. Box 9846 Greensboro, N. C. 27429 |
| Stuart Kaufman | P.O. Box 9846 Greensboro, N. C. 27429 |
| Al Leonard | P.O. Box 9846 Greensboro, N. C. 27429 |

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

**ARTICLE VIII
INDEMNIFICATION OF OFFICERS AND DIRECTORS**

Every officer and every director of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees reasonably incurred by or imposed upon them in connection with any proceeding to which they are a party, or in which they may become involved, by reason of their being or having been an officer or director at the time such expenses are incurred, except in such cases wherein the officers or directors are judged guilty of willful misfeasance or malfeasance in the performance of their duties; provided, in the event of any claim for reimbursement or indemnification hereunder based upon the settlement by the officer or director seeking such reimbursement or indemnification, indemnification herein shall only apply if the Board of Directors approve such settlement and reimbursement as being in the best interests of the Association. 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.

**ARTICLE IX
DISSOLUTION**

The Association may be dissolved with the assent given in writing and signed by the members entitled to cast not less than two-thirds (2/3) of all the votes of each class. Upon dissolution of the Association, other than incident to merger or consolidation, the assets of the Association, with the exception of the permanent wet detention/retention pond, 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 purposes.

With respect to any permanent wet detention/retention pond, upon dissolution said pond shall be deeded, pro-rata, to all owners of record of lots in THORNTON HOMEOWNERS ASSOCIATION, and all such owners shall be jointly and severally responsible for the maintenance of said pond as directed by the governmental office having jurisdiction for water protection, and any and all costs attendant thereto.

**ARTICLE X
DURATION**

The corporation shall exist perpetually.

**ARTICLE XI
AMENDMENTS**

Amendment of these Articles shall require the assent of the members entitled to cast at least seventy-five percent (75%) of all the votes of each class. Provided, however, that any amendment relating to the ownership and maintenance of the permanent wet detention/retention pond, if any are required, shall not be permitted without prior review and approval by the governmental office having jurisdiction for watershed protection.

**ARTICLE XII
VETERANS ADMINISTRATION APPROVAL**

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration, provided that FHA or VA insured loans have been obtained to purchase Lots: annexation of additional properties; mergers and consolidations; mortgaging of Common Elements; dissolution of the Association; and amendment of these Articles of Incorporation.

**ARTICLE XIII
INCORPORATOR**

The name and address of the incorporator is as follows:

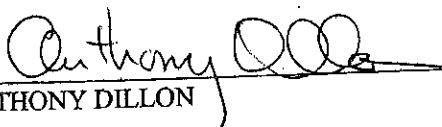
Name
ANTHONY DILLON

Address
404-B N. EUGENE ST.
GREENSBORO, NC 27401

ARTICLE XIV

The North Carolina Planned Community Act (PCA), shall apply to the THORNTON HOMEOWNERS ASSOCIATION, and the properties located therein. The provisions of the PCA are incorporated herein by reference as if fully set forth herein.

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal
this 2ND day of November, ~~2007~~ 2006



ANTHONY DILLON (SEAL)