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OCT 27 1998

ARTICLES OF INCORPORATION
OF
EAGLE RIDGE GOLF COMMUNITY HOMEOWNERS ASSOCIATION, INC.

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 nonprofit corporation and does hereby certify:

ARTICLE I

The name of the Corporation is EAGLE RIDGE GOLF COMMUNITY HOMEOWNERS ASSOCIATION, INC., hereafter called the "Association".

ARTICLE II

The principal and registered office of the Association is located at 150 Fayetteville Street Mall, Suite 2100, Raleigh, Wake County, North Carolina 27601.

ARTICLE III

Nellie Shipley Tomlinson, whose address is 150 Fayetteville Street Mall, Suite 2100, Raleigh, Wake County, North Carolina 27601, is hereby appointed the initial registered agent of the Association.

ARTICLE IV

The Association is the "Association" contemplated by that certain Master Declaration of Covenants, Conditions and Restrictions for Eagle Ridge Golf Community executed by Sandler at Olde Stage, L.C., as Declarant therein, and recorded, or to be recorded, in the Office of the Register of Deeds of Wake County, North Carolina, (as the same may be modified, amended or supplemented from time to time, the "Declaration"). All capitalized terms herein not defined herein shall have the meanings ascribed to such terms in the Declaration.

ARTICLE V

PURPOSES AND POWERS OF THE ASSOCIATION

The Association shall not operate for pecuniary gain or profit, shall not issue capital stock, and no part of the net earnings of the Association shall inure to the benefit of any Member or individual (except that reasonable compensation may be paid for services rendered), and the specific purposes for which it is formed are to provide for: (i) the use, improvement, maintenance, operation and repair of the Common Areas and, when appropriate under the Declaration, the Limited Common Areas, including any improvements and amenities located thereon; (ii) the establishment of rules and

regulations for the use of the Common Areas and, when appropriate under the Declaration, the Limited Common Areas, including any improvements and amenities located thereon; (iii) the distribution among the Owners of the Dwelling Units or Lots of the costs of the use, improvement, maintenance, and repair of the Common Areas and, when appropriate under the Declaration, the Limited Common Areas, including any improvements and amenities located thereon; and (iv) the promotion of the health, safety, pleasure, recreation, and welfare of the residents of the Dwelling Units within The Properties. In furtherance of these purposes, the Association, (by action of its Board unless otherwise noted in these Articles of Incorporation or in the Declaration) shall have full power 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 the Declaration as the same may be amended from time to time as therein provided, the Declaration being incorporated herein by reference as if set forth at length;

(b) fix, levy, collect, and enforce payment by any lawful means of 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 affairs 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, subject, however, to the requirements of the Declaration;

(d) borrow money and, with the assent of the Declarant and two-thirds (2/3) of the votes of the Class I Members unless otherwise provided in the Declaration, mortgage, pledge, convey by 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 Areas to any public agency, authority, or utility with the assent of the Declarant and seventy-five percent (75%) of the votes of the Class I Members as provided in the Declaration, subject, however, to the requirements of the Declaration and to such conditions as may be agreed to by the Members and provided that, notwithstanding the foregoing, the Association and the Declarant shall have the right to grant easements and rights-of-way as provided in the Declaration;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional property and open space, provided that, except as otherwise provided in the Declaration, any such merger, consolidation or annexation shall have the assent of seventy-five percent (75%) of the votes of the Class I Members and the Class II Members; and

(g) have and to exercise any and all powers, rights and privileges which a non-profit corporation organized under the corporation law of the State of North Carolina by law may now or hereafter have or exercise.

ARTICLE VI

Every Owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Dwelling Unit or Lot.

ARTICLE VII

The Association shall have two classes of voting memberships (Class I and Class II), as provided in the Declaration. The voting rights of each Member shall be as set forth in the Declaration.

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 directors shall be as provided in the Bylaws of the Association and may be changed by amendment of the Bylaws of the Association.

ARTICLE IX

AMENDMENT AND DISSOLUTION

Amendment of these Articles shall require the assent of the holders of two-thirds of the votes of Members present in person or by proxy at the meeting at which the vote is taken. The Association may be dissolved with the assent given in writing and signed by the holders of not less than seventy-five percent (75%) of the votes of the Members, provided, however, that the Association may not be dissolved without the consent of the Declarant for so long as Class II membership exists; and provided further, as long as the Declaration shall be in effect, the Association shall not be dissolved unless a successor association of owners is organized in compliance with applicable law to take over the duties and responsibilities of the Association. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to similar purposes.

ARTICLE X

The Association shall exist perpetually.

ARTICLE XI

Every director and every officer of the Association shall be indemnified by the Association 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 Association, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is found to be or adjudged guilty 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 approves such settlement and reimbursement as being in the best interest 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 XII

In the event that any Member finances its Dwelling Unit through a loan guaranteed by or insured by the United States Department of Veterans Affairs or the United States Department of Housing and Urban Development, then until Class II membership ceases to exist and is converted to Class I membership as provided in the Declaration, the following actions will require the prior approval of the United States Department of Veterans Affairs or the United States Department of Housing and Urban Development: annexation of additional properties, mergers and consolidations, mortgaging of Common Areas, dedication of additional Common Areas, dissolution of the Association and amendment of these Articles.

ARTICLE XIII

The name and address of the incorporator is as follows:

Nellie Shipley Tomlinson
Womble Carlyle Sandridge & Rice, PLLC
150 Fayetteville Street Mall, Suite 2100
Raleigh, North Carolina 27601

IN TESTIMONY WHEREOF, I, being the incorporator, have hereunto set my hand and seal, this the 23 day of October, 1998.

Nellie Shipley Tomlinson
Nellie Shipley Tomlinson

INCORPORATOR

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, the undersigned Notary Public hereby certify that Nellie Shipley Tomlinson personally appeared before me, and being by me first duly sworn, declares that he signed the foregoing document in the capacity indicated and that the statements therein contained are true.

WITNESS my hand and notarial seal, this the 23rd day of October, 1998.

Sherian A. Liles
Notary Public

My Commission Expires:

2-13-2002

[Notary Seal]

