

**ARTICLES OF INCORPORATION
OF THE
AMBER RIDGE COMMUNITY ASSOCIATION, INC.
(A Nonprofit Corporation)**

In compliance with the requirements of Chapters 47F and 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 hereby certifies as follows:

**ARTICLE I
NAME**

The name of the corporation is the **AMBER RIDGE COMMUNITY ASSOCIATION, INC.** (hereinafter the "Association").

**ARTICLE II
REGISTERED OFFICE AND INITIAL AGENT; PRINCIPAL OFFICE**

The registered office of the Association is located at 4000 Westchase Boulevard, Suite 310, Raleigh, Wake County, North Carolina 27607. The name of the initial registered agent at such address is Samuel G. Squires. The initial principal office of the Association is located at 4000 Westchase Boulevard, Raleigh, Wake County, North Carolina 27607. The location of the registered and the principal office of the Corporation may be changed by a majority vote of the Board of Directors.

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

The Association does not contemplate a pecuniary gain or profit to the Members thereof. The specific purposes for which the Association is formed are to own and maintain certain Common Area (as that term is defined in that certain Declaration Of Covenants, Conditions, Restrictions, Easements, Charges and Liens For The Amber Ridge Community Association, Inc., to be recorded in the Wake County Registry, as from time to time amended, said document, together with all amendments thereto, if any, being hereinafter referred to as the "Declaration") within the subdivision known as Amber Ridge (hereinafter the "Subdivision"), and for these purposes, to:

(a) exercise all powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration and in the North Carolina Planned Community Act, N.C.G.S. Chapter 47F (hereinafter the "Act"), including, but not limited to, making, establishing and enforcing reasonable rules and regulations governing the use of Common Area (as defined in the Declaration) and improvements thereon and any personal property owned by the Association;

(b) fix, levy, collect and enforce payment by any lawful means, all charges, dues or assessments made pursuant to the terms of the Declaration;

(c) pay all expenses incurred in connection with collection of the charges, dues and assessments set forth in subparagraph (b) above, and pay all office and other expenses incident to the conduct of the business of the Association, including all taxes, licenses and other governmental charges levied or imposed against property owned by the Association;

(d) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain and, subject to the provisions of subparagraph (f) below, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association;

(e) borrow money and, with the assent of Members entitled to at least 80% of the votes of the entire membership of the Association and at least two-thirds (2/3) of the votes appurtenant to each Class of Lots (as defined in Article III, Section 2 of the Declaration), mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of any such lender or mortgagee shall be subordinate to the property rights of the Members and the Association as provided in Article IV of the Declaration;

(f) 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 upon by the Members. No such dedication or transfer shall be effective unless the Members entitled to at least 80% of the votes of the entire membership of the Association and at least three-fourths (3/4) of the votes appurtenant to each Class of Lots agree to such dedication, sale or transfer and signify their agreement by a signed and recorded document. Nothing herein shall be deemed to prohibit the Board of Directors of the Association, without consent of the Members, from granting easements over and across the Common Area to any public agency, authority or utility for the installation and maintenance of sewerage, utility and/or drainage facilities when, in the opinion of the Board, such easements are necessary for the convenient use and enjoyment of the Properties (defined in the Declaration). Notwithstanding anything herein to the contrary, the Common Area shall be preserved to the perpetual benefit of the owners of Lots within the Subdivision and shall not be conveyed except to the Town of Fuquay-Varina or other appropriate governmental entity or to another nonprofit corporation organized for similar purposes;

(g) exchange all or part of the Common Area for other property and consideration of like value and utility;

(h) participate in mergers or consolidations with other nonprofit corporations organized for the same or similar purposes, provided that any such merger or consolidation shall have the consent of the Members as provided in subparagraph (f) above; and

(i) have and exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Act of the State of North Carolina by law may now or hereafter have or exercise.

ARTICLE IV FINANCE

The Association is a non-stock corporation and no part of the profits, if any, of the Association shall inure to the pecuniary benefit of its Members, or any of them, or to any other person. If the Association is dissolved, the assets of the Association shall be dedicated and conveyed to the Town of Fuquay-Varina or other appropriate governmental entity or to another nonprofit corporation organized for similar purposes.

ARTICLE V MEMBERSHIP AND VOTING RIGHTS

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by the Declaration to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities that 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 which is subject to assessment by the Association. Neither status as a Member of the Association nor a Member's undivided interest in the assets of the Association may be assigned, hypothecated or transferred except as an appurtenance to the Lot owned by such Member.

The voting rights of the Members shall be provided in the Declaration and Bylaws of the Association and pursuant to Chapter 55A of the North Carolina General Statutes.

ARTICLE VI MANAGEMENT

The affairs of the Association shall be managed by an initial Board of one (1) Director. The person who is to act in the capacity of Director until the selection of his successor(s) is:

<u>Name</u>	<u>Address</u>
Samuel G. Squires	4000 Westchase Boulevard, Suite 310 Raleigh, North Carolina 27607

The number of directors of the Association shall be one (1) until the first annual meeting after expiration of the Declarant Control Period (as defined in the Declaration), at which time the number of Directors shall be increased to three (3). At such annual meeting, the Members shall elect one Director to serve a term of one year, one Director to serve a term of two years, and one Director to serve a term of three years.

At each annual meeting thereafter, the Members shall elect the number of directors needed to fill the vacancy or vacancies created by the Director of Directors whose term(s) is(are) expiring, to serve for a term of three years (except in the case of the initial election of a Director, in which case the term of that Director may be shortened to provide for the staggering set forth in this Article, or in the case of the filling of a vacancy, in which case the Director elected to fill the vacancy shall be elected for the unexpired term of the Director whose vacancy is being filled).

The term of office of the Directors shall be staggered so that, except for an election to fill a vacancy or to fill a newly-created directorship, the terms of not less than one nor more than three Directors shall expire at each annual meeting. Each Director shall hold office until his death, resignation, retirement, removal or disqualification, or until his successor is elected and qualified. Directors need not be Members of the Association.

The Members of the Association may, by a majority of the votes cast at any duly called annual or special meeting of the Members at which a quorum is present, increase or decrease the number of directors of the Association, provided, however, that the number of directors shall not be increased to more than nine (9) or decreased to less than three (3) without amendment of the Bylaws of the Association.

ARTICLE VII DISSOLUTION

The Association may be dissolved only upon the signed written assent of both Members entitled to at least 80% of the votes of the entire membership of the Association and at least three-fourths (3/4) of the votes appurtenant to each Class of Lots. Upon dissolution, 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 the Association was created. In the event that such dedication is not accepted, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization devoted to similar purposes. Notwithstanding anything herein to the contrary, the Common Area shall be preserved to the perpetual benefit of the owners of Lots within the Subdivision and shall not be conveyed except to the Town of Fuquay-Varina or other appropriate governmental entity or to another nonprofit corporation organized for similar purposes.

ARTICLE VIII DURATION

The period of existence of the Association is perpetual.

ARTICLE IX AMENDMENTS

Amendment of these Articles shall require the assent of Members entitled to at least

eighty percent (80%) of the votes of the entire membership.

**ARTICLE X
FHA/VA APPROVAL**

As long as there is Class B membership (defined in the Declaration), the following actions may require the prior approval of the Federal Housing Administration or the Secretary of Veterans Affairs: annexation of additional property, mergers or consolidation, dissolution, mortgaging of Common Area, dedication or otherwise deeding of Common Area to persons other than the Association, and amendment of these Articles of Incorporation.

**ARTICLE XI
TAX STATUS**

Notwithstanding any other provision of the Articles, the Association hereby elects tax-exempt status under Section 528 of the Internal Revenue Code of 1986, as amended (the "IRC"). The Association shall not carry on any activity prohibited for a corporation electing tax-exempt status under Section 528, or any corresponding or amended provisions of the IRC. Furthermore, no distributions of income of the Association may be made to any Member, director or officer of the Association, provided, however, that Members of the Association may receive a rebate of any excess dues and assessments previously paid, and further provided that directors and officers, in the discretion of the Board of Directors, may be reimbursed by the Association for expenses actually incurred while acting in such capacity.

**ARTICLE XI
INCORPORATOR**

The name and address of the incorporator are as follows:

S. Amanda Palmer	3716 National Drive, Suite 100 Raleigh, North Carolina 27612
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IN WITNESS WHEREOF, the undersigned incorporator has hereunto set his hand and seal as of the day and year set forth in the notary acknowledgment below.


S. Amanda Palmer

STATE OF NORTH CAROLINA -- WAKE COUNTY:

I, a Notary Public for said County and State, do hereby certify that S. Amanda Palmer personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 17th day of August, 2007.

Catherine Denise Bigler

Notary Public

My commission expires: 12/20/09

CATHERINE DENISE BIGLER
NOTARY PUBLIC
JOHNSTON COUNTY NC
My Commission Expires 12/20/09