

## ARTICLES OF INCORPORATION

OF

LOCHRIDGE LAKESIDE CONDOMINIUM 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 purposes of forming a non-profit corporation and hereby certifies:

## ARTICLE I

The name of the corporation is LOCHRIDGE LAKESIDE CONDOMINIUM ASSOCIATION, INC., hereinafter sometimes called the "Association."

## ARTICLE II

The principal and registered office of the Association is located at 4101 Lake Boone Trail, Suite 300, Raleigh, North Carolina 27607. (Wake County)

## ARTICLE III

J. Kemp Sherron, III, whose address is 4101 Lake Boone Trail, Suite 300, Raleigh, North Carolina 27607, is hereby appointed the initial Registered Agent of this Association.

## ARTICLE IV

This 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 corporation shall be to administer the operation and management of Lochridge Lakeside Condominium (hereinafter called "Condominium"), a condominium to be established in accordance with the laws of the State of North Carolina upon property more particularly described in Schedule "A" attached hereto and incorporated herein by reference, and such other property which may subsequently be annexed or subjected to the provisions of the Declaration; to undertake the performance of the acts and duties incident to the administration of the operation and management of said Condominium in accordance with the terms, provisions, conditions, and authorizations contained in

these Article of Incorporation and which will be recorded in the Public Records of Wake County, North Carolina, at the time said property, and the improvements now or hereafter situate thereon, are submitted to a Plan of Condominium Ownership; and to own, operate, lease, sell, trade, and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of said Condominium.

#### ARTICLE V

The Corporation shall have the following powers:

1. The Corporation shall have all of the powers and privileges granted to non-profit corporations under the law pursuant to which this Corporation is chartered and all of the powers and privileges which may be granted unto said Corporation under any other applicable laws of the State of North Carolina, including the North Carolina Condominium Act.

2. The Corporation shall have all of the powers reasonably necessary to implement and effectuate the purposes of the Corporation, including the following powers:

(a) To make and establish reasonable rules and regulations governing the use of Condominium Units and Common Property in the Condominium as said terms may be defined in said Declaration of Condominium to be recorded.

(b) To levy and collect assessments against members of the Corporation to defray the common expenses of the Condominium as may be provided in said Declaration of Condominium and in the Bylaws of this Corporation which may be hereafter adopted, including the right to levy and collect assessments for the purposes of acquiring, operating, leasing, managing, and otherwise trading and dealing with such property, whether real or personal, including Condominium Units in the Condominium, which may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in said Declaration of Condominium.

(c) To maintain, repair, replace, operate, and manage the Condominium and the property comprising same, including the right to reconstruct improvements after casualty and to make further improvement of the Condominium property, and to make and enter into any and all contracts necessary or desirable to accomplish said purposes.

(d) To contract for the management of the Condominium and to delegate to such contractor all of the powers

and duties of the Association except those which may be required by the Declaration of Condominium to have approval of the Board of Directors or membership of the Corporation.

(e) To acquire and enter into, now or at any time hereafter, leases and agreements whereby the Association acquires leaseholds, memberships, and other possessory or use interests in land or facilities, including, but not limited to, swimming pools, tennis courts, and other recreation facilities, whether or not contiguous to the lands of the Condominium, to provide enjoyment, recreation, or other use or benefit to the owners of Condominium Units.

(f) To enforce the provisions of the Declaration of Condominium, these Articles of Incorporation, the Bylaws of the Corporation which may be hereafter adopted, and the rules and regulations governing the use of the Condominium as the same may be hereafter established.

(g) To exercise, undertake, and accomplish all of the rights, duties, and obligations which may be granted to or imposed upon the Corporation pursuant to the Declaration of Condominium.

#### ARTICLE VI

The qualification of the members, the manner of their admission to membership and termination of such membership, and voting by members shall be as follows:

1. The Owners of all Condominium Units in the Condominium shall be members of the Corporation, and no other person or entity shall be entitled to membership, except as provided in Item (5) of this Article VI.

2. Membership shall be established by the acquisition of the fee title to a Condominium Unit in the Condominium, or by acquisition of a fee ownership interest therein, whether by conveyance, devise, judicial decree, or otherwise, and the membership of any party shall be automatically terminated upon his being divested of all title to or his entire fee ownership interest in any Condominium Unit, except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more Condominium Units, or who may own a fee ownership interest in two or more Condominium Units, so long as such party shall retain title to or a fee ownership interest in any Condominium Unit.

3. The interest of a member in the funds and assets of the Corporation cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance to his Condominium Units. The funds and assets of the Corporation shall belong solely to the

Corporation, subject to the limitation that the same be expended, held, or used for the benefit of the membership and for the purposes authorized herein, in the Declaration of Condominium, and in the Bylaws which may be hereafter adopted.

4. On all matters upon which the membership shall be entitled to vote, each Condominium Unit shall have a vote equal to its appurtenant undivided interest in the Common Area as set forth in the appropriate column of Exhibit "C" of the Declaration of Condominium. The vote of each Unit may be cast or exercised by the Owner or Owners of each Condominium Unit in such manner as may be provided in the Bylaws hereafter adopted by the Corporation. Should any member own more than one Condominium Unit, such member shall be entitled to exercise or cast the votes associated with each Condominium Unit owned in the manner provided by said Bylaws.

5. Until such time as the property described in Schedule "A" hereof, and the improvements constructed thereon, are submitted to a Plan of Condominium Ownership by the recordation of the Declaration of Condominium, the membership of the Corporation shall be composed of the three (3) individuals named in Article XI hereof as the initial Board of Directors of the Corporation, and each such individual shall be entitled to cast one (1) vote on all matters on which the membership shall be entitled to vote.

#### ARTICLE VII

The Corporation shall have perpetual existence.

#### ARTICLE VIII

The affairs of the Corporation shall be managed by the President of the Corporation, assisted by the Vice President, Secretary, and Treasurer, and, if any, the Assistant Secretaries and Assistant Treasurers, subject to the directions of the Board of Directors. The Board of Directors, or the President with the approval of the Board of Directors, may employ a Managing Agent and/or such other managerial and supervisory personnel or entities to administer or assist in the administration of the operation and management of the Condominium, and the affairs of the Corporation, and any such person or entity may be so employed without regard to whether such person or entity is a member of the Corporation or a Director or Officer of the Corporation, as the case may be.

Nothing contained herein to the contrary shall prevent the Board of Directors, or the President with the approval of the Board of Directors, from entering into a professional management contract for a reasonable term before control of the Project has passed to the Association; provided, however, that the same shall not directly or indirectly bind the Association, unless the contract includes a right of termination without cause that

the Association may exercise at any time after the transfer of control upon sixty (60) days' prior written notice. This right of termination shall not require the payment of any penalty.

#### ARTICLE IX

The number of members of the first Board of Directors of the Corporation shall be three (3). The number of members of succeeding Board of Directors shall be as provided from time to time by the Bylaws of the Corporation. The members of the Board of Directors shall be elected by the members of the Corporation at the Annual Meeting of the membership as provided by the Bylaws of the Corporation, and at least a majority of the Board of Directors shall be members of the Corporation or shall be authorized representatives, officers, or employees of a corporate or partnership member of the Corporation. Notwithstanding the foregoing, for a period ending one hundred twenty (120) days after Tempo Developers, Inc., d/b/a Lochridge Lakeside, Inc., a Virginia Corporation authorized to do business in North Carolina, ceases to own twenty-five percent (25%) or more of the Units in the Condominium, but in any event no longer than December 31, 1994, said Lochridge Lakeside, Inc., shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the Corporation. Lochridge Lakeside, Inc., may designate and select the person or persons to serve as a member or members of each said Board of Directors in the manner provided in the Bylaws of the Corporation, and such person or persons so designated and selected need not be a resident of the Condominium, or a member of the Association.

#### ARTICLE X

The Board of Directors shall elect a President, Vice-President, Secretary, and Treasurer, and as many Assistant Secretaries and Assistant Treasurers as the Board of Directors shall determine. The President shall be elected from among the membership of the Board of Directors, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice-President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person.

#### ARTICLE XI

The names and post office addresses of the initial Board of Directors, who, subject to the provisions of these Articles of Incorporation, the Bylaws, and the laws of the State of North Carolina, shall hold office until the first Annual Meeting of the

Material amendments to these Articles of Incorporation must be approved by Institutional Lenders as set forth in Article XXVII, Section D, of the Declaration of Condominium.

No amendment to these Articles of Incorporation which shall abridge, amend, or alter the right of Lochridge Lakeside, Inc., to designate and select members of each Board of Directors of the Corporation, as provided in Article XI hereof, may be adopted or become effective without the prior written consent of Lochridge Lakeside, Inc.

#### ARTICLE XV

The Association may be dissolved with the assent given in writing and signed by not less than three-fourths (3/4) of the voting 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 acceptance of such dedication is refused, 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.

#### ARTICLE XVI

So long as Lochridge Lakeside, Inc., or a successor or assign as the developer, controls the Association, the following shall require the prior approval of the VA, FHA, and Institutional Lenders as set forth in Article XXVII, Section D, of the Declaration of Condominium:

- (A) Annexation of additional properties.
- (B) Mergers and Consolidations.
- (C) Mortgaging of Common Areas owned by the Association.
- (D) Dedication of Common Areas.
- (E) Dissolution and amendment of these Articles of Incorporation.

#### ARTICLE XVII

The name and address of the incorporator is as follows:

J. Kemp Sherron, III  
4101 Lake Boone Trail, Suite 300  
Raleigh, North Carolina 27607

IN WITNESS WHEREOF, I, the undersigned incorporator,  
have hereunto set my hand and seal, this 26<sup>th</sup> day of  
JUNE, 1990.

J. Kemp Sherron III (SEAL)  
J. Kemp Sherron, III

NORTH CAROLINA

WAKE COUNTY

I, SANDRA E. FLEMING, a Notary Public of  
FRANKLIN County, North Carolina, do hereby certify that  
J. KEMP SHERRON, III, personally appeared before me this day and  
acknowledged the due execution of the foregoing Articles of  
Incorporation.

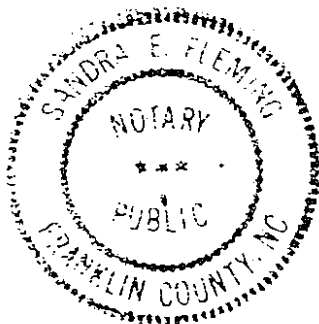
Witness my hand and notarial seal, this the 26<sup>th</sup> day of  
JUNE, 1990.

(STAMP - SEAL)

Sandra E. Fleming  
Notary Public

My Commission Expires:

11-29-92



SCHEDULE "A"  
TO  
ARTICLES OF INCORPORATION  
FOR  
LOCHRIDGE LAKESIDE CONDOMINIUM ASSOCIATION, INC.

Being all of Phase 1, Block A, according to map entitled  
"Lochridge Lakeside Condominiums, Phase 1, Block A," dated May 31,  
1990, prepared by Runa A. Cooper and Co., P. A., Land Surveyors,  
and recorded in Condo File No. 151, Pages 143, Wake County  
Registry, North Carolina.