SOSID: 1775943
Date Filed: 11/28/2018 9:18:00 AM
Elaine F. Marshall
North Carolina Secretary of State
C2018 325 01157

ARTICLES OF INCORPORATION
OF
CAROLINA GARDENS BY DEL WEBB
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 CAROLINA GARDENS BY DEL WEBB HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association."

ARTICLE II

The principal office of the Association is located at1225 Crescent Green Drive, Suite 250, Cary, Wake County, North Carolina 27518.

ARTICLE III

Timothy Harris, whose address is 1225 Crescent Green Drive, Suite 250, Cary, Wake County, North Carolina 27518, is hereby appointed the initial registered agent of the Association.

ARTICLE IV

The Association is the "Association" contemplated by that Declaration of Covenants, Conditions and Restrictions for Carolina Gardens by Del Webb to be executed by Pulte Home Company, LLC, a Michigan limited liability company, as "Declarant" therein and 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 shall have the meanings ascribed to such terms in the Declaration.

ARTICLE V

PURPOSE AND POWER OF THE ASSOCATION

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 insure 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, including any improvements and amenities located thereon, (ii) the establishment of rules and regulations for the use of the Common Areas, including any improvements and amenities located thereon, (iii) the distribution among the Owners of the Lots of the costs of the use, improvement, maintenance, and repair of the Common Areas, including any improvements and amenities located thereon; (iv) the coordination of oversight of programs and events planned for the benefit of members of the Association on and around the Common Areas, and (v) the promotion of the health, safety, pleasure, recreation, and welfare of the residents within the Property. 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 powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration and the Bylaws as the same may be amended from time to time 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 and the Bylaws; 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 taxes, licenses or other governmental charges levied or imposed against 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 and applicable local ordinances;

(d) borrow money and, with the vote or written consent of Members representing at least a majority of the total votes if the proposed borrowing is for the purpose of making discretionary capital improvements or purchasing additional capital assets and the total amount of such borrowing, together with all other debt incurred within the previous twelve (12) month period, exceeds or would exceed ten percent (10%) of the budged gross Common Expenses of the Association for that fiscal year, unless otherwise provided in the Declaration, mortgage, pledge, convey be deed of trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred. The rights of the mortgagee shall be subordinate to the rights of the Owners of the Association.

(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 A 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 or consolidations with other nonprofit corporations organized for the same or similar 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 A Members and the Class B Member; and

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

ARTICLE VI

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

ARTICLE VII

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, all of whom shall be Members of the Association after the termination of the Declarant Control Period specified in the Declaration and the Bylaws 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. The initial Directors of the Association are:

Chris Raughley
1225 Crescent Green Drive, Suite 250
Cary, Wake County, North Carolina 27518

Jeffrey Davis
1225 Crescent Green Drive, Suite 250
Cary, Wake County, North Carolina 27518

Timothy Harris
1225 Crescent Green Drive, Suite 250
Cary, Wake County, North Carolina 27518

ARTICLE IX

AMENDMENT AND DISSOLUTION

Amendment of these Articles shall require the assent of holders of sixty-seven percent (67%) 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 upon the termination of the Declaration, or upon the written assent given in writing and signed by not less than eighty percent (80%) of the Members of each class of Members, or upon such more restrictive or additional conditions in such manner as otherwise provided by the laws of the State of North Carolina. Upon dissolution or insolvency of the Association or upon loss of ownership of the Common Area (once such ownership has been acquired) by the Association for any reason whatsoever (except for exchange or dedication or conveyance of any part or all of the Common Area as allowed by the Declaration or by reason or merger and/or consolidation with any other association as allowed by the Declaration) any portion of the Common Area not under the jurisdiction and being maintained by the Association, shall be offered to the Town of Fuquay-Varina, North Carolina, or to some other appropriate governmental entity or public agency (as determined by the Board) to be dedicated for public use for purposes similar to those to which the Common Area and such assets were required to be devoted by the Association. If the Town of Fuquay-Varina or such other appropriate governmental entity or public agency accepts the offer of dedication, such portion of the Common Area and assets shall be conveyed by the Association to the Town of Fuquay-Varina or such other appropriate governmental entity or public agency, subject to the superior right of the Owner of each Lot to an easement (if necessary) for reasonable ingress and egress to and from such Owner's Lot and the public or private street(s) on which such Lot is located, and subject to all other applicable rights of way and easements and subject to ad valorem property taxes subsequent to the date of such conveyance.

In the event that the Town of Wake Forest or such other appropriate governmental entity or public agency refuses the offer of dedication and conveyance, the Association may transfer and convey such Common Area and assets to any nonprofit corporation, association, trust or other entity which is or shall be devoted to purposes and uses that would most nearly conform to the purposes and uses to which the Common Area was required to be devoted by the Declaration, such conveyance to be made subject to the rights of Owners and other matters set forth in the immediately preceding paragraph.

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 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 of officer is found to be or adjudged guilty or willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification, the indemnification herein shall only apply if the Board approves such settlement and reimbursement shall be in addition to and not exclusive to all other rights to which such director or officer may be entitled, but shall not relieve any director or officer who is an Owner of any obligation it has to pay assessments as s Member of the Association.

ARTICLE XII

In the event that any Member finances its Lot(s) through a loan guaranteed by the United States Department of Veterans Affairs or insured by the Federal Housing Authority of the United States Department of Housing and Urban Development, then, if either the United States Department of Veteran Affairs or the United States Department of Housing and Urban Development requires that its approval be obtained, the following actions will require the prior approval of the applicable Department: 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:

Megan L. Farris
1225 Crescent Green Drive, Suite 110
Cary, Wake County, North Carolina 27518

IN WITNESS WHEREOF, the undersigned executes these Articles of Incorporation on this 15th day of November, 2018.

CAROLINA GARDENS BY DEL WEBB HOMEOWNERS ASSOCIATION, INC.

By: Megan L. Farris
Megan L. Farris, Incorporator