

**ARTICLES OF INCORPORATION
OF
CLIFFDALE COTTAGES CONDOMINIUM UNIT OWNERS ASSOCIATION, INC.
A NON-PROFIT CORPORATION**

The undersigned, being a natural person of full age, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a non-profit corporation under and by virtue of Chapter 55A of the General Statutes of North Carolina and the laws of the State of North Carolina.

**ARTICLE I
NAME**

The name of the Corporation is Cliffdale Cottages Condominium Unit Owners Association, Inc., (hereinafter sometimes referred to as the "Association" and sometimes referred to as the "Corporation").

**ARTICLE II
DURATION**

The period of duration of Cliffdale Cottages Condominium Unit Owners Association, Inc. is perpetual.

**ARTICLE III
PURPOSES AND POWERS**

The purposes and powers for which the Corporation is organized are as follows:

(1) To administer, operate and manage the Cliffdale Cottages Condominium organized pursuant to Chapter 47C of the North Carolina General Statutes on the property described on Exhibit "A" attached hereto and incorporated herein by reference (the "Property");

(2) To undertake the performance of, and carry out the acts and duties incident to the administration, operation and management of the Association for the Cliffdale Cottages Condominium in accordance with the terms, provisions, conditions and authorizations contained in both these Articles of Incorporation and in the DECLARATION CREATING UNIT OWNERSHIP - CLIFFDALE COTTAGES CONDOMINIUM - [NCGS 47C] (the "Declaration") which Declaration shall be recorded in the Office of the Cumberland County Register of Deeds at such time as the Property and the improvements thereon are submitted to the Declaration;

(3) To make, establish and enforce reasonable Association Rules and Regulations governing the use of the Common Elements, and any real and personal property which may be owned by the Association itself;

(4) To make, levy and collect Association Assessments against condominium Units in the Cliffdale Cottages Condominium; to provide the funds to pay for the Common Expenses and the

Garage Common Expenses of the Association as provided in the Declaration and to use and expend the proceeds of Association Assessments in the exercise of the powers and duties of the Association; to use said Association Assessments to promote the acquisition, improvement and maintenance of the Common Elements and the Garage Common Elements to pay for services and facilities devoted to this purpose and related to the use and enjoyment of the Common Elements and Garage Common Elements, including, but not limited to, the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management and supervision thereof; to purchase and maintain insurance on the Common Elements and Garage Common Elements; to employ accountants, attorneys and other professional services providers to represent the Association; and for such other needs as may arise;

(5) To maintain, repair, replace and operate the Property or any personal property for which the Association for the Cliffdale Cottages Condominium is responsible;

(6) To enforce by any lawful means, the provisions of the Declaration, the Association Bylaws and the Association Rules and Regulations for the use of the Common Elements and the Garage Common Elements as each of those terms is defined in the Declaration;

(7) To delegate to a manager or managers all powers and duties of the Association for the Cliffdale Cottages Condominium except those powers and duties which are specifically required to have the approval of the Association Board or the membership of the Association for the Cliffdale Cottages Condominium; and

(8) To have all of the common law and statutory powers of a non-profit corporation and also those powers as set out in the Declaration and the Association Bylaws of the Corporation (hereinafter referred to as the "Association Bylaws") and all powers reasonably necessary to implement the purposes of the Association for the benefit of the Cliffdale Cottages Condominium.

(9) For purposes of these Association Articles all capitalized terms herein referenced shall have the same definitions as are set forth and contained in the Declaration for such terms.

**ARTICLE IV
MEMBERSHIP**

A. The Association for the Cliffdale Cottages Condominium shall have Members which shall be limited solely to the Owners of Units in the Cliffdale Cottages Condominium. Membership shall be automatically established by the acquisition of fee title ownership of a condominium Unit whether by conveyance, devise, descent, or judicial decree. A new Owner designated in such deed or other instrument shall thereupon become a Member of the Association for the Cliffdale Cottages Condominium, and the membership of the prior Owner as to a designated condominium Unit shall be terminated. Each new Owner shall deliver to the Association a true copy of such deed or instrument of acquisition of title if requested to do so by the Association.

B. Neither one's membership in the Association nor a Member's share in the funds and assets of the Association for the Cliffdale Cottages Condominium may be assigned, hypothecated or

transferred in any manner except as an appurtenance to a Unit in the Cliffdale Cottages Condominium.

**ARTICLE V
EXECUTIVE BOARD**

A. The number of members of the Association Board and the method of election of same shall be fixed by the Association Bylaws; however, the number of Association Board members shall not be less than three. The first election by the members of the Association for the Cliffdale Cottages Condominium for members of the Association Board shall not be held until after the Declarant (i.e. Cliffdale Cottages Holdings, LLC, its successors or assigns) has relinquished control of the Association as set forth in the Declaration. Thereafter, the election of members to the Association Board shall take place at the annual meeting of the membership as provided in the Association Bylaws. After the Declarant has relinquished control, there shall be a special meeting of the membership for the purpose of electing a new Association Board to serve until the next annual meeting and until new members of the Association Board are elected and qualified.

B. To the fullest extent permitted by the North Carolina Non-Profit Corporation Act as it exists or may hereafter be amended, no person who is serving or who has served as a member of the Association Board shall be personally liable for monetary damages for breach of any duty as a director. Neither the amendment nor repeal of this Article, nor the adoption of any other amendment to these Association Articles inconsistent with this Article, shall eliminate or reduce the protections granted herein with respect to any matter that occurred prior to such amendment, repeal or adoption.

**ARTICLE VI
INITIAL ASSOCIATION BOARD**

The number of Members constituting the initial Association Board shall be three and the names and addresses of the persons who are to serve as the first Association Board are as follows:

<u>NAME</u>	<u>ADDRESS</u>
James K. Pendergrass, Jr.	1511 Sunday Dr., Suite 220 Raleigh, NC 27607
Bernard Richards, Jr.	1511 Sunday Dr., Suite 220 Raleigh, NC 27607
Patricia C. Benson	1511 Sunday Dr., Suite 220 Raleigh, NC 27607

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**ARTICLE VII
TAX STATUS**

The Corporation shall have all the powers granted non-profit corporations under the laws of the State of North Carolina. Notwithstanding any other provision of these Association Articles, this Corporation hereby elects tax-exempt status under Section 528 of the Internal Revenue Code of 1986. This Corporation shall not carry on any activities prohibited by a corporation electing tax-exempt status under Section 528, or any corresponding sections or provisions of any future United States Internal Revenue law. It is further provided that no distributions of income of the Corporation are to be made to Members, directors or officers of the Corporation; provided, however, that Members of the Corporation may receive a rebate of any excess dues and assessments previously paid.

**ARTICLE VIII
DISTRIBUTION OF ASSETS UPON DISSOLUTION**

Upon dissolution of the Corporation, the assets thereof shall, after all liabilities and obligations of the Association have been paid, or adequate provision made therefore, be dedicated to an appropriate public agency to be used for purposes similar to those for which the Corporation was created or, in the event that such dedication is refused acceptance, distributed to any association or associations organized for purposes similar to those set forth in Article III above, all in accordance with any further provisions of the Association Bylaws of the Corporation.

**ARTICLE IX
REGISTERED OFFICE AND AGENT**

The address of the initial registered office of the corporation in the State of North Carolina is 1511 Sunday Drive, Suite 220, Raleigh, Wake County, North Carolina, 27607, and the name of the initial registered agent at such address is James K. Pendergrass, Jr.

**ARTICLE X
PRINCIPAL OFFICE**

The address of the principal office of the Association is 1511 Sunday Drive, Suite 220, Raleigh, Wake County, North Carolina, 27607, and the mailing address of the principal office of the Association is PO Drawer 33809, Raleigh, Wake County, North Carolina, 27636.

**ARTICLE XI
INCORPORATOR**

The name and address of the incorporator is James K. Pendergrass, Jr., 1511 Sunday Drive, Suite 220, Raleigh, Wake County, North Carolina 27607.

IN WITNESS WHEREOF, the incorporator has hereunto set his hand and seal this 18th day of August, 2011.

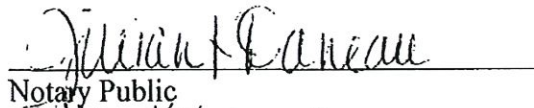
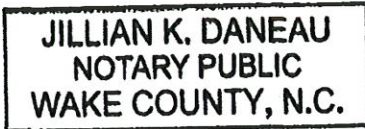


James K. Pendergrass, Jr.
Incorporator

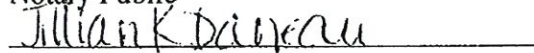
NORTH CAROLINA, COUNTY OF WAKE

I, the undersigned Notary Public, do hereby certify that James K. Pendergrass, Jr., Incorporator, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal this the 18th day of August, 2011.



Notary Public



Print Name

My commission expires: 4-2-2013

EXHIBIT "A"

BEING all of that certain real property containing approximately 13.333 acres (580,770 square feet), more or less, and being more particularly shown and described on that certain plat of survey entitled "Recombination Survey, Property of Cliffdale Cottages Holdings, LLC" prepared by Daniel V. Partin, P.L.S. (L-3218), dated February 20, 2009, bearing Job No. 8000, same being recorded in Plat Book 00128, Page 0168, Cumberland County Registry.