

STATE OF NORTH CAROLINA



Department of The
Secretary of State

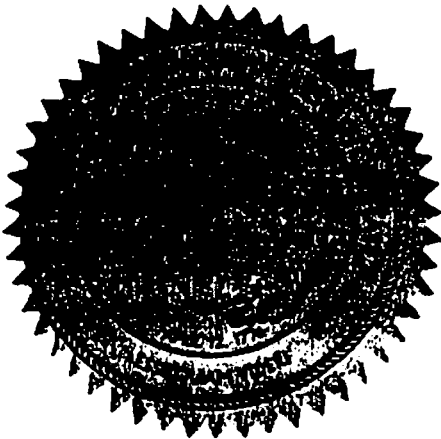
To all whom these presents shall come, Greetings:

I, **ELAINE F. MARSHALL**, *Secretary of State of the State of North Carolina*, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION
OF
CHANCELLOR'S RIDGE HOMEOWNERS ASSOCIATION, INC.

the original of which was filed in this office on the 13th day of November, 1998.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 13th day of November, 1998.



Elaine F. Marshall

Secretary of State

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FILED

11:00am
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**ARTICLES OF INCORPORATION
OF
CHANCELLOR'S RIDGE HOMEOWNERS ASSOCIATION, INC.
(A NONPROFIT CORPORATION)**

EFFECTIVE
ELAINE F. MARSHALL
SECRETARY OF STATE
NORTH CAROLINA

Pursuant to §55A-2-02 of the North Carolina General Statutes, the undersigned does hereby submit these Articles of Incorporation for the purpose of forming a nonprofit corporation:

1. The name of the corporation is:

CHANCELLOR'S RIDGE HOMEOWNERS ASSOCIATION, INC.

2. The corporation is not a charitable or religious corporation.

3. The street address and county of the initial registered office of the corporation is:

**2700 St. Mary's Road
Hillsborough, NC 27278
Durham County**

4. The name of the initial registered agent of the corporation at the above address is:

Patrick A. O'Neal

5. The name and address of the incorporator is:

**Patrick A. O'Neal
2700 St. Mary's Road
Hillsborough, NC 27278**

6. The corporation will have members. Membership shall be restricted to owners of a fee or undivided fee interest in any lot located in the Chancellor's Ridge Subdivision located in Durham County, North Carolina which is subject by covenants of record to assessment by the Corporation, included contract sellers.

7. In accomplishing its purposes and objectives, no part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, trustees, directors, officers or any other private persons except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes as set forth herein. Notwithstanding any other provision of these Articles, the corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income taxation under §501(c)(7) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of a future United States Internal Revenue Code (the "Code").

In the event of a dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation to the City of Durham, North Carolina or to such other organization(s) as shall at that time qualify as tax exempt organization(s) under §501(c) of the Code as the Board of Directors shall then determine, which assets shall be used exclusively for the purposes of the corporation. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes and to such organization(s) as are set forth above.

8. To the fullest extent permitted by applicable law, no officer or director of the corporation shall have any personal liability arising out of any action whether by or in the right of the corporation or otherwise for monetary damages for breach of any duty as an officer or director. This article shall not impair any right to indemnity from the corporation that they may now or hereafter have. Any repeal or modification of this article shall be prospective only and shall not adversely affect any limitation hereunder on personal liability of an officer or director with respect to acts or omissions occurring prior to such repeal or modification.

9. The street address of the principal office of the corporation, and the county in which said office is located, is:

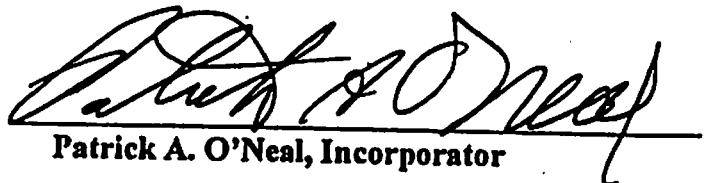
**2700 St. Mary's Road
Hillsborough, NC 27278
Durham County**

10. Amendment of these Articles of Incorporation shall require the approval of at least two-thirds ($\frac{2}{3}$) of the lot owners.

11. The annexation of additional properties, mergers and consolidations, mortgaging of common areas, dissolution and amendment of these Articles of Incorporation shall require the prior approval of HUD/VA as long as there is a Class B membership.

12. These articles will be effective when filed.

This the 29 day of October, 1998.


Patrick A. O'Neal, Incorporator