

ARTICLES OF INCORPORATION
OF
EASTRIDGE OFFICE OWNERS ASSOCIATION, INC.

In compliance with the requirements of Chapter 55A of the General Statutes of North Carolina, the undersigned, being more than twenty-one (21) years of age, has this day voluntarily associated himself for the purpose of forming a corporation not for profit and does hereby certify:

1 The name of the corporation is EastRidge Office Owners Association, Inc. hereinafter called the "Association."

2 The initial registered office and the initial principal office of the Association is located in Orange County at 211 Cloister Court, P.O. Box 4040, Chapel Hill, North Carolina 27515.

3 David F. Anna whose address is in Orange County at 211 Cloister Court, P.O. Box 4040, Chapel Hill, North Carolina 27515, is hereby appointed the initial registered agent of this Association. John A. Northen, whose address is in Orange County at 1414 Raleigh Road, Suite 435, P.O. Box 2208, Chapel Hill, North Carolina 27515, is the incorporator.

4 This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the EastRidge Office Condominiums, any improvements thereof and the Common Elements within that certain tract of property described as Lot 6, Eastowne Hills, as reflected in plat recorded at Plat Book 37, at Page 163, Orange County Registry, and for this purpose to:

- a. Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration for EastRidge Office Condominiums, hereinafter called the Declaration, applicable to the property and recorded or to be recorded in the Office of the Register of Deeds of each County in which the Property is located, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length.
- b. Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the 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 property in connection with the affairs of the Association.
- d. Borrow money, and with the assent of the unit owners owning not less than eighty percent (80%) of the common area and facilities, including eighty percent (80%) of the votes allocated to units not owned by a Declarant, 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 all the owners of units to which any limited common element is allocated must agree in order to convey that limited common element or subject it to a security interest.
- e. Dedicate, sell, or transfer all or any part of the Common Elements for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by the unit owners owning not less than eighty percent (80%) of the common elements, including eighty percent (80%) of the votes allocated to units not owned by a Declarant, agreeing to such dedication, sale, or transfer, provided that all the owners of units to which any limited common element is allocated must agree in order to convey that limited common element or subject it to a security interest.
- f. Participate in mergers and consolidations with other nonprofit corporations organized for the same or similar purposes, or annex additional properties and Common Elements, provided that any such merger, consolidation, or annexation shall be effected as provided in General Statutes Section 47C-2-121.
- g. Have and to 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, subject to and in accordance with the provisions of the Declaration.

5 Every person or entity who is a record owner of a fee or undivided fee interest in any Unit which is subject by covenants of record to assessment by the Association, including contract purchasers, shall be a member of the Association. The foregoing is not intended to include persons or entities who 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 Unit which is subject to assessment by the Association.

6 There shall be one person or entity with respect to each Unit who or which shall be entitled to vote at any meeting of the Unit owners, as set forth in the Bylaws. The total number of votes shall be One Hundred (100), allocated among the respective Units in the manner set

forth in the Declaration, with each owner or group of owners entitled to the number of votes equal to such Unit's percentage of ownership in the common areas and facilities.

7 The affairs of this Association shall be managed by a Board of Directors, elected in the manner set forth in the Bylaws. The initial Board of Directors shall serve until seventy-five percent (75%) of the maximum number of units have been sold by Declarant or until two (2) years after Declarant has ceased to offer units for sale in the ordinary course of business or two (2) years after any development right to add new units was last exercised, whichever event comes first. The composition and number of Directors shall be subject to change during this period in the manner set forth in the Bylaws. The initial Board of Directors shall be comprised of three directors, whose names and addresses are as follows:

- a. David F. Anna, 211 Cloister Court, P.O. Box 4040, Chapel Hill, NC 27515.
- b. Kim Vrana, 211 Cloister Court, P.O. Box 4040, Chapel Hill, NC 27515.
- c. Giles Williams, 211 Cloister Court, P.O. Box 4040, Chapel Hill, NC 27515.

8 The Association may be dissolved only upon the termination of the plan of unit ownership and with the assent of the unit owners owning not less than eighty percent (80%) of the common elements. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association and proceeds of sales made pursuant to General Statutes Section 47C-2-118 shall be distributed to the unit owners and lienholders as their interests may appear, in proportion to the respective interests of unit owners as provided in General Statutes Section 47C-2-118(h).

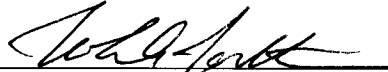
9 Each director and officer of this Association shall be indemnified by the Association against all costs and expenses reasonably incurred or imposed upon him in connection with or arising out of any action, suit or proceeding in which he may be involved or to which he may be made a party by reason of his having been a director or officer of this Association, such expense to include the cost of reasonable settlements (other than amounts paid to the Association itself) made with a view of curtailment of costs and litigation. The Association shall not, however, indemnify such director or an officer with respect to matters as to which he shall be finally adjudged in any action, suit or proceeding to be liable for gross negligence or misconduct in the performance of his duty as such director or officer, or in respect to any matter in which any settlement or compromise is effected if the total expense including the cost of such settlement,

shall substantially exceed the expense which might reasonably be incurred by such director or officer in conducting such litigation to final conclusion, and in no event shall anything herein contained be construed as authorizing this Association to indemnify any such director or officer against any liability of the Association to which he would otherwise be subject by reason of willful malfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office. The foregoing right of indemnification shall be in addition to any other rights to which any such director or officer may be entitled as a matter of law or otherwise.

10 The corporation shall exist perpetually.

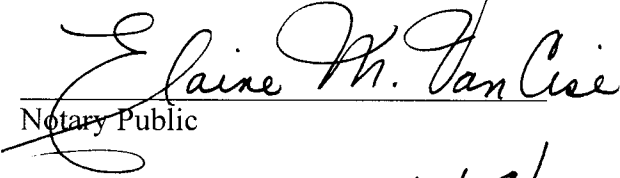
11 Amendment of these Articles shall require the affirmative vote of the unit owners owning not less than sixty-seven percent (67%) of the common elements.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, the undersigned, has executed these Articles of Incorporation this the 2nd day of July, 2007.

 (SEAL)
John A. Northen, Incorporator
Northen Blue, L.L.P.
1414 Raleigh Road, Suite 435
Post Office Box 2208
Chapel Hill, NC 27515-2208
(919) 968-4441

STATE OF NORTH CAROLINA
COUNTY OF ORANGE

I, a Notary Public of the County and State aforesaid, certify that John A. Northen, personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and notarial seal, this the 2nd day of July, 2007.


Notary Public
My Commission Expires: 12/08/2010

