

ARTICLES OF INCORPORATION
OF
BEAR RIVER LODGE COMMUNITY ASSOCIATION

The undersigned, being of the age of eighteen (18) years or older and not otherwise subject to legal disability, subscribes to the following Articles for the purpose of forming a non-profit corporation under North Carolina General Statutes Chapter 55A "Non Profit Corporation Act" as amended (Act"):

1. Name: The name of the corporation is BEAR RIVER LODGE COMMUNITY ASSOCIATION ("Association").
2. Principal Office address and county: The address of the principal office of the Association is 460 Highway 208, Marshall, North Carolina, 28753, in the county of Madison.
3. Registered Office address and Registered Agent: The name of the initial registered agent is Daniel K. Shattuck and the address of the registered agent's office is 460 Highway 208, Marshall, North Carolina, 28753, in the county of Madison.
4. Purposes: The purposes for which the Association is formed are:
 - (a) To provide for maintenance, preservation and architectural control of residential lots and common areas within that certain tract of property described and known as Bear River Lodge Subdivision, and on other properties as may be annexed by the Developer of that subdivision, or its successor in interest, and to promote the health, safety, and welfare of the residents within the property and any additions brought within the jurisdiction of this Association;
 - (b) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association described in the Declaration of Covenants, Conditions and Restrictions applicable to the property and recorded in the Office of the Register of Deeds of Madison County, North Carolina, and as the same may be amended from time to time in accordance with its terms ("Declaration");
 - (c) To do no acts or practices inconsistent with qualifications as a "Residential Real Estate Management Association" as defined in Section 528 of the Internal Revenue Code of 1986 and corresponding provisions of any future United States Internal Revenue law; and
 - (d) Subject to these Articles and the Declaration, to exercise any and all powers, rights, and privileges which a corporation organized under the Act may have; provided, the Association may not mortgage, pledge, deed in trust, or hypothecate any interest in the Common Areas as security for any obligation without the approval of two-thirds (2/3) of each class of members.

5. Impermissible Inurement: This Association is organized and shall be operated exclusively as an exempt homeowners association and not for profit. No part of the earnings of the Association or the funds contributed to the Association by any person or corporation shall inure to the benefit of any director, officer, or member of the Association, or any private individual (other than by acquiring, constructing, or providing management, maintenance, and care of Association Property, and other than by a rebate of excess membership dues, fees, or assessments), except that reasonable compensation may be paid for services rendered to or for the Association effecting one or more of its lawful purposes.

6. Membership: Every person or entity which is a record owner of a fee or undivided fee interest in any lot which is subjected to covenants of record to Association assessments, including contract sellers, shall be a Member of the Association; but not including any person or entity holding 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 lot which is subject to assessment by the Association.

7. Voting Rights: The Association shall have two classes of voting membership:

(a) Class A. Class A Members shall be all owners, with the exception of the Declarant as identified in the recorded Covenants and Restrictions, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they, among themselves, determine but in no event shall more than one vote be cast with respect to any lot. Fractional voting with respect to any lot is prohibited.

(B) Class B. The Class B Member shall be the Declarant as identified in the recorded Covenants and Restrictions, and shall be entitled to four (4) votes for each lot owned. The Class B Membership shall cease and be converted to Class A Membership on the happening of the earliest to occur of the following events:

(i) When the total votes outstanding in the Class A membership equal four (4) times the total votes outstanding in the Class B Membership; or

(ii) On December 31, 2012; or

(iii) Upon the surrender of all Class B Membership to the Association.

8. Board of Directors: The affairs of this Association shall be managed by a Board of at least two (2) directors, who need not be members of the Association. The initial directors shall serve at the pleasure of the Declarant named in the Declaration who, at any time prior to the end of the fourth (4th) calendar year following the filing of these Articles in the Madison County Register of Deeds Office, and continuing until such time as the Members elect successive Directors according to these Articles and the Association's By-Laws, may remove and replace any director at any time with or without cause. At the end of the fourth calendar year following the filing of these Articles in the Madison County Register of Deeds Office, the Members shall elect three (3) directors whose terms shall be established in accordance with the

By-Laws; their number may thereafter be changed by amendment to the By-Laws. The names and addresses of the persons who are in the capacity of initial directors until the appointment or election of their successors are:

Daniel K. Shattuck
460 Highway 208
Marshall, NC 28753

Mark W. Lewis
460 Highway 208
Marshall, NC 28753

9. Dissolution: The Association may be dissolved by affirmative vote representing not less than two-thirds of each class of members. In the event of the liquidation or dissolution of the Association, either voluntary or involuntary, no director or officer of the Association or any private individual shall be entitled to any distribution or division of its remaining property or its proceeds, and the balance of all money and property received by the association, from any source, shall be distributed exclusively to an entity or entities whose purposes are substantially similar to those set forth in these Articles and which qualify as exempt under Section 528 of the Internal Revenue Code of 1986 or corresponding provisions of any future United States internal revenue law.

10. Duration: The corporation shall exist perpetually.

11. By-Laws: The By-Laws of the Association shall be as attached to these Articles as an Exhibit for the purposes of recordation in the Madison County Register of Deeds Office only, and as shall be subject to amendment from time to time following recordation in accordance with their terms.

12. Amendment: Amendment to these Articles shall require approval of two-thirds of each class of Members, and must be evidenced by an instrument recorded in the Madison County Register of Deeds Office in order to become effective.

13. Incorporator: The name and address of the incorporator is Sheila Robinson, 5 Blueberry Ridge, Asheville, NC 28804 (Buncombe County).

IN WITNESS WHEREOF, I, the undersigned incorporator, have set my hand and seal this the 19 day of August, 2004.

BEAR RIVER LODGE COMMUNITY ASSOCIATION

BY: 

Sheila Robinson, Incorporator