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Elaine F. Marshall
North Carolina Secretary of State
C200803700119

Articles Of Incorporation
Of
SILVER LAKE MASTER ASSOCIATION, INC.

In compliance with the requirements of Chapters 47F and 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 non-profit corporation and hereby certifies as follows:

ARTICLE I

NAME

The name of the corporation is **SILVER LAKE MASTER ASSOCIATION, INC.** (hereinafter the "Master Association").

ARTICLE II

REGISTERED OFFICE AND INITIAL AGENT; PRINCIPAL OFFICE

The registered office of the Master Association is located at 1511 Sunday Drive, Suite 100, Raleigh (Wake County), North Carolina 27607. The name of the initial registered agent at such address is Edward F. Kristensen.

The initial principal office of the Master Association is located at 1511 Sunday Drive, Suite 100, Raleigh (Wake County), North Carolina 27607. The location of the registered and the principal offices of the Master Association may be changed by a majority vote of the Board of Directors.

ARTICLE III

PURPOSE AND POWERS OF THE MASTER ASSOCIATION

The Master Association does not contemplate a pecuniary gain or profit to the Members thereof. The specific purposes for which the Master Association is formed are to own and maintain the Common Area (as defined in that certain Master Declaration Of Covenants, Conditions, Restrictions, Easements, Charges And Liens For Silver Lake, to be recorded in the Wake County Registry, as from time to time amended, said document, together with all amendments thereto, if any, being herein referred to as the "Master Declaration") within the community known as SILVER LAKE (hereinafter the "Community"), and for these purposes, to:

(a) exercise all powers and privileges and to perform all of the duties and obligations of the Master Association as set forth in the Master Declaration, the Bylaws of the Master Association, and the North Carolina Planned Community Act, N.C.G.S. Chapter 47F (hereinafter the "Act"); and

(b) have and exercise any and all powers, rights and privileges which a corporation organized under the North Carolina Nonprofit Corporation, N.C.G.S. Chapter 55A, may by law now or hereafter have or exercise.

ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS

Every person or entity who is a record owner of a fee or undivided fee interest in any real property which is subject by the Master Declaration to assessment by the Master Association, including contract sellers, shall be a Member of the Master Association. The foregoing is not intended to include persons who or entities which 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 real property which is subject to assessment by the Master Association.

The voting rights of the Members shall be provided in the Master Declaration and Bylaws of the Master Association.

ARTICLE V
FINANCE

The Master Association is a non-stock corporation and no part of the profits, if any, of the Master Association shall inure to the pecuniary benefit of its Members or any of them, or to any other person.

ARTICLE VI
MANAGEMENT OF THE MASTER ASSOCIATION

The affairs of the Master Association shall be managed by an initial Board of one (1) Director. The person who is to act in the capacity of Director until his successor(s) is/are selected is:

<u>Name</u>	<u>Address</u>
Edward F. Kristenson	1511 Sunday Drive, Suite 100 Raleigh, North Carolina 27607.

The election or appointment of Directors of the Master Association shall be governed by the Bylaws of the Master Association.

ARTICLE VII
DISSOLUTION

The Master Association may be dissolved only upon the signed written assent of Members entitled to at least eighty percent (80%) of the votes of the Master Association. Upon dissolution, other than incident to a merger or consolidation, the assets of the Master Association shall be dedicated to the City of Raleigh or other appropriate public entity to be used for purposes similar to those for which the Master Association was created. In the event that such dedication is not accepted, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization devoted to similar purposes. Notwithstanding anything herein to the contrary, the Common Area shall be preserved to the perpetual benefit of the owners of Lots within the Community and shall not be conveyed except

to the City of Raleigh or other appropriate public entity or to another non-profit corporation organized for similar purposes.

ARTICLE VIII
DURATION

The period of existence of the Master Association is perpetual.

ARTICLE IX
AMENDMENTS

Amendment of these Articles shall require the assent of Members entitled to at least eighty percent (80%) of votes of the entire membership.

ARTICLE X
INDEMNIFICATION

(a) Any person who at any time is serving or has served as a director, officer, employee or agent of the Master Association shall be indemnified by the Master Association to the fullest extent permitted by law, including specifically the indemnification provided by the provisions of the North Carolina Nonprofit Corporation Act, including but not limited to indemnification against (i) reasonable expenses, including attorneys' fees actually and necessarily incurred by him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether or not brought by or on behalf of the Association, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (ii) reasonable payments made by him in satisfaction of any judgment, money decree, fine penalty or settlement for which he may become liable in any such action, suit or proceeding.

The Board of Directors of the Master Association shall take all such action as may be necessary and appropriate to authorize the Association to pay the indemnification required by the provisions of this Article, including, without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him/her and if required, giving notice to, and obtaining approval by, the Members of the Master Association.

Any person who at any time serves or has served in any of the aforesaid capacities for, on behalf of, or at the request of the Master Association shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided under this Article. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provisions of this Article.

If the North Carolina Nonprofit Corporation Act is subsequently amended to eliminate or further limit the personal liability of directors or to authorize corporate action to eliminate or further limit such liability, then the liability of the Directors of the Master Association shall, without any further action of the Board or the Members, be eliminated or

limited to the fullest extent permitted by the North Carolina Nonprofit Corporation Act as so amended.

(b) The Master Association shall have the power to purchase and maintain insurance on behalf of any person who is serving or has served as a director, officer, employee or agent of the Master Association against any liability asserted against and incurred by him/her in any such capacity or arising out of his/her status as such, whether or not the Master Association would otherwise have the power to indemnify him/her against such liability.

(c) In addition to the indemnification authorized under the provisions of this Article and under the provision of the North Carolina Nonprofit Corporation Act, the Master Association, acting pursuant to a resolution adopted by its Board of Directors, may by contract or agree to indemnify any person who at any time is serving or has served as a director, officer, employee or agent of the Master Association against liability and reasonable litigation expenses, including attorneys' fees, arising out of his/her status as such or his/her activities in any of the foregoing capacities before or after the date on which the contract is executed; PROVIDED HOWEVER, that the Master Association may not agree under any such contract to indemnify any such person against any liability or litigation expense he may incur in relation to matters as to which he shall have been adjudged in such action, suit or proceeding to have acted in bad faith or to have been liable or guilty by reason of willful misconduct in the performance of duty.

(d) Any repeal or modification of the foregoing provisions of this Article shall not affect any rights or obligations then existing with respect to any claim brought or liability asserted based, in whole or in part, on facts or circumstances then or previously existing or occurring.

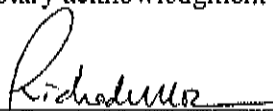
(e) This Article is intended to provide indemnification solely for actions taken by a person in his/her capacity as an officer or director of the Master Association. Nothing herein shall be deemed to provide indemnification to any person for any liability that may result from that person's ownership of property within the Community.

**ARTICLE XI
INCORPORATOR**

The name and address of the incorporator is as follows:

Richard W. Moore 3716 National Drive, Suite 100
Raleigh, North Carolina 27612

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal, as of the day and year set forth in the notary acknowledgment below.



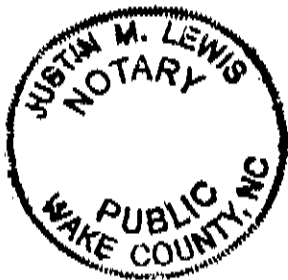
Richard W. Moore (Seal)
Incorporator

STATE OF NORTH CAROLINA -- WAKE COUNTY:

I, the undersigned, a Notary Public for said County and State, hereby certify that Richard W. Moore personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 1st day of February, 2008.

[Stamp or Seal]



Justin M. Lewis

Notary Public
My commission expires: 3-11-2012