

FOR REGISTRATION
Willie L. Covington
REGISTER OF DEEDS
Durham County, NC
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Effective: 6/30/2013
Elaine F. Marshall
North Carolina Secretary of State
C201317700645

ARTICLES OF MERGER

OF

NEXT STEP HOUSING

with and into

COMMUNITY ALTERNATIVES FOR SUPPORTIVE ABODES

The undersigned corporations, each a North Carolina nonprofit corporation, for the purpose of merging Next Step Housing with and into Community Alternatives for Supportive Abodes pursuant to Section 55A-11-04 of the North Carolina Nonprofit Corporation Act (the "Act") hereby certify:

1. The Board of Directors of the undersigned corporations adopted and approved by sufficient vote the Plan of Merger attached hereto as Exhibit A and incorporated herein by reference (the "Plan") in accordance with the provisions of the Act.

2. None of the constituent parties have any members. The Plan was approved by the Board of Directors of each of the constituent parties in the manner required by North Carolina Law.

3. The name of the surviving corporation shall be "Community Alternatives for Supportive Abodes."

4. The merger will not result in any change to the Articles of Incorporation of the surviving corporation.

These Articles of Merger shall be effective as of the later of (i) 11:59 pm on June 30, 2013, or (ii) the date of filing these Articles.

Next Step Housing

By: [Signature]
Its: Board Chair

Community Alternatives for Supportive Abodes

By: [Signature]
Its: CEO

Return to:

CASA
PO BOX 12545
RALEIGH NC 27605

PLAN OF MERGER

Dated as of June 26, 2013

of

Next Step Housing

into

Community Alternatives for Supportive Abodes

PLAN OF MERGER

1. Corporations Participating in Merger. The parties to this Merger are Community Alternatives for Supportive Abodes (the "Surviving Corporation"), and Next Step Housing (the "Merging Corporation"). The Surviving Corporation and the Merging Corporation are each North Carolina nonprofit corporations. The Merging Corporation will merge with and into the Surviving Corporation. The merger of the Merging Corporation with and into the Surviving Corporation is hereinafter referred to as the "Merger."
2. Name of Surviving Corporation. After the Merger, the Surviving Corporation will have the name "Community Alternatives for Supportive Abodes"
3. Merger. The Merger will be effected pursuant to the terms and conditions of this Plan of Merger. Upon the Effective Time of the Merger, the corporate existence of the Merging Corporation will cease, and the corporate existence of the Surviving Corporation will continue. The time when the Merger becomes effective is hereinafter referred to as the "Effective Time."
4. Effective Time of the Merger. The Effective Time of the Merger shall be the date of filing the Articles of Merger with the North Carolina Secretary of State's office.
5. Conversions of Memberships. None of the constituent parties have members and none will be created hereby.
6. Articles of Incorporation. The Articles of Incorporation of the Surviving Corporation shall be the Articles of Incorporation of the Surviving Corporation from and after the Effective Time until thereafter amended as provided therein or in accordance with applicable law.
7. Bylaws. The Amended and Restated Bylaws of the Surviving Corporation shall be the Bylaws of the Surviving Corporation from and after the Effective Time, until thereafter amended as provided therein or in accordance with applicable law.
8. Effects of the Merger. On and after the Effective Time and pursuant to the North Carolina Nonprofit Corporation Act, the Surviving Corporation shall possess all the rights, privileges, immunities, powers, and purposes of the Merging Corporation. All the property, real and personal, including causes of action and every other asset of each Merging Corporation shall vest in the Surviving Corporation without further act or deed. The Surviving Corporation shall assume and be liable for all the liabilities, obligations, and penalties of each Merging Corporation, including without limitation the liabilities attached hereto as Exhibit A.
9. Tax-Free. The Merger of the Merging Corporation with and into the Surviving Corporation is intended to qualify as a Tax-Free reorganization within the meaning of Section 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended.

10. Abandonment. At any time prior to the Effective Time, the Board of Directors of the Surviving Corporation may, in its discretion, abandon the Merger.

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EXHIBIT A

Next Step Housing Notes Payable:		Amount	Term	Interest	Maturity	Repayment
1st	City of Durham Housing Bond	\$ 470,000	30	0%	5/30/2034	Debt forgiven after 30 years
2nd	NCHFA - SHP Loan	250,000	30	0%	8/11/2034	Outstanding principal and accrued interest if any, due and payable 11/1/2034
3rd	NCHFA - Energy Efficiency Loan	90,000	20	0%	8/11/2024	Debt forgiven at 10%/year beginning 8/11/2014
4th	NC Mental Health Trust Fund	<u>100,000</u>		0%		Debt forgiven if provisions of promissory note are met.
		<u>\$ 910,000</u>				

Deed restrictions:

- 100% of tenants earn <30% AMI
- 100% of tenants pay only 30% of income for rent and utilities
- 100% of tenants are disabled, specifically by mental illness
- All utilities are included in monthly rent.