

C2014 182 00355

ARTICLES OF INCORPORATION
OF
THE HIGHLANDS AT ALEXANDER WOODS HOMEOWNERS ASSOCIATION, INC

The undersigned, being of the age of eighteen years or more, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a nonprofit corporation under and by virtue of the laws of the State of North Carolina as contained in Chapter 55A of the General Statutes of North Carolina, entitled "Non-Profit Corporation Act", and the several amendments thereto, and does hereby make, sign, and acknowledge these Articles of Incorporation, and to that end does hereby set forth:

ARTICLE I

NAME

The name of the corporation is "The Highlands at Alexander Woods Homeowners Association, Inc.", hereinafter called the "Association".

ARTICLE II

REGISTERED OFFICE

The principal and registered office and mailing address of the Association is located at 8025 Creedmoor Road, Suite 100, Raleigh, North Carolina 27613 in the county of Wake.

ARTICLE III

REGISTERED AGENT

Darrell P. Daigre, whose address is 8025 Creedmoor Road, Suite 100, Raleigh, North Carolina 27613, Wake County, is hereby appointed the initial registered agent of this Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

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 the maintenance, preservation and architectural control of the Lots and Common Elements within that certain tract or property (herein referred to as "Property") described in that certain Declaration of Covenants, Conditions

and Restrictions of The Highlands at Alexander Woods recorded contemporaneously with these Articles in the Office of the Register of Deeds of Wake County (herein "Declaration"), and to promote the health, safety and welfare of the residents within the above described Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association and for those purposes to:

(a) exercise all powers and privileges and to perform all of the duties and obligations of the Association as set forth in that Declaration applicable to the Property as the same may be amended from time to time as herein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment, by any lawful means, of all charges or assessments to members and to pay all expenses in connection therewith and all other expenses incident to the conduct of the business of the corporation, including all license fees, taxes or governmental charges levied thereon;

(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 or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of its property to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication, sale or transfer shall be effective unless it has been approved by two-thirds (2/3) of each class of members, and an instrument property executed by the Association has been recorded.

On any instrument of loan, dedication, sale transfer, easement, lease right of way, mortgage, pledge, deed in trust or other hypothecation or other disposition of real or personal property, the Secretary of the Association shall certify that two-thirds (2/3) of each class of members have approved the action evidenced by the instrument, and that certificate shall be conclusive that the execution and delivery of such instrument was property authorized by the Association and its members and shall be relied upon and binding as to any third party or as to any grantee, its successor and assigns; provided, however, conveyances for general service utility purposes as specified in the Declaration may be made without consent of the members, and the Association may execute an instrument of conveyance therefore without such certification;

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional property and Common Elements, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members, except that annexation of additional property by Declarant may be done without the consent of the members as provided in the Declaration;

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Act (North Carolina General Statutes, Chapter 55A) of the State of North Carolina by law may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by Declaration to assessment by the Association, including contract sellers, 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 or trustees under a security instrument. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot which is subject to assessment by the Association. Should there be a conflict between any provision in these Articles of Incorporation, and any Article of the Declaration of Covenants, Conditions and Restrictions for The Highlands at Alexander Woods ("Declaration") recorded in the Wake County Register of Deeds, the provisions of the Declaration shall control.

ARTICLE VI

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members; however, the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. In the event agreement is not reached, the vote attributable to such Lot shall not be cast. Fractional voting is prohibited.

Class B. Class B Members shall be the Declarant and Declarant shall be entitled to six (6) votes for each Lot as may be developed within the property described on Exhibit "A" of the Declaration under applicable Wake County zoning ordinances and regulations, as they may be amended from time to time, if fully developed to maximum density under such ordinances and regulations. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(1) when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; however, the Class B membership shall be reinstated if thereafter, and before the time stated in subparagraph 2 below, additions are made to the Properties sufficient to give the Class B membership a total number of votes to exceed those of the Class A membership; or

(2) Ten (10) years from the date the Declaration is recorded in the Office of the Register of Deeds, Wake County, North Carolina

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of not less than two (2) nor more than seven (7) directors, who need not be members of the Association except as otherwise required by the by-laws of the Association. The number of directors of the Association may be changed by an amendment to the by-laws. The names and addresses of the persons who are to act in the capacity of director until their successors are elected and qualified are:

<u>Names</u>	<u>Addresses</u>
Darrell P. Daigre	8025 Creedmoor Road, Suite 100, Raleigh, NC 27613
George Aiken	8025 Creedmoor Road, Suite 100, Raleigh, NC 27613

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XI

DURATION

The corporation shall exist perpetually.

ARTICLE X

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five (75%) percent of the votes of the entire membership; provided that should additional property later be brought within the jurisdiction of this Association, pursuant to the Declaration, it shall not be necessary to amend these Articles to reflect such additional property.

ARTICLE IX

TERMS

The terms used herein shall have those meanings as defined in the Declaration.

ARTICLE XII

NON-PROFIT STATUS

This corporation is organized and shall be operated exclusively as a homeowners association and not for profit. No part of the earnings of this corporation or the funds contributed by any person or corporation shall inure to the benefit of any director, officer, or member of the corporation, or any private individual (other than by acquiring, construction, 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 corporation affecting one or more of its purposes. In the event of the liquidation or dissolution of the corporation, either voluntary or involuntary, no director or officer of the corporation or any private individual shall be entitled to any distribution or division of its assets, and said assets, after the payment of all debts and obligations of the corporation, shall be granted, conveyed and assigned to a non-profit entity or entities whose purposes are substantially similar to those set forth herein and within the intentment of Section 528 of the Internal Revenue Code of 1986, and the regulations thereunder, as the same now exist or as they may be hereafter amended from time to time or to an appropriate public agency to be or used for purposes similar to those stated herein or to an organization which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

Anything to the contrary notwithstanding, the corporation shall not possess or exercise any power of authority either expressly, by implication, or by operation of law that will prevent it at any time from qualifying as a "Homeowners Association" as defined in Section 528 of the Internal Revenue Code of 1986 as amended and the regulations thereunder, nor shall it engage directly or indirectly in any activity which would cause the loss of such qualification or deny it such election under such section of the Internal Revenue Code.

ARTICLE XIII

INDEMNIFICATION

Every Director and every Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by, or imposed upon, him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being, or having been, a Director or Officer of the Association, whether or not he is a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged to have acted in bad faith or have been liable or guilty by reason of willful misconduct in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or Officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights of indemnification to which such Director or Officer may be entitled by law or otherwise and, specifically, indemnification of Officers and Directors shall be available as set forth in G. S. Section 55A-8-50 et seq. The Board of Directors by Bylaw provision is authorized to establish further criteria for indemnification of Officers or Directors.

Furthermore, notwithstanding the foregoing provision, in the event that Chapter 55A of the General Statutes of North Carolina or any other provision of the North Carolina General Statutes is amended or enacted to permit further limitation or elimination of the personal liability of the Association's Officers or Directors, such liability shall be limited or eliminated to the fullest extent permitted by applicable law.

This Article shall not affect a charter or bylaw provision or contract or resolution of the Association indemnifying or agreeing to indemnify an Officer or Director against personal liability. Any repeal or modification of this Article shall not adversely affect any limitation hereunder on the personal liability of any Officer or Director with respect to acts or omissions occurring prior to such repeal or modification.

ARTICLE XIV

INCORPORATOR

The name and address of the incorporator is:

Diane R. Becker
Becker Law Offices, PC
6030 Creedmoor Road
Suite 200
Raleigh, North Carolina 27612

IN WITNESS WHEREOF, for the purposes of forming this corporation under the laws of the State of North Carolina, the undersigned, constituting the incorporator of this Association, has executed these Articles of Incorporation, this 30th day of June, 2014.



Diane Becker, Incorporator