



JUDITH A. GIBSON
REGISTER OF DEEDS, MECKLENBURG COUNTY
COUNTY & COURTS OFFICE BUILDING
720 EAST FOURTH STREET
CHARLOTTE NC 28202

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Filed For Registration: 11/12/1999 09:44 AM
Book: RE 10896 Page: 771-774
Document No.: 1999202828
ADMT 4 PGS \$12.00

Recorder: SERENA ROSS

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State of North Carolina, County: Mecklenburg

The foregoing certificate of G. SON MACDONALD Notary is certified to be correct. This 12TH of November 1999

JUDITH A. GIBSON, REGISTER
Deputy/Assistant Register of D

DEEDS By: Serena M. Ross

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ARTICLES OF INCORPORATION

OF

HIGHLAND CREEK COMMUNITY ASSOCIATION, INC.

NOTARY PUBLIC
STATE OF NORTH CAROLINA

The undersigned, being of the age of eighteen (18) 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.

Article 1. Name. The name of the Corporation is Highland Creek Community Association, Inc.

Article 2. Duration. The Corporation shall have perpetual duration.

Article 3. Applicable Statute. The Corporation is organized pursuant to the provisions of the North Carolina Nonprofit Corporation Act.

Article 4. Purposes and Powers. The Corporation does not contemplate pecuniary gain or benefit, direct or indirect, to its members. In way of explanation and not of limitation, the purposes for which it is formed are:

(a) to be and constitute the Association to which reference is made in the Declaration of Covenants, Conditions and Restrictions for Highland Creek, recorded or to be recorded in the land records of Mecklenburg County and/or Cabarrus County, North Carolina (hereinafter the "Declaration"), as appropriate, to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified therein, in the By-Laws, and as provided by law; and

(b) to provide an entity for the furtherance of the interests of the owners of property subject to the Declaration.

In furtherance of its purposes, the Corporation shall have the following powers, which, unless indicated otherwise by the Declaration or By-Laws, may be exercised by the Board of Directors:

(a) all of the powers conferred upon nonprofit corporations by common law and the statutes of the State of North Carolina in effect from time to time;

(b) all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, the By-Laws, or the Declaration, including, without limitation the following:

- (i) to fix and to collect assessments or other charges to be levied against the property subject to the Declaration;
- (ii) to manage, control, operate, maintain, repair, and improve the common areas and facilities, and any property subsequently acquired by the Corporation, or any property owned by another, for which the Corporation, by rule, regulation, declaration, or contract, has a right or duty to provide such services;
- (iii) to enforce covenants, conditions, or restrictions affecting any property to the extent the Corporation may be authorized to do so under the Declaration or By-Laws;
- (iv) to engage in activities which will actively foster, promote, and advance the common interests of all owners of property subject to the Declaration;
- (v) to buy or otherwise acquire, sell, or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, hold, use, operate, and otherwise deal in and with real, personal, and mixed property of all kinds and any right or interest therein for any purpose of the Corporation;

- (vi) to borrow money for any purpose subject to such limitations as may be contained in the By-Laws;
- (vii) to enter into, make, perform and enforce contracts of every kind and description, and to do all other acts necessary, appropriate, or advisable in carrying out any purpose of the Corporation, with or in association with any other association, corporation, or other entity or agency, public or private;
- (viii) to act as agent, trustee, or other representative of other corporations, firms, or individuals, and as such to advance the business or ownership interests in such corporations, firms, or individuals;
- (ix) to adopt, alter, and amend or repeal such By-Laws as may be necessary or desirable for the proper management of the affairs of the Corporation; provided, however, such By-Laws may not be inconsistent with or contrary to any provisions of the Declaration;
- (x) to provide any and all supplemental municipal services as may be necessary or proper; and
- (xi) the foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this Article 4 are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provision of this Article 4.

Article 5. Membership. The Corporation shall be a membership corporation without certificates or shares of stock. There shall be two classes of membership as more fully set forth in the Declaration and By-Laws. All Unit Owners, as such terms are defined in the Declaration, by virtue of their ownership of Units subject to the Declaration, are members of the Corporation.

Membership is appurtenant to and inseparable from ownership of a Unit. The members shall be entitled to a vote in accordance with the Declaration and By-Laws.

Article 6. Board of Directors. The business and affairs of the Corporation shall be conducted, managed and controlled by a Board of Directors. The Board shall consist of not less than seven (7) nor more than ten (10) members, as provided in the By-Laws, except that the initial Board shall consist of only three (3) members, as follows:

David B. Wright
8604 Cliff Cameron Drive
Suite 180
Charlotte, North Carolina 28269

Janice W. Baratta
8604 Cliff Cameron Drive
Suite 180
Charlotte, North Carolina 28269

Suzanne J. Kauffmann
8604 Cliff Cameron Drive
Suite 180
Charlotte, North Carolina 28269

The method of election and removal of directors and filling of vacancies, and the term of office of directors shall be as set forth in the By-Laws. The Board may delegate such operating authority to such companies, individuals, or committees as it, in its discretion, may determine.

Article 7. Liability of Directors. No person who is serving or who has served as a director of the corporation shall be personally liable to the corporation or any of its shareholders for monetary damages for breach of duty as a director, except for liability with respect to (i) acts or omissions that the director at the time of such breach knew or believed were clearly in conflict with the best interests of the corporation, (ii) any transaction from which the

director derived an improper personal benefit, (iii) acts or omissions occurring prior to the effective date of this article or (iv) acts or omissions with respect to which the North Carolina Nonprofit Corporation Act does not permit the limitation of liability. As used herein, the term "improper personal benefit" does not include a director's reasonable compensation or other reasonable incidental benefit for or on account of his service as a director, officer, employee, independent contractor, attorney or consultant of the corporation. No amendment or repeal of this article, nor the adoption of any provision to these Articles of Incorporation inconsistent with this article, shall eliminate or reduce the protection granted herein with respect to any matter that occurred prior to such amendment, repeal or adoption.

Article 8. Dissolution. The Corporation may be dissolved only as provided in the Declaration, By-Laws, and by the laws of the State of North Carolina. No part of the net earnings of the Corporation shall inure to the benefit of any officer, director or member of the Corporation; and upon dissolution of the corporation the assets thereof shall, after all of its liabilities and obligations have been discharged or adequate provision made therefor, be distributed to any nonprofit association or associations organized for purposes similar to those set forth in Article 4 hereinabove.

Article 9. Amendments. These Articles may be amended by the approval of at least two-thirds (2/3rds) of the total Association vote (such vote may be cast by Voting Members, as such term is defined in the Declaration), provided that no amendment shall be in conflict with the Declaration, and provided further that no amendment shall be effective to impair or dilute any rights of members that are governed by such Declaration.

Article 10. HUD/VA Approval. So long as there is a Class "B" membership (as described in Article III, Section 2, of the Declaration) and so long as HUD and/or VA is holding, insuring or guaranteeing any loan secured by property subject to the Declaration, the following actions shall require the prior approval of HUD and/or VA, respectively: annexation of additional property other than that described on Exhibit "B", dedication or mortgage of "common area" (as defined in the Declaration), merger or consolidation in which the Corporation is a participant, dissolution of the Corporation, or material amendment of these Articles.


Article 11. Registered Agent and Office. The initial registered office of the Corporation is 8604 Cliff Cameron Drive, Charlotte, Mecklenburg County, North Carolina 28269, and the initial registered agent at such address is David B. Wright.

Article 12. Name and Address of Incorporator. The name and address of the incorporator are William T. Graves, Esq., c/o Robinson, Bradshaw & Hinson, P.A., 1900 Independence Center, 101 North Tryon Street, Charlotte, Mecklenburg County, North Carolina 28246.

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation.

Address of Incorporator:

c/o Robinson, Bradshaw & Hinson, P.A.
1900 Independence Center
101 North Tryon Street
Mecklenburg County
Charlotte, North Carolina 28246


William T. Graves, Incorporator

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, E. Elizabeth Conant, a notary public, do hereby certify that William T. Graves personally appeared before me this 26th day of November, 1991, and acknowledged the due execution of the foregoing Articles of Incorporation.

E. Elizabeth Conant
Notary Public

My Commission Expires:

4/1/96

[NOTARIAL SEAL]