

# STATE OF NORTH CAROLINA



Department of The  
Secretary of State

To all whom these presents shall come, Greetings:

I, Rufus L. Edmisten, *Secretary of State of the State of North Carolina*, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION  
OF  
HARBORGATE PROPERTY OWNERS ASSOCIATION, INC.

*the original of which was filed in this office on the 22nd day of June, 1995.*



*IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 22nd day of June, 1995.*

*Rufus L. Edmisten*

*Secretary of State*

C-0371213

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ARTICLES OF INCORPORATION  
OF  
HARBORGATE PROPERTY OWNERS ASSOCIATION, INC.  
A Non-Profit Corporation

EFFECTIVE  
RUFUS L. EDMISTEN  
SECRETARY OF STATE  
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 non-profit corporation under and by virtue of the laws of the State of North Carolina, and all pursuant to and in compliance with the requirements of Chapter 55A of the General Statutes of North Carolina. The undersigned does hereby certify:

1. The name of the corporation is Harborgate Property Owners Association, Inc.
2. The period of duration of the corporation shall be perpetual.
3. The purposes for which the corporation is organized are to provide for the administration, maintenance, and preservation of the lots and common areas within that certain tract located in Healing Springs Township, Davidson County, North Carolina and more particularly described on Exhibit A attached hereto and incorporated herein by reference, and to promote the health, safety, and welfare of the residents of the above-described property and any additions thereto, as may hereafter be brought within the jurisdiction of this Association in accordance with the Declaration, and for this purpose to:
  - (a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration," applicable to the property and recorded or in the Office of the Register of Deeds of Davidson County, North Carolina, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein by reference;
  - (b) fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;
  - (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 the 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) participate in mergers and consolidations with other non-profit corporations organized for the same purposes provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the members; and
  - (f) to engage in any lawful act or activity for which corporations may be organized under Chapter 55A of the General Statutes of North Carolina and in particular G.S. 55A-15.
4. The corporation shall have two classes of members who meet the qualifications of and are approved as set forth in the Bylaws of the Corporation, as follows:

A. Every person or entity, with the exception set forth in paragraph B below, who or which is a record owner of a fee or undivided fee interest in any lot which is subject by the 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. Such membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association. Every member of Class A shall be entitled to two votes for every lot owned.

B. Class B membership shall be granted to any lot owner owning 10 lots or more and who or which is a member of the class consisting of the developer, the officers, shareholders and family members of the developer corporation, and also any heir, successor or assignee of the developer. Any of the foregoing persons or entities who own less than 10 lots will be members of Class A described above. The total voting capability of Class B is limited to 20 votes, or 2 votes per lot and members of Class B are exempt from the assessments, charges and other fees to which members of Class A are subject. Provided, however, that for each lot and 2 votes up to the maximum of 20 which a member of Class B elects to utilize, said member must pay the same assessments, dues and other charges for the privilege of using that vote or votes that a member of Class A would pay. Provided further, that any member of Class B, in order to be eligible to utilize a right to vote pursuant to this rule must make a payment of all such charges within 30 days of their

assessment to the property owners in the subdivision, or give at least 30 days notice prior to the utilization of said votes of said member's intent to pay the charges and utilize the vote, the purpose of this rule being to place the other members of the corporation on notice of the number of votes to be utilized by Class B members.

5. The address of the initial registered office of the corporation in the State of North Carolina is 217 Outrigger Landing, Denton, Davidson County, North Carolina 27239.
6. The name of the initial registered agent of the corporation at such address is John A. Bush, Jr.
7. The number of directors constituting the initial board of directors shall be five, with a minimum of three, and the names and addresses of the persons who are to serve as directors until the first meeting of the Corporation, or until their successors to be elected and qualify, are:

| <u>Name</u>      | <u>Address</u>                             |
|------------------|--|
| Jack Bush        | 217 Outrigger Landing, Denton, N.C.        |
| Laura Jensen     | 216 Outrigger Landing, Denton, N.C.        |
| Wayne Merry      | 431-X Park Ridge Land, Winston-Salem, N.C. |
| Harry Winchester | 4204 Oak Hollow Drive, High Point, N.C.    |
| George L. Dann   | 16134 Whitesail, Charlotte, N.C.           |

The members of the Board of Directors need not be members of the Association. The number of directors may be changed by amendment of the By-laws of the Association. At the first annual meeting, the Members shall elect two Directors for a term of three years, two Directors for a term of two years, and one Director for a term of one year or until the respective successors are properly chosen. Thereafter these terms shall continue in effect to provide for staggered terms.

8. The name and address of the incorporator is: Paul Rush Mitchell, 17 Randolph Street, Thomasville, North Carolina 27360.
9. The corporation shall have no capital stock. Participation in its affairs shall be by membership therein, subject to provision of the by-laws as may be adopted, amended, or repealed by the Board of Directors.
10. It is expressly declared that this corporation is not organized for pecuniary gain or profit for its members and it shall have no power to make or declare dividends. However, compensation may be paid for services rendered to or for the corporation for any of its purposes.

11. No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in paragraph 3 above. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c) (3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under section 170 (c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

12. The Association may be dissolved with the assent given in writing and signed by not less than three-fourths ( $\frac{3}{4}$ ) of the members. Upon dissolution of the Association, other than incident to a 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 acceptance, 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.

Upon the dissolution of the corporation, the Board of Trustees shall, after paying or making provision for the payment of all of the liabilities of the corporation dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Trustees shall determine. Any such assets not so disposed of shall be disposed of by the Superior Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

13. Amendments to these Articles shall require the assent of seventy-five (75%) of the entire membership.
14. This corporation is organized and will operate so as to qualify under appropriate sections of the Internal Revenue Code and appropriate statutes in the State of North Carolina as having a tax exempt status, so that any gifts and donations made to the corporation may qualify by such donors as being deductible for income tax purposes by the donors.

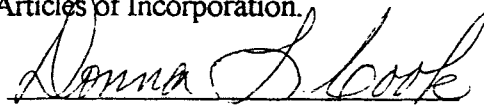
IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of June, 1995.

  
Paul Rush Mitchell  
Incorporator

STATE OF NORTH CAROLINA

COUNTY OF DAVIDSON

I, Donna L. Cook, a Notary Public, do hereby certify that Paul Rush Mitchell personally appeared before me this 8th day of June 1995, and acknowledged the due execution of the foregoing Articles of Incorporation.

  
Notary Public

My Commission Expires: May 6, 1997