

# **ARTICLES OF INCORPORATION OF QUAIL HOLLOW HOMEOWNERS ASSOCIATION, INC**

I, the undersigned, being a natural person acting as incorporator of a non-stock corporation under the provisions of Chapter 55A of the General Statutes of North Carolina, adopt the following Articles of Incorporation for such corporation:

- a. The name of the corporation is QUAIL HOLLOW HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as the "Corporation").
- b. The purposes for which the Corporation is organized are:
  1. To maintain, operate and administer the common areas and community facilities on certain property located in Sharon Township, Mecklenburg County, North Carolina, and more particularly described in Exhibit "A" attached to a Declaration made by Donald J. Scholz & Co. (hereinafter referred to as the "Developer"), dated 1971 and recorded in the Office of Register of Deeds of Mecklenburg County in Book , Page (such Declaration, as the same may be amended from time to time, being hereinafter referred to as the "Declaration"), and such property which may from time to time be annexed in accordance with the Declaration (all of such property being hereinafter referred to as the "Property"); to enforce the covenants, restrictions, easements, charges and liens provided in the Declaration to be enforced by the Corporation; to assess, collect, and disburse the charges created under the Declaration, all in the manner set forth in, and subject to the provisions of, the Declaration; and to exercise all powers and privileges and to perform all duties and obligations of the Corporation under the Declaration.
  2. To acquire (by gift, purchase or otherwise), to own, hold, improve, build upon, operate, maintain, sell, lease, transfer, mortgage, encumber, dedicate for public use or otherwise dispose of real (or personal property in connection with the affairs of the Corporation.
  3. To do any and all lawful things and acts that the Corporation, from time to time, in its discretion, may deem to be for the benefit of the Property and the owners and inhabitants thereof or advisable, proper, or convenient for the promotion of the peace, health, comfort, safety, or general welfare of the owners and inhabitants thereof.
- c. Provisions relating to the members of the Corporation are:
  1. The members of the Corporation shall be every Owner of a Lot, Living Unit or Multifamily Structure (as such terms are defined in the Declaration) which is subject to assessment, provided, however, that

- any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a member.
2. There shall be the following three classes of membership in the Corporation:
    - A. The Class A members shall be all Owners of Lots and Living Units (with the exception of the Developer and Owners of Multifamily Structures) and shall be entitled to one vote for each Lot or Living Unit owned. When more than one person holds an interest in any Lot or Living Unit, all persons, shall be members. The vote for such Lot or Living Unit shall be exercised by such persons as they themselves determine, but in no event shall more than one vote be allowed with respect to any such Lot or Living Unit.
    - B. The Class B members shall be the Owners of Multifamily Structures and each Owner shall be entitled to one vote for each Living Unit in a Multi-family Structure so owned. If a Multifamily Structure has been submitted to the condominium form of ownership pursuant to the North Carolina Unit Ownership Act (Chapter 47A of the General Statutes of North Carolina), the owner of such condo-condominium Living Unit in such Multifamily Structure shall be a Class A member and there shall be no Class B member with respect to such Multifamily Structure.
    - C. The Class C member shall be the Developer, and shall be entitled to a total number of votes equal to the total number of votes of all Class A members and Class B members plus one, so that the Developer will have a number of votes equal to a majority of the total votes of all members of the Association. The Class C membership shall cease and terminate at such time that the Developer owns no Lot, Living Unit or Multifamily Structure in the Property.
  3. The Board of Directors of the Corporation may suspend any person from membership in the Corporation during any period of time when such person is in default of any of his obligations under the Declaration (including, without limitation, the failure to pay any assessment), provided that such default has continued uncured for a period of ten (10) days after written notice thereof to such member.
  4. The members of the Corporation shall have the right to vote for the election and removal of directors and upon such other matters with respect to which a vote of members is required under the Declaration or under the provisions of Chapter 55A of the General Statutes of North Carolina.
- d. Provisions for the regulation of the internal affairs of the Corporation are:
1. The Corporation is not organized for pecuniary profit, nor shall it have any power to issue certificates of stock or pay dividends, and no part of the net earnings or assets of the Corporation shall be distributed, upon dissolution or otherwise, to any member of the Corpora-

tion. The Corporation may pay compensation in reasonable amounts to its members, directors, or officers for services rendered.

2. The Corporation may enter into contracts with the Developer or with any other person (including any officer or director) for the performance of any of the powers, duties, or functions of the Corporation.
3. The Board of Directors of the Corporation may make such regulations as they deem advisable for any meeting of the members, including, but not limited to, proof of membership in the Corporation, evidence of the right to vote and the appointment and duties of inspectors of votes.
4. The Corporation may be dissolved pursuant to the laws of the State of North Carolina. Except as provided by law, upon dissolution of the Corporation, the assets, both real and personal of the Corporation, shall be dedicated to an appropriate governmental body or agency to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Corporation. 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 purposes as nearly as practicable the same as those to which they were required to be devoted by the Corporation. No such disposition of the Corporation's properties shall be effective to divest or diminish any right or title of any member vested in him under the Declaration applicable to the Property unless made in accordance with the provisions of such Declaration.
- e. The address of the registered office of the Corporation is Suite 100, Civic Plaza, 4th & Davidson Streets, Charlotte, Mecklenburg County, North Carolina 28202. The registered agent whose business address is the same as above and who is a resident of North Carolina, is Raymond W. Bradley, Jr., Esquire.
- f. The business and conduct of the Corporation shall be regulated by a Board of Directors comprised of members, who need not be members of the Corporation. The names and addresses of the Directors who are to act in that capacity until their successors are duly chosen and qualify are as follows:

<u>Name</u>	<u>Address</u>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____

At their first annual meeting the members shall elect three Directors for a term of one year, three Directors for a term of two years and three Directors for a term of three years, and at each annual meeting thereafter the members shall elect three Directors for a term of three years.

- g. The Corporation shall have perpetual existence.
- h. The Corporation may indemnify any director or officer, or former director or officer, or any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor, and the personal representatives of any of the foregoing, against the reasonable expense, including attorney's fees, judgments, fines, and amounts paid in settlement, whether or not with court approval, actually and necessarily incurred by him in connection with the defense or settlement of any civil or criminal claim, action, suit, or proceeding, including one to impose a fine or penalty, brought or threatened to be brought against him by reason of his, or his testator, or intestate, being or having been such a director or officer, or in connection with an appeal therein, unless, he, or his testator, or intestate shall be finally adjudged, in such action, suit, -or proceeding to be liable for negligence or misconduct in the performance of duty. No amount shall be paid in settlement without court approval unless independent legal counsel shall advise the Corporation that, in the opinion of such counsel, the matters involved in such action, suit, or proceeding did not constitute negligence or misconduct in the performance of duty by such director or officer, or by his testator or intestate. A conviction or judgment (whether based on a plea of nolo contendere or its equivalent or after trial) shall not of itself be deemed an adjudication that such director or officer or testator or intestate has been negligent or guilty of misconduct in the performance of his duties. An application for indemnification pursuant to this section shall be made to the Board of Directors of the Corporation. Upon receipt of any such application, the Board shall determine, whether, under the circumstances of such claim, action, suit, or proceeding, any indemnity payments should be made and the amount thereof, if any. Such determination shall be made by resolution adopted by a majority of a quorum of the Board of Directors without counting in such majority or quorum any interested director or, in the event that no quorum of disinterested directors is available, adopted by a majority of a group of three or more persons appointed by a majority of the disinterested members of the Board. Any determination under this section that a payment by way of indemnity should be made shall be binding upon the Corporation and its members.

The name and address of the incorporator of the Corporation is Raymond W. Bradley, Jr. , Esquire, 3724 Foxcroft Road, Charlotte, North Carolina.

IN WITNESS WHEREOF, the undersigned, being the incorporator designated in paragraph (i) hereof, hereby executes these Articles of Incorporation and certifies to the truth of the facts herein stated, and further certifies that he is over the age of twenty one (21) years, this \_\_\_\_ day of \_\_\_\_\_, 1971.

WITNESS:

\_\_\_\_\_

\_\_\_\_\_  
Raymond W. Bradley, Jr.