

OFFICE OF THE JUDGE OF PROBATE OF HOUSTON COUNTY, ALABAMA

CERTIFICATE OF INCORPORATION

OF

HIGHLANDS OWNERS ASSOCIATION, INC.

A NONPROFIT CORPORATION

The undersigned, Cletus Youmans, Judge of Probate of Houston County, Alabama, hereby certifies that the Articles of Incorporation of Highlands Owners Association, Inc., a Nonprofit Corporation duly signed pursuant to the provisions of the Code of Alabama, have been received in this office and are found to conform to law.

Accordingly, the undersigned, as Judge of Probate of Houston County, Alabama, and by virtue of the authority vested in him by law, hereby issues this Certificate of Incorporation to Highlands Owners Association, Inc., and attaches hereto a certified copy of the Articles of Incorporation.

Dated this 5 day of Nov. 1992.

Cletus R. Youmans
Cletus Youmans
Judge of Probate, Houston County

FILED
HOUSTON COUNTY
CLERK
JUDGE
NOV 5 3 44 PM '92

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ARTICLES OF INCORPORATION
OF
HIGHLANDS OWNERS ASSOCIATION, INC.,
A NONPROFIT CORPORATION

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ARTICLES OF INCORPORATION
OF
HIGHLANDS OWNERS ASSOCIATION, INC.,
A NONPROFIT CORPORATION

In compliance with the requirements of the Alabama Nonprofit Corporation Act under §10-3-1, et. seq., Code of Alabama, 1975, as amended, the undersigned, hereinafter referred to as Declarant, has this day voluntarily formed a corporation not for profit and does hereby certify:

ARTICLE I

NAME

The name of the corporation is Highlands Owners Association, Inc., hereinafter called the "Association".

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Association is located at 510 W. Carroll, Dothan, Alabama 36301.

ARTICLE III

REGISTERED AGENT

Hugh W. Wheelless, Jr., whose address is 510 W. Carroll, Dothan, Alabama 36301, 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 maintenance, preservation and architectural control of the lots and common area within the unit development known as The Highlands as same becomes subject to the Declaration of Covenants, Conditions and Restrictions for Highlands Owners Association, Inc. (as defined below) and to promote the welfare of the owners within the properties (as that term is defined in the Declaration) and 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 of Highlands Owners Association, Inc. hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Judge of Probate of Houston County, Alabama, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(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 or

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) To sue or be sued;

(d) To enforce covenants, conditions or restrictions affecting any property to the extent authorized under the Declaration of Covenants, Conditions, Restrictions or Bylaws of Highlands Owners Association, Inc. as the same may be amended;

(e) To acquire by mortgage, pledge, deed, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(f) Borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(g) Dedicate, sell or transfer all or any part of the Common Area between any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members according to the terms of the Declaration;

(h) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, according to the terms of the Declaration;

(i) To indemnify any officer or director or former director or officer of the Association, any person who may have served at its request as a director or officer of another corporation, whether for profit or not for profit, against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of being or having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of a duty; but such indemnification shall not be deemed exclusive of any other rights to which such director or officer may be entitled, under any Bylaws, agreement, vote of Board of Directors or members or otherwise;

(j) To have and to exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Act of the State of Alabama by law may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

(a) The owner of each Lot subject to the Declaration of Covenants, Conditions and Restrictions for Highlands Owners Association, Inc. shall be a member of the Association in accordance with the Declaration of Covenants, Conditions and Restrictions for Highlands Owners Association, Inc. and shall be entitled to vote in accordance with the formulas set forth in the Declaration, except there shall be no votes for any Lot owned by the Association. The manner of exercising voting rights shall be

determined by the Bylaws of the Association.

(b) Change of membership of the Association shall be established by recording in the Office of the Judge of Probate of Houston County, a deed or other instrument establishing record title to a Lot subject to the Declaration and written notice to the Association of such change and title. The owner designated by such instrument thereby becomes a member of the Association, and the membership of the prior owner is terminated.

(c) The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance of his Lot.

ARTICLE VI

TERM

The existence of the corporation shall be perpetual unless the Association is terminated pursuant to the provisions of the Declaration of Covenants, Conditions and Restrictions.

ARTICLE VII

INCORPORATORS

The name and address of the sole incorporator is:

NAME:	ADDRESS:
Wheelless Development, Ltd.	510 West Carroll, Dothan, Alabama 36301

ARTICLE VIII

BOARD OF DIRECTORS

A. The affairs of this Association shall be managed by a Board of Directors of not less than three Directors. The number of Directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

NAME:	ADDRESS:
Hugh W. Wheelless, Jr.	510 W. Carroll, Dothan, Alabama 36301
Beverly W. Knowles	702 N. Iroquois, Dothan, Alabama 36301
Pat W. Pashen	49 E. Elm Street, Chicago, Illinois 60611

B. To the fullest extent that the Alabama Nonprofit Corporation Act, as it exists on the date hereof or as it may hereafter be amended, permits the limitation or elimination of the liability of directors, no director of the Association shall be personally liable to the Association or its Members for monetary damages for breach of duty of care or other duty as a director. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Association for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

C. The method of election and the term of office, removal, and filing of vacancy shall be set forth in the Bylaws.

ARTICLE IX

BYLAWS

The Bylaws of the Association shall be adopted by the Board of Directors and may be altered, amended, or rescinded in the manner provided by the Bylaws.

ARTICLE X

AMENDMENTS

Amendments to the Articles of Incorporation shall be proposed and adopted as provided in §10-3A-81, Code of Alabama, 1975, provided that no amendment may be in conflict with the Declaration, provided further, no amendment shall be effective to impair or dilute any rights of members that are governed by such Declaration, and provided further, no amendment shall be effective unless approved by two-thirds (2/3) vote of members of the Association entitled to vote.

ARTICLE XI

ANNEXATION

The Association may annex additional property pursuant to the Declaration of Covenants, Conditions and Restrictions of Highlands Owners Association, Inc. As long as there is a Class "B" membership as provided for in the Declaration of Covenants, Conditions and Restrictions of Highlands Owners Association, Inc., annexation of additional property other than that described on Exhibit "A" of the Declaration of Covenants, Conditions and Restrictions of Highlands Owners Association, Inc., dedication of common area, mortgaging of common area, and amendment of the Articles of Incorporation shall require the prior approval of the Federal Housing Administration ("FHA") or the US Department of Veterans Affairs ("VA"), if either such agency is insuring or guaranteeing the mortgage on any lot within the development.

ARTICLE XII

DISSOLUTION

The Association may be dissolved with assent given in writing and signed by not less than seventy-five (75%) percent of the membership of the Association (of each class of members of the Association). Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to the 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 nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the Laws of

Alabama, the undersigned, constituting the sole incorporator of this Association, has executed these Articles of Incorporation this 30 day of October, 1992.

WHEELLESS DEVELOPMENT, LTD.

BY: WHEELLESS REALTY CORP., INC.,
ITS GENERAL PARTNER

BY: [Signature]
Hugh W. Wheelless, Jr.
Its President

THIS INSTRUMENT WAS PREPARED BY:

Peter A. McInish,
Lee & McInish, Attorneys
Post Office Box 1665
Dothan, Alabama 36302
(205) 792-4156

Cost

*200
2500
27.00 cl*

Filed this 5 day of Nov 1992 at 3:44 PM
Deed Tax Paid, Record Corp Book 9 Page 83
[Signature] Judge of Probate No. 13670
HOUSTON COUNTY, ALABAMA