

**ARTICLES OF INCORPORATION  
OF  
HIGHLAND RIDGE HOMEOWNER’S ASSOCIATION, INC  
A NON-PROFIT COPORATION**

**THE STATE OF ALABAMA )  
COUNTY OF AUTAUGA )**

The undersigned, desiring to form themselves into a corporation under the laws of Alabama, “The Alabama Non-Profit Corporation Act”, Code of Alabama 1975, as amended, Title 10, Chapter 3A et seq., do certify as follows:

1. The name of said corporation shall be HIGHLAND RIDGE HOMEOWNER’S ASSOCIATION, INC.

2. The objectives and purposes of said Corporation shall be promote and develop the common good and social welfare of the owners of lots and/or homes within the Highland Ridge Development (“The subdivision”) as said Plats are recorded in the office of the Judge of Probate of Autauga County, Alabama. The corporation shall also have the following specific objects and purposes as follows:

- (1) The corporation may maintain, repair, replace and clean the entrances. Swimming pool and cabana, beautification areas and other amenities which the corporation maintains for the benefit of its members.
- (2) The corporation may access and collect funds and may pay for common expenses out of such funds as are appropriate.
- (3) In addition to the enforcement of the covenants and restrictions concerning use, occupancy and transfer of said lots described in said Highland Ridge Plat, all easements and restrictions as provided in said plat are hereby incorporated by reference, the association may adopt, distribute, amend and enforce reasonable rules governing the administration and management of the Subdivision and the use of the common areas.
- (4) The association may acquire or enter into agreement whereby it acquires personal property, real property, leaseholds, memberships, units or other possessory or use interest in lands, facilitation, services or utilities.
- (5) The association may enter into agreements by which its powers and responsibilities or some of them may be exercised or performed by some other person or persons.

In furtherance of the above purposes, the corporation has the following general powers:

- A. To solicit, collect, receive, acquire, hold and invest money and property, both real and personal, tangible and intangible, including money and property received by gift, contribution, bequest, or devise, to sell and convert property both real and personal, into cash and to use the funds of this corporation and the proceeds, income, rents, issues, and profits derived from any property of this Corporation for any of the purposes for which the Corporation is formed;
- B. To purchase, acquire, hold, sell, lease (either as Lessor or Lessee) assign, transfer, dispose of, mortgage, pledge, hypothecate, or encumber any real or personal property, and to deal in shares, bonds, notes, debentures or other securities or evidences of indebtedness or of any person, firm, corporation or association, including the Corporation, and while the owner or holder of them, to exercise all rights, powers, and privileges of ownership;
- C. To enter into, make, perform, and carry out contracts of every kind for any lawful purposes without limit or amount, with any person, firm, association or corporation, municipality, county, parish, state, territory government, or other municipal or governmental subdivision;
- D. Borrow money, incur indebtedness, and to secure repayment by mortgage, pledge, deed of trust, or other hypothecation of property, both real and personal;
- E. To refuse, or accept any bequest, devise, grant, gift, for any of its objects, and purposes, and property, both real and personal, of whatever kind, nature or description or whatever situated;
- F. To invest and reinvest its funds in such stock, common or preferred, bonds, debentures, mortgage, or in such other securities and property as its Board of Directors shall deem advisable, subject to the limitations and condition contained in any bequest, devise, grant or gift, provided such limitations and conditions are not in conflict with the provisions of Section 501 (C) (6) of the Internal Revenue Code and Regulations there under as they now exist or as they may hereafter be amended, and;
- G. The Corporation shall have the power and may indemnify any director or officer or former director or officer of the corporation, 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 such person in connection with the defense of any action, suit or proceeding in

which such person is made a party by reason of having been such director or officer, except in relation to such matters as to which he or she shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of such duty, such indemnification shall not be deemed exclusive of any other rights to which such director, officer or person may be or become entitled to under any bylaws, agreement, vote of the board of directors or members, or otherwise;

- H. The corporation shall also have as its objects and purposes and have within its powers generally to do and perform any and all things that may be incidental to or necessary or proper to the conduct of any or all of the objects and purposes mentioned in subparagraphs A through G above, as well as any other objects or purposes not prohibited by law, with full power to do and perform any and all of said objects, purposes, and powers in the State of Alabama, and in any other State of the United States, Federal Districts, Territories or other possessions of the United States and in foreign countries.

to these ends and shall have all powers enumerated above and also shall have the following powers: all powers stated, mentioned, allowed, and approved for such corporations by the laws of Alabama as appears in Code of Alabama, 1975 as Amended, Title 10, Chapter 3A, Sections 1, et seq and as said Sections are amended hereafter and which are not prohibited by law to corporations of this kind, and which would not disqualify the corporation as a tax-exempt corporation under Section 501(c) (6) of the Internal Revenue Code, of 1986, as it presently exists or as it may be hereafter amended.

3. The above objects and purposes and the above powers granted are hereby limited as follows:

- A. Any income received by the corporation shall be applied only to the non-profit purposes and objectives of the corporation as set forth above, and no part hereof, during membership or upon termination of membership, shall insure to the benefit of any private member or individual.
- B. The corporation shall not engage in any transaction prohibited by Section 501 (c) (6) of the United States Internal Revenue Code as now enacted or as hereafter amended, or the Alabama Non-profit Corporation Act, or the Alabama Condominium Ownership Act.
- C. The corporation shall not apply accumulation of income in any manner which may subject it to denial of exemptions as provided by Section 501 (c) (6) of the United States Internal Revenue Code as now enacted or as hereafter amended, and shall be applied exclusively for the purpose as set forth above.

- D. No part of the activities of the corporation shall be carrying on propaganda, or otherwise attempting to influence legislation, or participating in or intervening, (including the publication and distribution of statements) in any political campaign on behalf of any candidate for public office.
- E. If, at any time, the corporation shall cease to carry out the purposes herein stated, all assets and property held by it, whether in trust or otherwise, shall after the payment of its liabilities, be paid over to an organization which itself has similar purposes and has established an appropriate tax exempt status under Section 501 (c) (6) of the United States Internal Revenue Code as now enacted or as hereafter amended, and shall be applied exclusively for the purposes set forth above.
- F. The corporation shall not serve as advertising or rental agent for the owners in the ordinary course of its business.
- G. In the event the corporation is deemed to be a private foundation according to the provisions of the Internal Revenue Code of 1986 and the Regulations there under, as amended, the corporation shall be subject to the following provisions:
  - A. The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax or undistributed income imposed by Section 4942 of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent Federal tax laws.
  - B. The corporation shall not engage in any act of self-dealing as defined in Section 4941 (d) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent Federal tax laws.
  - C. The corporation shall not retain any business holding as defined in Section 4943(c) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent Federal tax laws.
  - D. The corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1986, or any corresponding provisions of any subsequent Federal tax laws.
  - E. The corporation shall not make any taxable expenditures as defined in Section 4945 (d) of the Internal Revenue Code of 1986, or any corresponding provisions of any subsequent Federal tax laws.

4. The location and principal place of business of said corporation shall be Prattville, Alabama.

5. The period of duration of said corporation shall be perpetual.

6. The names and addresses of the incorporators are: Alan S. Farrior, 2000 Interstate Park Drive, Suite 400, Montgomery, AL 36109; Barbara A. Bonds, 2000 Interstate Park Drive, Suite 400, Montgomery, AL 36109; and Jerry E. Wills, 2000 Interstate Park Drive, Suite 400, Montgomery, AL 36109.

7. A. The Business and affairs of said corporation shall be under the management and control of the Board of Directors consisting of not less than three (3) nor more than seven (7) individuals which may or may not be the same as the officers of the corporation.

B. The initial Board of Directors shall be as follows:

1. Alan S. Farrior, Director
2. Barbara A. Bonds, Director
3. Jerry E. Wills, Director

C. The corporation officers are as follows:

- 1) Alan S. Farrior, President
- 2) Barbara A. Bonds, Vice-President
- 3) Jerry E. Wills, Secretary/Treasurer

D. There is no restriction or prohibition against the same person holding more than one office in said corporation except that the office of the President and Secretary or President and Treasurer or President and Secretary/Treasurer cannot be held by the same person.

Additional officers, agents or representatives of the corporation shall be elected and/or appointed by the Board of Directors as set forth in the corporation's bylaws.

8. A. The Corporation shall be a membership corporation within the meaning of the "Alabama Non-Profit Corporation Act."

B. There shall be one unit of membership for each of the developed lots in Highland Ridge Residential Development. Each unit shall have one vote

in the corporation. A deed to one of the developed lots in Highland Ridge Residential Development from any other person or entity holding there under shall be conclusive evidence of membership in the corporation and shall serve as a certificate of membership therein.

- C. Undeveloped lots, regardless of numbers shall provide one vote for each lot thereof until developed. The term “undeveloped” shall mean a lot not for the purpose of maintaining a dwelling, whether a recorded plat or a preliminary plat but in no event more than 390 lots, to include single family as well as garden home lots.
- D. A “developed lot” shall mean a lot containing a dwelling which a certificate of occupancy had been issued.
- E. Voting rights, voting procedures, and procedures for voting for proxy or through a nominees shall be as set forth in this bylaws of the corporation.

9. The bylaws of the corporation shall be adopted by the Board of Directors, the bylaws can be amended or altered according to the provisions set forth in the bylaws and in the declaration of condominium. The initial bylaws of the corporation are attached hereto and marked as Exhibit “A” to these Articles of Incorporation.

10. These articles of incorporation may be amended by the votes representing seventy five (75%) percent of the ownership of the lots, both undeveloped and developed of Highland Ridge Residential Development, case in person or by proxy at a meeting duly held in accordance with the provisions of the bylaws of the corporation. The notice of any meeting at which an amendment of these articles is proposed shall be in writing and shall include specific notice of the nature and terms of the proposed amendment. All amendments shall become effective only upon being duly recorded in the Office of the Judge of Probate of Autauga County, Alabama.

11. In the event the dissolution of the Corporation or the winding up of its affairs, whether voluntarily or involuntarily, the residual assets of the Corporation, after all debts have been satisfied, then remaining in the hands of the Board of Directors, shall be distributed, transferred, conveyed, delivered, and paid over, in such amount as the Board of Directors may determine or may be determined by a Court of competent jurisdiction upon application of the Board of Directors, exclusively to one or more organizations which are themselves exempt as organizations described in Section 501 (c) (6) and 170 (c) (2) of the Internal Revenue Code of 1986 or corresponding sections of any prior or future law or to the Federal, State or local governments.

12. The location and mailing address of the corporation’s initial registered office is 2000 Interstate Park Drive, Suite 400, Montgomery, AL 36109, the name of the corporation’s initial registered agent at such address is Alan S. Farrior.

13. In the event of actual or apparent conflict between the provisions of these Articles of Incorporation, the By-Laws of this Corporation, the provisions of the Articles of Incorporation shall be controlling.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals this the \_\_\_\_ day of \_\_\_\_\_, 1996

\_\_\_\_\_ (L.S.)

\_\_\_\_\_ (L.S.)

\_\_\_\_\_ (L.S.)

STATE OF ALBAMA  
MONTGOMERY COUNTY

I, the undersigned authority, a Notary Public in and for said State and County, hereby certify that Alan S. Farrior, Barbara A. Bonds, and Jerry E. Wills, who are known to me and whose names are signed as incorporators to the foregoing instrument acknowledged before me on this day, that, being informed of the contents of the this instrument, executed the same voluntarily as and for their act and deed on the day the same bears date.

Given under my hand and seal this the \_\_\_\_ day of \_\_\_\_\_, 1996.

(S E A L)

\_\_\_\_\_  
NOTARY PUBLIC  
My Commission Expires: 8-26-2000

This Document Prepared By:  
Robert B. Crumpton, Jr.  
Crumpton & Davis, L.L.C  
2000 Interstate Park Drive  
Montgomery, Alabama 36109

STATE OF ALBAMA  
ANTAUGA COUNTY

**ARTICLES OF AMENDMENT  
TO  
ARTICLES OF INCORPORATION  
OF  
HIGHLAND RIDGE HOMEOWNER'S ASSOCIATION, INC.  
A NON PROFIT CORPORATION**

**KNOW ALL MEN BY THESE PRESENTS:** That, the undersigned, Alan S. Farrior, as President of Highland Ridge Homeowner's Association, Inc., a non profit corporation organized and existing under the laws of the State of Alabama, does hereby certify that, in accordance with the provisions of Section 10-3A-82 of the Code of Alabama, the Articles of Incorporation were amended on the 22<sup>nd</sup> day of December, 1996, as follows:

ARTICLE 8, paragraph B, is hereby deleted in its entirety, and there is substituted in lieu thereof the following:

B. Every person or entity who is a record owner of any lot must be a member of the association and is entitled to membership and voting rights in the association. Membership is appurtenant to, and inseparable from, ownership of the lot.

ARTICLE 10, the hereby amend as follows:

By deleting seventy five (75%) percent of the ownership and substituting in lieu thereof at least 2/3 vote of the lot owners.

ARTICLE 11, is hereby amend by adding the following statement:

11. Said assets shall be dedicated to a public body, or conveyed to a non profit organization with similar purposes.

ARTICLE 14, is hereby added in its entirety as follows:

Each member shall pay a beginning assessment of \$20.00 per month for the care and maintenance of the facilities and surrounding grounds. Each member may pay an additional \$50.00 per year for use of the swimming pool.

ARTICLE 15, is hereby added in its entirety as follows:

Any annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dissolution and amendment of the Articles, requires prior approval of HUD/VA as long as there is a Class B membership.



ARTICLE 16, is hereby added in its entirety as follows:

Anything to the contrary notwithstanding the Association hereby forfeits its lien rights for the collection of the homeowner's association dues and takes as its sole remedy the debt and collection process as it currently exists under the laws of the State of Alabama.

I hereby certify that the within Articles of Amendment are being filed in the Office of the Judge of Probate of Autauga County, Alabama, for the purpose of effecting such amendment in accordance with the requirements of the Code of Alabama, 1975, Section 10-3A-82.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this the 22<sup>nd</sup> day of December, 1996.

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Alan S. Farris  
President

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Jerry E. Wills  
Secretary/Treasurer

STATE OF ALABAMA  
MONTGOMERY COUNTY

I, the undersigned, a Notary Public, in and for said State at Large, hereby certify that Alan S. Farris and Jerry E. Wills, whose names as President and Secretary/Treasurer of Highland Ridge Homeowner's Association, Inc. are signed to the foregoing Amendment to Articles of Incorporation of Highland Ridge Homeowner's Association, Inc., and that they signed the foregoing Amendment and that the statements therein contained are true.

Dated this the 22<sup>nd</sup> day of December, 1996.

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NOTARY PUBLIC  
My Commission Expires: 8-26-2000

