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ARTICLES OF INCORPORATION
OF

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SWANGATE HOMEOWNERS ASSOCIATION, INC.
A NON-PROFIT CORPORATION

EFFECTIVE
ELAINE F. MARSHALL
SECRETARY OF STATE
NORTH CAROLINA

The undersigned hereby submits these Articles of Incorporation for the purpose of forming a non-profit corporation under the laws of the State of North Carolina.

1. The name of the corporation is Swansgate Homeowners Association, Inc.
2. The period of duration of the corporation is perpetual.
3. The purposes for which the corporation is organized are:
 - (a) To administer the operation and management of that certain development known as Swansgate Subdivision located in Davidson County, North Carolina as follows:
 - (i) BEING all of Lots 1 through 19 inclusive of the final plat of Swansgate Subdivision, Phase I, Sheet I of VI as per plat thereof recorded in Plat Book 24, Page 57 in the Davidson County, North Carolina Register of Deeds' Office;
 - (ii) BEING all of Lots 20 through 35 inclusive and Lots 51 through 53 inclusive of the final plat of Swansgate Subdivision Phase I, Sheet II of VI as per plat thereof recorded in Plat Book 24, Page 58 in the Davidson County, North Carolina Register of Deeds' Office;
 - (iii) BEING all of Lots 54 through 61 inclusive, Lots 69 through 70 inclusive, Lots 79 through 80 inclusive, and Lots 93 through 101 inclusive of Swansgate Subdivision, Phase I, Sheet IV of VI, as per plat thereof recorded in Plat Book 24, Page 59 in the Davidson County, North Carolina Register of Deeds' Office;
 - (iv) BEING all of Lots 62 through 68 inclusive and Lots 71 through 78 inclusive of Swansgate Subdivision, Phase I, Sheet V of VI as per plat thereof recorded in Plat Book 24, Page 60 in the Davidson County, North Carolina Register of Deeds' Office;
 - (v) BEING all of Lots 81 through 92 inclusive of Swansgate Subdivision, Phase I, Sheet VI of VI, as per plat thereof recorded in Plat Book 24, Page 61 in the Davidson County, North Carolina Register of Deeds' Office;
 - (vi) BEING all of Lots 44 through 48 inclusive and Lots 102 through 109 inclusive of Swansgate Subdivision, Phase II, as per plat thereof recorded in Plat Book 26, Page 33 in the Davidson County, North Carolina Register of Deeds' Office;

all as described in the formal Declaration of Covenants, Conditions and Restrictions for Swansgate recorded in Book 913, Page 220 in the Davidson County, North Carolina Register of Deeds' Office, as amended by that certain Addition to and Partial Modification of Covenants, Conditions and Restrictions for Swansgate recorded in Book 974, Page 1485 in the Davidson County, North Carolina Register of Deeds' Office (hereinafter collectively referred to as the "Declaration");

- (b) To undertake the performance of the acts and duties incident to the administration of the operation and management of said real property in accordance with the terms, provisions,

conditions and authorization contained in the Declaration; to own, operate, lease, sell, trade and otherwise deal with the real property as may be necessary or convenient in the administration of the same;

(c) To do any and all things necessary in order to realize the purposes herein set forth, and, to the extent consistent with the preceding clause, to engage in any lawful activity or activities for which corporations may be organized under Chapter 55A of the General Statutes of North Carolina; and the foregoing clause shall be construed as both objects and purposes and the foregoing enumeration of specific objects and purposes shall not limit or restrict in any manner the objects and powers of this corporation.

4. The street address and county of the initial registered office of the corporation are 1220 N. Main Street, High Point, Guilford County, North Carolina, 27260; and the name of its initial registered agent at such address is William B. Millis. The mailing address of the corporation's initial registered office is P. O. Box 5186, High Point, North Carolina, 27262. The principal office address and county of the corporation is the same as its initial registered office.

5. The name and address of the incorporator are:

NAME	ADDRESS
CHARLES A. ALT	P. O. Drawer 2086 High Point, North Carolina 27261

6. The corporation shall have members, the classes, eligibility, qualifications and rights of whom shall be set forth in the bylaws of the corporation and the Declaration.

7. Upon the dissolution of the corporation, the directors 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 exempt under Section 528 of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law) as the directors 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.

8. No person who is serving or who has served as a Director of the corporation shall be personally liable to the corporation for monetary damages for breach of duty as a Director. No such provision shall be effective 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 liability under G.S. 55A-8-32 or G.S. 55A-8-33, (iii) any transaction from which the Director derived an improper personal financial benefit, (iv) acts or omissions occurring prior to the date the provision became effective. 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, trustee, 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.

9. These articles will be effective upon filing in the Secretary of State's Office.

This the 11th day of June, 1998.

A handwritten signature in cursive script, appearing to read "Charles A. Alt", is written over a horizontal line.

(SEAL)

CHARLES A. ALT, Incorporator