



FOR MULTIPLE PIN SHEET
SEE BOOK 510 PAGES 120-124

State of North Carolina

Department
of the
Secretary of State

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To all to whom these presents shall come, Greeting:

I, Thad Eure, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached (6 sheets) to be a true copy of

ARTICLES OF INCORPORATION

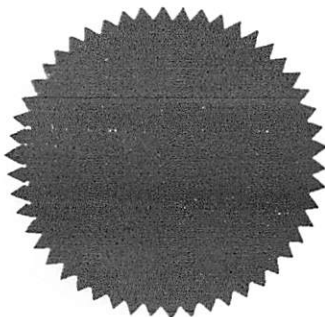
OF

CANTERBURY TOWNHOUSE HOMEOWNER'S ASSOCIATION, INC.

and the probates thereon, the original of which was filed in this office on the 10th day of April 1985, after having been found to conform to law.

In Witness Whereof, I have hereunto set my hand and affixed my official seal.

Done in Office, at Raleigh, this 10th day of April in the year of our Lord 1985.



Thad Eure
Secretary of State
By *[Signature]*
Deputy Secretary of State

This instrument prepared by and return
to: William W. Bunch, III, Jordan,
Brown, Price & Wall, P.O. Box 1210,
Chapel Hill, North Carolina 27514

ARTICLES OF INCORPORATION

OF

CANTERBURY TOWNHOUSE HOMEOWNER'S ASSOCIATION, INC.

The undersigned, being of the age of eighteen 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.

ARTICLE I

NAME

The name of the corporation is CANTERBURY TOWNHOUSE HOMEOWNER'S ASSOCIATION, INC. hereafter called the "Association".

ARTICLE II

DURATION

The Association's period of duration shall be concurrent with the period during which that certain Declaration of Covenants, Conditions and Restrictions for Canterbury recorded at Book 509, Page 563, Orange County Registry (hereinafter referred to as the "Declaration") shall affect or restrict the use of the Properties described therein or until the Association shall be sooner terminated pursuant to these Articles. All definitions set forth in Article I of the Declaration shall have the same meanings as set forth therein in these Articles of Incorporation.

ARTICLE III

REGISTERED OFFICE AND AGENT

The address of the initial registered office of the Association is Suite 100, One West Franklin Building, 105 North Columbia Street, Chapel Hill, Orange County, North Carolina 27514. The name of the initial registered agent at that address is William W. Bunch, III.

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, management, preservation and architectural control of the Lots and Common Area within that certain tract of property described

on Exhibit A to the Declaration, to which reference is made for a more complete description, as recorded at Book 509, Page 563, Orange County Registry, and to promote the health, safety and welfare of the Owners within the above described property and any additions thereto as may hereafter be made subject to 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 and as the same may be amended from time to time as therein provided:

(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 each class of 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) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members, but no such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of Members, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, or annex additional Properties and Common Area, provided that any such merger, consolidation or annexation shall be effected as provided in the Declaration;

(g) have and to exercise any and all powers, rights and privileges

which a corporation organized under the Non-Profit Corporation Act of the State of North Carolina, G.S. §55A-1, et. seq., by law may now or hereafter have or exercise.

The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration.

ARTICLE V

NON-PROFIT ASSOCIATION

No part of the net earnings of the Association shall inure to the benefit of any officer, director or Member of the Association. All funds and property acquired by the Association and the proceeds therefrom shall be held only for the benefit of the Members of the Association in accordance with the provisions of the Declaration.

ARTICLE VI

MEMBERSHIP

Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including sellers by installment contracts, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VII

VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B Membership shall cease and be converted to Class A mem-

bership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; provided, however, in the event the Class B membership shall cease and be converted to Class A membership because the Declarant no longer owns the number of Lots required to keep such Class B membership in effect, such Class B membership shall be reinstated by the recordation of a subdivision map of the Properties which creates additional Lots, but in no event shall such Class B membership extend beyond the time stated in subparagraph (b) of this Section; or
- (b) on July 1, 1989.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be Members of the Association. 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 the initial directors until the selection of their successors at the first meeting of the Association are:

<u>DIRECTOR</u>	<u>ADDRESS</u>
William J. Bruckel, Jr.	514 Senlac Road Chapel Hill, North Carolina 27514
Charles Gordon Brown	Suite 100, One West Franklin Building 105 North Columbia Street Chapel Hill, North Carolina 27514
William W. Bunch, III	Suite 100, One West Franklin Building 105 North Columbia Street Chapel Hill, North Carolina 27514

At the first annual meeting the Members shall elect a director for a term of one year, a director for a term of two years and a director for a term of three years; and at each annual meeting thereafter the Members shall elect one director for a term of three years.

ARTICLE IX

DISSOLUTION

The Association may be dissolved with the assent given in writing and

signed by not less than two-thirds (2/3) of each class of 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 nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE X

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of each class of membership entitled to vote thereon.

ARTICLE XI

FNMA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal National Mortgage Association: annexation of additional properties; mergers and consolidations; deeding in trust the Common Area; dedication of Common Area; and, dissolution and amendment of these Articles.

ARTICLE XII

INCORPORATOR

The name and address of the incorporator of the Association is: William W. Bunch, III, Suite 100, One West Franklin Building, 105 North Columbia Street, Chapel Hill, Orange County, North Carolina 27514.

IN WITNESS WHEREOF, I have set my hand and seal this the 10th day of

April, 1985.


William W. Bunch, III (SEAL)

STATE OF NORTH CAROLINA
COUNTY OF Alamance

THIS IS TO CERTIFY that on the 10th day of April, 1985, before me, a Notary Public, personally appeared William W. Bunch, III, who I know to be the person named in and who executed the foregoing Articles of Incorporation of CANTERBURY TOWNHOUSE HOMEOWNER'S ASSOCIATION, INC., a corporation not for profit, and I have first made known to him the contents thereof, he did acknowledge that he signed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal this the 10th day of April, 1985.

Cynthia B. Quat
NOTARY PUBLIC

My commission expires: 11/3/87

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BETTY JONES
REGISTER OF DEEDS
ORANGE COUNTY, N.C.

FOLLOWING PINs ASSIGNED TO:

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Document Type

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Book Page

SUBORDINATION AGREEMENT

SUBDIVISION DESCRIPTION: Carterbury PLAT 41158

<u>PIN</u>	<u>DESCRIPTION</u>
<u>9778-63-9399</u> <u>7.122B.A.1</u>	1. <u>A4</u>
<u>9778-63-9389</u> <u>7.122B.A.2</u>	2. <u>A3</u>
<u>9778-63-9369</u> <u>7.122B.A.3</u>	3. <u>A2</u>
<u>9778-63-9359</u> <u>7.122B.A.4</u>	4. <u>A1</u>
<u>9778-63-9317</u> <u>7.122B.A.5</u>	5. <u>B6</u>
<u>9778-63-8396</u> <u>7.122B.A.6</u>	6. <u>B5</u>
<u>9778-63-8385</u> <u>7.122B.A.7</u>	7. <u>B4</u>
<u>9778-63-8374</u> <u>7.122B.A.8</u>	8. <u>B3</u>
<u>9778-63-8353</u> <u>7.122B.A.9</u>	9. <u>B2</u>
<u>9778-63-8342</u> <u>7.122B.A.10</u>	10. <u>B1</u>
<u>9778-63-8236</u> <u>7.122B.A.11</u>	11. <u>C-6</u>
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SUBORDINATION AGREEMENT

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SUBDIVISION DESCRIPTION:

Canterbury

PLAT 41158

<u>PIN</u>	<u>DESCRIPTION</u>
<u>9778-63-8244</u> <u>7 .122B. A. 12</u>	1. <u>C5</u>
<u>9778-63-8253</u> <u>7 .122B. A. 13</u>	2. <u>C4</u>
<u>9778-63-8262</u> <u>7 .122B. A. 14</u>	3. <u>C3</u>
<u>9778-63-8271</u> <u>7 .122B. A. 15</u>	4. <u>C2</u>
<u>9778-63-8280</u> <u>7 .122B. A. 16</u>	5. <u>C1</u>
<u>9778-63-9106</u> <u>7 .122B. A. 17</u>	6. <u>D4</u>
<u>9778-63-9125</u> <u>7 .122B. A. 18</u>	7. <u>D3</u>
<u>9778-63-9135</u> <u>7 .122B. A. 19</u>	8. <u>D2</u>
<u>9778-63-9155</u> <u>7 .122B. A. 20</u>	9. <u>D1</u>
<u>9778-63-9238</u> <u>7 .122B. A. 21</u>	10. <u>Common Area Ph 1</u>
<u>9778-73-1316</u> <u>7 .122B. B. 1</u>	11. <u>E1</u>
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SUBDIVISION DESCRIPTION:

Canterbury

PLAT 41158

<u>PIN</u>	<u>DESCRIPTION</u>
<u>9778-73-1335</u> <u>7 .122B. B. 2</u>	1. <u>E2</u>
<u>9778-73-1345</u> <u>7 .122B. B. 3</u>	2. <u>E3</u>
<u>9778-73-1364</u> <u>7 .122B. B. 4</u>	3. <u>E4</u>
<u>9778-73-1381</u> <u>7 .122B. B. 5</u>	4. <u>F1</u>
<u>9778-73-1390</u> <u>7 .122B. B. 6</u>	5. <u>F2</u>
<u>9778-73-2300</u> <u>7 .122B. B. 7</u>	6. <u>F3</u>
<u>9778-73-2229</u> <u>7 .122B. B. 8</u>	7. <u>F4</u>
<u>9778-73-2276</u> <u>7 .122B. B. 9</u>	8. <u>G1</u>
<u>9778-73-2275</u> <u>7 .122B. B. 10</u>	9. <u>G2</u>
<u>9778-73-2273</u> <u>7 .122B. B. 11</u>	10. <u>G3</u>
<u>9778-73-2272</u> <u>7 .122B. B. 12</u>	11. <u>G4</u>
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SUBDIVISION DESCRIPTION: CANTERBURY

PLAT 41 / 58

<u>PIN</u>	<u>DESCRIPTION</u>
<u>9778-73-2147</u> <u>7 .122B. B. 13</u>	1. <u>H1</u>
<u>9778-73-2136</u> <u>7 .122B. B. 14</u>	2. <u>H2</u>
<u>9778-73-2125</u> <u>7 .122B. B. 15</u>	3. <u>H3</u>
<u>9778-73-2114</u> <u>7 .122B. B. 16</u>	4. <u>H4</u>
<u>9778-73-2102</u> <u>7 .122B. B. 17</u>	5. <u>H5</u>
<u>9778-73-1191</u> <u>7 .122B. B. 18</u>	6. <u>H6</u>
<u>9778-73-1130</u> <u>7 .122B. B. 19</u>	7. <u>J1</u>
<u>9778-73-1121</u> <u>7 .122B. B. 20</u>	8. <u>J2</u>
<u>9778-73-1101</u> <u>7 .122B. B. 21</u>	9. <u>J3</u>
<u>9778-73-0191</u> <u>7 .122B. B. 22</u>	10. <u>J4</u>
<u>9778-73-0171</u> <u>7 .122B. B. 23</u>	11. <u>J5</u>
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SUBORDINATION AGREEMENT

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SUBDIVISION DESCRIPTION:

CANTERBURY

PLAT 41 / 58

<u>PIN</u>	<u>DESCRIPTION</u>
9778-73-0151 7.122B.B.24	1. J6
9778-73-1242 7.122B.B.25	2. Common Area Pl 2
9778-73-4025 7.122B.C.1	3. E/S Abbey Rd
9778-72-3881 7.122B.C.2	4. 11
-----	5. _____
-----	6. _____
-----	7. _____
-----	8. _____
-----	9. _____
-----	10. _____
-----	11. _____
-----	12. _____