

ARTICLES OF INCORPORATION

OF

COVENTRY HOMEOWNERS' ASSOCIATION, INC.

In compliance with the requirements of Chapter 55A of the General Statutes of North Carolina, the undersigned, all of whom are residents of the State of North Carolina and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is Coventry Homeowners' Association, Inc., hereafter called the "Association".

ARTICLE II

The principal office and the registered office of the Association is located at 306 Laurel Hill Road, Chapel Hill, Orange County, North Carolina.

ARTICLE III

George Donald Higgs, whose address is 306 Laurel Hill Road, Chapel Hill, Orange County, North Carolina, 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, consistent with the Declaration of Covenants, Conditions and Restrictions and the By-Laws of Coventry Homeowners' Association, Inc., the terms of which are incorporated herein by reference as if more fully set out, to provide for maintenance, preservation and architectural control of the residence Lots and Common Area within that certain tract of property described as:

SEE PROPERTY DESCRIPTION EXHIBIT INCORPORATED HEREIN and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association. To that end, the Association shall have the power

and authority to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association.

(a) The Association shall have the power to exercise all of the powers and privileges, including, but not limited to, the power and authority subject to and consistent with its Declaration and By-Laws as the same may be amended from time to time, to collect funds from its membership by way of dues and assessments and to pay out the same as it incurs debts in pursuit of its stated objectives, and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration" applicable to the property and recorded or to be recorded in the Office of the Register of Deeds of Orange County, North Carolina, 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) Notwithstanding anything to the contrary herein contained, this corporation shall have the power to do any and all incidental acts and things and to exercise any and all other powers which a partnership or natural persons doing business on a non-profit basis could do or exercise, and shall possess such general and additional powers as are conferred by the laws of the State of North Carolina upon non-profit corporations which are likewise and similarly organized.

ARTICLE V

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 contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest 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 VI
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 membership 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; or

(b) on January 1, 1986.

ARTICLE VII
BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of five (5) Directors, who need not be members of the Association. The number of directors may be changed by amendment of these Articles and the By-Laws 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:

<u>NAME</u>	<u>ADDRESS</u>
George Donald Higgs	306 Laurel Hill Road, Chapel Hill, North Carolina, 27514.
Mary Elizabeth Adams	1 Chatham Lane, Chapel Hill; North Carolina, 27707
Everett L. Vernon	801 Churchill Drive, Chapel Hill, North Carolina, 27514
Gwen Senior	2218 N. Lake Shore Drive, Chapel Hill, North Carolina, 27514
John L. McKee	729 Kenmore Road, Chapel Hill North Carolina, 27514

At the first annual meeting the members shall elect three directors for a term of one year and two directors for a term of two years. Thereafter, Directors shall be elected for two year terms.

ARTICLE VIII

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 non-profit corporation, associated, trust or other organization to be devoted to such similar purposes.

ARTICLE IX

DURATION

The corporation shall exist perpetually.

ARTICLE X

INCORPORATORS

The names and addresses of the incorporators are: George Donald Higgs, 306 Laurel Hill Road, Chapel Hill, North Carolina, and Mary Elizabeth Adams, 1 Chatham Lane, Chapel Hill, North Carolina.

ARTICLE XI

NON-PROFIT STATUS

Pursuant to North Carolina General Statute Section 105-130.11(11), and notwithstanding the merger, consolidation, reorganization, termination, dissolution, or winding up of this corporation, voluntary or involuntary, or by operation of law, if any, Coventry Homeowners' Association, Inc., shall not permit any part of the net earnings, current or accumulated, of the corporation at any time or under any circumstances to inure (other than through the performance of related services for the members of the corporation) to the benefit of any member of said corporation or other person. Further, no compensation, loan, or other payment shall be paid or made to any officer, director, incorporator, or any substantial contributor to it, unless such payment is permissible as a reasonable compensation for services rendered and/or as a reasonable allowance for authorized expendi-

tures incurred on behalf of Coventry Homeowners' Association, Inc.

ARTICLE XII

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five (75.0%) percent of the entire membership.

ARTICLE XIII

FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veteran's Administration: annexation of additional properties, save and except for additional phases in Coventry as set forth in the Declaration, mergers and consolidations, mortgaging of or dedication of Common Area, dissolution and amendment of these Articles.

ARTICLE XIV

LIABILITY

The members, directors, and officers of this corporation shall not be individually or jointly liable for the debt, defaults, contracts, torts or obligations of this corporation.

IN WITNESS WHEREOF, we have set our hands and seals, this the 18th day of April 1983.

George Donald Higgs (SEAL)
George Donald Higgs

Mary Elizabeth Adams (SEAL)
Mary Elizabeth Adams

NORTH CAROLINA
ORANGE COUNTY

This is to certify that on the 18th day of April, 1983, before me, a Notary Public in and for said county and state, personally appeared George Donald Higgs and Mary Elizabeth Adams, wnc I am satisfied are the persons named in and who executed the foregoing Articles of Incorporation and I have first made known to them the contents thereof, they did acknowledge that they signed and delivered the same as their voluntary acts and deeds for the uses and purposes therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and notarial seal, this the 18th day of April 1983

Charles Y. Rumer
Notary Public

My commission expires: 8/25/86

G. BEEMER, P.A.
JANEY AT LAW
PERSITY MALL
MILL, N.C. 27514