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DECLARATION OF CONDOMINIUM
ESTABLISHING
OXFORD TOWNHOUSE CONDOMINIUM

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Glenn L. Guy and wife, Alice C. Guy, of Chapel Hill, Orange County, State of North Carolina, hereinafter referred to as "OWNER" or "GRANTOR", hereby make, declare and establish this Declaration of Condominium, as and for a plan of condominium townhouse ownership to be known as OXFORD TOWNHOUSE CONDOMINIUM, PHASE I AND II, consisting of real property and improvements thereon as hereinafter described.

I

Glenn L. Guy and wife, Alice C. Guy are owners in fee simple of that certain real property situate, lying and being in the Town of Chapel Hill, in the County of Orange and State of North Carolina, to-wit:

BEGINNING at an iron stake in the northern property line of Ephesus Church Road at the southeast corner of Rudolph S. Nelson and wife, marked control corner, as shown on plat hereinafter referred to, and running thence along and with Ephesus Church Road the following courses and distances: North 77° 11' West 99.80 feet to an iron stake; thence North 72° 09' West 98.70 feet to an iron stake; thence North 68° 48' 48" West 52.95 feet to an iron stake; thence North 05° 46' East 341.25 feet to an iron stake, southwest corner of Phase III; thence South 84° 09' East 92.32 feet to an iron stake; thence North 01° 54' East 149.41 feet to an iron stake; thence South 88° 06' East 60 feet to an iron stake; thence South 01° 54' West 46 feet to an iron stake; thence North 89° 42' East 83 feet to an iron stake the southeast corner of Phase III; thence South 02° 46' 05" East 322.38 feet to an iron stake corner of Rudolph S. Nelson and wife; thence South 14° 41' 47" West 137.59 feet to the BEGINNING and being Phase I and Phase II as shown on plat of Property of Glenn L. Guy by George C. Love, Jr., R.L.S., dated September 26, 1972, and recorded in Plat Book 31 at page 7, Orange County Registry, to which plat and survey reference is hereby expressly made for a more particular description of same.

There is expressly reserved to GRANTOR the right of ingress, egress and regress over Banbury Lane, a private road extending from Ephesus Church Road in a northerly direction through Phase I and Phase II, as shown on plat hereinabove referred to or as said right-of-way may hereafter be modified or changed to more adequately provide access for Phase III to Ephesus Church Road; and there is likewise reserved to GRANTOR rights-of-way for utility easements including electricity, telephone, natural gas, water, sewer and as presently installed on said premises or as may hereafter be installed for the purpose of serving Phase III and likewise CATV cable easements that may hereinafter be installed. It is understood that said right-of-way and easements may be modified and changed from time to time as they may more adequately serve Phase I, Phase II and Phase III as shown on said survey above referred to.

There has been constructed on Phase I and Phase II three (3) buildings consisting of sixteen (16) townhouse condominium units and other appurtenant improvements as shown on plat hereinabove referred to. GRANTOR does hereby submit the above described real property with improvements thereon to condominium ownership pursuant to the North Carolina Unit Ownership Act, and declares the same to be known and identified as OXFORD TOWNHOUSE CONDOMINIUM, PHASE I AND PHASE II, as shown on Exhibit A attached hereto and of record in Plat Book 31 at page 7, Orange County Registry, hereinafter referred to as "CONDOMINIUM".

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The provisions of the North Carolina Unit Ownership Act as may be amended shall govern this Condominium and the rights, duties and responsibilities of townhouse owners thereof, except where permissive variances therefrom appear in this Declaration, the Articles of Incorporation of OXFORD TOWNHOUSE CONDOMINIUM, a non-profit North Carolina Corporation, and the by-laws of said corporation.

II

Survey and Description of Improvements

Attached hereto and expressly made a part hereof, and marked Exhibit "A" is a survey of the land and graphic description of plot plans of the improvements constituting the Condominium identifying the common elements and limited common elements, and their respective locations and approximate dimensions. Said survey and plot plans were prepared by George C. Love, Jr. Registered Land Surveyor in accordance with the requirements of the North Carolina Unit Ownership Act, and have been so certified. Each townhouse in the Condominium is identified and designated by a specific building and number as shown on Exhibit "A" and no Townhouse bears the same designation as any other Townhouse, that is now existing or contemplated.

III

Ownership of Townhouses and appurtenant share in common elements and common surplus, and share of common expenses

Each Townhouse shall be conveyed as an individual property capable of independent use and fee simple ownership, and the owner or owners of each Townhouse shall own, as an appurtenance to the ownership of each said Townhouse, an undivided share of all common elements of the Condominium; the undivided share in the common elements appurtenant to each Townhouse and specifically assigned thereto is shown on Exhibit "B" attached hereto and made a part hereof and entitled: Schedule of Proportionate Shares (expressed in percentages) in Common Elements Appurtenant to Townhouses in the Oxford Townhouse Condominium.

The common expenses shall be shared and the common surplus shall be owned in the same proportion as each Townhouse Owner's share of the ownership of the common elements as shown on Exhibit "B".

IV

The Townhouses in the Condominium consist of that area of space enclosed within the exterior surface of the interior walls, the exterior surface of the first floor slab, a patio as shown on Exhibit "A" and parking and storage as herein limited, and the lateral or perimetrical boundaries of such townhouses including the windows and doors thereof. Mechanical elements and appurtenances located within any unit and attached to that unit designated to serve only that unit, such as furnaces, appliances and fixtures, shall be considered a part of the Condominium unit. Each Townhouse Condominium Unit shall include the storage space in the attic immediately above said unit and in addition thereto each unit in Building One shall have as limited common facilities a unit of storage space in the basement of said building. Management shall at all times have access to the sump pump and electrical panels in said limited common facilities. Restricted common areas and facilities shall include two (2) permanent parking spaces for each townhouse condominium unit.

V

Administration of Condominium by Oxford Townhouse Condominium, Inc.

The operation and management of the Condominium shall be administered by Oxford Townhouse Condominium, Inc., a corporation not for profit, organized and existing under the laws of the State of North Carolina, hereinafter referred to as the "ASSOCIATION". The Association shall have all of the powers and duties incident to the operation of the Condominium as set forth in the Declaration and the Association's by-Laws and Articles of Incorporation, as well as all the powers and duties set forth in the Unit Ownership Act, where the same

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are not in conflict with or limited by this Declaration and said By-Laws and Articles of Incorporation. True and Correct copies of the By-Laws and Articles of Incorporation of Oxford Townhouse Condominium, Inc. are attached hereto, made a part hereof and marked Exhibit "C" and Exhibit "D", respectively.

VI

Membership in the Association shall be established by the acquisition of fee title to a Townhouse in the Condominium, or by the acquisition of a fee ownership interest therein, whether by conveyance, judicial decree or otherwise, and the membership of any party shall be automatically terminated upon his being divested of all title to his entire fee ownership interest in any townhouse, except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more Townhouses, or who may own a fee interest in two or more Townhouses, so long as such party shall retain title to a fee ownership interest in any Townhouse.

On all matters on which membership is entitled to vote there shall be only one vote for each Townhouse in the Condominium, which vote may be exercised by the owner or owners of each Townhouse in the manner provided by the By-Laws of the Association. Should any member own more than one Townhouse in the Condominium, such member shall be entitled to exercise as many votes as he owns Townhouses.

VII

Common Expenses, Assessments, Collection,
Lien and Enforcement, Limitations

A. The Board of Directors of the Association shall establish an annual budget in advance of each fiscal year which shall correspond with the calendar year, to project and determine the amount of the common expenses which may be required for the proper operation, management and maintenance of the Condominium, and to allocate and assess such common expenses among the Townhouse owners according to the share that each is required to pay. In determining such common expenses, the Board of Directors may provide for an operating reserve not to exceed fifteen (15%) per cent of the total projected common expenses for the year. Each Townhouse Owner shall be liable for the payment to the Association of his proportionate share of the common expenses as determined in said budget, which share shall be in the same proportion as is each Townhouse Owner's share of ownership in the common elements as shown on Exhibit "B".

The annual assessment levied against each Townhouse shall be payable monthly on the first day of each and every month, or at such other intervals or times which the Board of Directors may establish. At the end of each fiscal year, any funds in excess of the amounts required to pay the common expenses during such year (which common expenses may include the operating reserve hereinbefore mentioned) shall be held by the Association and shall apply toward the payment of assessments for the ensuing year or, at the option of the Board of Directors, may be returned to the members in proportion to their ownership of the Common Surplus, or may be applied specifically to each member's common expense account for the ensuing year.

B. Special assessments may be made by the Board of Directors from time to time to meet other needs or requirements of the Association in the operation and management of the Condominium and to provide for emergencies, repair and replacements, and infrequently recurring items of maintenance. However, any special assessment which is not connected with an actual operating, managerial or maintenance expense of the Condominium, shall not be levied without the prior approval of the members owning at least sixty (60) percent of the Townhouses in the Condominium.

C. The liability for any assessment or portion thereof may not be avoided by a Townhouse owner or waived by reason of such Townhouse owner's waiver of the use and enjoyment of any of the common elements of the Condominium or by his abandonment of his Townhouse.

D. An assessment or installment thereon not paid within ten (10) days from the date upon which it is due, shall be deemed delinquent and shall bear interest thereon at the rate of ten (10) per cent per annum from its due

date, and shall remain delinquent until fully paid, together with accrued interest. If such delinquency is not made good within fifty (50) days from the date the same occurred the balance of the annual assessment remaining unpaid shall become immediately due and payable, and the Association may proceed to collect the same in any manner provided by law, including, without limitation, the foreclosure of its lien as provided in the Unit Ownership Act, - Section 47A-22.

E. The holder of a first mortgage acquiring title to a Townhouse by foreclosure of its mortgage or by acceptance of a voluntary conveyance in lieu thereof, or a purchaser at judicial sale resulting from the foreclosure of a first mortgage, and their successors and assigns, shall not be liable for the share of common expenses or assessments pertaining to such Townhouse or chargeable to the former Townhouse Owner, which became due prior to such acquisition of title.

VIII

INSURANCE COVERAGE, USE AND DISTRIBUTION OF PROCEEDS, REPAIRS OR RECONSTRUCTION AFTER CASUALTY.

A. All insurance policies upon the CONDOMINIUM property shall be purchased by the ASSOCIATION. The named insured shall be the ASSOCIATION, and the Townhouse Owners and their mortgagees as their interests may appear. Provision shall be made for the issuance of mortgagee endorsements and/or memoranda of insurance to the TOWNHOUSE Owners and their mortgagees.

B. The ASSOCIATION shall be required to obtain and maintain casualty insurance covering all improvements upon the land, including all parts of the building, both exterior and interior, and including fixtures, as are ordinarily covered by similar types of insurance policies, in an amount equal to the maximum insurable replacement value, exclusive of foundation and excavation costs, as determined annually by the insurance carrier; or, if approved by the Board of Directors, such insurance may be carried on not less than an eighty (80%) per cent co-insurance basis. The coverage shall afford protection against loss or damage by fire, windstorm, and other hazards covered by a standard extended coverage endorsement, and such other risks as shall be customarily covered with respect to buildings similar in construction, location and use, including but not limited to vandalism and malicious mischief. The ASSOCIATION shall also be required to carry public liability insurance in sufficient amounts to provide adequate protection to the ASSOCIATION and its members. All liability insurance maintained by the ASSOCIATION shall contain cross liability endorsements to cover liability of the TOWNHOUSE Owners as a group to each TOWNHOUSE Owner.

The ASSOCIATION may carry such other insurance, or obtain such other coverage, as the Board of Directors may determine to be desirable. Employer's Liability Insurance shall be obtained, if necessary, to comply with the Workmen's Compensation Law.

C. The premiums upon all insurance policies shall be paid by the ASSOCIATION as a common expense.

D. Any proceeds becoming due under the casualty insurance policy or policies for loss, damage or destruction sustained to the building or other improvements, shall be payable to the ASSOCIATION and the Institutional First Mortgagees to which have been issued loss payable mortgagee endorsements.

In the event any loss, damage or destruction to the insured premises is not substantial (as such term "substantial" is hereinafter defined), and such loss, damage or destruction is replaced, repaired or restored with the ASSOCIATION'S funds, the Institutional First Mortgagees which are named as payees upon the draft issued by the insurance carrier shall endorse the draft and deliver the same to the ASSOCIATION; provided, however, that any repair and restoration on account of physical damage shall restore the improvements to substantially the same condition as existed prior to the casualty.

Substantial loss, damage or destruction, as the term is herein used, shall mean any loss, damage or destruction sustained to the insured improvement which would require an expenditure of sums in excess of three (3%) per cent of the amount of coverage under the ASSOCIATION'S casualty insurance policy or policies then existing, in order to restore, repair and reconstruct the loss, damage or destruction sustained.

Any casualty insurance proceeds becoming due by reason of substantial loss, damage or destruction sustained to the CONDOMINIUM improvements shall be payable to the ASSOCIATION, and all Institutional First Mortgagees which shall have been issued loss payable mortgagee endorsements, and such proceeds shall be made available to the Institutional First Mortgagee which shall hold the greater number of mortgages encumbering the APARTMENTS in the CONDOMINIUM, which proceeds shall be held in a construction fund to provide for the payment of all work, labor and materials to be furnished to the reconstruction, restoration and repair of the CONDOMINIUM improvements. Disbursements from such construction fund by such Institutional First Mortgagee shall be in accordance with such Institution's usual and customary construction loan procedures. A fee not to exceed one (1%) per cent of the amount of such fund may be charged by such Institutional First Mortgagee for its services in the administration of the construction fund, and such fee shall be treated by the ASSOCIATION as a common expense. Any sums remaining in the construction fund after the completion of the restoration, reconstruction and repair of the improvements and full payment therefor shall be paid over to the ASSOCIATION and held for, and/or distributed to the TOWNHOUSE Owners in proportion to each TOWNHOUSE Owner's share of the Common Surplus. If the insurance proceeds payable as the result of such casualty are not sufficient to pay the estimated costs of such restoration, repair and reconstruction, which estimate shall be made prior to proceeding with restoration, repair or reconstruction, the ASSOCIATION shall levy a special assessment against the TOWNHOUSE Owners for the amount of such insufficiency, and shall pay said sum into the aforesaid construction fund.

Notwithstanding which Institutional First Mortgagee holds the greater number of mortgages encumbering the TOWNHOUSES, such Mortgagees may agree between or among themselves as to which one shall administer the construction fund, or may agree that such fund be placed with and administered by a title company.

If the damage sustained to the improvements is less than substantial, as heretofore defined, the Board of Directors may determine that it is in the best interests of the ASSOCIATION to pay the insurance proceeds into a construction fund to be administered by an Institutional First Mortgagee as hereinabove provided. No Institutional Mortgagee shall be required to cause such insurance proceeds to be made available to the ASSOCIATION prior to commencement or completion of any necessary restoration, repairs or reconstruction, unless arrangements are made by the ASSOCIATION to satisfactorily assure that such restoration, repairs and reconstruction shall be completed. Such assurances may consist of, without limitation, obtaining (1) a construction loan from other sources, (2) a binding contract with a contractor or contractors to perform the necessary restoration, repairs and reconstruction, and (3) the furnishing of performance and payment bonds.

Any restoration, repair or reconstruction made necessary through a casualty, shall be commenced and completed as expeditiously as reasonably possible, and must substantially be in accordance with the plans and specifications for the construction of the original building. In no event shall any reconstruction or repair change the relative locations and approximate dimensions of the common elements and of any TOWNHOUSE, unless an appropriate amendment be made to this DECLARATION.

E. Where physical damage has been sustained to the CONDOMINIUM improvements and the insurance proceeds have not been paid into a construction fund as hereinabove more fully provided, and where restoration, repair or reconstruction has not been commenced, an Institutional Mortgagee who has commenced foreclosure proceedings upon a mortgage encumbering a TOWNHOUSE, shall be entitled to receive that portion of the insurance proceeds apportioned to said TOWNHOUSE in the same share as the share in the common elements appurtenant to said TOWNHOUSE.

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F. If substantial loss, damage or destruction shall be sustained to the CONDOMINIUM improvements, and at a Special Members' Meeting called for such purpose, the Owners of at least Eighty (80%) Percent of the TOWNHOUSES in the CONDOMINIUM vote and agree in writing that the damaged property will not be repaired or reconstructed, the CONDOMINIUM shall be terminated, provided, however, such termination will not be effective without the written consent of all Institutional First Mortgagees holding mortgages encumbering TOWNHOUSES.

G. Notwithstanding anything contained in this ARTICLE VIII to the contrary, an Institutional First Mortgagee shall always be entitled to receive, in reduction of its mortgage debt, that portion of insurance proceeds apportioned to its mortgaged TOWNHOUSE in the same share as the share in the common elements appurtenant to such TOWNHOUSE, in the event: (1) its mortgage is not in good standing and is in default; (2) the insurance proceeds are not sufficient to complete restoration, reconstruction or repair and the ASSOCIATION has not made additional funds available for such purpose; and (3) it is determined to restore, repair or reconstruct the improvements in a manner or condition substantially different than that existing prior to the casualty and such Mortgagee has not consented in writing to such change or alteration.

XI

LIMITATIONS UPON RIGHT OF OWNER TO ALTER
OR MODIFY APARTMENT

No owner of a TOWNHOUSE shall permit therein to be made any structural modifications or alterations without first obtaining the written consent of the Board of Directors, which consent may be withheld in the event that a majority of the Board of Directors of the ASSOCIATION shall determine that such structural modifications or alterations would adversely affect or in any manner endanger the CONDOMINIUM building in part or in its entirety. Such consent shall not unreasonably or arbitrarily be withheld if there is no danger as to an adverse effect upon other portions of the building.

If the modification or alteration desired by the Owner of any TOWNHOUSE involves the removal of any permanent interior partition, the Board of Directors shall have the right to permit such removal so long as the permanent interior partition to be removed is not a load-bearing partition, and so long as the removal thereof would in no manner affect or interfere with the provisions of utility services constituting common elements located thereon. No Owner shall cause any improvements or changes to be made on the exterior of the CONDOMINIUM, including painting or other decoration, or the installation of awnings, shutters, electrical wiring, television or radio antenna, machines or air-conditioning units, which may protrude through or be attached to the walls of the CONDOMINIUM or in any manner change the appearance of any portion of the building not within the walls of such TOWNHOUSE without the written consent of the Board of Directors being first had and obtained.

XII

ADDITIONS, ALTERATIONS OR IMPROVEMENTS
BY THE ASSOCIATION

Whenever in the judgment of the Board of Directors the CONDOMINIUM property shall require additions, alterations, or improvements which shall cost in excess of three-tenths (3/10ths) of one (0.03%) per cent of the total amount of the ASSOCIATION'S casualty insurance coverage, and the making of such additions, alterations, or improvements shall have been approved by a majority of the TOWNHOUSE Owners, the Board of Directors shall proceed with such additions, alterations or improvements, and shall specially assess all TOWNHOUSE Owners for the cost thereof as a common expense. Any addition, alteration or improvements costing in excess of two (2%) per cent of the total amount of such insurance coverage shall also require the written consent of Institutional Mortgagees holding mortgages encumbering at least eighty percent (80%) of the TOWNHOUSES in the CONDOMINIUM. Additions, alterations or improvements costing less than the (0.03%) figure as above mentioned, may be made by the Board of Directors without the approval of the TOWNHOUSE Owners, the cost thereof being a part of the common expenses.

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SALE AND LEASING OF APARTMENTS, ASSOCIATION'S
RIGHT OF FIRST REFUSAL, EXCEPTIONS

a) With the exception of transfers of ownership of any TOWNHOUSE by one co-tenant to another, should a TOWNHOUSE Owner desire to sell or lease his TOWNHOUSE, the ASSOCIATION shall have and is hereby given and granted the right of first refusal to purchase and/or lease such TOWNHOUSE, as the case may be, upon the same terms and conditions as those contained in any bona fide offer which such Owner may have received for the sale or lease of his TOWNHOUSE. A bona fide offer is defined herein as an offer in writing, binding upon the offeror and containing all of the pertinent terms and conditions of such sale or lease, and in the case of an offer to purchase, accompanied by an earnest money deposit in an amount equal to at least ten (10%) per cent of the purchase price. Whenever a TOWNHOUSE Owner has received a bona fide offer to purchase or lease his TOWNHOUSE, such OWNER shall notify the Board of Directors in writing of his desire to accept such offer, stating the name, address, business, occupation or employment of the offeror, an executed copy of the bona fide offer for such purchase or lease to accompany the notice. The ASSOCIATION'S right of first refusal includes the right of the ASSOCIATION to designate another person or entity to take title to the TOWNHOUSE or to lease the same in the event the ASSOCIATION exercises its right of first refusal.

If the ASSOCIATION, upon the written approval of the Owners of a majority of the TOWNHOUSES in the CONDOMINIUM, elects to exercise its option to purchase or lease (or cause the same to be purchased or leased by its designee), the ASSOCIATION shall notify the TOWNHOUSE Owner desiring to sell or lease of the exercise of its option, such notice to be in writing and posted by registered or certified mail to such Owner within fourteen (14) days from the ASSOCIATION'S receipt of the Owner's notice. Said notice by the ASSOCIATION to the Owner, in order to be effective, must be accompanied by a binding written offer on the part of the ASSOCIATION, containing the same terms and conditions as the original offer to the TOWNHOUSE Owner, and, if an offer to purchase, shall be accompanied by an earnest money deposit of at least ten (10%) per cent of the purchase price. The TOWNHOUSE shall then be purchased or leased by the ASSOCIATION or its designee, in accordance with the terms and conditions contained in said bona fide offer. When any TOWNHOUSE Owner has notified the Board of Directors of the ASSOCIATION of his desire to sell or lease as hereinabove provided, such Owner shall be free to consummate such sale or lease of his TOWNHOUSE unless the ASSOCIATION, within fourteen (14) days from its receipt of the Owner's required notice, has notified such Owner of its exercise of its right of first refusal. In such event, the Owner shall not sell or lease the TOWNHOUSE to any other than the party designated to the Board of Directors in the Owner's original notice required hereunder, nor for any lower purchase price or rental, nor upon any more favorable terms and conditions than those originally contained in said bona fide offer presented to the ASSOCIATION, without again giving the ASSOCIATION the right of first refusal upon such new terms.

b) Notwithstanding the provisions of this ARTICLE XIII a), the Board of Directors may affirmatively approve and give its consent to such proposed sale or lease, and may do so without the approval of the members of the ASSOCIATION, provided that a majority of the Board of Directors concur and evidence such concurrence in writing, delivered to the TOWNHOUSE Owner desiring to sell or lease his TOWNHOUSE.

c) Any purported sale or lease of a TOWNHOUSE where the Owner has failed to comply with the foregoing provisions of this ARTICLE XIII, shall be voidable at the election of the Board of Directors, provided, however, that such voidability shall exist for a period of no longer than ninety (90) days from the consummation of such sale or lease transaction, such consummation to be evidenced by occupancy of the TOWNHOUSE or by the recordation of a deed of conveyance thereto; and provided, further, that the ASSOCIATION commence an action within such ninety (90) day period to have the same declared void.

d) Any Institutional First Mortgagee making a mortgage loan for the purpose of financing the purchase of a TOWNHOUSE in the CONDOMINIUM, shall not be required to make inquiry into whether or not its Mortgagor's Grantor complied with the provisions of this ARTICLE XIII, and any failure of such Mortgagor's

Grantor to so comply will not operate to affect the validity or priority of such mortgage taken by such institutional Mortgagee to secure such loan.

e) Any purchaser of a TOWNHOUSE in the CONDOMINIUM whose prospective seller has been in title for at least ninety (90) days preceding such purchase shall not be required to make inquiry into whether or not such seller's Grantor complied with the provisions of this ARTICLE XIII in selling such TOWNHOUSE to such seller. After 90 days following the consummation of any transaction involving the sale of a TOWNHOUSE in the CONDOMINIUM, which sale shall be evidenced by the recordation of a deed conveying the title to such TOWNHOUSE, no action whatsoever may be brought by the ASSOCIATION to void such transaction by reason of non-compliance with this ARTICLE XIII.

f) Any lease approved by the Board of Directors shall provide that it may not be extended or assigned without the approval of the Board of Directors, and the lessee may not sublet without such approval. Any lessee occupying a TOWNHOUSE under an approved lease shall be fully subject to the terms of this DECLARATION and the By-Laws of the ASSOCIATION, and such lease shall be subject to cancellation if the lessee thereunder shall fail to comply with the rules and regulations contained herein, or which may hereafter be established by the ASSOCIATION.

g) The right of first refusal granted to the ASSOCIATION shall not apply or be operative to any foreclosure or other judicial sale of a TOWNHOUSE although a purchaser at such judicial sale, except as hereinafter provided, shall thereafter be subject to the ASSOCIATION'S right of first refusal relative to the sale or lease of a TOWNHOUSE.

h) All of the terms and provisions of this ARTICLE XIII set forth hereinabove relative to the ASSOCIATION'S right of first refusal, shall at all times be wholly inapplicable and inoperative as to any Institutional First Mortgagee which has acquired title to a TOWNHOUSE by reason of foreclosure of its mortgage, or by the acceptance of a voluntary conveyance in lieu thereof, and such Institutional First Mortgagee shall have the unequivocal right and power to sell, transfer, lease or otherwise dispose of such TOWNHOUSE as it may deem in its best interests, without first offering the same to the Board of Directors and without any restriction whatsoever. The exceptions to the right of first refusal as set forth in this section of ARTICLE XIII shall be fully applicable to the GRANTOR, which likewise shall have the unrestricted right to sell or lease any TOWNHOUSES which he owns in the CONDOMINIUM.

XIV

AMENDMENT OF DECLARATION

This DECLARATION may be amended by the vote of the members of the ASSOCIATION owning at least eighty per cent (80%) of the TOWNHOUSES in the CONDOMINIUM, cast in person or by proxy at a meeting duly held in accordance with the By-Laws and Articles of Incorporation of the ASSOCIATION, provided, however, that any such proposed amendment must be first approved by Institutional First Mortgagees holding mortgages or eighty percent (80%) of the TOWNHOUSES; and, provided further, no amendment to this DECLARATION shall be adopted which would operate to affect the validity or priority of any mortgage held by an Institutional First Mortgagee or which would alter, amend or modify, in any manner whatsoever, the rights, powers, and privileges granted and reserved herein in favor of any Institutional First Mortgagee, or in favor of the GRANTOR without the consent of all such mortgagees or the GRANTOR, as the case may be. There shall be no amendment adopted altering the share of ownership in the common elements or surplus, or altering the share of common expenses, except by the unanimous vote of all members of the ASSOCIATION and approved by their respective Institutional First Mortgagees.

XV

TERMINATION OF CONDOMINIUM

Except as otherwise provided in ARTICLE VIII, Paragraph f) of this DECLARATION, the CONDOMINIUM created and established hereby may only be terminated upon the vote of members of the ASSOCIATION owning eighty percent (80%)

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of the TOWNHOUSES in the CONDOMINIUM, provided that the written consent to such termination is obtained from all institutional First Mortgagees holding mortgages encumbering the TOWNHOUSES.

XVI

ENCROACHMENTS

If any portion of the common elements now encroaches upon any TOWNHOUSE, or if any TOWNHOUSE now encroaches upon any other TOWNHOUSE, or upon any portion of the common elements, or if any encroachment shall hereafter occur as the result of settling of the building, or alteration to the common elements made pursuant to the provisions herein, or as the result of repair and restoration, a valid easement shall exist for the continuance of such encroachment for so long as the same shall exist.

XVII

ASSOCIATION TO MAINTAIN
REGISTER OF OWNERS AND MORTGAGEES

The ASSOCIATION shall at all times maintain a register setting forth the names of all Owners of TOWNHOUSES in the CONDOMINIUM, and any purchaser or transferee of a TOWNHOUSE shall notify the ASSOCIATION of his interest in such TOWNHOUSE. TOWNHOUSE Owners shall also notify the ASSOCIATION of the names of any party holding a mortgage upon any TOWNHOUSE in order that the ASSOCIATION may keep a record of same.

XVIII

REAL PROPERTY TAXES DURING
INITIAL YEAR OF CONDOMINIUM

In the event that during the year in which the CONDOMINIUM is established, real property taxes are assessed against the Condominium property as a whole, such taxes will be paid by the ASSOCIATION as a common expense. Taxes apportioned to any TOWNHOUSE sold by the GRANTOR will be paid by the GRANTOR and his purchaser, in accordance with their respective pro-rata shares.

XIX

DESIGNATION AND ASSIGNMENT OF
PARKING SPACES BY DEVELOPER

Each TOWNHOUSE Owner shall have the right to the exclusive use of two (2) automobile parking spaces in one of the parking lots.

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RESPONSIBILITY OF TOWNHOUSE OWNERS

The Owner of each TOWNHOUSE shall be governed by and shall comply with the provisions of this DECLARATION, as well as the By-Laws and Articles of Incorporation of the ASSOCIATION. Any TOWNHOUSE Owner shall be liable for the expense of any maintenance, repair or replacement made necessary by his act, neglect or carelessness or by that of any members of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the ASSOCIATION. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a TOWNHOUSE. Nothing herein contained, however, shall be construed so as to modify any waiver of rights of subrogation by insurance companies.

In any action brought against a TOWNHOUSE Owner by the ASSOCIATION for damages, or injunctive relief due to such TOWNHOUSE Owner's failure to comply with the provisions of this DECLARATION or By-Laws of the ASSOCIATION, or any rules and regulations promulgated by the Board of Directors, the ASSOCIATION shall be entitled to reasonable attorneys' fees and costs incurred by it in connection with the prosecution of such action.

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XXI

WAIVER

The failure of the ASSOCIATION, a TOWNHOUSE Owner or Institutional First Mortgagee to enforce any right, provision, covenant or condition which may be granted herein, or the By-Laws and Articles of Incorporation of the ASSOCIATION, or the failure to insist upon the compliance with same shall not constitute a waiver of the ASSOCIATION, such TOWNHOUSE Owner or Institutional First Mortgagee, to enforce such right, provision, covenant or condition, or insist upon the compliance with same in the future.

XXII

CONSTRUCTION

The provisions of this DECLARATION shall be liberally construed so as to effectuate its purposes. The invalidity of any provision hereof shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this DECLARATION.

XXIII

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this DECLARATION nor the intent of any provision hereof.

XXIV

GENDER

The use of the masculine gender in this DECLARATION shall be deemed to refer to the feminine or neuter gender, and the use of the singular or plural shall be taken to mean the other whenever the context may require.

IN WITNESS WHEREOF, GLENN, L. GUY and wife, ALICE C. GUY, have hereunto set their hands and seals this 22 day of January, 1973.

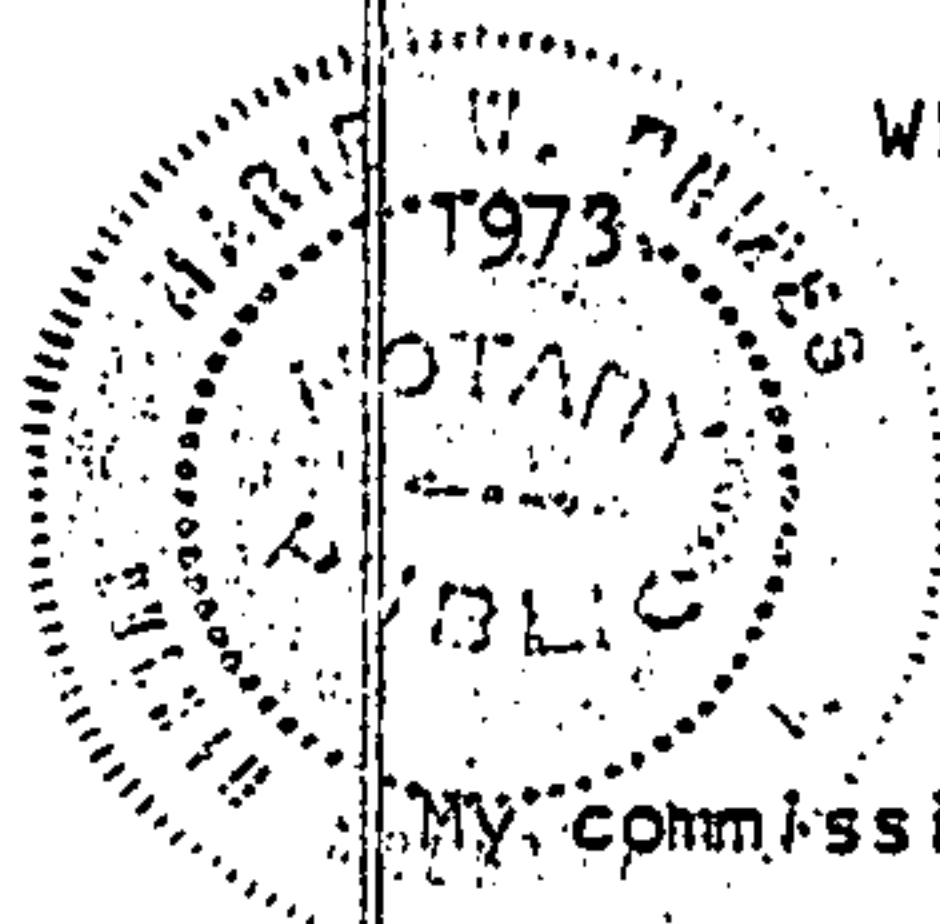
Glenn L. Guy (SEAL)
Glenn L. Guy

Alice C. Guy (SEAL)
Alice C. Guy

NORTH CAROLINA

DURHAM COUNTY

I, Marie W. Snipes, a Notary Public, do hereby certify that Glenn L. Guy and wife, Alice C. Guy, each personally appeared before me this day and acknowledged the due execution of the foregoing Declaration.



WITNESS my hand and notarial seal, this the 22 day of January,

Marie W. Snipes
Notary Public

MY commission expires:

June 15, 1977

FOR EXHIBIT "F" - Plat - See Plat Book 20
Page 8-1

STATE OF NORTH CAROLINA—ORANGE COUNTY

THE FOREGOING CERTIFICATE IS OF Marie W. Snipes

A NOTARY PUBLIC OF THE DESIGNATED GOVERNMENTAL UNITS IS (ARE) CERTIFIED TO BE CORRECT

THIS THE 30th DAY OF January A.D. 19 73

BETTY JUNE HAYES, REGISTER OF DEEDS

BY:

Billie B. Horn

RETURN: Allston J. Stubbs, Atty.

ASSISTANT/DEPUTY
REGISTER OF DEEDS
BOOK 240 PAGE 245

BETTY JUNE HAYES
REGISTER OF DEEDS
ORANGE COUNTY, N.C.

FILED

BOOK/FILE # 240 PAGE # 236

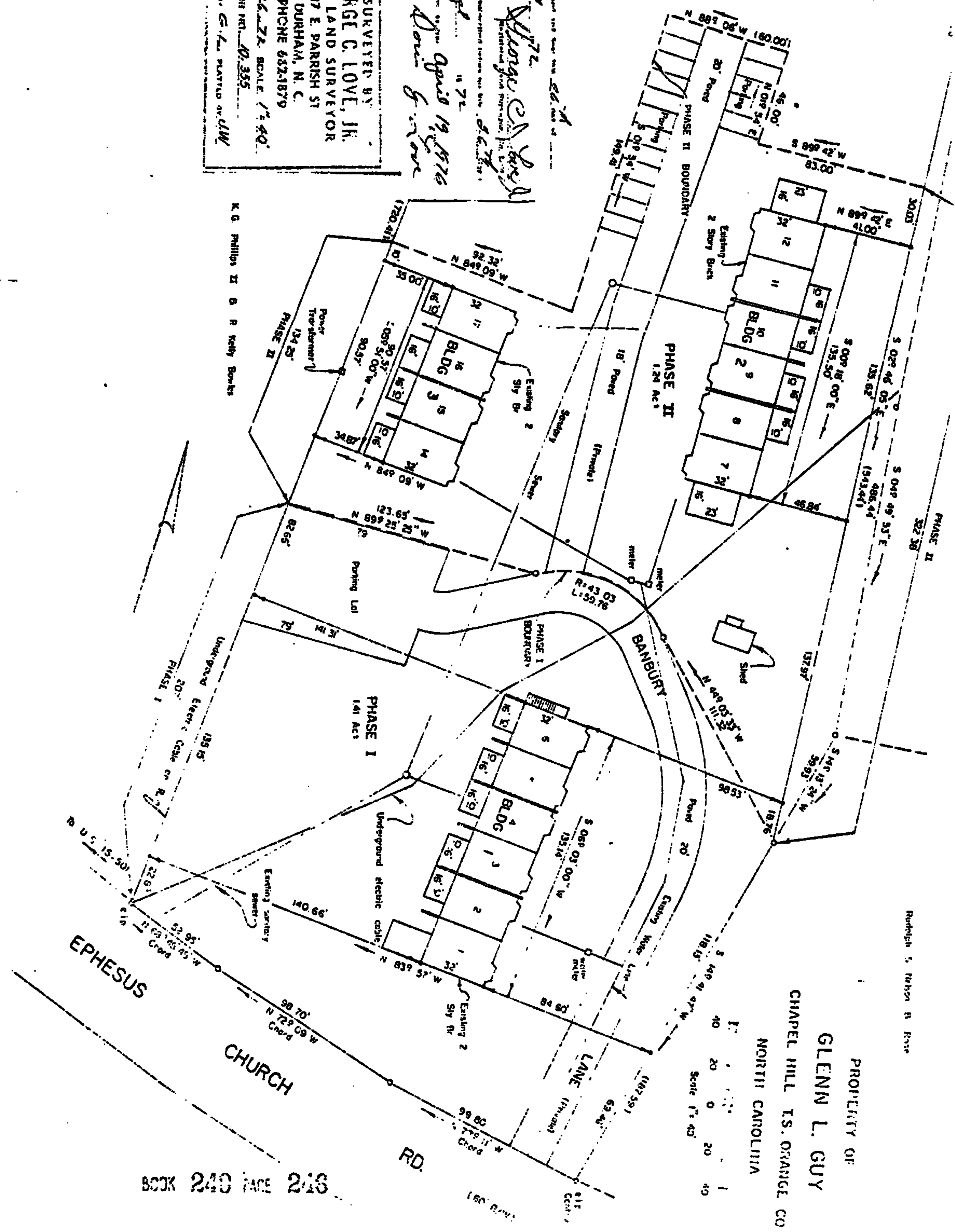
JAN 30 3 20 PM '73

EXHIBIT A

SURVEYED BY:
FORGE C. LOVE, JR.
 REG. LAND SURVEYOR
 117 E. PARRISH ST
 DURHAM, N. C.
 PHONE 682-1879

9-26-72 SCALE 1" = 40'
 JOB NO. 20-335
 C. L. PLATTED BY UIM

George C. Love
April 19, 1976
Don G. Guy



<u>UNIT DESIGNATION</u>	<u>LOCATION</u>	<u>APPROX. INTERIOR SQ. FOOTAGE</u>	<u>STORAGE</u>	<u>NO. OF ROOMS</u>	<u>UNITS' EXTERIOR FACILITIES</u>	<u>% INTEREST IN COMMON AREAS AND EXPENSES</u>
Apartment 1	Bldg 1-Phase 1	1400	Third Floor & Cellar Locker	5	14'x20' screened porch	6.446%
Apartment 2	Bldg 1-Phase 1	1400	Third Floor & Cellar Locker	5	16'x10' Patio with awnings	6.052%
Apartment 3	Bldg 1-Phase 1	1400	Third Floor & Cellar Locker	5	16'x10' Patio with awnings	6.052%
Apartment 4	Bldg 1-Phase 1	1400	Third Floor & Cellar Locker	5	16'x10' Patio with awnings	6.060%
Apartment 5	Bldg 1-Phase 1	1400	Third Floor & Cellar Locker	5	16'x10' Patio	6.017%
Apartment 6	Bldg 1-Phase 1	1400	Third Floor & Cellar Locker	5	16'x10' Patio with awnings	6.070%
Apartment 7	Bldg 2-Phase 2	1400	Third Floor	5	16'x23' screened porch with drop awnings	6.814%
Apartment 8	Bldg 2-Phase 2	1400	Third Floor	5	16'x10' Patio	6.203%
Apartment 9	Bldg 2-Phase 2	1400	Third Floor	5	16'x10' Patio	6.203%
Apartment 10	Bldg 2-Phase 2	1400	Third Floor	5	16'x10' Patio with awnings	6.230%
Apartment 11	Bldg 2-Phase 2	1400	Third Floor	5	16'x10' Patio	6.203%
Apartment 12	Bldg 2-Phase 2	1400	Third Floor	5	16'x23' Screened porch with drop awnings	6.790%
Apartment 14	Bldg 3-Phase 2	1400	Third Floor	5	16'x10' Patio	6.240%
Apartment 15	Bldg 3-Phase 2	1400	Third Floor	5	16'x10' Patio with awnings	6.230%
Apartment 16	Bldg 3-Phase 2	1400	Third Floor	5	16'x10' Patio	6.120%
Apartment 17	Bldg 3-Phase 2	1400	Third Floor	5	16'x10' Patio	6.240%

EXHIBIT B

240 247

EXHIBIT C

By-Laws
Of
Oxford Townhouse Condominium, Inc.
A Corporation Not For Profit Under
The Laws of the State of North Carolina

1. IDENTITY

These are the By-Laws of Oxford Townhouse Condominium, Inc., a corporation not for profit under the laws of the State of North Carolina, the Articles of Incorporation of which were filed in the Office of the Secretary of State of the 28 day of December, 1972. Oxford Townhouse Condominium, Inc., hereinafter called "Association", has been organized for the purpose of administering the operation and management of Oxford Townhouse Condominium, Phase #1 & #2 a condominium townhouse project hereinafter referred to as the "Condominium", established or to be established in accordance with the Unit Ownership Act of the State of North Carolina upon the following described property, situate, lying and being in the Town of Chapel Hill, County of Orange, State of North Carolina, to wit:

BEING Phase I and Phase II as shown on plat of Property of Glenn L. Guy by George C. Love, Jr., R.L.S., dated September 26, 1972, and recorded in Plat Book 21 at Page 7, Orange County Registry, to which plat and survey reference is hereby expressly made for a more particular description of same.

There is expressly reserved to GRANTOR the right of ingress, egress and regress over Banbury Lane, a private road extending from Ephesus Church Road in a northerly direction through Phase I and Phase II, as shown on plat hereinabove referred to or as said right-of-way may hereafter be modified or changed to more adequately provide access for Phase III to Ephesus Church Road; and there is likewise reserved to GRANTOR rights-of-way for utility easements including electricity, telephone, natural gas, water, sewer and as presently installed on said premises or as may hereafter be installed for the purpose of serving Phase III and likewise CATV cable easements that may hereinafter be installed, it is understood that said right-of-way and easements may be modified and changed from time to time as they may more adequately serve Phase I, Phase II and Phase III as shown on said survey above referred to.

a) The provisions of these By-Laws are applicable to said Condominium, and the terms and provisions hereof are expressly subject to the effect of the terms, provisions, conditions and authorizations contained in the Articles of Incorporation and which may be contained in the formal Declaration of Condominium which has or will be recorded in the Public Records of Orange County, North Carolina, at the time said property and the improvements now or hereafter situate thereon are submitted to the plan of condominium ownership, the terms and provisions of said Articles of Incorporation and Declaration of Condominium to be controlling wherever the same may be in conflict herewith.

b) All present or future owners, tenants, future tenants or their employees, or any other person who might use said CONDOMINIUM or any of the facilities thereof in any manner, are subject to the regulations set forth in these By-Laws and in said Articles of Incorporation and Declaration of Condominium.

c) The office of the ASSOCIATION shall be at Townhouse #7, Oxford Townhouse Condominium, Chapel Hill, North Carolina, 27514.
Banbury Lane

d) The fiscal year of the ASSOCIATION shall be the calendar year.

e) The seal of the ASSOCIATION shall bear the name of the ASSOCIATION, the word "North Carolina", the words "Non-Profit Corporation", and the year of incorporation, an impression of which seal is as follows:

STUBBS, BIGGS
& COLE
ATTORNEYS AT LAW
202 HOME SAVINGS
& LOAN BUILDING
DURHAM, N. C.

2. MEMBERSHIP, VOTING, QUORUM, PROXIES

a) The qualification of members, the manner of their admission to membership and termination of such membership, and voting by members, shall be as set forth in the Articles of Incorporation of the ASSOCIATION, the provisions of the Articles of Incorporation are incorporated herein by reference.

b) A quorum of members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

c) The vote of the Owners of a Condominium Unit in the CONDOMINIUM (hereinafter referred to as 'TOWNHOUSE') owned by more than one person or by a corporation or other entity shall be cast by the person named in the written notice signed by all of the owners of the TOWNHOUSE filed with the Secretary of the ASSOCIATION, and such written notice shall be valid until revoked by subsequent written notice. If such written notice is not on file or not produced at the meeting, the vote of such Owners shall not be considered in determining the requirement for a quorum, nor for any other purpose.

d) Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Secretary before the appointed time of the meeting.

e) Approval or disapproval of a TOWNHOUSE owner upon any matters, whether or not the subject of an ASSOCIATION meeting, shall be by the same person who would cast the vote of such owner if in an ASSOCIATION meeting.

f) Except where otherwise required under the provisions of the Articles of Incorporation of the ASSOCIATION, these By-Laws, the Declaration of Condominium, or where the same may otherwise be required by law, the affirmative vote of the owners of a majority of the TOWNHOUSES represented at any duly called members' meeting at which a quorum is present shall be binding upon the members.

3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

a) The Annual Members' meeting shall be held at the office of the ASSOCIATION at 8:00 o'clock P.M., Eastern Standard Time, on the fourth Monday in January of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding Monday.

b) Special Members' meetings shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors, and must be called by such Officers upon receipt of a written request from members of the ASSOCIATION owning a majority of the TOWNHOUSES.

c) Notice of all members' meetings, regular or special, shall be given by the President, Vice-President or Secretary of the ASSOCIATION, or other Officer of the ASSOCIATION in the absence of said Officers, to each member, unless waived in writing, such notice to be written or printed and to state the time and place and object for which the meeting is called. Such notice shall be given to each member not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting, which notice shall be mailed or presented personally to each member within said time. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him. If mailed, such notice shall be deemed to be properly given when deposited in the United States mails addressed to the member at his post office address as it appears on the records of the ASSOCIATION, the postage thereon prepaid. Proof of such mailing shall be given by the Affidavit of the person giving the notice. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the ASSOCIATION, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. If any members' meeting cannot be organized because a

quorum has not attended, or because a greater percentage of the membership required to constitute a quorum of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or the Declaration of Condominium, the members who are present, either in-person or by proxy, may adjourn the meeting from time to time until a quorum or the required percentage of attendance if greater than a quorum, is present.

c) At meeting of membership, the President shall preside, or, in his absence, the membership shall elect a Chairman.

d) The order of business at Annual Members' Meetings, and, as far as practical, at any other members' meetings, shall be:

- (i) Calling of the roll and certifying of proxies;
- (ii) Proof of notice of meeting or Waiver of Notice;
- (iii) Reading of Minutes;
- (iv) Reports of Officers;
- (v) Reports of Committees;
- (vi) Appointment of Chairman of Inspectors of Election;
- (vii) Election of Directors;
- (viii) Unfinished Business;
- (ix) New Business;
- (x) Adjournment.

4. BOARD OF DIRECTORS

a) The number of Directors which shall constitute the Board of Directors shall not be less than three (3) nor more than five (5) persons, but shall never consist of an even number of persons. So long as the Grantor is the owner of two or more TOWNHOUSES the Grantor shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the ASSOCIATION, and such persons so selected need not be members of the ASSOCIATION. Any vacancy occurring in the initial Board of Directors shall be filled by any person designated by the Grantor.

b) Directors may be removed for cause by an affirmative vote of the members owning not less than eighty percent (80%) of the TOWNHOUSES in the CONDOMINIUM at a Special Meeting called for such purpose. Directors may be removed without cause by an affirmative vote of the members owning not less than eighty percent (80%) of the TOWNHOUSES in the CONDOMINIUM.

c) Election of Directors shall be conducted in the following manner:

- (i) At the First Annual Meeting of the Members, the Grantor shall, at the beginning of the election of the Board of Directors, designate and select that number of the members of the Board of Directors which it shall be entitled to designate and select, in accordance with the provisions of these By-Laws, and upon such designation and selection by the Grantor by written instrument presented to the meeting at which such election is held, said individuals so designated and elected by the Grantor shall be deemed and considered for all purposes Directors of the ASSOCIATION, and shall thenceforth perform the offices and duties of such Directors until their successors shall have been selected or elected in accordance with the provisions of these By-Laws.
- (ii) Each member of the Board of Directors whom the Grantor shall not be entitled to designate and select under the terms and provisions of these By-Laws, shall be elected by a plurality of the votes cast at the Annual Meeting of the members of the ASSOCIATION immediately following the designation and selection of the members of the Board of Directors whom the Grantor shall be entitled to designate and elect. Each candidate

for a Director shall be nominated from the floor and there shall not be more than three (3) persons nominated for each directorship to be filled.

(iii) Vacancies in the Board of Directors may be filled until the date of the next Annual Meeting by the remaining Directors, except that should any vacancy to the Board of Directors be created in any Directorship previously filled by any person designated and selected by the Grantor, such vacancy shall be filled by the Grantor designating and selecting, by written instrument delivered to any officer of the ASSOCIATION, the successor Director to fill the vacated Directorship for the unexpired term thereof.

(iv) In the event that the Grantor, in accordance with the privilege granted unto it, selects any person or persons to serve on any Board of Directors of the ASSOCIATION, the said Grantor shall have the absolute right at any time in its sole discretion, to replace any such person or persons with another person or other persons to serve on said Board of Directors. Replacement of any person or persons designated by the Grantor to serve on any Board of Directors of the ASSOCIATION shall be made by written instrument delivered to any officer of the ASSOCIATION, which instrument shall specify the name or names of the person or persons to be replaced and the name or names of the person or persons designated as successor or successors to the persons so removed from said Board of Directors. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by the Grantor to any officer of the ASSOCIATION.

d) The organization meeting of a newly elected Board of Directors shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary provided a quorum shall be present.

e) Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such meeting, unless notice is waived.

f) Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of two (2) or more members of the Board. Not less than three (3) days notice of a meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

g) A quorum of a Directors' Meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present, shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Articles of Incorporation, these By-Laws or the Declaration of Condominium. If any Directors' Meeting cannot be organized because a quorum has not attended, or because the greater percentage of the Directors required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called, may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof, shall constitute the presence of such Director for the purpose of determining a quorum.

STUBBS, BIGGS
& COLE
ATTORNEYS AT LAW
202 HOME SAVINGS
& LOAN BUILDING
DURHAM, N. C.

h) The Presiding Officer of Directors' Meetings shall be the President of the Corporation. If such an Officer has been elected; and if none then the Vice President shall preside. In the absence of the Presiding Officer, the Directors present shall designate one of their number to preside.

i) No Directors' fees shall be paid.

J) All of the powers and duties of the ASSOCIATION shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles of Incorporation of the ASSOCIATION, these By-Laws, and the Declaration of Condominium. Such powers and duties shall be exercised in accordance with said Articles of Incorporation, these By-Laws and the Declaration of Condominium, and shall include, without limiting the generality of the foregoing, the following:

- (i) To make, levy and collect assessments against members and members' TOWNHOUSES to defray the costs of the CONDOMINIUM, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the ASSOCIATION.
- (ii) The maintenance, repair, replacement, operation and management of the CONDOMINIUM wherever the same is required to be done and accomplished by the ASSOCIATION for the benefit of its members;
- (iii) The reconstruction of improvements after casualty, and the further improvement of the property, real and personal;
- (iv) To make and amend regulations governing the use of the property, real and personal, in the CONDOMINIUM, so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Incorporation and Declaration of Condominium;
- (v) To approve or disapprove proposed purchasers and lessees of TOWNHOUSES in the manner specified in the Declaration of Condominium and house rules;
- (vi) To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including TOWNHOUSES in the CONDOMINIUM, as may be necessary or convenient in the operation and management of the CONDOMINIUM, and in accomplishing the purposes set forth in the Declaration of Condominium;
- (vii) To contract for the management of the CONDOMINIUM and to designate to such contractor all of the powers and duties of the ASSOCIATION, except those which may be required to have approval of the Board of Directors or membership of the ASSOCIATION.
- (viii) To enforce by legal means the provisions of the Articles of Incorporation and By-Laws of the ASSOCIATION, the Declaration of Condominium, and any regulations hereinafter promulgated governing the use of the property in the CONDOMINIUM;

- (ix) To pay all taxes and assessments which are liens against any part of the CONDOMINIUM other than TOWNHOUSES and the appurtenances thereto, and to assess the same against the members and their respective TOWNHOUSES subject to such liens.
- (x) To carry insurance for the protection of the members and the ASSOCIATION against casualty and liability;
- (xi) To pay all costs of power, water, sewer and other utility services rendered to the CONDOMINIUM and not billed to the owners of the separate TOWNHOUSES; and
- (xii) To employ personnel for reasonable compensation to perform the services required for proper administration of the CONDOMINIUM and the purposes of the ASSOCIATION.

k) The undertakings and contracts authorized by the said First Board of Directors shall be binding upon the ASSOCIATION in the same manner as though such undertakings and contracts had been authorized by the First Board of Directors duly elected by the membership after the property identified herein has been submitted to the plan of condominium ownership and said Declaration of Condominium has been recorded in the Public Records of Orange County, so long as any undertakings and contracts are within the scope of the powers and duties which may be exercised by the Board of Directors of the ASSOCIATION in accordance with all applicable condominium documents.

5. OFFICERS

a) The executive officers of the ASSOCIATION shall be a President, who shall be a Director, a Vice-President, who shall be a director, and a Treasurer and Secretary, who shall be a Director, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Directors at any meeting. The Board of Directors shall, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the ASSOCIATION.

b) The President shall be the chief executive officer of the ASSOCIATION. He shall have all of the powers and duties which are usually vested in the office of the president of an association, including but not limited to the power to appoint committees from among the members from time to time, as he may in his discretion appropriate, to assist in the conduct of the affairs of the ASSOCIATION.

c) The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

d) The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors, and such other notices required by law. He shall have custody of the seal of the ASSOCIATION and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the other duties incident to the office of secretary of an association and as may be required by the Directors or President.

e) The Treasurer shall have custody of all of the property of the ASSOCIATION, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the members; he shall keep the books of the ASSOCIATION in accordance with good accounting practices, and he shall perform all other duties incident to the office of Treasurer.

f) The compensation of all officers and employees of the ASSOCIATION shall be fixed by the Directors, subject to prior approval of a majority of the

members. This provision shall not preclude the Board of Directors from employing a Director as an employee of the ASSOCIATION, nor preclude the contracting with a Director for the management of the CONDOMINIUM. While the Grantor is the owner of one or more apartments in the CONDOMINIUM, no compensation from the ASSOCIATION shall be made to an officer or Director of the ASSOCIATION.

6. FISCAL MANAGEMENT

The provisions for fiscal management of the ASSOCIATION set forth in the Declaration of Condominium and Articles of Incorporation shall be supplemented by the following provisions:

a) The assessment roll shall be maintained in a set of accounting Books in which there shall be an account for each TOWNHOUSE. Such an account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which assessments come due, the amounts paid upon the account and the balance due upon assessments.

b) The Board of Directors shall adopt a budget for each calendar year which shall contain estimates of the cost of performing the functions of the ASSOCIATION, including but not limited to the following items:

i) Common expense budget, which shall include, without limiting the generality of the foregoing, the estimated amounts necessary for maintenance and operation of COMMON ELEMENTS and LIMITED COMMON ELEMENTS, landscaping, street and walkways, office expense, utility services, casualty insurance, liability insurance, administration and salaries if any.

c) The Board of Directors shall also establish the proposed assessment against each member, as more fully provided in the Declaration of Condominium for OXFORD TOWNHOUSE CONDOMINIUM.

d) If the members of the ASSOCIATION elect by an affirmative vote of a majority of the members present at the First Annual Meeting, copies of the proposed budget and proposed assessments shall be transmitted to each member for the year for which the budget is made. Delivery of a copy of any budget to each member shall not affect the liability of any member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of said budget and assessment levied pursuant thereto, and nothing herein contained shall be construed as restricting the right of the Board of Directors to at any time in their sole discretion, levy any additional assessment in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

e) The depository of the ASSOCIATION shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the ASSOCIATION shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

f) If required by the Board of Directors, a statement of the accounts of the ASSOCIATION shall be made annually, and a copy thereof furnished to each member not later than May 1 of the year following the year for which the report is made.

g) Fidelity bonds may be required by the Board of Directors from officers and employees of the ASSOCIATION handling or responsible for ASSOCIATION funds.

7. PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these By-Laws, or with the Statutes of the State of North Carolina.

8. AMENDMENTS TO BY-LAWS

Amendments to these By-Laws shall be proposed and adopted in the following manner:

a) Amendments to these By-Laws may be proposed by the Board of Directors of the ASSOCIATION acting upon vote of the majority of the Directors, or by members of the ASSOCIATION owning a majority of the TOWNHOUSES in the CONDOMINIUM, whether meeting as members or by instrument in writing signed by them.

b) Upon any amendment or amendments to these By-Laws being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the ASSOCIATION, or other officer of the ASSOCIATION in the absence of the President, who shall thereupon call a Special Joint Meeting of the members of the Board of Directors of the ASSOCIATION and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt of such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a Special Meeting of the members is required, as herein set forth.

c) In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of two-thirds (2/3rds) of the entire membership of the Board of Directors and by an affirmative vote of the members owning not less than eighty percent (80%) of the TOWNHOUSES in the CONDOMINIUM. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the ASSOCIATION, and a copy thereof shall be recorded in the Public Records of Orange County, within TEN (10) days from the date on which any amendment or amendments have been affirmatively approved by the Directors and members.

d) At any meeting held to consider such amendment or amendments to the By-Laws, the written vote of any member of the ASSOCIATION shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the ASSOCIATION at or prior to such meeting.

e) Notwithstanding the foregoing provisions of this ARTICLE 8, no amendment to these By-Laws which shall abridge, amend or alter the right of the Grantor to designate and select members of each Board of Directors of the ASSOCIATION, as provided in ARTICLE 4 hereof, may be adopted which shall abridge, amend or alter, or operate to impair or prejudice in any manner whatsoever, the rights and privileges of any institutional first mortgagee as such rights and privileges have been established in the Declaration of Condominium for OXFORD TOWNHOUSE CONDOMINIUM.

THE UNDERSIGNED, being the Secretary of OXFORD TOWNHOUSE CONDOMINIUM, INC., a corporation not for profit under the laws of the State of North Carolina, does hereby certify that the foregoing By-Laws were adopted as the By-Laws of said Corporation at a meeting held for such purposes on the 22 day of January, 1973.

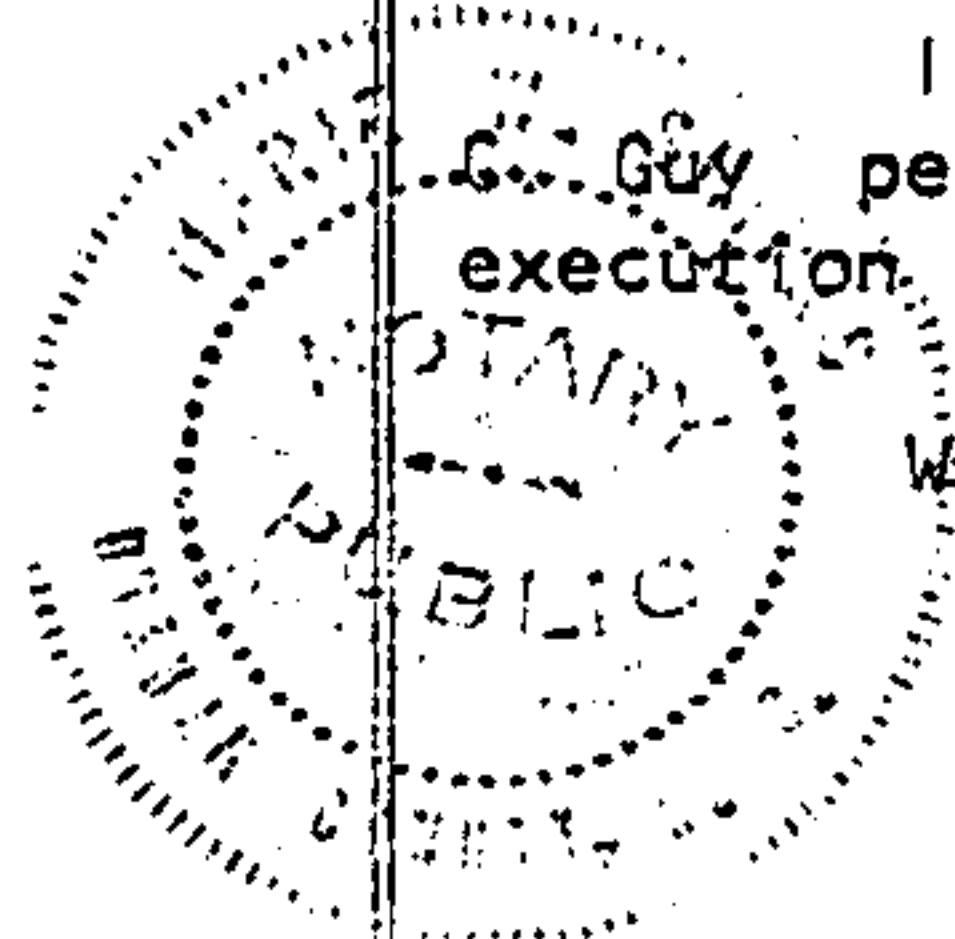
Alice C. Guy
Secretary

NORTH CAROLINA
DURHAM COUNTY

I, Marie W. Snipes, a Notary Public, do hereby certify that Alice C. Guy personally appeared before me this day and acknowledged the due execution of the foregoing by-laws.

WITNESS my hand and notarial seal, this 22nd day of January, 1973.

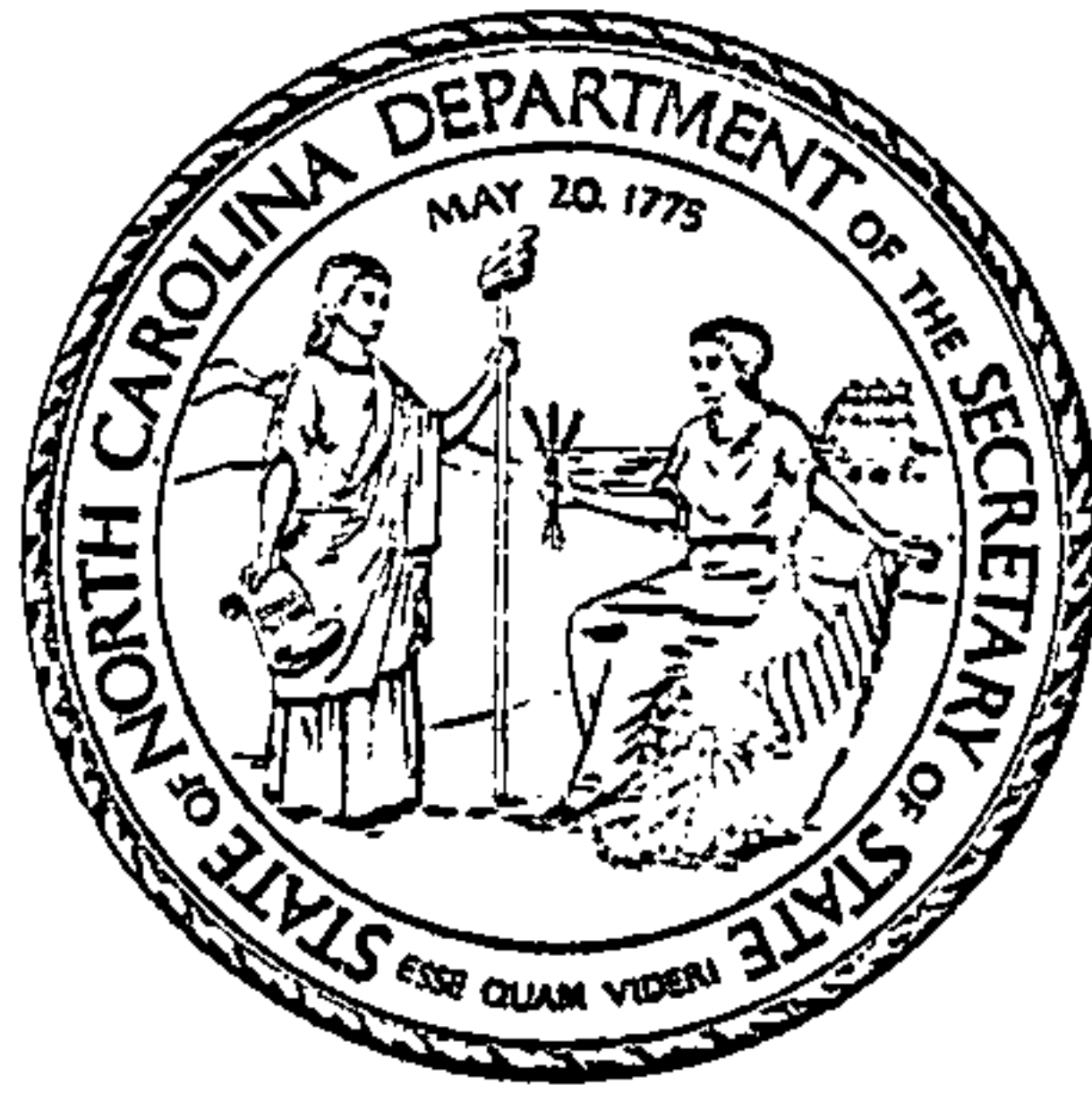
Marie W. Snipes
Notary Public



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DURHAM, N. C.

My Commission expires:
June 15, 1977

State of
North
Carolina



Department
of the
Secretary of State

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 (7 sheets) to be a true copy of

ARTICLES OF INCORPORATION

OF

OXFORD TOWNHOUSE CONDOMINIUM, INC.

and the probates thereon, the original of which was filed in this office on the 28th day of DECEMBER 19 72 , 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 28th day of DECEMBER in the year of our Lord 19 72

Secretary of State

Deputy Secretary of State

BOOK 10 PAGE 1831 By
BOOK 240 PAGE 256

ARTICLES OF INCORPORATION
OF
OXFORD TOWNHOUSE CONDOMINIUM, INC.
(A NONPROFIT CORPORATION)

We, the undersigned natural persons of the age of twenty-one (21) years or more, acting as incorporators for the purpose of creating a non-profit corporation under the laws of the State of North Carolina, as contained in Chapter 55A of the General Statutes of North Carolina, entitled "Non-Profit Corporation Act", and the several amendments thereto, do hereby set forth:

I

The name of the corporation is Oxford Townhouse Condominium, Inc.

II

The period of duration of the corporation shall be perpetual.

III

The purposes for which the corporation is organized are:

a. To administer the operation and management of Oxford Townhouse Condominium, Inc. (hereinafter referred to as 'The Condominium'), an apartment housing project to be established in accordance with the Unit Ownership Act of the State of North Carolina upon certain lands lying along the northern edge of Ephesus Church Road in Chapel Hill Township, Orange County, North Carolina, and to undertake the performance of the acts and duties incident to the administration of the operation and management of said CONDOMINIUM and any future additions thereto in accordance with the terms, provisions, conditions and authorizations contained in these Articles of Incorporation and which may be contained in the formal Declaration of Condominium which will be recorded in the public records of Orange County, North Carolina, at the time said property, and the improvements now or hereafter situate thereon, are submitted to a Plan of Condominium Ownership, and to own, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of said CONDOMINIUM. The Corporation shall be conducted as a non-profit organization for the benefit of its members.

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BOOK 240 PAGE 257

IV

The qualification of the members, the manner of their admission to membership and termination of such membership, and voting by members shall be as follows:

a. The owners of all TOWNHOUSES in the CONDOMINIUM shall be members of the Corporation, and no other persons or entities shall be entitled to membership, except as provided in Item (e) of Article IV.

b. Membership shall be established by the acquisition of fee title to a TOWNHOUSE in the CONDOMINIUM, or by acquisition of a fee ownership interest therein, whether by conveyance, judicial decree or otherwise, and the membership of any part shall be automatically terminated upon his being divested of all title to or his entire fee ownership interest in any TOWNHOUSE, except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more TOWNHOUSES, or who may own a fee ownership interest in two or more TOWNHOUSES, so long as such party shall retain title to a fee ownership interest in any TOWNHOUSE.

c. The interest of a member in the funds and assets of the Corporation cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his TOWNHOUSE. The funds and assets of the Corporation shall be subject to the limitation that the same be expended, held or used for the benefit of the Membership and for the purposes authorized herein, in the Declaration of Condominium, and in the By-Laws which may be hereafter adopted.

d. On all matters on which the Membership shall be entitled to vote, there shall be only one vote for each TOWNHOUSE in the CONDOMINIUM, which vote may be exercised or cast by the owner or owners of each TOWNHOUSE in such manner as may be provided in the By-Laws hereafter adopted by the Corporation. Should any member own more than one TOWNHOUSE, such member shall be entitled to exercise or cast as many votes as he owns TOWNHOUSES, in the manner provided by said By-Laws.

e. Until such time as the property described in Article III hereof, and the improvements which are or may be hereafter constructed thereon, are submitted to a plan of Condominium Ownership by the recordation of said Declaration of Condominium, the Membership of the Corporation shall be comprised of the Subscribers to these Articles, each of which Subscriber shall be entitled to cast one vote on all matters on which the Membership shall be entitled to vote.

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V

The Directors of the Corporation shall be elected in the following manner: The number of members of the first Board of Directors if the Corporation shall be three. The number of members of succeeding Boards of Directors shall be not less than three nor more than five. The members of the Board of Directors shall be elected by the members of the Corporation at the Annual Meeting of the membership as provided by the By-Laws of the Corporation, and at least a majority of the Board of Directors shall be members of the Corporation or shall be authorized representatives, officers or employees of a corporate member of the Corporation. Notwithstanding the foregoing, so long as the Grantor is the owner of any two or more TOWNHOUSES in the CONDOMINIUM, he shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the Corporation, and such persons so selected by Grantor need not be members of the Corporation. Grantor may designate and select the person or persons to serve as a member or members of each said Board of Directors in the manner provided in the By-Laws of the Corporation.

VI

The address of the initial registered office of the Corporation is as follows: ^{Banbury Lane} No. 7, Oxford Townhouse Condominium, Ephesus Church Road, Chapel Hill, North Carolina, County of Orange, zip code 27514.

The name of the initial registered agent of the Corporation at the above address is Glenn L. Guy.

VII

The number of Directors constituting the initial Board of Directors shall be three and the names and addresses of the persons who are to serve as Directors until the first meeting of the Corporation or until their successors are elected and qualified are:

<u>NAME</u>	<u>ADDRESS</u>
GLENN L. GUY	No. 7 Oxford Townhouse Condominium Ephesus Church Rd., Chapel Hill, N.C. 27514
ALICE C. GUY	No. 7 Oxford Townhouse Condominium Ephesus Church Rd., Chapel Hill, N.C. 27514
ALLSTON J. STUBBS	1025 Westwood Drive Durham, North Carolina 27702

VIII

The names and addresses of all the incorporators are:

<u>NAME</u>	<u>ADDRESS</u>
GLENN L. GUY	No. 7 Oxford Townhouse Condominium Ephesus Church Rd., Chapel Hill, N.C. 27514
ALICE C. GUY	No. 7 Oxford Townhouse Condominium Ephesus Church Rd., Chapel Hill, N.C. 27514
ALLSTON J. STUBBS	1025 Westwood Drive Durham, North Carolina 27702

IX

In addition to the powers granted the Corporation under the laws of the State of North Carolina, the Corporation shall have full power and authority as follows:

- a. To make and establish reasonable rules and regulations governing the use of TOWNHOUSES, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS in said CONDOMINIUM, as said terms may be defined in said Declaration of Condominium to be recorded.
- b. To levy and collect assessments against members of the Corporation to defray the common expenses of the Condominium as may be provided in said Declaration of Condominium and in the By-Laws of this Corporation which may be hereafter adopted, including the right to levy and collect assessments for the purposes of acquiring, operating, leasing, managing and otherwise trading and dealing with such property, whether real or personal, including TOWNHOUSES in said CONDOMINIUM, which may be necessary or convenient in the operation and management of the CONDOMINIUM and in accomplishing the purposes set forth in said Declaration of Condominium.
- c. To maintain, repair, replace, operate and manage the CONDOMINIUM and the property comprising same, including the right to reconstruct improvements after casualty and to make further improvement of the Condominium property.
- d. If deemed necessary, to contract for the management of the CONDOMINIUM and to delegate to such contractor all of the powers and duties of the Association except those which may be required by the Declaration of Condominium to have approval of the Board of Directors or Membership of the Corporation.

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e. To enforce the provisions of said Declaration of Condominium, these Articles of Incorporation, the By-Laws of the Corporation which may be hereafter adopted, and the rules and regulations governing the use of said CONDOMINIUM as same may be hereafter established.

f. To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Corporation pursuant to the Declaration of Condominium aforementioned.

X

a. The affairs of the Corporation shall be managed by the President of the Corporation assisted by the Vice-President, Secretary and Treasurer, subject to the directions of the Board of Directors. The Board of Directors, or the President, with the approval of the Board of Directors, may employ a Managing Agent and/or such other managerial and supervisory personnel or entities to administer or assist in the administration of the operation and management of the CONDOMINIUM, and the affairs of the Corporation, and any such person or entity may be so employed without regard to whether such person or entity is a member of the Corporation or a Director or Officer of the Corporation, as the case may be.

b. The Board of Directors shall elect a President, Secretary and Treasurer, and a Vice-President. The President shall be elected from among the membership of the Board of Directors, but no other officer need be a Director, but can be a Director. The same person may hold the office of Secretary and Treasurer, provided, however, that the office of President and Vice-President shall not be held by the same person, nor shall the office of President and Secretary be held by the same person.

c. An Amendment or Amendments to these Articles of Incorporation may be proposed by the Board of Directors of the Corporation acting upon a vote of the majority of the Directors, or by the members of the Corporation owning a majority of the TOWNHOUSES in the CONDOMINIUM, whether meeting as members or by instrument in writing signed by them. Upon any Amendment or Amendments to these Articles of Incorporation being proposed by said Board of Directors or members, such proposed Amendment or Amendments shall be transmitted to the President of the Corporation or other officer of the Corporation in the absence of the President, who shall thereupon call a Special Meeting of the members of the Corporation for a date not sooner than fifteen (15) days nor later than

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forty-five (45) days from the receipt by him of the proposed Amendment or Amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such Meeting stating the time and place of the Meeting and reciting the proposed Amendment or Amendments in reasonably detailed form, which notice shall be mailed or presented personally to each member not less than ten nor more than thirty days before the date set for such Meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail, addressed to the member at his Post Office address as it appears on the records of the Corporation, the postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver when filed in the records of the Corporation, whether before or after the holding of the Meeting, shall be deemed equivalent to the giving of such notice to such member. At such Meeting the Amendment or Amendments proposed must be approved by an affirmative vote of the members owning not less than eighty (80) percent of the CONDOMINIUM in order for such Amendment or Amendments to become effective. Thereupon, such Amendment or Amendments of these Articles of Incorporation shall be transcribed and certified in such form as may be necessary to register the same in the office of the Secretary of State of the State of North Carolina, and upon the registration of such Amendment or Amendments with said Secretary of State, a certified copy thereof shall be recorded in the Public Records of Orange County, North Carolina within fifteen (15) days from the date on which the same are so registered. At any Meeting held to consider such Amendment or Amendments of these Articles of Incorporation, the written vote of any member of the Corporation shall be recognized, if such member is not in attendance at such Meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Corporation at or prior to such Meeting.

Notwithstanding the foregoing provisions of this Article X, no Amendment to these Articles of Incorporation which shall abridge, amend or alter the right of the Grantor to designate and select members of each Board of Directors of the Corporation, as provided in Article V hereof, may be adopted or become effective without the prior consent of said Grantor.

No Amendment to these Articles of Incorporation shall be adopted which would operate to prejudice or impair the rights or privileges of any institutional first mortgagee as such rights and privileges have been established in the Declaration of Condominium for OXFORD TOWNHOUSE CONDOMINIUM.

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IN TESTIMONY WHEREOF, we have hereunto set our hands, this 2nd
day of December, 1972.

Glenn L. Guy (SEAL)
Glenn L. Guy

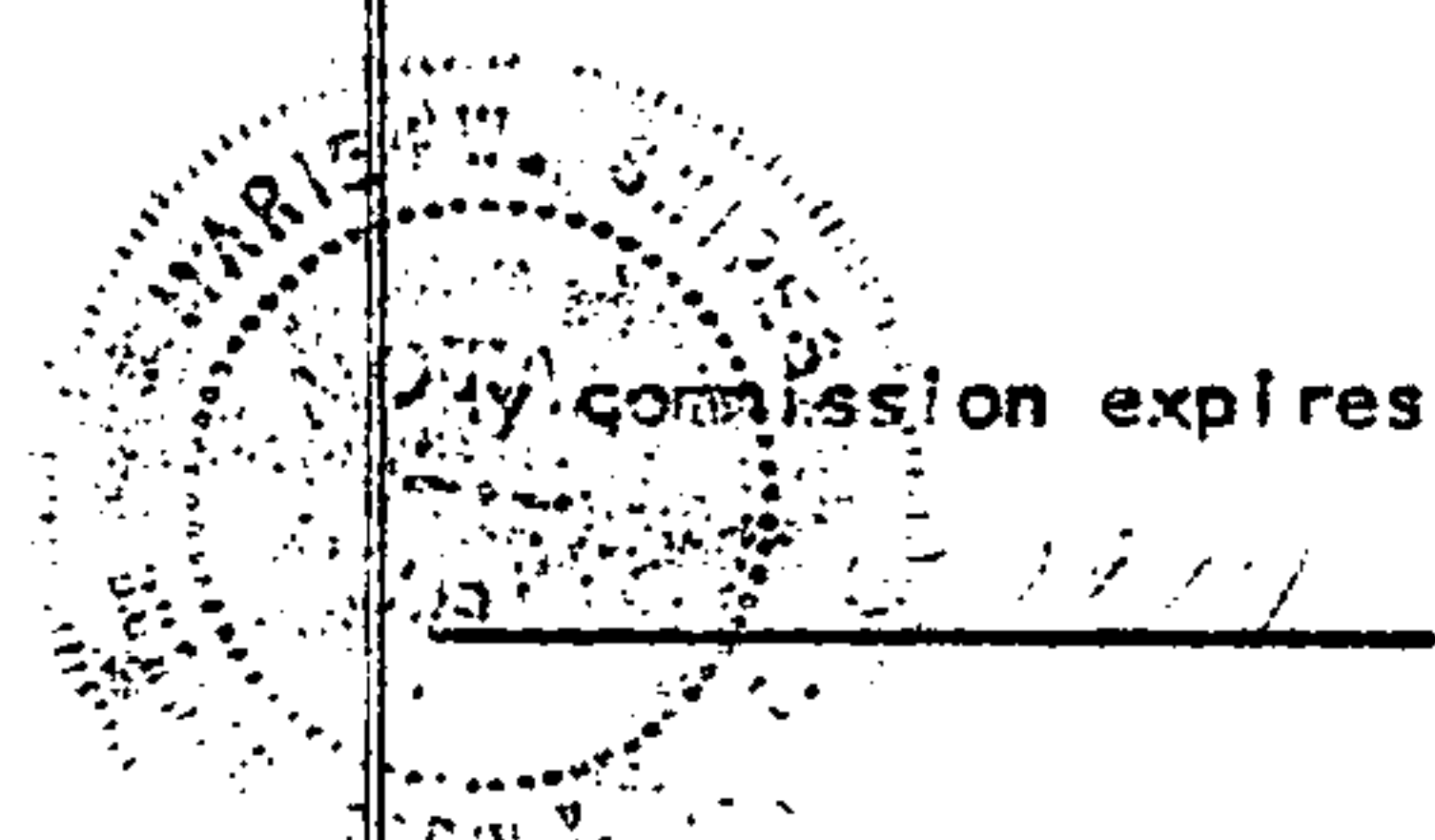
Alice C. Guy (SEAL)
Alice C. Guy

Allston J. Stubbs (SEAL)
Allston J. Stubbs

STATE OF NORTH CAROLINA
COUNTY OF DURHAM

BEFORE ME, the undersigned authority, personally appeared GLENN L. GUY, ALICE C. GUY and ALLSTON J. STUBBS, who, being by me first duly sworn, acknowledged that they executed the foregoing Articles of Incorporation of OXFORD TOWNHOUSE CONDOMINIUM, INC., for the purposes therein expressed this 2nd day of December, 1972.

Marie M. L.
Notary Public



My commission expires: 12/31/73

FILED
BOOK ~~10~~ PAGE ~~1130~~
JAN 2 9 55 AM '73
BETTY JUNE HAYES
REGISTER OF DEEDS
ORANGE COUNTY, N.C.

BOOK 10 PAGE 1938
BOOK 240 PAGE 263

EXHIBIT E

T O W N O F C H A P E L H I L L

ORANGE COUNTY

NORTH CAROLINA

MODIFICATION OF SPECIAL USE PERMIT

KNOW ALL MEN BY THESE PRESENTS, that the undersigned property owner(s)
Glenn L. and Alice C. Guy
having applied to the Town of Chapel Hill for modification of the existing Special Use Permit on the property hereinafter described, said Special Use Permit recorded in Book 239, page 197 at the Office of the Register of Deeds, said modification was granted by the Town of Chapel Hill on January 15, 1973, the terms of said modification being as follows:

NAME OF PROJECT: OXFORD TOWNHOUSE CONDOMINIUM PHASE I and PHASE II

TYPE OF SPECIAL USE: Unified Housing

NAME OF DEVELOPER: Glenn L. and Alice C. Guy

DESCRIPTION OF PREMISES

LOCATION: Town of Chapel Hill on Ephesus Church Road

TAX MAP REFERENCE: A portion of lot 13A; Block D; Orange County Tax Map 27

AREA OF PROPERTY: Phase I - 1.41 Acres +; Phase II - 1.24 Acres +

SPECIAL TERMS AND CONDITIONS

Description of property for condominium:

BEGINNING at an iron stake in the northern property line of Ephesus Church Road at the southeast corner of Rudolph S. Nelson and wife, marked control corner, as shown on plat hereinafter referred to, and running thence along and with Ephesus Church Road the following courses and distances: North 77° 11' West 99.80 feet to an iron stake; thence North 72° 09' West 98.70 feet to an iron stake; thence North 68° 48' 48" West 52.95 feet to an iron stake, thence North 05° 46' East 341.25 feet to an iron stake, southwest corner of Phase III; thence South 84° 09' East 92.32 feet to an iron stake; thence North 01° 54' East 149.41 feet to an iron stake; thence South 88° 06' East 60 feet to an iron stake; thence South 01° 54' West 46 feet to an iron stake; thence North 89° 42' East 83 feet to an iron stake the southeast corner of Phase III; then South 02° 46' 05" East 322.38 feet to an iron stake corner of Rudolph S. Nelson and wife; thence South 14° 41' 47" West 187.59 feet to the BEGINNING and being Phase I and Phase II as shown on plat of Property Glenn L. Guy by George C. Love, Jr., R.L.S. dated September 26, 1972.

This modification becomes effective as of the date that the Declaration of Condominium establishing Oxford Townhouse Condominium is recorded with the Register of Deeds, Orange County, North Carolina.

BOOK 240 PAGE 264

NORTH CAROLINA
ORANGE COUNTY

IN WITNESS WHEREOF, the Town of Chapel Hill has caused this instrument to be executed in its name as evidence of the issuance of said permit, and the undersigned being all of the property owners of the property above described, have executed this instrument in evidence of their acceptance of said Special Use Permit as a covenant running with the land

ATTEST

David B. Roberts
Town Clerk

The Town of Chapel Hill

By Maryl Levine
Town Manager

ACCEPTED

Glenn L. Guy (Seal)
Owner

Alice C. Guy (Seal)
Owner

ATTEST

Secretary

Corporate Name
By _____
Title

NORTH CAROLINA
ORANGE COUNTY
Chatham

I, Sandra W. Stewart, a Notary Public in and for said County and State, do hereby certify that Maryl Levine, Town Manager of the Town of Chapel Hill, and David B. Roberts, Town Clerk, Town of Chapel Hill, personally came before me this day and being by me duly sworn says each for himself that he knows the corporate seal of the Town of Chapel Hill and that the seal affixed to the foregoing instrument is the corporate seal of the Town of Chapel Hill, that Maryl Levine Town Manager of said Town of Chapel Hill, and David B. Roberts, Town Clerk for the Town of Chapel Hill, subscribed their names thereto; that the corporate seal of the Town of Chapel Hill was affixed thereto, all by virtue of a resolution of the Board of Aldermen, and that said instrument is the act and deed of the Town of Chapel Hill.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal this the 18th day of January, 19 73.

Sandra W. Stewart
Notary Public
My commission expires: August 29, 1977

NORTH CAROLINA
~~XXXXXX~~ COUNTY
DURHAM

I, Marie W. Snipes, a Notary Public in and for said State and County do hereby certify that Glenn L. Guy and wife, Alice C. Guy Owners, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my Hand and Notarial Seal, this the 22nd day of January, 19 73

Marie W. Snipes
Notary Public
My commission expires: June 15, 1977

BOOK 240 PAGE 265

EXHIBIT G

Board of Aldermen

2

January 15, 1973

OXFORD APARTMENTS - MODIFICATION

Mr. Glenn Guy presented the declaration of condominium for Oxford Apartments with a request to modify the outstanding special use permit, and said that he had conferred with the Building Inspector who had discussed the condominiums with the Town Manager. He said that he thinks his papers are complete, correct, and in accordance with the law. Town Manager Peck said that Mr. Guy wants to modify his special use permit to provide for condominiums rather than apartments. He said that the Town Attorney had reviewed the papers and found them in order and that the question involved is one of ownership, not a change in the actual plans. Alderman Nassif complimented Mr. Guy on the condition of the present apartments and moved, seconded by Alderman Smith, to approve the modification of this special use permit as requested. This motion was unanimously carried.

COMMITTEES - ORDINANCE AMENDMENT

Town Attorney Denny said that it is not possible to change the terms of membership or appointments for the Redevelopment Commission or the Housing Authority as they presently exist. He said that the Planning Board membership and terms are established in the Charter and a Charter amendment is required to change them. He said that a number of committees and task forces exist, but not by ordinance. He said that there are a number of statutory or Board committees which will continue to function until a new Board of Aldermen is elected. He said that there are seven or eight committees for which there can be a change in terms and appointments, and he read an ordinance amendment changing the terms and appointments of those specific Board and Committees. (See page 2A) Alderman Smith moved, seconded by Alderman Welsh, to adopt the amendment to the ordinance as read. This motion was unanimously carried.

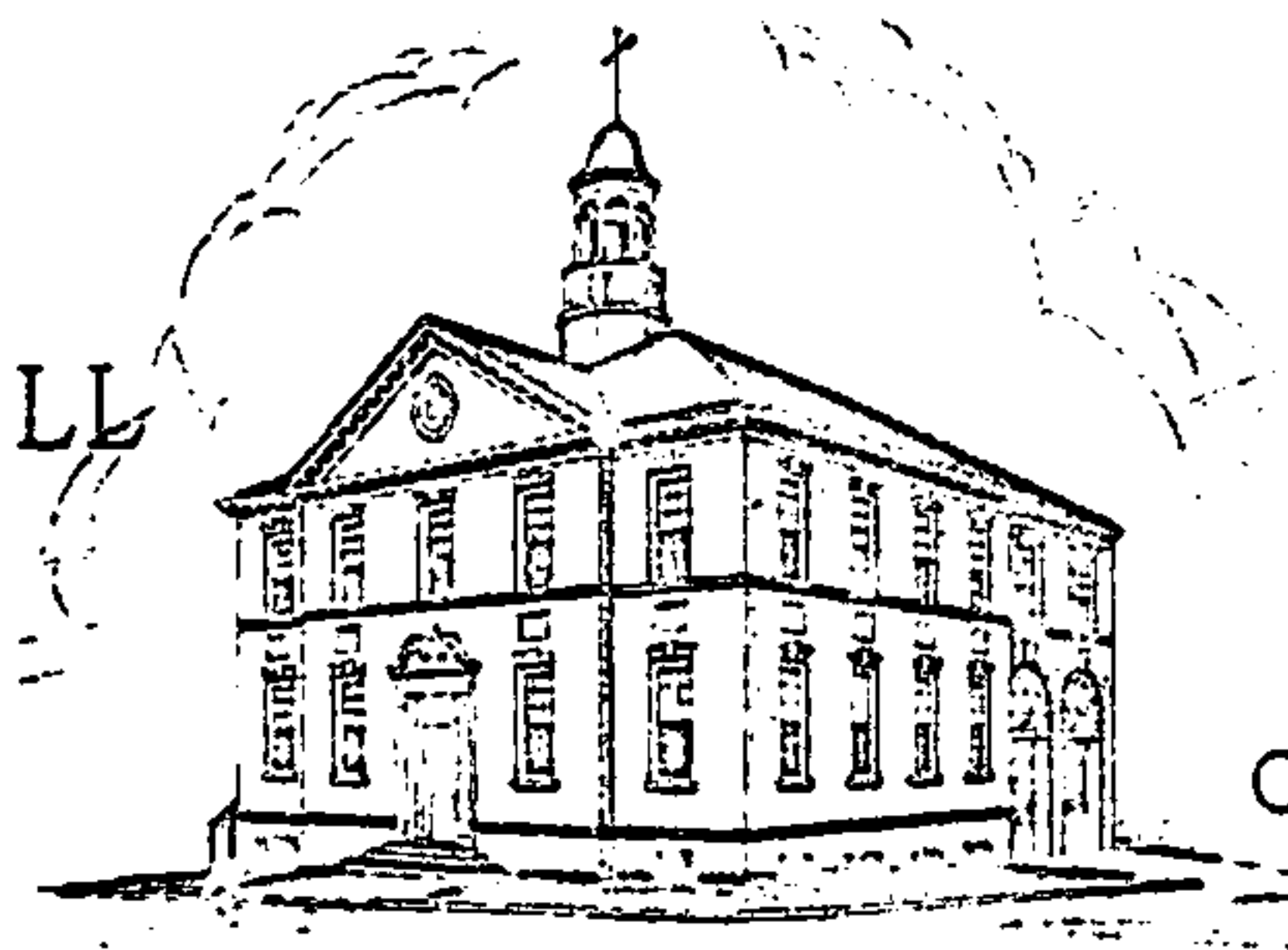
AUDITOR

Mayor Lee explained that an auditor should be selected by the Board of Aldermen before July 1. Alderman Welsh said that the policy has been to select a new auditor every three years and that the present auditor had done the audit for longer than that period. Alderman Nassif said that proposals from auditors should be solicited and that the names of those being considered should be presented to the Board. Town Manager Peck said that he would study it.

SNOW REMOVAL

Alderman Smith said that he is concerned about having cars parked on Franklin Street when the Town crews are trying to remove snow. He said that he talked to the Town employees and thinks that the Town needs a policy that will help them to remove the snow more efficiently. Town Attorney Denny said that the only part of the Code concerning snow is Section 21-24. Mayor Lee questioned how much the Town should

TOWN OF CHAPEL HILL



CHAPEL HILL, N. C.

This is a true copy of the action taken on Oxford
Apartments - Modification owned by Glenn Guy by the Board
of Aldermen of the Town of Chapel Hill, N. C.

In witness whereof, I have hereunto set my hand and
have hereunto affixed the corporate seal of said town
this 23rd day of January, 1973.

David B. Roberts
Town Clerk



BOOK 240 PAGE 267