

ARTICLES OF INCORPORATION

OF

CANTERBURY PROPERTY OWNERS ASSOCIATION

In compliance with the requirements of the State of North Carolina, the undersigned, all of which are residents of North Carolina and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do here by certify:

ARTICLE I

NAME OF ASSOCIATION

The name of the Association is CANTERBURY PROPERTY OWNERS ASSOCIATION, hereafter called the "Association."

ARTICLE II

OFFICE OF ASSOCIATION

The principal office of the Association is located at PO Box 2840, Boone, NC 28607.

ARTICLE III

REGISTERED AGENT OF ASSOCIATION

Maurice Templeton, whose address is PO Box 2840, Boone, NC 28607, is hereby appointed the initial registered agent of this Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This association does not contemplate pecuniary gain or profit to the members. The specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots, Tracts and Common Area within the property described as CANTERBURTY ESTATES AND FARMS, located in Wilkes County North Carolina, and to promote the safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Protective Covenants, hereinafter called the "Declaration," applicable to the property referred to as Canterbury Estates and Canterbury Farms and recorded in the Wilkes County, North Carolina Court House, and the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses including but not limited to licenses, taxes, utilities, maintenance and insurance on the pool and community buildings and other expenses incident to the conduct of the business imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain property in connection with the affairs of the Association;

(d) borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its Common Area or personal property as security for money borrowed or debts incurred and subject to conditions as may be agreed to by the members. No such transactions may occur unless an instrument has been signed by two-thirds (2/3) of the members, agreeing to such indebtedness;

(e) dedicate, sell, or transfer all or any part of the Common Area, excluding the pool area on Lot #217, to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of the members, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation, or annexation shall have the written assent of two-thirds (2/3) of the members;

(g) have and exercise any and all powers, rights, and privileges which a corporation organized under the Non-Profit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

Every person or entity who is a recorded owner of any Lot or Tract in Canterbury shall be a member of the Association. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation.

ARTICLE VI

VOTING RIGHTS

The Association shall have only one class of voting membership, which is Class A. Class A members shall be all Owners, including the Declarant, and shall be entitled to one vote for each Lot or Tract owned. When more than one person holds an interest in any Lot or Tract, all such persons may be members. The vote for such property shall be exercised as they determine; however, in no event shall more than one vote be cast for each Lot or Tract. In the event an item affecting the tracts only or the lots only requires a vote, only the tract owners may vote for items affecting the tracts; and only lot owners may vote for items affecting the lots.

ARTICLE VII

ELECTION OF THE BOARD OF DIRECTORS

A Board of not less than three (3) and not more than nine (9) Directors, who need not be a member of the Association, shall be elected by the members of the Association to serve for a term of three (3) years. At least one tract owner and at least one lot owner must be on the Board of Directors. At the end of a Directors term, he or she may be reelected for another term. The Board will manage the affairs of this Association. When more than one person holds an interest in any Lot or Tract, only one member may be on the Board. The Declarant shall appoint the following three (3) persons to act as the initial Directors:

Name	Term	Address
Maurice Templeton	3 yrs	PO Box 2840, Boone, NC 28607
Donald McNeil	3 yrs	8312 West Highway 421, Wilkesboro, NC 28697
Todd Whitworth	3 yrs	132 St Andrews Drive, North Wilkesboro, NC 28659

ARTICLE VIII

DURATION

The Association shall exist perpetually. The Declaration of Protective Covenants for Canterbury Estates and Canterbury Farms shall run with and be a part of this Association.

ARTICLE IX

AMEMDMENTS

These Articles may be amended within the first fifteen (15) years in part by an instrument signed by two-thirds (2/3) of the members, agreeing to the proposed amendments.

ARTICLE X

DISSOLUTION

The Declarations of Protective Covenants shall run with and bind the property known as CANTERBURY ESTATES AND FARMS, and shall inure to the benefit of the recorded owners for a term of 15 years from the date of this Corporation. After 15 years, the Declarations shall automatically be extended for successive periods of 10 years unless there is an instrument agreeing to changes in part or in whole, with the assent given in writing and signed by fifty-one percent (51%) of the eligible members. To be effective, the written instrument of the agreement to change the Declarations in part or in whole must be sent to every member and recorded at the Court House in Wilkes County, North Carolina at least 90 days in advance of any action to be taken.

In the event the Canterbury Property Owners Association or the Declarations are dissolved, lot #217, known as the pool area, and all improvements on said lot, shall be transferred to CANTERBURY DEVELOPMENT, INC free and clear of any and all indebtedness. All other assets of the Association shall be dedicated to an appropriate public agency to be used for the purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.