

ARTICLES OF INCORPORATION  
of  
ADAMS FARM COMMUNITY ASSOCIATION, INC.  
A Non-Profit Corporation

In compliance with the requirements of Chapter 55-A of General Statutes of North Carolina, I, the undersigned person, who is of full age, have this day voluntarily undertaken the formation of a corporation not for profit and do hereby certify:

ARTICLE I

The name of the corporation is Adams Farm Community Association, Inc., hereinafter called the "Corporation."

ARTICLE II

The period of duration of the corporation shall be perpetual.

ARTICLE III

The initial registered office is located at 400 Wachovia Bank Building, P. O. Box 2088, City of Durham, County of Durham, State of North Carolina.

ARTICLE IV

Robert O. Belo, whose address is 400 Wachovia Bank Building (P. O. Box 2088, Durham, North Carolina zip code 27702), City and County of Durham, North Carolina, is hereby appointed the initial registered agent of the Corporation.

ARTICLE V

The purposes for which the corporation is organized are:

- (1) To manage, maintain, and care for the Common Properties, Restricted Common Properties, Intended Common Properties, and Intended Restricted common Properties in the planned community development known as Adams Farm, located in Guilford County, North Carolina, and to assess, collect, and disburse the charges due the Corporation from its Members, as hereinafter provided.
- (2) To acquire (by gift or otherwise), own, hold, improve, build upon, operate, maintain, sell, lease, transfer, mortgage, encumber,, dedicate for public use or

otherwise dispose of real or personal property in connection with the affairs of the Corporation, but only in accordance with the purposes of the Corporation.

- (3) To do any and all things and acts that the Corporation, from time to time, in its discretion, may deem to be for the benefit of the Properties and the owners and inhabitants thereof or advisable, proper or convenient for the promotion of the peace, health, comfort, safety or general welfare of the Owners and inhabitants thereof: and further, the Corporation shall have the powers, rights and privileges to conduct any and all business that a Corporation organized under the North Carolina Nonprofit Corporation Act by law may now or hereafter have or exercise and that is not required to be specifically set forth in these Articles: provided, however, that notwithstanding any other provisions of these Articles, the Corporation shall not carry on any activities not permitted to be carried on by a homeowners association exempt from Federal Income Tax under Section 528 of the Internal Revenue Code of 1954 or the corresponding provision of any future Internal Revenue law.
- (4) The Corporation is not organized for profit, nor shall it have any power to issue certificates of stock or pay dividends, and no part of the net earnings or assets of the Corporation shall inure to the benefit of or be distributed, upon dissolution or otherwise, to any Member of the Corporation, Director, Officers or other private person. The Corporation may enter into contracts with the Developer or with any other person (including any Member, Officer, or Director), and may pay compensation in reasonable amounts for services rendered.

## ARTICLE VI

Provisions relating to the Members of the Corporation are:

- (1) The Company shall be a Member of the Corporation, and a creditor who acquires title to the Properties or any portion thereof pursuant to foreclosure or any other proceeding or Deed in lieu of foreclosure shall be a Member of the Corporation. Every Owner and Tenant, unless otherwise specified, shall be a Member of the Corporation. Every Owner shall be required to submit the name(s) of his Tenant(s) and the duration of their tenancy to the Secretary of the Corporation. The Corporation may issue to each Member a membership card which shall expire upon termination of a Tenant's lease or upon sale by an owner of his property in Adams Farm. Tenants of Public or Commercial Units and Owners or Tenants who are exempt from the payment of Assessments shall not be Members of the Corporation unless otherwise specified herein.
- (2) There shall be the following five (5) classes of membership in the Corporation:
  - (a) TYPE "A": Type "A" Members shall be all owners, including the Company, its successors and assigns, of Residential Lots and Family Dwelling Units. A

Type "A" Member shall be entitled to two (2) votes for each Residential Lot which he owns.

- (b) TYPE "B": Type "B" Members shall be all those owners, including the Company, its successors and assigns, of platted Public or Commercial Sites and Multiple-Family Tracts. A Type "B" Member shall be entitled to one (1) vote for each one Hundred (\$100.00) Dollars in Annual Assessments paid to the Corporation. In computing the number of votes to which a Type "B" Member shall be entitled, the amount of the Assessment paid shall be rounded to the nearest one Hundred (\$100. 00) Dollars.
  - (c) TYPE "C": Type "C" Members shall be all those Owners, including the Company, its successors and assigns, of Public or Commercial Units. A Type "C" Member shall be entitled to one (1) vote for each One Hundred (\$100.00) Dollars in Annual Assessments paid to the Corporation. In computing the number of votes to which a Type "C" Member shall be entitled, the amount of the Assessment paid shall be rounded to the nearest One Hundred (\$100.00) Dollars.
  - (d) TYPE "D": Type "D" Members shall include all those owners, including the Company, its successors and assigns, or Unsubdivided Lands and Development Unit Parcels hold and intended for future development by the Company or a third party. A Type "D" Member shall be entitled to one (1) vote for each One Hundred (\$100.00) Dollars of Annual Assessments Paid to the Corporation. In computing the number of votes to which a Type "D" Member shall be entitled, the amount of the Assessment paid shall be rounded to the nearest One Hundred (\$100.00) Dollars.
  - (e) TYPE "E": The Type "E" Member shall be the Company, its successors and assigns. The Type "E" Member shall be entitled to elect a portion of the Board of Directors as set out in Article VII.
- (3) Payment of Special Assessments shall not entitled Type "A", "B", "C", and "D" Members to additional votes.
- (4) When any property entitling the owner to membership as a Type "A", "B", "C", or "D" Member of the Corporation is owned of record in the name of two (2) or more persons or entitles, whether fiduciaries, joint tenants, tenants in common, tenants in partnership, tenants by the entirety or in any other manner of joint or common ownership, or if two (2) or more persons or entities have the same fiduciary relationship respecting the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and it or a copy thereof is filed with the Secretary of the Corporation, their acts with respect to voting shall have the following effect:
- (a) If only one (1) votes, in person or by proxy, his act shall bind all:
  - (b) If more than one (1) vote, in person or by proxy, the act of the majority so voting shall bind all:

- (c) If more than one (1) vote, in person or by proxy, but the vote is evenly split on any particular matter, each fraction shall be entitled to its proportionate share of the vote or votes:
  - (d) If the instrument or order filed with the Secretary of the Corporation shows that any such Tenancy is hold in unequal interest, a majority or even split under subparagraphs (2) and (3) immediately above shall be a majority or even split in interest in the property to which the vote(s) is/are attributable:
  - (e) The principles of this paragraph shall apply, insofar as possible, to execution of proxies, waivers, consents or objections, and for the purpose of ascertaining the presence of a quorum.
- (5) The voting rights of any Owner may be assigned by said owner to his lessee: provided, however, that the owner may not assign to such lessee any vote or votes not attributable to the property actually leased by such lessee.
  - (6) The Members of the Corporation shall have the right to vote for the election and removal of Directors and upon such other matters with respect to which a vote of Members is required under the Covenants, these the Articles of Incorporation or under the provisions of Chapter 55A of the General Statutes of North Carolina, as amended.

## ARTICLE VII

The affairs of the Corporation shall be managed by a three (3) member Board of Directors: provided that the Board may change the number of Directors to five (5), seven (7), or nine (9) members as the Directors deem appropriate, but the vacancies occurring by reason of such increase shall only be filled by vote of the Members of the Corporation at a meeting expressly called for the purpose, such meeting being subject to the quorum requirements of the Covenants. There shall be two (2) classes of Directors. The Class I Directors shall serve for two (2) year terms, and the Class II Directors shall serve for a (1) one year term.

Class I Directors shall be elected by a Type "A", "B", "C", and "D" Members, and Class II Directors shall be elected by the Type "E" Member according to the following formula:

- (1) Each Member of Type "A", "B", "C", and "D" Membership classes shall be entitled to as many votes as equals the total number of votes he is entitled to based on his ownership of or tenancy in one (1) or more of the various classifications of property as computed by the formula set out hereinabove in Article VI. Each Member may cast the total number of votes to which he is entitled for each vacancy to be filled by a Class I Director. Cumulative voting shall not be allowed. Members, except the Type "E" Membership, are divided into classes for the purpose of computing voting rights and shall not vote as a class.

- (2) The number of Class I Directors shall be determined by (A) dividing (i) the number of Residential Lots and Family Dwelling Units owned by Type "A" Members by (ii) the cumulative maximum number of Residential Lots and Family Dwelling units authorized in the Properties by the City of Greensboro and County of Guilford Zoning Ordinance, and (B) then multiplying the resulting quotient by the total number of Directors, and (C) rounding the result to the nearest whole number, e.g. 1.49 - 1, and 1.50 - 2.
- (3) The number of Class II Directors shall be determined by subtracting the number of Class I Directors from the total number of Directors. The Class II Directors shall be elected by the Type "E" Member.
- (4) For the purposes of this formula, the number of Residential Lots and Family Dwelling Units owned by Type "A" Members and the cumulative maximum number of Residential Lots and Family Dwelling Units authorized in the Properties shall be determined by the Board of Directors as of the date on which notice of the meeting of the Members at which the Board of Directors is to be elected is mailed.
- (5) The Board of Directors shall have the power to provide for staggered election of the Class I Directors. The terms of this Article VII notwithstanding, the Board of Directors, at any duly called meeting, may from time to time, effect this "staggered term" by passing a resolution directing that one (1) year: provided however, any such action by the Board of Directors shall become effective only upon the unanimous vote of all Class I and Class II Directors.
- (6) A Class I Director may be removed from office, with or without cause, by majority vote of the Members cast at a meeting of the Members of the Corporation expressly called for this purpose, such meeting being subject to the quorum requirements of the Covenants.

#### ARTICLE VIII

To the extent provided by law, the Corporation may participate in mergers and consolidation with other non-profit associations organized for the same purpose, provided, however, that any such mergers or consolidation shall require approval by the vote of more than two-thirds (2/3) of the Type "A", "B", "C", and "D" memberships, if any, at a meeting duly called for such purpose.

#### ARTICLE IX

Upon dissolution of the Corporation, the assets, both real and personal, shall be transferred in the manner set forth in the Covenants for the transfer of the Common Properties and Restricted Common Properties in the event the Covenants are declared

void, invalid, illegal or otherwise unenforceable. In the event of such a dissolution and transfer, the assets shall continue to be used and maintained for the purpose set out herein.

## ARTICLE X

### INDEMNIFICATION

- (1) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil,, criminal, administrative, arbitratve or investigative (including an action or suit by or in the right of the Corporation to procure a judgment in its favor) by reason of the fact that he is or was a Director or officer of the Corporation, or is or was serving at the request of the Corporation as a Director or officer of another corporation, partnership, joint venture, trust or other enterprise, against judgments, fines, amounts paid in settlement, and expenses (including attorney's fees) actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in the manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in the manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, has reasonable cause to believe that his conduct was unlawful.
- (2) Notwithstanding the provisions of section (1) of this Article, no indemnification shall be made in an action or suit by or in the right of the Corporation to procure a judgment in its favor with respect to any claim, issue or matter as to which such person shall have been finally adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Corporation unless, and only to the extent that, the Court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification.
- (3) To the extent that any such person has been successful on the merits or otherwise in defense of any action, suit, proceeding referred to in Section (1) of this paragraph, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys fees) actually and reasonably incurred by him in connection therewith.

- (4) Any indemnification under Section (1) and (2) of this Article (unless Ordered by a Court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of any such person is proper in the circumstances because he had met the applicable standard of conduct set forth in such sections (1) and (2) . Such determination shall be made either (i) by the Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding; or (ii) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion; or (iii) by the Members. If the determination is to be made by the Board, it may rely, as to all questions of law, on the advice of independent counsel.
- (5) Expenses (including attorneys' fees) incurred in defending an action, suit, or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in Section (4) of this Article, upon receipt of an undertaking by or on behalf of such person to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this paragraph.
- (6) The Board is hereby empowered, by majority vote of a quorum of disinterested Directors, to cause the Corporation to indemnify or contract in advance to indemnify any person not specified in Section (1) who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, by reason of the fact that such person is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, to the same extent as if such person were specified as one to whom indemnification is granted in Section (1). The provisions of Sections (2) through (5) of this paragraph shall be applicable to any indemnification provided hereafter pursuant to this Section (6).
- (7) The Corporation may purchase and maintain insurance to indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article and may also procure insurance, in such amounts as the Board may determine, on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.
- (8) Every reference herein to Director, officer, employee, or agent shall include former Directors, officers, employees, and agents and their respective heirs,

executors and administrators. The indemnification hereby provided and provided hereafter pursuant to the power hereby conferred on the Board shall not be exclusive of any other rights to which any person may be entitled, including any right under policies of insurance that may be purchased and maintained by the Corporation or others, with respect to claims, issues or matters in relation to which the Corporation would not have the power to indemnify such person under the provisions of this paragraph.

## ARTICLE XI

The following words and terms used in these Articles of Incorporation (unless the context shall clearly indicate otherwise) shall have the following meanings:

- (1) "Covenants" shall mean and refer to the "Declaration of Covenants and Restrictions of The Adams Farm Community Association, Inc., and The Adams Farm Company, a North Carolina partnership", which are recorded in the Register of Deed's Office of Guilford County, North Carolina.
- (2) "Adams Farm" shall mean and refer to the lands in Guilford County, North Carolina, which are shown as a part of Adams Farm on the Company's Master Plan as revised from time to time.
- (3) "Company" shall mean The Adams Farm Company, a North Carolina partnership, its successors and assigns.
- (4) "Developer" shall mean The Adams Farm Company, a North Carolina partnership, its successors and assigns.
- (5) "Affiliate" shall mean any corporation more than fifty (50%) percent of the voting stock of which is owned or controlled by the Company or the Developer, and any partnership or joint venture in which the Company or the Developer has more than fifty (50%) percent equity interest or an interest in fifty (50%) percent or more of the cash flow from such partnership or joint venture.
- (6) The "Properties" shall mean and refer to the real property described in the following paragraph together with such additions from the real property as the Company may make from time to time, and any other parcels of real property subjected to the Covenants from time to time pursuant to Article II, Section (2) of said Covenants.

Being all of that property acquired by Adams Farm Company, a North Carolina General Partnership, by deeds recorded in Book 3505 at Page 1498 and 1500 of the Guilford County Registry, saving and excepting that property conveyed by Adams Farm Company to AFA Associates by deed.



- (7) "Residential Lot" shall mean any subdivided parcel of land located within the Properties for which no building permit has been issued by the appropriate governmental authorities and which parcel is intended for use as a site for a Single Family Detached Dwelling, Single Family "D" Duplex Unit, or Patio Home (or Zero lot line) as shown upon any recorded final subdivision map of any part of the Properties. No parcel shall, however, be classified as a Residential Lot until the first day of the quarter of the year following after all of the following have occurred:
- (a) Recording of a Plat in the Register of Deed's office of Guilford County, North Carolina, showing such Residential Lot.
  - (b) Approval by the Office of Interstate Land Sales Registration or successor agencies permitting such Residential Lot to be offered for sale in those cases where registration is required by law.
  - (c) The Lot has been placed on an "Inventory List" of lots for sale submitted to the Corporation by the Company, the Company's Affiliates, the Developer, or the Developer's Affiliates in those cases where the Lot is owned by the Company, the Company's Affiliates, the Developer, or the Developer's Affiliates.
  - (d) The Lot is sufficiently developed to be subject to Assessment, in the sole and uncontrolled discretion of the Board of Directors, as a Residential Lot in those cases where the Lot is owned by any third party other than the Company, the Company's Affiliates, the Developer, or the Developer's Affiliates.
- (8) "Multiple-Family Tract" shall mean any unimproved Parcel of land located within the Properties, intended for development of Attached Residential Units including Townhouses, Condominiums and Apartments as defined and controlled by the applicable zoning for Adams Farm granted by the Guilford County Board of Supervisors. A parcel of land shall not be deemed a "Multiple-Family Tract" until such time as its exact metes and bounds have been surveyed and a plat thereof identifying or designating such property for Multiple-Family use is recorded in the Register of Deed's Office of Guilford County, North Carolina; provided, however, that any property within said parcel of land which also qualifies as an "Exempt Property" shall not be deemed part of said Multiple-Family Tract for the purposes of calculating Assessments or votes. A Multiple-Family Tract, or portions of said Multiple-Family Tract, shall be deemed to be unimproved until the improvements being constructed thereon are sufficiently complete to be subject to Assessment, in the Sole and uncontrolled discretion of the Board of Directors, as improved properties.
- (9) "Public or Commercial Site" shall mean any unimproved parcel of land within the Properties, intended for use as a site for improvements designed to accommodate commercial, governmental, or business enterprises to serve Residents of Adams Farm and/or the public, including, but not limited to:

business and professional offices; facilities for the retail sale of goods and services; banks and other financial institutions; social clubs; restaurants; hotels; motels; inns; theaters; lounges; indoor and outdoor recreational facilities; hospitals and medical clinics; laboratories and other research and development facilities; commercial warehouses; transportation terminals or stations; automobile parking facilities; gasoline stations; industrial plants; and residential dwelling units within multi-use public or commercial buildings or facilities; provided, however, that a "Public or Commercial Site" shall not include property upon which improvements are to be built which also qualifies as a Multiple-Family Tract, nor shall it include any property which also qualifies as "Exempt Property". A parcel of land shall not be deemed a "Public or Commercial Site" until such time as its exact metes and bounds have been surveyed and a plat thereof identifying or designating such property as a Public or Commercial Site is recorded in the Register of Deed's Office of Guilford County, North Carolina. A Public or Commercial Site, or portions of said Site, shall be deemed to be unimproved until the improvements being constructed thereon are sufficiently complete to be subject to Assessment, in the sole and uncontrolled discretion of the Board of Directors, as improved properties.

- (10) "Development 'Unit Parcel'" shall mean and refer to any parcel or tract of land within the Properties, conveyed by the Company to any third party under the covenants and restrictions permitting the division of such parcel or tract into smaller land units such as Residential Lots, Multiple-Family Tracts, or Public or Commercial Sites. A parcel of land shall not be deemed a "Development Unit Parcel" until such time as its exact metes and bounds have been surveyed and a plat thereof identifying or designating such property as a Development Unit Parcel is recorded in the Register of Deed's Office of Guilford county, North Carolina; provided, however, that a "Development Unit Parcel" shall not include any property which also qualifies as "Exempt Property". A Development Unit Parcel, or portions thereof, shall remain classified as such until further subdivided and classifiable as a Residential Lot or Lots, Multiple-Family Tract, or Public or Commercial Site.
- (11) "Unsubdivided Land" shall mean and refer to all land within the Properties which has not been subdivided into and classified as Residential Lots, Multiple-Family Tracts, Public or Commercial Sites, or Development Unit parcels,, through notes and bounds subdivision plats recorded in the Register of Deed's office of Guilford County.. North Carolina; provided, however, that "Unsubdivided Land" shall not include any property which also qualifies as "Exempt Property", Unsubdivided Land, or portions thereof,, shall. remain classified as such until subdivided and classifiable as a Residential Lot or Lots, Multiple-Family Tract, Public or Commercial Site, or Development Unit Parcel.
- (12) "Family Dwelling Unit" shall mean and refer to any improved property or any property formerly classified a Residential Lot for which a Building Permit has been issued by the appropriate governmental authorities, which property in located within the Properties and intended for use as a Single Family Dwelling,

including without limitation, any Single-Family Detached Dwelling, Single Family "D" Duplex Unit, Patio Home (or Zero lot line), Condominium Unit, Townhouse Unit, Cooperative Apartment Unit or Apartment Unit located within the Properties.

- (13) "Public or Commercial Unit" shall mean and include any improved parcel of land within the Properties which is intended and designed to accommodate public, commercial, governmental, or business enterprises to serve Residents and/or the public, including, but not limited to, all those enterprises enumerated in Section (9) above; provided, however, that a "Public or Commercial Unit" shall not include any property which also qualifies as "Exempt Property". A parcel of land shall not be deemed to be improved until the improvements being constructed on said parcel are sufficiently complete to be subject to Assessment, in the sole and uncontrolled discretion of the Board of Directors, as improved properties.
- (14) "Exempt Property" shall mean and refer to the following classifications of property with the Properties which shall not be deemed "Multiple-Family Tracts", "Public or commercial Sites", "Development Units Parcels", "Unsubdivided Land", or "Public or Commercial Units", and shall be expressly excepted from the definitions thereof:
  - (a) All lands designated on the Master Plan for intended use, or by actual use if applicable, for (i) indoor and outdoor recreational and community facilities owned and operated by the Company, the Company's Affiliates, the Developer, the Developer's Affiliates, the Corporation, and any other homeowners association (hereinafter referred to as "Homeowners Association") organized by the Company or by others with the consent of the Company within the Properties if such Homeowners Association operates such facilities for the private use of its members or the Members of the Corporation, including, but not limited to, tennis courts, swimming pools, gymnasium, golf courses, ice skating rinks, and any showers, locker rooms, or other club facilities associated with such uses, putting greens, playgrounds, ball field spectator viewing pavilions, gazebos, picnic shelters, picnic tables, parks, horseback riding stables, riding arenas, riding trails, walking trails, bike trails, boardwalks, docks, boating facilities and marinas, boat rental facilities, boat storage facilities, trailer storage facilities, fishing facilities, beach facilities, bicycle rental facilities, operating farms and/or animal pastures, wildlife conservatories and feeding stations, nature interpretive areas, amphitheaters, community meeting facilities, and all rest room facilities, parking lots, service buildings, and concession-type food services associated with all such uses; and (ii) places of worship; libraries; fire stations and rescue squads; post offices; day care centers, nursery schools, and other schools and instructional centers; non-profit or charitable community, civic, or cultural clubs and institutions; and other similar community facilities which the Board of Directors, in its sole and uncontrolled discretion, may designate an Exempt Properties;

- (b) All lands and any improvements thereon designated in any way as Common Properties or Restricted Common Properties;
  - (c) All lands and any improvements thereon committed to the Corporation through express, written notification by the Company to the Corporation of intent to convey to the Corporation, including, without limitation, Intended Common Properties and Intended Restricted Common Properties;
  - (d) All lands designated on the Master Plan or on recorded plats as Open Space or Private Open Space (hereinafter referred to, respectively, as "Open Space Areas" and "Private Open Space Areas"), and any improvements thereon which are defined in paragraph (a) of this Section (14);
  - (e) Property which is used for the maintenance, operation and service of facilities within Common Properties, Restricted Common Properties, Intended Common Properties, and Intended Restricted Common Properties, and facilities within Open Space Areas and Private Open Space Areas which are defined in paragraph (a) of this Section (14);
  - (f) Property which is used for the maintenance, operation and service of utilities within the Properties.
- (15) "Owner" shall mean and refer to the Owner as shown by the Real Estate Records in the Register of Deed's Office of Guilford County, North Carolina, whether it be one (1) or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any Residential Lot, Family Dwelling Unit, Multiple-Family Tract, Public or Commercial Site, Public or Commercial Unit, Development Unit Parcel, or Unsubdivided Land situated upon the Properties but, notwithstanding any applicable theory of a Deed of Trust, its successors or assigns, unless and until such mortgagee or holder of a Deed of Trust has acquired title pursuant to foreclosure or a proceeding or Deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or Tenant of an Owner. In the event that there is recorded in the Register of Deed's Office of Guilford County, North Carolina, a long-term contract of sale covering any Lot or Parcel of land within the Properties, the owner of such Lot or Parcel of land shall be the Purchaser under said contract and not the fee simple title holder. A long-term contract of sale shall be one where the Purchaser is required to make payments for the Property for a period extending beyond nine (9) months from the date of the contract and where the Purchaser does not receive title to the Property until all such payments are made, although the Purchaser is given the use of said Property.
- (16) "Tenant" shall mean and refer to the lessee under a written agreement for the rent and hire of a Family Dwelling unit or Public or Commercial Unit in Adam Farm.

- (17) "Resident" shall mean and refer to each Owner and Tenant of a Family Dwelling Unit who resides in Adams Farm.
- (18) "Member" shall mean and refer to all those Owners and Tenants who are Members of the Corporation as defined in Article VI herein.
- (19) "Master Plan" shall mean and refer to the drawing which represents the conceptual plan for the future development of Adams Farm. Since the concept of the future development of Adams Farm is subject to continuing revision and change by the Company,\* present and future references to the "Master Plan" shall be references to the latest revision thereof.
- (20) "Intended for Use" shall mean the use intended for various parcels within the Properties as shown on the Master Plan of Adams Farm prepared by the Company as the same may be revised from time to time by the Company, or the use to which any particular parcel of land is restricted by covenants expressly set forth or incorporated by reference in Deeds by which the Company has conveyed the property.
- (21) "Common Properties" shall mean and refer to those tracts of land with any improvements thereon which are deeded or leased to the Corporation and designated in said Deed or lease as "Common Properties". The term "Common Properties" shall also include any personal property acquired or leased by the Corporation if said property is designated a "Common Property". All Common Properties are to be devoted to and intended for the common use and enjoyment of the Members of the corporation, their guests, and visiting members of the general public (to the extent permitted by the Board of Directors of the Corporation) subject to the fee schedules and operating rules adopted by the Corporation, provided, however, that any lands or personal property which are leased by the Corporation for use as Common Properties shall lose their character as Common Properties upon expiration of such lease. Common Properties shall not include those tracts of land falling within the definition of "Restricted Common Properties" set forth below.
- (22) "Restricted Common Properties" shall mean and refer to those tracts of land with any improvements thereon which are deeded or leased to the Corporation and designated in such Deed or lease as "Restricted Common Properties". The term "Restricted Common Properties" shall also include any personal property acquired or leased by the Corporation if said property is designated a "Restricted Common Property". All Restricted common Properties are to be devoted to and intended for the common use and enjoyment of Type "A" Members of the Corporation, with all use of Restricted Common Properties to be subject to the fee schedules and operating rules adopted by the Corporation. Any lands or personal property which are leased by the Corporation for use as Restricted Common Properties shall lose their character as Restricted Common Properties upon the expiration of such lease.

- (23) "Intended Common Property" shall mean and refer to those tracts of land and any improvements thereon committed to the Corporation through express, written notification by the Company to the Corporation of intent to convey said property to the Corporation as a Common Property.
- (24) "Intended Restricted Common Property" shall mean and refer to those tracts of land and any improvements thereon committed to the Corporation through express, written notification by the Company to the Corporation of intent to convey said property to the Corporation as a Restricted Common Property.

## ARTICLE XII

The number of Directors constituting the initial Board of Directors shall be three (3); the names and addresses of the persons who are to serve as the initial Directors:

<u>NAME</u>	<u>ADDRESS</u>
Roger L. Perry	190 Finley Golf Course Road Chapel Hill, N.C. 27514
Robert B. Jones	190 Finley Golf Course Road Chapel Hill, N.C. 27514
Hunter K. Conner	190 Finley Golf Course Road Chapel Hill, N.C. 27514

## ARTICLE XIII

The name and address of the incorporator is: G. Rhodes Craver, 400 Wachovia Bank Building, Durham,, Durham County, North Carolina 27701.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this the 31st day of July, 1986.

/s/ G. Rhodes Craver

(SEAL)