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RESTATED
DECLARATION
OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
WIMBLEDON

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WAKE COUNTY REGISTRY

THIS DECLARATION, made this 31st day of January, 1986 by
Harlon Properties, a North Carolina General Partnership,
hereinafter called "Declarant", with the principal office in
Raleigh, Wake County, North Carolina.

W I T N E S S E T H:

WHEREAS, that certain Declaration of Covenants, Conditions
and Restrictions of Wimbledon dated October 24, 1985 was recorded
in Book 3603, Page 179, Wake County Registry, by the Declarant on
November 21, 1985; and

WHEREAS, Declarant desires to amend that Declaration in
various respects to comply with Federal National Mortgage
Association requirements; and

WHEREAS, in order to make the desired amendments to the
Declaration of Covenants, Conditions and Restrictions of
Wimbledon recorded in Book 3603, Page 179, Wake County Registry,
the Declarant and all the other owners of the real property shown
on that map recorded in Book of Maps 1985, Page 1862, Office of
the Register of Deeds, Wake County, North Carolina, do hereby
rescind the Declaration of Covenants, Conditions and Restrictions
of Wimbledon and adopt this Restated Declaration of Covenants,
Conditions and Restrictions of Wimbledon, in order to create the
exclusive residential community to be known as Wimbledon with
open spaces, streets, roads, walkways, and other facilities
which may be shared and enjoyed by all residents of Wimbledon;

WHEREAS, the various developed phases will be subject to
associations of owners of these dwelling units; and,

WHEREAS, in order to provide a coordination and continuity among the various phased communities, the owners of dwelling units in those communities, and the associations having jurisdiction over those communities, it is deemed appropriate to have an association in which all owners in Wimbledon are members; and,

WHEREAS, Declarant desires to have certain areas of the Development owned by this Association and benefit all owners within the Development; and,

WHEREAS, Declarant desires that some open spaces, streets, roads, walkways and other facilities be owned and maintained exclusively for the benefit of each local community and be designated "COMMUNITY COMMON PROPERTIES";

WHEREAS, Declarant has deemed it desirable for the efficient preservation, protection and enhancement of the values and amenities in Wimbledon, and to insure the residents' enjoyment of the specific rights, privileges and easements in the Community Common Properties and facilities, to create an organization to which will be delegated and assigned the powers of owning, maintaining and administering the Community Common Properties and facilities, and administering and enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created; and,

WHEREAS, Declarant has incorporated under the laws of the State of North Carolina, as a non-profit corporation, Wimbledon Homeowner's Association, Inc., for the purpose of exercising the functions aforesaid within the community known as Wimbledon.

NOW THEREFORE, the Declarant declares that the real property described in Article II, and such additions thereto, and annexation thereto, as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

DEFINITIONS

Section 1. The following words when used in this Declaration or any Supplemental Declaration or amendment hereto (unless the context shall prohibit) shall have the following meanings;

(a) Wimbledon shall mean and refer to all properties shown on that map recorded in Book of Maps 1985, Page 1862, Office of the Register of Deeds, Wake County, North Carolina.

(b) "Corporation" shall mean and refer to Wimbledon Homeowner's Association, Inc., its successors and assigns.

(c) "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions applicable to the Properties, and amendments thereto which are recorded in the Office of the Register of Deeds, Wake County, North Carolina.

(d) "Properties" shall mean and refer to that certain real property described in this Declaration in Article II, Section 1.

(e) "Community Common Properties" shall mean and refer to all land, improvements and other properties heretofore or hereafter owned by the Corporation.

(f) "Living Unit" shall mean and refer to any structure, or part of a structure designed and built for occupancy as a single family residence and shall include single family residences, condominium units, townhouses, villas, and any other single family dwelling unit located on the Properties, including attached or detached units.

(h) "Member" shall mean and refer to an "Owner" subject to assessment as provided in this Declaration.

(i) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, Living Unit which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

(j) "Declarant" shall mean and refer to Harlon Properties, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot or Living Unit location for the purpose of development. The development of a Lot or Living Unit site shall mean and refer to the construction of a residence thereon, including a condominium unit.

(k) "Lot" shall mean and refer to any numbered or lettered plot of land shown on any plot recorded in the Office of the Register of Deeds, Wake County, North Carolina, which is made subject to this Declaration as it may be amended, but shall not include any Lot so excluded on any recorded map or Community Common Properties.

(l) "Access Area" shall mean and refer to the areas designated as such on the various maps of Wimbledon.

(m) "General Plan of Development" shall mean and refer to the general plan on display in the sales pavilion.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

ADDITIONS THERETO

Section 1. Existing Property. The real property which hereby is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration is located in Wake County, North Carolina, and is more particularly described in Article I, Section-1.(a) hereof.

Section 2. Mergers. Upon a merger or consolidation of the Corporation with another organization as provided by its By-Laws, its properties, rights and obligations may be transferred to another surviving or consolidated homeowner's corporation or, alternatively, the properties, rights and obligations of another homeowner's corporation may, by operation of law, be added to the properties, rights and obligations of this Corporation as a surviving corporation pursuant to a merger. The surviving or consolidated homeowner's corporation may administer the covenants

and restrictions established by this Declaration within the Properties, together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration within the Properties except as hereinafter provided.

ARTICLE III

MEMBERSHIP

Section 1. Those Entitled to Membership. Every person or entity who is a record Owner of a fee or undivided interest in any Lot, or Living Unit which is subject by this Declaration to assessment by the Corporation, including contract sellers, shall be a member of the Corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot, or Living Unit which is subject to assessment by the Corporation. Ownership of such Unit shall be the sole qualification for membership.

ARTICLE IV

VOTING RIGHTS

Section 1. Classes of Voting Membership. The Corporation shall have two classes of voting membership:

Class A. Class A members shall be all those Owners as defined in ARTICLE III with the exception of the Declarant (as defined in this Declaration). Class A members shall be entitled to one vote for each Lot or Living Unit in which they hold the interest required for membership by ARTICLE III. When more than one person holds such interest in any Lot, or Living Unit, all such persons shall be members, and the vote for such Lot or Living Unit shall be exercised as the majority of such persons among themselves determine. At any meeting of the members, a representation by any of such persons

that a majority of such persons have agreed as to the vote for such Lot or Living Unit shall be conclusive unless another of such persons contests such representation at such meeting prior to the casting of such vote.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration). The Class B member(s) shall be entitled to three (3) votes for each Lot and Living Unit owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in Class A membership equals the total votes outstanding in Class B. membership.

(b) five years following the conveyance of the first living unit to an owner. !

Section 2. Membership Sub-Classes. The Board of Directors of the Corporation shall have authority to, and is hereby authorized, at its discretion to create membership sub-classes of those who are Class A members and to designate and to delineate sub-membership areas within the Development, each such sub-membership classification and area delineation shall consist of Owners of like or similar type dwelling units, such as, Owners of all townhouses or a particular group of townhouses, Owners of all condominium units or a particular group of condominium units and so forth for each type of dwelling unit.

Section 3. Purpose of Sub-Classes. Sub-classes of Class A membership may be designated by the Board of Directors for the purpose of establishing special assessment districts among similar class members because of a need, or obligation of any such designated membership sub-classification to pay assessments which may differ from those required of other sub-classifications based on the obligation upon the Corporation to provide dif-

fering degrees of care and maintenance to the several sub-classification membership areas.

ARTICLE V

PROPERTY RIGHTS IN THE COMMUNITY COMMON PROPERTIES

Section 1. Owners' Easements of Enjoyment. Every member shall have a right and easement of enjoyment in and to the Community Common Properties, together with and including the right of access, ingress and egress, both pedestrian and vehicular, on and over the drives, walkways and parking areas of the Community Common Properties, all of which shall be appurtenant to and shall pass with the title to every Lot, and Living Unit and subject to the following provisions:

(a) the right of the Corporation to charge reasonable admission and other fees for the use of any recreational or other facility situated upon the Community Common Properties;

(b) the right of the Corporation to suspend the voting rights and right to use the recreational or other Community Common Properties facilities by an Owner for any period during which any assessment against his Lot, or Living Unit remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Corporation to dedicate, sell or transfer all or any part of the Community Common Properties to any public agency, authority, or utility for such purposes, and subject to such conditions as may be agreed by the members. No such dedication, sale or transfer shall be effective unless it has been approved by sixty-seven (67%) percent of each class of members and an instrument properly executed by the Corporation has been recorded. On such instrument the Secretary of the Corporation shall certify that sixty-seven (67%) percent of each class of members have approved the dedication, sale or transfer and that certificate shall be conclusive as to any grantee or its assigns; provided, however, conveyances for general utility

purposes as specified herein may be made without consent of the members;

(d) the right of the Corporation to limit the number of guests of members;

(e) the right of the Corporation, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Community Common Properties and facilities and in aid thereof to mortgage said properties, and the rights of such mortgages in said properties shall be subordinate to the rights of the Members hereunder;

(f) the right of the individual members to use of parking spaces as may be provided by the Board of Directors;

(g) the right of the Corporation in accordance with its Articles of Incorporation or By-Laws to impose rules and regulations for the use and enjoyment of the Community Common Properties and improvements thereon, which rules and regulations may further restrict the use of the Community Common Properties.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Community Common Properties and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Title to the Community Common Properties. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Community Common Properties to the Corporation, free and clear of all financial encumbrances and liens, prior to the conveyance of the first Lot, except encumbrances for utility service, access, storm drainage and other similar service or utility easements.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot, and Living Unit owned within the Properties, hereby covenants, and each Owner of any

Lot, and Living Unit by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Corporation; (1) annual assessments or charges, and (2) special assessments for extraordinary maintenance and capital improvements, and (3) to the appropriate governmental taxing authority, a pro rata share of assessments against the Community Common Properties and for improvement and maintenance of public roads if the Corporation shall default in payment thereof, all as hereinafter provided. The annual and special assessments, together with interest and costs, and reasonable attorney's fees for collection, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

The Corporation shall also have the authority, through the Board of Directors to establish, fix and levy a special assessment on any Lot, and Living Unit to secure the liability of the Owner thereof to the Corporation arising from breach by such Owner of any of the provisions of this Declaration which breach shall require the expenditure of time and money or both, by the Corporation for repair or remedy.

Each Owner covenants for himself, his heirs, successors and assigns, to pay each assessment levied by the Corporation on the parcel described in such conveyance to him within ten (10) days after receipt of an invoice for the same, and further covenants that if said charge shall not be paid within thirty (30) days from the date that said invoice is deposited, postage prepaid in the United States mails, in an envelope addressed to such Owner at the address of the parcel or to such other address as said Owner shall have designated, the amount of such charge shall become a lien upon said Owner's parcel and shall continue to be such lien until fully paid.

Section 2. Purpose of Assessments. The assessments levied by the Corporation shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of properties, services and facilities, and for the use and enjoyment of the Community Common Properties, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes and public assessments assessed against the Community Common Properties, the procurement and maintenance of insurance in accordance with the By-Laws, the employment of counsel, accountants and other professionals for the Corporation when necessary, and such other needs as may arise.

Section 3. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Corporation may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, restoration, repair or replacement of a capital improvement upon the Community Common Properties, or any extraordinary maintenance of any property for which the Corporation is responsible, provided that any such assessment shall have the assent of sixty-seven (67%) percent of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 4. Notice and Quorum for Any Action Authorized Under Section 3. Written notice of any meeting called for the purpose of taking any action authorized under this Article shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast forty percent (40%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement,

and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots, and Living Units and may be collected on a monthly basis.

However, if sub-classes of membership are created by the Board of Directors such assessments shall be fixed at uniform rates for all Lots or Units within any sub-class. Assessments may differ between areas having different sub-classes of membership.

Assessments with respect to a sub-class of membership shall be determined by the cost to the Corporation, experienced or reasonably anticipated, of carrying out the purposes of assessments, as applied to the sub-classes of memberships. Provided, however, that the assessment for Lots, or Living Units owned by Declarant which are not under a completed roof, may be a lesser amount as fixed by the Board of Directors of the Corporation, but shall not be less than twenty-five (25%) of the regular assessments for such Lots or Units.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein commence as to all Lots, and Living Units on the first day of the month following the conveyance of the Community Common Properties. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot, and Living Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Corporation shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Corporation setting forth whether the assessments on a specified Lot, or Living Unit have been paid. A properly executed certificate of

the Corporation as to the status of assessments on a Lot or Unit is binding upon the Corporation as of the date of issuance.

Section 7. Effect of Nonpayment of Assessments: Remedies of the Corporation. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate then permitted by North Carolina law. The Corporation may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Community Common Properties or abandonment of his Lot or Living Unit.

Section 8. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage (or deed of trust) and ad valorem taxes. Sale or transfer of any Lot, or Living Unit shall not affect the assessment lien. However, the sale or transfer of any Lot, or Living Unit pursuant to mortgage or tax foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot, or Living Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 9. Exempt Property. All properties dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 10. Responsibility for Maintenance of Private Streets and Driveways. The maintenance responsibility of the private streets and driveways as shown on the described Properties shall rest with the Corporation, and in no case shall the Town of Cary be responsible for failing to provide any

emergency or regular fire, police or other public service to the property and/or occupants when the failure is due to inadequate design or construction, blocking of access routes, or any other factor within the control of Declarant, the Corporation, or Owners, pursuant to the terms and conditions hereof;

(a) The Corporation shall maintain the private streets according to the same maintenance schedule as used by the Town of Cary in maintaining its streets including, without limitation, the repair and replacement of traffic signs, the repainting of lane and directional markings, repaving and shoulder maintenance.

(b) The Corporation shall establish a separate account to be in the name of "Property Owners of Wimbledon, Street Maintenance Account," which account shall be funded from the annual assessments, managed by the Corporation as Trustee on behalf of the Owners and shall be for the purpose of providing funds for the maintenance of the private streets and appurtenant facilities (such as the gatehouse and fencing). The Corporation shall add to this account until it shall generate sufficient income to provide for current street maintenance and maintain itself.

(c) In the event that the Corporation becomes insolvent, is dissolved or for any reason whatsoever loses the ownership of the private streets, the Owners shall become responsible for the maintenance of the streets and related facilities as was the Corporation and shall appoint, by majority vote, a new trustee or trustees for the street maintenance account, which trustee (or trustees) shall manage the account and disburse funds as necessary for street maintenance. The trustee (or trustees) may be removed at any time by a majority vote of the Owners.

(d) In the event the street maintenance account is not sufficient to meet street maintenance needs, the Owners shall remain responsible for street maintenance as was the Corporation and may, at their election as determined by

majority vote, form a non-profit corporation and assign to it the duty and authority to assess on a per lot basis all lots abutting such private street, whereupon such Corporation shall maintain such private streets in the same manner that the Corporation is empowered to do by this instrument with the same right of lien for assessments provided for herein. Membership in such Corporation shall be compulsory for all Owners abutting the private street or streets to be maintained by the Corporation. Such Corporation shall have no powers except those provided for in this Article or reasonably incidental thereto.

ARTICLE VII

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Corporation shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Properties, the Community Common Properties and the Common Area. Such rules and regulation may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration.

Section 2. Use of Properties. No portion of the Properties (except for the temporary offices of the Declarant and other builders and/or model units used by Declarant and other builders and construction materials, storage, equipment, signs and parking of Declarant and other builders) shall be used, except for residential purposes and for purposes incidental or accessory thereto.

Section 3. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may be, or may become, a nuisance or annoyance to the neighborhood.

Section 4. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or

maintained provided that they are not kept or maintained for commercial purposes and are controlled in accordance with applicable governmental ordinances.

ARTICLE VIII

Section 1. Utility Easements. All of the Properties, including Lots, Living Units, Community Common Properties and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power line and other public utilities as shall be established by the Declarant or by its predecessors in title, prior to the subjecting of the Properties to this Declaration; and the Corporation shall have the power and authority to grant and establish upon, over, under and across the Community Common Properties conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Properties without approval of the membership as provided in the Articles of Incorporation, Article IV(e).

Section 2. Adjoining Areas. Each Owner is hereby declared to have an easement and the same is hereby granted by the Declarant over all adjoining parcels for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of a building, or any other cause. There shall be valid easements for the maintenance of said encroachment, settlement or shifting; provided however, that in no event shall a valid easement for encroachment be created in favor of an Owner if said encroachment occurred due to the willful misconduct of said Owner.

Section 3. Unintentional Encroachments. In the event that any Lot, or Living Unit shall encroach upon any Community Common Properties or upon any other Lot, or Living Unit for any reason not caused by the purposeful or negligent act of the Owner, then an easement appurtenant to such Lot or Units shall exist for the continuance and maintenance of such encroachment upon the Community Common Properties or other Lot or Units for so long as

such encroachment shall naturally exist; and, in the event that any portion of the Community Common Properties shall encroach upon any Lot, or Living Unit, then an easement shall exist for the continuance and maintenance of such encroachment of the Community Common Properties onto any such Lot, or Living Unit for so long as such encroachment shall naturally exist.

Section 4. Overhanging Roofs and Eaves. Each Lot, and Living Unit within the Properties and the Owner thereof, is hereby declared to have an easement and the same is hereby granted by the Declarant, over each joining Lot, and Living Unit and/or Community Common Properties, as the case may be, for overhanging roofs and eaves and the maintenance thereof.

Section 5. Easement for the Benefit of the Town of Cary. An easement is hereby established for the benefit of the Town of Cary, over all Community Common Properties for the setting, removing and reading of water meters (which shall be separate for each living unit), maintaining and replacing water, sewage and drainage facilities, for police protection, fire fighting and garbage collection and the rendering of such other services as are appropriate and necessary for the use and enjoyment of the Properties. In no case shall the Town of Cary be responsible for failing to provide any emergency or regular fire, police, or other public service to the Properties or to any of its occupants when such failure is due to the lack of access to such area due to inadequate design or construction, blocking of access routes, or any other factor within the control of the Developer, the Corporation, the Owners or occupants. All conveyances of any portion of the Properties shall be subject to these limitations on the City's or other agency's responsibilities.

Section 6. Priority of Easements. Each of the easements hereinabove referred to shall be deemed to be established upon the recordation of this Declaration and shall henceforth be deemed to be covenants running with the land for the use and benefit of the Lots, and the Community Common Properties, as the case may be, superior to all other encumbrances which may

hereafter be applied against or in favor of the Properties or any portion thereof.

ARTICLE IX

INSURANCE

Section 1. Insurance to be Maintained by the Corporation.

The following insurance coverage shall be maintained in full force and effect by the corporation:

- (a) Property damage insurance at one hundred (100%) percent of the current replacement cost of the Community Common Properties, excluding those areas that are normally excluded from coverage such as land, foundation, excavation, etc. The property damage policy must protect against loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement, and all other perils customarily covered for similar types of projects, including those covered by the standard "all-risk" endorsement.
- (b) Public liability insurance covering all Community Common Properties and any other areas that are under the Corporation's control and supervision in an amount of at least \$1,000,000.00 for bodily injury and property damage for any single occurrence. All liability insurance shall contain cross liability endorsements to cover liability of the owners as a group to an individual owner.
- (c) The Corporation shall also maintain blanket fidelity bonds for anyone who either handles or is responsible for funds held or administered by the Corporation, whether or not they receive compensation for their services. The Corporation's bonds will name the Corporation as the obligee and the fidelity bond coverage must at least equal the sum of three (3) months assessments on all units in the project, plus the Corporation's reserved funds.

Section 2. Premiums. Premiums for insurance policies purchased by the Corporation shall be paid by the Corporation and charged ratably to Owners as an assessment according to the applicable provisions of this Declaration.

Section 3. Insurance Beneficiaries. All such insurance policies shall be purchased by the Corporation for the benefit of the Corporation and the Owners.

Section 4. Insurance to be Maintained by the Owners. Every Owner shall maintain in full force and effect at all times such insurance required by any other association of homeowners of which it is a member.

ARTICLE X

GENERAL PROVISIONS

Section 1. Enforcement. The Corporation, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions, of this Declaration. Failure by the Corporation or by any Owner to enforce any covenant or restriction hereby contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Members, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Members; provided that prior to the

sale of the first Lot, or Living Unit this Declaration may be amended by the Declarant without consent of the Members.

No amendment which would change or delete any provision herein required by any governmental authority shall become effective until submitted to and approved by that authority; provided, however, if that authority fails to approve or disapprove such amendment within thirty (30) days after the same has been submitted to it, such approval shall not be required and this covenant shall be deemed to have been fully complied with. Any amendment must be recorded in the Office of the Register of Deeds of Wake County, North Carolina.

Section 4. Recreational Facilities. The plan of Wimbledon provides for recreational amenities within the Community Common Properties. These amenities are provided for the benefit of all Owners, and shall be maintained, as part of the Community Common Properties out of Assessments imposed on all Owners. Nevertheless, the Corporation shall have the right to form an association, (the Operator) which may be a corporation or other lawful entity, and assign to it the maintenance and operation of the recreational facilities, on a non-profit basis and upon such terms and conditions, not inconsistent herewith, as the Corporation may deem reasonable and necessary. The Operator shall maintain and operate said recreational facilities for the benefit of every Owner in good standing with the Corporation. It may charge dues or membership fees sufficient to defray operating costs and require that current payment be made in order for any Owner to enjoy use of the facilities. The Operator may also permit use of the facilities by non-Owners and non-residents of the Properties, upon payment of required dues or membership fees, and subject to priority of Owners in good standing with the Operator and Corporation. The Operator may impose reasonable regulations regarding the use of the facilities to insure accessibility, safety, harmony, and preservation of the facilities.

There is reserved to the Corporation the right to revoke the assignment provided for herein and to assume the operation of the

recreational facilities, on a membership basis, requiring special charges for the right to use the same.

Section 5. Availability of Documents. The Corporation will have current copies of the Declaration, By-Laws, and other rules concerning Wimbledon as well as the Corporation's own books, records and financial statements available for inspection during normal business hours by owners and by holders, insurers and guarantors of first mortgages that are secured by living units in Wimbledon.

Section 6. Rights of Eligible Mortgage Holders. Eligible Mortgage Holders are those holders of a first mortgage or deed of trust on a living unit ("Eligible Mortgages") who have requested the Corporation to notify them of any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders. Amendments of a material nature to this Declaration or the By-laws of the Corporation require the approval of Eligible Mortgage Holders representing at least fifty-one (51%) percent of the holders of Eligible Mortgages. Any action to terminate this Declaration or the legal status of the Corporation for reasons other than substantial destruction or condemnation of the Property, shall require the approval of Eligible Mortgage Holders representing at least sixty-seven (67%) percent of the holders of Eligible Mortgages.

The holder, insurer, or guarantor of a mortgage or deed of trust on any living unit in Wimbledon is entitled to timely written notice of:

- (a) Any condemnation or casualty loss that affects a material portion of Wimbledon;
- (b) Any sixty-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage or deed of trust.
- (c) A lapse, cancellation or material modification of an insurance policy or fidelity bond maintained by the Corporation; and

(d) Any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

To obtain this information, the mortgage holder, insurer, or guarantor should send a written request to the Corporation, stating both its name and address and the unit number or address of the unit covered by its mortgage or deed of trust.

Section 7. Condemnation. Whenever all or any part of the Community Common Property shall be taken by an entity having the power of condemnation or eminent domain, the award made for such taking shall be payable to the Corporation. Unless otherwise required by law at the time of such taking, any award made therefor shall be disbursed by the Corporation as hereinafter provided. If at least sixty-seven (67%) percent of the members of the Corporation shall decide within sixty (60) days after such taking to replace any condemned improvements, or any part thereof on the remaining lands which are part of the Community Common Properties, then the Board of Directors of the Corporation shall arrange for such replacement, and the Corporation shall disburse the proceeds of such award in the same manner as they are required to disburse insurance proceeds where damage or destruction to the property is to be repaired or reconstructed; subject, however to the right hereby reserved to the Corporation, which may be exercised by a majority of the votes of the members thereof, to provide for the disbursement by the Corporation of the remaining proceeds held by it (after payment of all costs incident to such replacement) to the members, or any one or more of them, in amounts disproportionate to their voting rights, which disproportionate amount shall correspond with the disproportionate damages sustained by the members, or any one or more of them, as the Corporation may determine. If at least sixty-seven (67%) percent of the members of the Corporation shall not decide within sixty (60) days after such taking to replace such improvements, or if the taking is confined to Community Common Properties on which no improvements have been constructed, then the Corporation shall disburse the proceeds of the award in the manner hereinabove provided for the disbursement of the

remaining proceeds of an award after payment of all costs incident to replacement of improvements.

ARTICLE XI

ELECTRICAL SERVICE

Declarant reserves the right to subject the Properties to a contract with Carolina Power and Light Company for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Carolina Power and Light Company by the Owner of each lot within the Properties.

ARTICLE XII

ARCHITECTURAL CONTROL AND INSPECTION

No site preparation or initial construction, erection, or installation of any improvements, including, but not limited to, residences, outbuildings, fences, walls and other structures, shall be undertaken upon the Properties, unless the plans and specifications therefor, showing the nature, kind, shape, height, materials, and location of the proposed improvements shall have been submitted to Declarant and expressly approved in writing by it. No subsequent alteration or modification of improvements may be undertaken on any of the Properties without prior review and express written approval of the Board of Directors of the Corporation, or by an "Architectural Committee" composed of three (3) or more representatives appointed by the Board.

In the event that the Declarant, or the Board of Directors or Architectural Committee, as the case may be, fails to approve or disapprove the site or design of any proposed improvements within thirty (30) days after plans and specifications therefor have been submitted and received, approval of the submitted items will be deemed granted, and the requirements of this Article will be deemed to have been fully met; provided, however, that the plans and specifications required to be submitted shall not be deemed to have been received by the Declarant, Corporation, or Architectural Committee, as the case may be, if they contain

erroneous data or fail to present adequate information upon which the Declarant or the Board of Directors or Architectural Committee, as the case may be, can arrive at a decision.

The Declarant shall have the right, at its election, but shall not be required to, enter upon any of the Properties during site preparation or construction, erection or installation of improvements to inspect the work being undertaken, and to determine that such work is being performed in conformity with the approved plans and specifications and in a good and workmanlike manner, utilizing approved methods and good quality materials.

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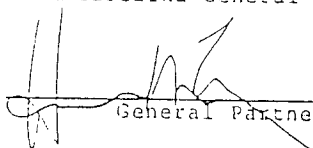
ARTICLE XIII

EXTERIOR MAINTENANCE

It shall be the duty of each Owner to properly maintain his Lot and all improvements constructed thereon such Lot. If, however, in the opinion of the Corporation, any Owner shall fail to maintain any Lot owned by him in a manner which is reasonably neat and orderly, or shall fail to keep the improvements constructed thereon in a state of repair so as not to be unsightly, the Corporation in its discretion, by the affirmative vote of two-thirds of the members of the Board of Directors, and following ten (10) days written notice to the Owner, may enter upon and make, or cause to be made, repairs to such improvements and perform such maintenance on the Lot as the removal of trash, cutting of grass, pruning of shrubbery, and seeding and correction of items of erosion control. The Corporation shall have an easement for the purpose of accomplishing the foregoing. All costs incurred by the Corporation in rendering all such services, plus a service charge of fifteen (15%) percent of such costs, shall be added to and become a part of the assessment to which such Lot is subject.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 14th day of August, 1986.

Harlon Properties
A North Carolina General Partnership

By: 

General Partner