

Wimbley Hall

BY-LAWS

OF

WIMBLEDON HOMEOWNER'S ASSOCIATION, INC.

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. Lands submitted to unit ownership. Harlon Properties, a North Carolina General Partnership, hereinafter known as the "DECLARANT", is the Owner of certain lands laying in the Town of Cary, North Carolina, more particularly described in Exhibit "A" to the Declaration of Covenants, Conditions and Restrictions (herein "DECLARATION").

Section 2. Name of Project. The lands and improvements submitted to unit ownership by said Declaration shall be known as Wimbledon.

Section 3. Applicability of Bylaws. All present and future Owners, mortgages, lessees, and occupants of Units within Wimbledon, and their agents, servants, and employees, and any other persons who may make use of the facilities of Wimbledon in any manner, are subject to these Bylaws and to the Rules and Regulations adopted pursuant hereto, and to any

amendments to these Bylaws, upon the same being duly passed and set forth in an amended Declaration, duly recorded.

The acceptance of a deed or conveyance to, or the entering into of a lease or the act of occupancy of, a Unit by any person shall conclusively establish the acceptance and ratification by such person of these Bylaws (and any Rules and Regulations adopted pursuant hereto), the Articles of Incorporation and the Declaration, as they may be amended from time to time, and shall constitute and evidence an agreement by such persons to comply with those governing documents.

ARTICLE II

DEFINITIONS

Section 1. "Association" or "Corporation" shall mean and refer to Wimbledon Homeowner's Association, Inc., the association of Owners of Wimbledon Lots and Living Units, its successors and assigns.

Section 2. "Property" or "Properties" shall mean all of the lands, buildings, improvements, and appurtenances, which lands are more fully described in Exhibit "A" to said Declaration.

Section 3. "Declarant" shall mean Harlon Properties a North Carolina general partnership, and its assigns and successors to whom it shall make specific written assignment of its rights under the Declaration and these Bylaws.

Section 4. "Declaration" shall mean the Restated Declaration of Covenants, Conditions and Restrictions of Wimbledon recorded with the Register of Deeds of Wake County, North Carolina.

Section 5. "Board" shall mean the Board of Directors of the Corporation.

Section 6. "Rules and Regulations" shall mean those written actions of the Board, duly adopted, and amendments thereto, interpreting and applying the provisions of the Declaration and these Bylaws and establishing and prescribing the administration and management of the Property and the use, operation, and maintenance of the Community Common Properties.

Section 7. "Common Expenses" means and includes:

- (a) All sums lawfully assessed against the Unit Owners by the Corporation;
- (b) Expenses of administration, maintenance, repair or replacement of the Community Common Properties;
- (c) Expenses agreed upon as Common Expenses by the Corporation;
- (d) Expenses declared to be Common Expenses by the provisions of the Declaration or by the Bylaws;
- (e) Hazard, and such other insurance premiums as the Declaration and/or Bylaws may require the Corporation to purchase;
- (f) Taxes and public assessments levied against the Community Common Properties, not otherwise assessed against each unit.
- (g) Any utilities which are Common Expenses as determined by the Corporation; and

(h) The cost of installing and maintaining fire and/or burglar alarm systems if these are provided for the benefit of all Units.

Section 8. "Community Common Properties" shall mean and refer to all land, improvements and other properties heretofore or hereafter owned by the Corporation.

Section 9. "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, apartments and any other single family dwelling unit located on the Properties, including attached or detached units.

Section 10. "Lot" shall mean and refer to any numbered or lettered plot of land shown on any plat recorded in the Office of the Register of Deeds, Wake County, North Carolina, which is made subject to the Declaration, as it may be amended, but shall not include any Lot specifically designated as being excluded on any recorded map or any or Community Common Properties.

Section 11. "Owner" or "Unit Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, or 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.

Section 12. "Member" shall mean and refer to an "Owner" or "Unit Owner" subject to assessment as provided in the Declaration.

*Registered Agent
Corp - Office*

ARTICLE III

OFFICES

Section 1. The principal office of the As
at 5510 Six Forks Road, Suite 200, Raleigh, Nor

Section 2. The registered office of the
not be, identical with the principal office,
North Carolina. The initial registered office of the Corporation shall
be located at 801 Wachovia Bank Building, P.O. Box 1150, Raleigh, North
Carolina 27602.

Section 3. The Corporation may have such other offices, either
within or without the State of North Carolina, as the Board may from time
to time determine or as the affairs of the Corporation may require.

ARTICLE IV

ASSOCIATION OF UNIT OWNERS

Section 1. Members. The qualification of members, the manner of
their admission to membership and termination of such membership shall be
as set forth in the Articles of Incorporation of the Corporation and the
Declaration.

Section 2. Annual Meetings. The first annual meeting of the
Corporation shall be held for the purpose of electing members of the
Board of Directors and for the transactions of such other business as may
be properly brought before the meeting. The first annual meeting of the
members shall be held within one (1) year of the date of incorporation,
and each subsequent regular annual meeting shall be held at 7:00 o'clock,
P.M. on the same day of the same month of each year thereafter, unless
such day shall be a legal holiday, in which event the meeting will be

held at the same time on the next day following which is not a legal holiday.

Section 3. Substitute Annual Meeting. If the annual meeting is not be held on the day designated by these Bylaws, a substitute annual meeting may be called in the same manner as a special meeting. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 4. Special Meetings. Special meetings of the Corporation may be called at any time by the President, by a majority of the members of the Board of Directors, or upon written request of the Owners entitled to vote not less than twenty-five percent (25%) of all of the votes of the Class A membership established by the Declaration.

Section 5. Place of meetings. All meetings of the Association shall be held at the Property or at such other place in Raleigh, North Carolina, as shall be designated in the notice of the meeting.

Section 6. Notice of Meetings. Written or printed notice stating the place, day and hour of the meeting shall be delivered or mailed by first class mail, postage prepaid, not less than fifteen (15) nor more than seventy-five (75) days prior to the date of the meeting, either by the Owners calling the meeting or as the President or Board of Directors shall direct, to each person entitled to vote at such meeting, addressed to the Member's last address appearing on the books of the Corporation.

In the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted. In

the case of a special meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called.

When a meeting is adjourned for thirty (30) days or more, notice of the reconvening of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty (30) days in any one adjournment, it shall not be necessary to give notice of the reconvening of the adjourned meeting other than by an announcement at the meeting at which the adjournment is effective.

Section 7. Quorum. The presence in person or by proxy at any meeting of members having one-tenth (1/10) of the total votes entitled to be cast for each class shall constitute a quorum. Unless otherwise expressly provided in the Articles of Incorporation, the Declaration or these Bylaws as now written or hereafter amended, any action, consistent with the notice of such meeting, may be taken at the meeting of the Corporation at which a quorum is present upon the affirmative vote of the members having a majority of the total votes present at such meeting.

If a quorum is not present at the opening of any meeting, the meeting may be adjourned from time to time by vote of a majority of the voting members present, either in person or by proxy, and shall be reconvened at the date and time determined at the adjourned meeting, subject to the notice requirements set forth in Section 6 of this Article. Upon the reconvening of any meeting adjourned for lack of a quorum, the quorum required at such subsequent meeting shall be one-half (1/2) that required at the preceding meeting.

Section 8. Voting members; proxies. There shall be one person with respect to each Lot or Living Unit who shall be entitled to vote, as provided in the Declaration, at any meeting of the Corporation, herein referred to as the "voting member." The voting member may be the Owner of a Living Unit or Lot, or an Owner designated by a majority of the several Owners of a Living Unit or Lot, or may be some other person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner. Designation of the voting member or of a proxy shall be made in writing to the Secretary and shall be revocable at any time by actual notice to the Secretary by the Owner or a majority of the Owners of a Living Unit or Lot that designated a voting member, and shall automatically cease upon conveyance by the Member of his interest in any Unit in the Properties.

Section 9. Voting rights; cumulative voting. The vote cast by or on behalf of the Owner or Owners of a Living Unit or Lot shall be as set forth in the Declaration. In all elections for members of the Board of Directors, each voting member shall be entitled to vote on a cumulative voting basis for the director or directors to be elected, and the candidate receiving the highest number of votes with respect to the number of offices to be filled shall be deemed elected.

Section 10. Waiver of notice. Any Owner, at any time, may waive notice of any meeting of the Corporation in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Owner at any meeting of the Corporation shall constitute a waiver of notice by him of the time and place thereof, except where a Owner attends

a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the voting members are present at any meeting of the Corporation, no notice shall be required, and any business may be transacted at any meeting.

Section 11. Informal Action by Owners. Any action which may be taken at a meeting of the Corporation may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such an action at a meeting (that is, the voting members), and filed with the Secretary of the Corporation to be kept in the Corporate minute book.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. General powers. The business and the Property shall be managed and directed by the Board of Directors of the Corporation consisting of not less than three (3) nor greater than eleven Directors (11), but always an odd number, or by such executive committees as the Board may establish pursuant to these Bylaws. If any of the authority of the Board of Directors is vested in any committee, one member of each such committee shall be a Board member.

Section 2. Initial Board. There shall be an initial Board of three directors, appointed by the Declarant, who shall serve until their successors are appointed or elected and qualified.

Section 3. Number and Qualification. Until their successors shall have been elected by voting as provided in the Declaration and the Articles of Incorporation, the Board of Directors shall consist of the

three persons designated by the Declarant in the Articles of Incorporation. The Board shall consist of three (3) members until such time as the number of Board members is changed by Amendment of these By-laws.

Every elected member of the Board shall be a Owner or Co-owner or the spouse of a Owner or Co-owner, unless the Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, in which event any officer, director, agent or employee of such corporation, partner of such partnership, beneficiary of such trust, or manager of such other legal entity, shall be eligible to serve as a member of the Board, with the exception that members of the Board appointed by the Declarant need not be Owners.

Section 4. Election of directors. Except for the appointed directors provided for in Section 3 of this Article and as otherwise provided in Section 5 of this Article, the directors shall be elected at the annual meeting of the Corporation; and those candidates who receive the highest number of votes shall be elected.

Section 5. Removal. Any elected director may be removed from office with or without cause, by the affirmative vote of a majority of the voting members at a special meeting called for that purpose. However, unless all of the elected directors are removed, an individual director may not be removed if the votes cast against removal would be sufficient, if cast cumulatively, to elect a director at an annual election. If any directors are so removed, new directors may be elected at the same meeting.

Section 6. Vacancies. An elective vacancy occurring in the Board of Directors, including directorships not filled by the voting members, may be filled by a majority of the remaining directors, though less than a quorum, or by the sole remaining director. Voting members may elect a director at any time to fill any elective vacancy not filled by the directors and to fill any appointive vacancy not filled by the Declarant within ninety (90) days after the vacancy occurs.

Section 7. Compensation. The Board of Directors shall receive no compensation for their services, unless expressly allowed by the Board upon the affirmative vote of the voting members representing two-thirds (2/3) of the Class A members. However, any Director may be reimbursed for his actual expenses incurred in performance of his duties as Director.

Section 8. Executive committees. The Board of Directors may, by resolution adopted by a majority of the number of directors fixed by these Bylaws, designate two or more directors to constitute an executive committee, which committee, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the Community Common Properties.

Section 9. Powers and duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Corporation and may do all such acts and things, except such acts as by law, by the Declaration or by these Bylaws may not be delegated to the Board of Directors. The powers and duties of the Board of Directors shall include, but specifically shall not be limited to, those herein set out:

(a) Powers. The Board of Directors shall have power to:

(1) Exercise for the Corporation all powers, duties, and authority vested in or delegated to this Corporation by law and the Declaration and amendments thereto and not reserved to the membership by other provisions of these Bylaws or the Declaration.

(2) Engage the services of any person, firm or corporation to act as agent, contractor or manager of and for the Community Common Properties, at the compensation established by the Board, to perform such duties and services as the Board shall authorize.

(3) Adopt and publish rules and regulations governing the use of the Community Common Properties, where regulation is common to the whole of the Properties, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(4) Suspend the voting rights and right to use of any recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Corporation. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(5) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(6) All other powers authorized by the Declaration.

(b) Duties. It shall be the duty of the Board of Directors, to the extent not contrary to the provisions of the Declaration, Articles of Incorporation or these Bylaws, to:

(1) Administer, operate, maintain and repair Community Common Properties.

(2) Determine the Common Expenses arising from the costs of administration, operation, care, upkeep, maintenance, repair and construction of the Community Common Properties, including without limitation, reserves for repair, reconstruction or replacement.

(3) Fix and assess in the manner provided by law and in the Declaration, the proportionate part of the Common Expenses of each Unit Owner within the Property, and send written notice of each assessment to every Unit Owner subject thereto.

(4) Collect and enforce the collection of Common Expenses in the manner provided by law and in the Declaration, including, but not limited to legal proceedings for the enforcement of liens.

(5) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(6) Employ and dismiss personnel necessary to the maintenance and operation of the Community Common Properties.

(7) Adopt, amend, publish and enforce reasonable rules and regulations that it deems advisable and necessary for the proper administration, operation, maintenance, conservation, and beautification of the Property and for the health, comfort, safety, and general welfare of the Owners and occupants of Units. Copies of the published Rules and Regulations and amendments thereto shall be given to all the Owners and occupants and the Corporation and Property shall be administered, operated and maintained in conformity with such rules and regulations.

(8) Designate depositories for Association funds and the officers, agents and/or employees having the authority to deposit and withdraw such funds; and, in its discretion, to require such officers, agents or employees to be bonded in such amounts as it deems necessary.

(9) Sign all agreements, contracts, vouchers for payment of expenditures, deeds and other instruments in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the President and/or such other persons as the Board may designate.

(10) Procure and maintain adequate insurance of such nature and in such amounts as is provided in the Declaration, and such other insurance as the Board may deem necessary or appropriate, including, without limitation fire insurance on Community Common Properties,

liability insurance and rent insurance to assure the payment of the ground rent in the event of fire or other casualty.

(11) Appoint such committees as are provided for in these Bylaws and the Declaration.

(12) Exercise their powers in good faith and do and perform such other matters and things not expressly prohibited by law, the Declaration, or these Bylaws as are necessary and appropriate to the proper administration, operation and maintenance of the Corporation and the Property.

(13) Give written notice of any default by the mortgagor of any Unit in the performance of such mortgagor's obligations under the Declaration or Bylaws which is not cured within thirty (30) days to any holder of a mortgage on such Unit who requests such notice.

(14) Prepare an annual budget in which there shall be established the assessments of each Unit Owner for the Common Expenses.

(15) Pay all taxes, charges and assessments which are or may become liens against any part of the Community Common Properties and assess the same against the members and their respective Units subject to such liens.

(16) Make, or contract for repairs to and restoration of the Community Common Properties, in accordance with these Bylaws, after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

(17) To enforce by legal means or proceedings the provisions of the Articles of Incorporation, the Bylaws, the Declaration and the Rules and Regulations promulgated hereunder.

(18) To regulate the use of the parking areas and facilities within the Community Common Properties.

(19) To review and to approve architectural changes, alterations or modifications of Units.

Section 10. Liability of the Board. The members of the Board of Directors shall not be liable to the Unit Owners for any mistake of judgment, negligence or otherwise except for their own individual willful misconduct or bad faith. The Corporation shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Corporation unless any such contracts shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Corporation, except to the extent of their liability as Unit Owners. It is also intended that the liability of any Unit Owner arising out of any contracts made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportions of the total liability thereunder as his interest in the Community Common Properties bears to the interest of all of the Unit Owners in the Community Common Properties. Every agreement made by the Board or by the manager on behalf of the Corporation shall

provide that the members of the Board of Directors, or the manager, as the case may be, are acting only as agents for the Corporation, and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion to the total liability thereunder as his interest in the Community Common Properties of the Property bears to the interest in the Community Common Properties of all Unit Owners.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Organizational meeting. The initial Board of Directors shall meet prior to conveyance of the first Unit by the Declarant. No notice to the Directors shall be necessary in order to legally constitute such meeting, provided that a quorum shall be present.

Section 2. Regular meetings. A regular meeting of the Board shall be held immediately after and at the same place as the annual meeting or substitute annual meeting of the Corporation. The Board may provide by adoption of an appropriate resolution for the time and place within Raleigh, North Carolina, for other regular meetings of the Board.

Section 3. Special meetings. Special meetings of the Board may be called by or at the request of the President or by any two Directors. Such meeting may be held at any place within Raleigh, North Carolina.

Section 4. Notice of meetings. Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of the Board shall give actual notice, oral or written,

to all Directors of the time, place and purpose of such meeting at least two days prior thereto.

Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except where a Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called.

Section 5. Waiver of notice. Any member of the Board of Directors may give written waiver of notice at any time of any meeting of the Board, and such shall be deemed equivalent to the giving of such notice. If all of the members of the Board are present at any meeting thereof, no notice shall be required and any business may be transacted at such meeting.

Section 6. Quorum. A majority of the number of Directors fixed by these Bylaws shall be required for and shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 7. Manner of acting. Except as otherwise provided in this section, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

A vote of a majority of the number of Directors fixed by the Bylaws shall be required to adopt a resolution constituting an executive committee.

Section 8. Organization. Each meeting of the Board of Directors shall be presided over by the President and in the absence of the President, by a Vice President, and in the absence of a Vice President, by any person selected to preside by vote of the majority of the

Directors present. The Secretary, or in his absence, an Assistant Secretary, or in the absence of both the Secretary and the Assistant Secretary, any person designed by the presiding officer of the meeting shall act as Secretary of the meeting.

Section 9. Informal action of Directors. Any action taken by a majority of the Directors without a meeting shall constitute Board action if written consent to the action in question is signed by all the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action is taken.

Section 10. Minutes. The Board, and all committees to which the Board shall have delegated any of its authority, shall keep minutes of all the proceedings of the Board and the committees.

Section 11. Fidelity bonds. The Board of Directors may require any officer or employee of the Corporation handling or responsible for Corporation funds to be covered by an adequate fidelity bond. The premiums on such bond shall constitute a Common Expense.

ARTICLE VII

OFFICERS

Section 1. Designation. The principal officers of the Corporation shall be a president, a secretary, a treasurer and such vice presidents, assistant secretaries, assistant treasurers and other officers as the Board of Directors may from time to time elect. Any two or more officers may be held by the same person, except that the office of President and Secretary may not be held by the same person.

Section 2. Election and term. A director designated by the Declarant shall serve as President so long as the Declarant designates the Board members. All other offices of the Corporation shall be elected by the Board of Directors, and such elections may be held at the regular annual meetings of the Board; provided, however, that prior to the first annual meeting, the Declarant shall appoint the officers from among the initial Board.

Each officer shall hold office for a period of one (1) year or until his death, resignation, retirement, removal, disqualification or his successor is elected and qualified.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board with or without cause, and any officer or agent appointed or designated by the Declarant may be removed by the Declarant with or without cause. Such removal, however, shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Compensation. No officer shall receive any compensation from the Corporation for acting as such, but the Board may reimburse any officer for any direct expenses incurred by him in the performance of his duties as such officer and such reimbursement shall be a Common Expense.

Section 5. President. The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall supervise and control the management of the Property. The President shall, when present, preside at all meetings of the Board and of the Corporation, and, in general, shall perform all

duties incident to the office of the President and such other duties as may be prescribed from time to time by the Board.

Section 6. Vice President. The Vice President, and if there be more than one, the Vice Presidents shall, in the absence or disability of the President, have the powers and perform the duties of said office. In addition, each Vice President shall perform such other duties and have such other powers as shall be prescribed by the President.

Section 7. Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of the Corporation and of the Board. He shall give, or cause to be given, all notices required by law and these Bylaws. He shall have general charge of the minute books and records of both the Corporation and of the Board. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned to him from time to time by the President or by the Board of Directors.

Section 8. Treasurer. The Treasurer shall have custody of all Corporation funds and securities and shall receive, deposit, or disburse the same under the direction of the Board of Directors. He shall keep full and accurate records of the finances of the Corporation in books specially provided for that purpose. He shall cause a true statement to be prepared as of the close of each fiscal year setting forth, in reasonable detail, the assets and liabilities of the Corporation and the Property, the changes in surplus for such fiscal year, and the result of the operations of the Corporation and Property. The statement shall be

filed and kept available for inspection by any Unit Owner for a period of three (3) years and the Treasurer shall mail or otherwise deliver a copy of the latest statement to each Unit Owner and member of the Board of Directors annually on or before March 15, covering the preceding calendar year. The Treasurer shall also prepare and file all reports and returns required by Federal, State or local laws, and shall generally perform all other duties as may be assigned to him from time to time by the President or the Board of Directors.

Section 9. Assistant Secretaries and Treasurers. The Assistant Secretaries and Assistant Treasurers, if any, shall, in the absence or disability of the Secretary or the Treasurer, respectively, have all the powers and perform all of the duties of those officers, and they shall, in general, perform such other duties as shall be assigned to them by the Secretary or Treasurer, respectively, or by the President or Board of Directors.

ARTICLE VIII

OPERATION OF THE PROPERTY

Section 1. Determination of common expenses and fixing of common charges. The Board of Directors, from time to time, and at least annually, shall prepare a budget for the Property, determine the amount of the common charges payable by the Unit Owners to meet the Common Expenses of the Property, and allocate and assess the common charges of the Property among the Owners thereof. A part of the Common Expenses of the Property shall include, among other things, and without limitation, the administrative expenses of the Corporation and Property and the costs

of all premiums for insurance obtained pursuant to the provisions of the Declaration. The budget of the Property, in the discretion of the Board, and as necessary, may include, without limitation, amounts for: funding deficits for any prior year; a reserve for working capital; a reserve for replacement; ground rent and a general operating reserve.

Section 2. Payment of common charges. All Owners shall be obligated to pay the common charges assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article at such time or times as the Board shall determine.

No Owner shall be liable for the payment of any part of the common charges assessed against his Living Unit or Lot subsequent to a consummated sale, transfer or other conveyance by him (made in accordance with the provisions of the Declaration and applicable restrictions of record) of such Living Unit or Lot. A purchaser of a Living Unit or Lot shall be jointly and severally liable with the seller for the payment of the common charges assessed against such Living Unit or Lot prior to the acquisition by the purchaser of such Unit, without prejudice to the purchaser's right to recover from the seller the amounts paid by the purchaser therefor. Provided, that a first-lien mortgagee or other purchaser of a Living Unit or Lot at a foreclosure sale of such Living Unit or Lot shall not be liable for, and such Living Unit or Lot shall not be subject to, a lien for the payment of common charges assessed prior to such foreclosure sale, and such unpaid common charges shall be deemed to be common charges collectible from all of the Unit Owners, including such purchaser, his successors and assigns.

Section 3. Collection of assessments. After the first Living Unit or Lot is sold, the Board of Directors shall assess common charges against the Owners from time to time and at least annually and shall take prompt action to collect any common charge due from any Owner which remains unpaid for more than thirty (30) days from the due date of the payment thereof. In the event of an increase in such common charges, the Board of Directors shall advise each Unit Owner, in writing, of such increased assessment at least one month prior to the date of which the first increased payment is due.

Section 4. Default in payment of common charges. In the event of default by any Owner in paying to the Board of Directors the common charges as determined by the Board, such Unit Owner shall be obligated to pay interest at the highest rate permitted by law on such common charges from the due date thereof, together with all expenses, including reasonable attorneys' fees incurred by the Board in any proceeding brought to collect such unpaid common charges. The Board shall have the right and duty to attempt to recover such common charges, together with interest thereon and the expenses of the proceeding, including reasonable attorneys' fees, in any action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Living Unit or Lot in like manner as a deed of trust or mortgage of real property.

Section 5. Foreclosure of liens for unpaid common charges. In any action brought by the Board to foreclose on a Living Unit or Lot because of unpaid common charges, the Owner shall be required to pay a reasonable rental for the use of his Living Unit or Lot, and the plaintiff in such

foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board, acting on behalf of all Owners, or on behalf of any one or more individual Owners, if so instructed, shall have the power to purchase such Living Unit or Lot at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey, or otherwise deal with the same, subject, however, to applicable restrictions of record. A suit to recover money judgment for unpaid common charges may be maintainable without foreclosing or waiving the lien securing the same.

Section 6. Statement of common charges. The Board of Directors shall promptly provide any Unit Owner, its grantee or contracted purchaser making written request therefor, a written statement of all unpaid common charges due from such Owner.

Section 7. Abatement and restraint of violations by Unit Owners. The violation of any rule or regulation adopted by the Board, the breach of any Bylaw contained herein, or the breach of any provision of the Declaration shall give the Board the right, in addition to any other rights set forth in these Bylaws:

(a) To enter the Living Unit or Lot in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 8. Maintenance and repair.

(a) Maintenance of Unit. All maintenance and repairs to any Unit, ordinary or extraordinary (other than maintenance of and repairs to Community Common Properties contained therein and not necessitated by the negligence, misuse, or neglect of the Owner of such Living Unit or Lot, his guests, lessees, employees, servants or invitees) shall be made by the Owner of such Unit. Each Owner shall be responsible for all damages to any other Living Unit or Lot and/or to Community Common Properties that his failure so to do may endanger.

(b) Maintenance of common areas. All maintenance, repairs and replacements to the Community Common Properties, (unless necessitated by the negligence, misuse or neglect of a Unit Owner, his guests, lessees, employees, servants or invitees, in which case such expense shall be charged to such Unit Owner), shall be made by the Board and shall be charged to all Unit Owners as a Common Expense of the Property.

ARTICLE IX

RECORDS AND AUDITS

The Board of Directors or the manager shall keep detailed records of actions of the Board and the manager, minutes of the meetings of the Board of Directors, minutes of meetings of the Corporation, and financial

records and books of accounts of the Property, including a chronological listing of receipts and expenditures, which, among other things, shall contain the amount of each assessment of the common charges against each Living Unit or Lot, the date when due, and amounts paid thereon, and the balance remaining unpaid, and including maintenance and repair expenses of the Community Common Properties and any other expenses incurred. The financial record and books of account shall be available for examination by any Unit Owner or his duly authorized agent or attorney at convenient hours on working days by prior arrangement with the Board or the manager. An outside audit of all receipts and expenditures of the Corporation and Property may be rendered by the Board to all Unit Owners on or before the 120th day following the close of each fiscal year, covering the preceding year. All books and records shall be kept in accordance with good and accepted accounting practices. A copy of any audit shall be furnished to all mortgagees of Units who have requested the same.

ARTICLE X

OPERATION PRIOR TO INITIAL MEETING OF BOARD

Prior to the first meeting of the initial Board of Directors, all functions of the Corporation and of the Board of Directors as herein set forth shall be performed and carried out by the Declarant through its officers and agents.

ARTICLE XI

AMENDMENTS OF BYLAWS

Section 1. Amendment by Owners. These By-Laws may be amended by the affirmative vote of the voting members having at least sixty-six and

two-thirds percent (66 2/3%) of the total votes entitled to be cast of each class, cast in person or by proxy at a meeting duly held in accordance with the provisions of the Bylaws, and, in addition, the consent of the Declarant so long as it is the Owner of at least ten percent (10%) of the aggregate interest in the lands designated to be Community Common Properties. Such amendment shall be executed in the name of the Corporation and recorded in the Office of the Register of Deeds of Wake County. No such amendment shall be effective until duly recorded as aforesaid.

Section 2. Amendment by Declarant or the Board. The Declarant, for so long as it controls the Board, and thereafter, the Board of Directors, may amend these Bylaws without the consent of the Owners:

(a) To correct any obvious error or inconsistency in drafting, typing or reproduction; and

(b) To conform to the requirements of any law or governmental agency having legal jurisdiction over the Property or to qualify the Property or any Units therein for mortgage or improvement loans made or insured by a governmental agency or to comply with the requirements of laws or regulations of any governmental corporation or agency regarding purchase of mortgage interests in Units by such agency.

No amendments made pursuant to this Section 2 shall be effective until duly recorded in the Office of the Register of Deeds of Wake County.

Section 3. Amendment Prior to Sale of Unit. Declarant shall have the right to amend these Bylaws at any time prior to recording of the sale of the first Unit to an Owner by filing an amendment in the Wake County Office of the Register of Deeds with a certificate certifying the fact that no sale has previously occurred.

CERTIFICATION

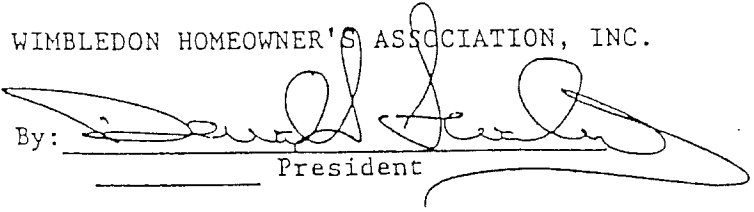
I, the undersigned, do hereby certify:

THAT I am the duly elected and acting President of Wimbledon Homeowner's Corporation, Inc.; and

THAT the foregoing Bylaws constitute the original Bylaws of said Corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the 1st day of April, 1986.

IN WITNESS WHEREOF, I have executed this Certification in the name of and on behalf of Wimbledon Homeowner's , Inc. this 1st day of April, 1986.

WIMBLEDON HOMEOWNER'S ASSOCIATION, INC.

By: 

President

A6WD1.1
3/20/86

BOOK 3802 PAGE 813

RECEIVED
MPS (STO)

RESTATED
DECLARATION
OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
WIMBLEDON

RECEIVED
MPS (STO)
Aug 19 10 24 AM '86

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 ^{MAP} _{11/1/91} 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.

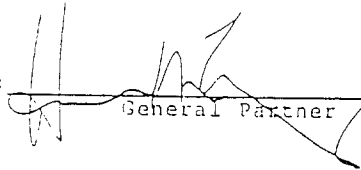
ARTICLE XIII

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

REC'D JUN 10 2003

LAW OFFICES

JORDAN PRICE WALL GRAY JONES & CARLTON

A PROFESSIONAL LIMITED LIABILITY COMPANY

RALEIGH, NORTH CAROLINA

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TRANSMITTAL MEMORANDUM

June 9, 2003

JOHN R. JORDAN, JR.
ROBERT R. PRICE
KAREN KELLY CARLTON

OF COUNSEL
Nancy Tidwell

P O Box 99657
Raleigh, NC 27624

RE: Amendment to Bylaws of Wimbledon Homeowners Association, Inc.

We are sending you X attached, ___ enclosed, ___ under separate cover, the following items:

No. of Items	Description
1	Amendment to Bylaws of Wimbledon Homeowners Association, Inc.

These are transmitted as checked below:

___ for approval ___ for your use ___ for Correction

___ as requested ___ as required ___ for review/comment

___ for return x for your records/information

The attached is being returned as discussed with Hope Derby Carmichael. The Amendment does not need to be recorded. Please contact Ms. Carmichael if you have any questions.

By:



La Donna Hector, Legal Assistant

Enclosure

STATE OF NORTH CAROLINA

AMENDMENT TO BYLAWS OF WIMBLEDON
HOMEOWNERS ASSOCIATION, INC.

COUNTY OF WAKE

THIS AMENDMENT TO THE BYLAWS of Wimbledon Homeowners Association, Inc., made this 14th day of April, 2003, by the Wimbledon Homeowners Association, Inc., a North Carolina Nonprofit Corporation with its principal office in Raleigh, Wake County, North Carolina, hereinafter, ("Association").

WITNESSETH:

WHEREAS, on November 18, 1985, the Association was incorporated by the filing of Articles of Incorporation in the office of the Secretary of State of North Carolina; and

WHEREAS, the Restated Declaration of Covenants, Conditions and Restrictions of Wimbledon was recorded on August 19, 1986 in Book 3802, Page 813 of the Wake County Registry; and

WHEREAS, on April 1, 1986, the Board of Directors for the Association adopted Bylaws which have been in use continuously since April 1, 1986; and

WHEREAS, Article 1, Section 1 of the Bylaws provides that the Bylaws may be amended by the affirmative vote of the voting members having at least sixty six and two-thirds percent (66 2/3%) of the total votes entitled to be cast in person or by proxy at a meeting duly held in accordance with the provisions of the Bylaws; and

WHEREAS, the Association wishes to amend the said Bylaws in the manner set forth herein below.

NOW, THEREFORE, the Association hereby amends the Bylaws as follows:

1. Article IV, Section 9 of the Bylaws is deleted and rewritten entirely to read as follows:

"Section 9. Voting Rights. The vote cast by behalf of the Owner or Owners of a Living Unit or Lot shall be as set forth in the Declaration. In all elections for members of the Board of Directors, the candidate receiving the highest number of votes shall be elected. Cumulative voting is not permitted."

2. This Amendment shall be executed in the name of the Association and recorded in the Office of the Register of Deeds of Wake County. The Amendment shall be effective on the date of recordation.

3. Except as amended hereinabove, the remaining provisions of the Bylaws for the Association are hereby reacknowledged and reaffirmed in every respect.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected an acting President of Wimbledon Homeowners Association, Inc.; and

That the foregoing Amendment to the Bylaws constitutes the actual Amendment to the Bylaws of said Association, as duly adopted at a meeting of the Association held on the 14th day of April, 2003.

IN WITNESS WHEREOF, I have executed this Certification in the name of and on behalf of Wimbledon Homeowners Association, Inc., this 14th day of April, 2003.

WIMBLEDON HOMEOWNERS ASSOCIATION, INC.

By: Theresa Courtney (SEAL)
President

ATTEST:

Laura R. Summe
Secretary / Board mbr