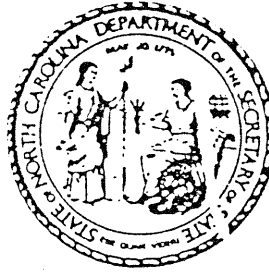


2491 428



State of North Carolina

Department
of the
Secretary of State

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R. B. MCENZIE, JR.
REGISTER OF DEEDS
WAKE COUNTY, N.C.

To all to whom these presents shall come, Greeting:

I, Thad Eure, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached (9 sheets) to be a true copy of

ARTICLES OF AMENDMENT

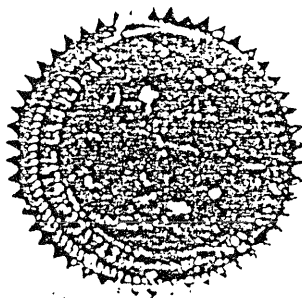
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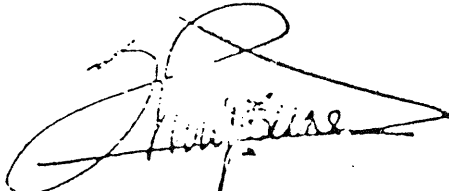
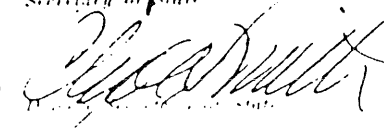
KILDAIRE FARMS HOMEOWNERS ASSOCIATION

and the probates thereon, the original of which was filed in this office on the 6th day of April, 1977, after having been found to conform to law.

In Witness Whereof, I have hereunto set my hand and affixed my official seal.

Done in Office, at Raleigh, this 6th day of April, in the year of our Lord 1977.




Secretary of State

R. B. McEnzie, Jr.
Register of Deeds
Wake County, N.C.

ARTICLES OF AMENDMENT 2491 429
TO THE CHARTER OF

KILDAIRE FARMS HOMEOWNERS ASSOCIATION

The undersigned non-profit corporation, for the purpose of amending its articles of incorporation, and in accordance with the provision of Section 65A-36 of the North Carolina Non-Profit Corporation Act, hereby sets forth:

I

Name of the corporation Kildaire Farms Homeowners Association

II

At a regularly convened meeting of the ~~class B~~ Class B members (strike word inapplicable) of the corporation held on the 8th day of February, A. D. 1977, the following amendment to the articles of incorporation was adopted:

That the Charter of this Corporation be amended by deleting Articles I through XII, inclusive, and inserting in their stead Articles I through XII, inclusive, as set forth on Exhibit A attached hereto as a part of these Articles of Amendment.

III

(Strike inapplicable paragraph)

~~There are no members of this corporation having a right to vote at the meeting held on the 8th day of February, A. D. 1977, and the amendment to the articles of incorporation was adopted by the members of the corporation.~~

or

The Corporation has members with voting rights. All of those members were present at the meeting held on the above date and said amendment received at least 75% of the votes entitled to be cast by the entire membership.

IN TESTIMONY WHEREOF, the corporation has caused this document to be executed in its name by its President and Secretary this 4th day of April, A. D. 1977.

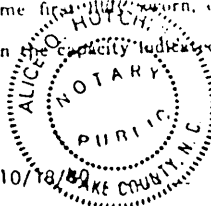
KILDAIRE FARMS HOMEOWNERS ASSOCIATION

By:

Steve W. Adams
Martha R. Liles

STATE OF NORTH CAROLINA
COUNTY OF WAKE

This is to certify that on this the 6th day of April, A. D. 1977, personally appeared before me Steve W. Adams and Martha R. Liles, each of whom, being by me first sworn, deposes and says that he signed the foregoing "Articles of Amendment" in the capacity indicated, and that the statements therein contained are true and correct.



Alice Hutchins

My Commission expires: 10/18/84

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EXHIBIT A

ARTICLE I

NAME

The name of the corporation is Kildaire Farms Homeowners Association, hereafter called the "Association."

ARTICLE II

DURATION

The Association shall exist perpetually.

ARTICLE III

REGISTERED OFFICE AND AGENT

The principal office of the Association is located at 1334 Kildaire Farm Road, Cary, Wake County, North Carolina. The registered office of the Association is located at 3301 Executive Drive, Raleigh, Wake County, North Carolina; and Thomas F. Adams, Jr., is the registered agent of the Association at that address.

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ARTICLE IV

PURPOSE OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for beautification, maintenance, preservation, and architectural control of the exterior of the townhomes, the residence lots, and the common area, including the maintenance of private streets, within those certain tracts of property described as:

- (a) Woods of Kildaire Section, Phases One, Two, Three and Five, Kildaire Farms Subdivision, as shown on maps recorded in Book of Maps 1973, Volume 4, Page 439, Book of Maps 1974, Volume 1, Page 77, Book of Maps 1974, Volume 1, Page 61, and Book of Maps 1973, Volume 4, Page 441, Wake County Registry.
- (b) Farmington Woods Section, Phases One, Two and Three, Kildaire Farms Subdivision, as shown on maps recorded in Book of Maps 1973, Volume 4, Page 440, Book of Maps 1973, Volume 4, Page 452, and Book of Maps 1974, Volume 1, Page 93, Wake County Registry.
- (c) Pebble Creek Townhomes, Phase One, Kildaire Farms Subdivision, as shown on map recorded in Book of Maps 1975, Volume 1, Page 26, Wake County Registry.
- (d) Such additional land within the area described in Book 2102, Page 685, Wake County Registry, as may be annexed by Kildaire Farms Development Corporation, its successors and assigns (hereinafter known as "Declarant"), without the consent of members within ten (10) years of the date of this instrument.
- (e) Any portion or all of the 178.461 acres of land shown on a map entitled "Property of Kildaire Farms, Inc.," and recorded in Book of Maps 1974, Page 160, Wake County Registry, in addition to the annexation provided for in subparagraph (c) above, as the Declarant, within ten (10) years of the date of this instrument, may annex without the consent of members.

and to promote the health, safety, and welfare of the residents within the above-described property and any additions thereto that hereafter may be brought within the jurisdiction of this Association for this purpose.

ARTICLE V

POWERS OF THE ASSOCIATION

The Association shall have the following general powers and any others impliedly arising therefrom, to be exercised in the manner provided and in conformity with applicable law, the Declaration hereinafter referred to, the Bylaws of the Association, and these Articles:

- (a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, herein called the "Declaration", applicable to the property, and recorded or to be recorded in the Office of the Register of Deeds of Wake County, North Carolina, and as the same may be amended from time to time as herein provided, said Declaration being specifically incorporated herein by reference as if fully herein set out;
- (b) To fix, levy, collect, and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including, but specifically not limited to, licenses, taxes, and governmental charges levied or imposed against the property of the Association;
- (c) To acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association, subject always to the provisions and requirements of the Declaration;
- (d) To borrow money, mortgage, pledge, deed in trust, or hypothecate its real or personal property as security for money borrowed or debts incurred, subject always to the provisions and limitations of the Declaration;
- (e) To participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and common area, subject always to the provisions and limitations set forth in the Declaration;
- (f) To have and to exercise any and all powers, rights, and privileges which a corporation organized under the Non-Profit Corporation Act of the State of North Carolina (Chapter 55A, North Carolina General Statutes) by law may now or hereafter exercise.

ARTICLE VI

MEMBERSHIP

SECTION 1. Members. Kildaire Farms Development Corporation, its successors and assigns (the "Declarant"), for so long as it shall be record owner of a fee simple title to any Lot, and every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessments by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Ownership of such Lot shall be the sole qualification for membership and no Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership

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of any Lot which is subject to assessment by the Association. The Board of Directors may make reasonable rules relating to the proof of ownership of a Lot in this subdivision.

ARTICLE VII

VOTING RIGHTS

SECTION 1. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those Owners as defined in Article VI with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article VI. When more than one person holds such interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot, and no fractional vote may be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each Lot in which it holds a fee or undivided fee interest, provided that 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 equal the total votes outstanding in Class B membership; provided, that the Class B membership shall be reinstated with all rights, privileges, and responsibilities if, after conversion of the Class B membership to Class A membership hereunder, additional lands are annexed to the Properties without the assent of Class A members on account of the development of such additional lands by the Declarant, all within the times and as provided for in Article IV, subparagraphs (c) and (d) above; or
- (b) on January 1, 1986.

SECTION 2. The right of any member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations and for any period during which any assessment against the Lot of a member remains unpaid.

ARTICLE VIII

BOARD OF DIRECTORS

SECTION 1. The affairs of this Association shall be managed by a Board of not less than three (3) nor more than fifteen (15) Directors, who need not be

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members of the Association. The number of Directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who constitute the Board of Directors, until the selection and qualification of their successors, are:

NAME	ADDRESS
James E. Harrington, Jr.	2109 St. James Road Raleigh, NC 27607
William R. Henderson	710 Lakestone Drive Raleigh, NC 27609
Stephen W. Adams	6410 C Lakes Drive Raleigh, NC 27609

SECTION 2. The Board of Directors shall consist of at least three (3) Directors. At or within ten (10) days after the first annual meeting, the members shall elect one Director for a term of one (1) year, one Director for a term of two (2) years, and one Director for a term of three (3) years. The terms of Directors thereafter elected shall be three (3) years, except as otherwise provided in the Bylaws. All Directors shall serve until their successors have been duly elected and qualified.

SECTION 3. The method of election of Directors after the first election held pursuant to Section 2 shall be as provided in the Bylaws.

ARTICLE IX

MERGERS AND CONSOLIDATIONS

To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit corporations organized for the same or similar purposes; provided, no merger or consolidation may be effectuated unless two-thirds (2/3) of all the votes entitled to be cast by Class A members, and also two-thirds (2/3) of all of the votes entitled to be cast by Class B members, if any, are cast in favor of merger or consolidation at an election held for such purpose.

ARTICLE X

EXCHANGE OF COMMON AREA

The Association, acting through its Board, from time to time may exchange with any member a portion of the Common Area for a portion of the real

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property owned by such member within Kildaire Farms Planned Unit Development, provided that the real property acquired by the Association in the exchange: (a) is free and clear of all encumbrances except Protective Covenants of record, the Declaration, and easements for drainage, utilities, and sewers; (b) is contiguous to other portions of the Common Area; and (c) has approximately the same area and utility as the portion of the Common Area exchanged. The real property so acquired by the Association shall be a part of the Common Area, and, without further act of the Association or membership, shall be released from any provisions of the Protective Covenants and Declaration except those applicable to the Common Area. The portion of the Common Area so acquired by the member, without further act of the Association or membership, shall cease to be Common Area and shall be subject to those provisions of the Protective Covenants and Declaration that were applicable to the real property conveyed to the Association by the member.

ARTICLE X(a)

FHA/VA APPROVAL

Notwithstanding any provision in this instrument to the contrary, as long as there is a Class B membership, and if Declarant desires to qualify sections of Kildaire Farms for Federal Housing Administration or Veterans Administration approval (but not otherwise), the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication of Common Areas; exchange of Common Area for other portions of the properties, and amendment of this Declaration of Covenants, Conditions and Restrictions.

ARTICLE XI

DISSOLUTION OR INSOLVENCY

SECTION 1. Voluntary Dissolution. The Association may be dissolved with the assent given in writing and signed by members having not less than two-thirds (2/3) of the aggregate votes of both the entire Class A membership and two-thirds (2/3) of the votes of the entire Class B membership, if any.

SECTION 2. Common Area. Upon dissolution or insolvency of the Association, or upon loss of ownership of the Common Area by the Association for any cause whatsoever, the Owners of Lots having an interest in Private Streets Limited Common Areas, as defined in the Declaration, may elect to form a nonprofit

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corporation and assign to it the duty and authority to assess on a per-lot basis all lots adjacent to or having an interest in Private Streets or Limited Common Areas, and such corporation shall maintain such Private Streets and Limited Common Areas in the same manner and with the same right of lien for assessments as is provided in the Declaration.

Any portion of the Common Area not maintained by a non-profit corporation as hereinabove provided shall be offered to the Town of Cary to be dedicated for public use for purposes similar to those to which they were required to be devoted by the Association. If the Town of Cary accepts the offer of dedication, such portion of the Common Area shall be conveyed by the Association to the Town of Cary, subject to the superior right of the Owner of each Lot to an easement for reasonable ingress and egress between his Lot and the public street, as well as an easement for reasonable off-street parking area to accompany his Lot; and the Association, in its discretion and as a part of the dedication and conveyance, may designate the boundaries of said easement for off-street parking and areas for ingress and egress which shall accompany each Lot.

In the event that the Town of Cary refuses the offer of dedication and conveyance, the Association may transfer and convey such Common Area to any non-profit corporation, association, trust, or other organization which is or shall be devoted to purposes and uses that would most nearly conform to the purposes and uses to which the Common Area was required to be devoted by the Association.

SECTION 3. Other Assets. The Association shall have no capital stock, and in the event of dissolution, no member, Director, or officer of the Association, and no private individual, shall be entitled to share in the distribution of the assets of the Association. If any assets, other than the Common Area, shall remain after satisfaction of its just debts, the Association shall grant, convey, and assign such assets to any entity or entities that have accepted and undertaken the care and management of the Common Area or portions thereof. In the event that more than one entity has undertaken such care and management, the Association may distribute the assets among such entities in a manner which the Association, in its discretion, deems fair and equitable.

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ARTICLE XII

AMENDMENTS

SECTION 1. Amendment by Membership. Except as herein provided, any amendment of these Articles shall require the assent of members or proxies entitled to cast seventy-five per cent (75%) of the entire vote of the Class A and Class B memberships.

SECTION 2. Amendment by Declarant or Association. These Articles may be amended by the Declarant prior to conversion of Class B to Class A membership, and, after conversion, by the Board of Directors of the Association, without the consent of the members, to the extent necessary, and only to the extent necessary, to achieve or maintain the tax-exempt status of the Association, or to permit the Properties (as defined in the Declaration), or any portion thereof, or the Association to qualify for loans made or insured by the Federal Housing Administration or the Veterans Administration, or their successor agencies, or any other agency of government.