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AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HEDINGHAM (REPLACING ALL PRIOR AMENDMENTS, INCLUDING WITHOUT LIMITATION, THE 5th AMENDMENT RECORDED AT BOOK 4677, PAGE 661, WAKE COUNTY REGISTER OF DEEDS)

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AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HEDINGHAM (REPLACING ALL PRIOR AMENDMENTS, INCLUDING WITHOUT LIMITATION, THE 5th AMENDMENT RECORDED AT BOOK 4677, PAGE 661, WAKE COUNTY REGISTER OF DEEDS)

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THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HEDINGHAM ("Declaration") is adopted on the date hereinafter set forth by the Hedingham Community Association, Inc. ("Association"). The real property described in the Fifth Amendment to the Declaration of Covenants, Conditions and Restrictions for Hedingham recorded at book 4677, page 661 of the Wake County Register of Deeds, as well as all all subsequently annexed into said Fifth Amendment to the Declaration of Covenants, Conditions and Restrictions for Hedingham recorded at book 4677, page 661 of the Wake County Register of Deeds from 30 March 1990, including the improvements constructed or to be constructed thereon, and any additional property which is hereafter subjected to this Declaration, as set forth herein, shall be held, sold, transferred, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to all provisions of the Planned Community Act, N.C.G.S. §47F-1-101 et seq. and the covenants, conditions, restrictions, easements, contributions and liens, hereinafter set forth, which are for the purpose of protecting the value and desirability of, and which shall run with the title to, the Declaration, and shall be binding on all persons having any right, title, or interest in all or any portion of such real property, their respective heirs, legal representatives, successors, successors-in-title, and assigns and shall inure to the benefit of each and every owner of all or any portion thereof.

WITNESSETH:

WHEREAS, A&S New Hope Limited Partnership, a North Carolina limited partnership, recorded a Declaration of Covenants, Conditions and Restrictions for Hedingham Village Homeowners Association on July 6, 1987, in Deed Book 4058, Page 637, et seq., Wake County, North Carolina Register of Deeds ("Original Declaration"); which Original Declaration was previously amended by that First Amendment recorded on July 22, 1987, in Deed Book 4069, Page 165, et seq., Wake County, North Carolina Register of Deeds; a Second Amendment was recorded on January 6, 1988, in Deed Book 4181, Page 262, et seq., Wake County, North Carolina Register of Deeds; Additional Property known as Phase 2, Hedingham, Book of Maps 1987, Page 1516, Wake County Registry, was annexed into the Original Declaration on January 28, 1988, in Deed Book 4191, Page 200, et seq., Wake County, North Carolina Register of Deeds; Additional Property known as "Phase One and Two, Hedingham Village, Bristol Park" was annexed into the

Original Declaration on March 3, 1989, in Deed Book 4449, Page 444, et seq., Wake County, North Carolina Register of Deeds; a Third Amendment was recorded on October 26, 1989, in Deed Book 4589, Page 1, et seq., Wake County, North Carolina Register of Deeds; a Supplemental Declaration was recorded on November 1, 1989, in Deed Book 4594, Page 937, et seq., Wake County, North Carolina Register of Deeds; a Fourth Amendment was recorded on November 1, 1989 in Deed Book 4594, Page 360, et seq., Wake County Register of Deeds; a Fifth Amendment to Declaration was recorded on March 30, 1990, in Deed Book 4677, Page 661, et seq., Wake County, North Carolina Register of Deeds; a Second Supplement to Declaration was recorded on February 22, 1991 in Deed Book 4868, Page 462, et seq., Wake County Register of Deeds; a Third Supplement to Declaration was recorded on July 26, 1991 in Deed Book 4954, Page 909, et seq., Wake County Register of Deeds; a Fourth Supplement to Declaration was recorded on August 15, 1991 in Deed Book 4975, Page 898, et seq., Wake County Register of Deeds; a Fifth Supplement to Declaration was recorded on November 20, 1991 in Deed Book 5036, Page 703, et seq., Wake County Register of Deeds; a Petition to Subdivide Neighborhoods was recorded on July 25, 2017 in Deed Book 16855, Page 1826, et seq., Wake County Register of Deeds; an Amendment to Second Supplemental Declaration was recorded on July 25, 2017 in Deed Book 16855, Page 1822, et seq., Wake County Register of Deeds; an Amendment to Declaration recorded on January 19, 2018 in Deed Book 17023, Page 1153, et seq., Wake County Register of Deeds; and an amendment to Declaration recorded at book 19422, page 2266 of the Wake County Register of Deeds and amendment to Bylaws recorded at book 19422, page 2274 of the Wake County Registry;

WHEREAS, the Original Declaration and all of the aforementioned amendments to the Original Declaration where heretofore recorded with the Wake County Register of Deeds;

WHEREAS, the Hedingham Community Association ("the Association") was incorporated on or about 21 January 1988 with the North Carolina Secretary of State;

WHEREAS, the last restatement of all of the terms, conditions easements and restrictions for the Hedingham community was the Fifth Amendment to Declaration recorded on March 30, 1990, in Deed Book 4677, Page 661, et seq., Wake County, North Carolina Register of Deeds ("Fifth Amendment to Declaration") and various amendments to said Fifth Amendment to Declaration have subsequently been recorded;

WHEREAS, additionally, certain Bylaws originally appended to the Fifth Amendment to Declaration as Exhibit "C" have been amended by that certain Amendment to Bylaws recorded at

book 13893, page 2672 of the Wake County Register of Deeds and at book 19422, page 2274 of the Wake County Registry;

WHEREAS, Article XIII to the Fifth Amendment to Declaration allows the Fifth Amendment to Declaration to be amended by the affirmative vote or written consent, or any combination thereof, of Voting Members representing seventy five percent (75%) of the total Class "A" votes in the Association and the Class "B" Member for so long as the Class "B" Member exists;

WHEREAS, the Class "B" Member converted to Class "A" Member pursuant to Article III of the Fifth Amendment to Declaration and the Class "B" Control Period has ceased to exist pursuant to Article I of the Fifth Amendment to Declaration and the Bylaws of the Association;

WHEREAS, subsequent to the Fifth Amendment, various amendments to the Fifth Amendment were made, as well as, to the Bylaws for the Association, including without limitation, an amendment opting into the Planned Community Act, N.C.G.S. §47F-1-101 et seq. recorded at book 17023, page 1153, Wake County Registry, a Second Supplemental Declaration for Oakland Hills recorded at book 4868, page 462, Wake County Registry, a Petition to Subdivide Neighborhoods recorded at book 16855, page 1826, Wake County Registry, an Amendment to Second Supplemental Declaration for Oakland Hills at book 16855, page 1822, Wake County Registry and an Amendment to Bylaws of Association at book 13893, page 2672, Wake County Registry; Petition to Subdivide Neighborhoods recorded at book 2025, page 2068, Wake County Registry;

WHEREAS, Article XVII of the Fifth Amendment to Declaration, as well as, N.C.G.S. § 47F-3-112 of the Planned Community Act allowed the Association to purchase the Golf Club and subject it to a security interest if the Voting Members voted in favor of the transaction by not less than eighty percent (80%) or more;

WHEREAS, the Voting Members voted to purchase the Golf Club on or about May 24, 2023 by at least eighty percent (80%), and did in fact purchase the Golf Club on May 31, 2023 by virtue of that certain North Carolina Special Warranty Deed record at book 19349, page 385 of the Wake County Register of Deeds;

WHEREAS, the requisite Voting Members thereafter made conforming changes to the Declaration to account for the purchase of the Golf Club and elimination of Class C Membership

in that certain Amendment to Declaration recorded at book 19422, page 2266 of the Wake County Register of Deeds;

WHEREAS,the requisite Voting Members desire to amend the Fifth Amendment to Declaration to, among other things, incorporate all of these changes since the Fifth Amendment to Declaration was recorded on March 30, 1990, including without limitation, the deletion of "Class C" membership;

WHEREAS, the Association has served this proposed Amended and Restated Declaration on the City of Raleigh Attorney who has failed to comment on said Amended and Restated Declaration within twenty (20) days of such notice;

WHEREAS, the Voting Members representing seventy five percent (75%) of the total Class "A" votes in the Association, desire to codify, in one (1) comprehensive document, an Amended and Restated Declaration and Amended and Restated Bylaws, for ease of reference; to add clarity to a number of procedural issues in the community; and to update the Fifth Amendment to Declaration and Bylaws to account for changes in the law and changes in the Fifth Amendment to Declaration and last Bylaws recorded on March 30, 1990;

NOW, THEREFORE, the undersigned does hereby declare that the Fifth Amendment to Declaration and the Bylaws of the Association shall be amended and restated as follows:

Article I
Definitions

Section 1. "Area of Common Responsibility" shall mean and refer to the Common Area, together with all those lakes and ponds within the Properties, if any, which by the terms of this Declaration or by contract or agreement with any Neighborhood become the responsibility of the Association, any portions of public right-of-way which are either within the Properties or adjacent thereto, medians in any public rights-of-way, private streets, private sewer pump stations which compel Association maintenance under a valid maintenance agreement or other legal instrument signed and binding the Association, if any, landscape, sign or buffer easements, and the common area of any Neighborhood association, if any, which by the terms of this Declaration or by contract or agreement with any Neighborhood become the responsibility of the Association. The office of any property manager employed by or contracting with the Association, if located on the Properties, may be part of the Area of Common Responsibility.

Section 2. "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of Hedingham Community Association, as filed with the Secretary of State of North Carolina.

Section 3. "Association" shall mean and refer to Hedingham Community Association, a North Carolina non-profit corporation, its successors or assigns. The "Board of Directors" or "Board" shall be the elected body having its normal meaning under North Carolina corporate law. The use of the term "association" or "associations" in lower case shall refer to any condominium association or other owners association having jurisdiction over any part of the Properties.

Section 4. "Base Contribution" shall mean and refer to contributions levied against all Units in the Properties to fund Common Expenses.

Section 5. "By-Laws" shall mean and refer to the Amended and Restated By-Laws of Hedingham Community Association, attached hereto as Exhibit "B" and incorporated herein by reference, as they may be amended from time to time.

Section 6. Common Area" shall be an inclusive term referring to all General Common Area and all Exclusive Common Area, as defined herein, as well the Golf Club. Common Area shall specifically include, but shall not be limited to, all water lines which serve the properties located outside of public rights-of-way, all sewer lines which serve the more than one Lot located outside of public rights-of way, private streets, private sewer pump stations, if any, and City of Raleigh utility easements (excluding those located in any lot). The use of the term "common area" or "open space" on recorded maps for the Properties shall mean General Common Area as defined in this Declaration.

Section 7. "Common Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the general benefit of all Unit Owners, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Articles of Incorporation of the Association.

Section 8. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined by the Board of Directors and the Modifications Committee. The "Community-Wide Standard" shall include the Code of Conduct as set forth in Article V, Section 1 of the Amended and Restated Bylaws.

Section 9. "Declarant" shall mean and refer to Hedingham on the Neuse Limited Partnership, a North Carolina limited partnership, or its successors, successors-in-title or assigns who originally developed the property described on Exhibit "A" for the purpose of development and/or sale and are

designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

Section 10. "Exclusive Common Area" shall mean and refer to certain portions of the Common Area which are for the exclusive use and benefit of one or more, but less than all, Neighborhoods, as more particularly described in Article II of this Declaration, excluding the minimum open space required by Raleigh City Code.

Section 11. "General Common Area" shall mean all real and personal property which the Association now or hereafter owns, as is deeded to the Association and is shown on the Master Land Use Plan, or which the Association otherwise holds for the common use and enjoyment of all Owners.

Section 12. "Golf Club" shall mean a portion of the Properties which is privately owned and which is operated as a golf course and club with recreational facilities which may include a clubhouse, and all related and supporting facilities and improvements.

Section 13. "Master Land Use Plan" shall mean and refer to the plan for the development of the property described on Exhibit "A"", entitled "Proposed Master Plan—Hedingham on the Neuse" prepared by Landevco, Land Planning, and F. T. Green and Associates, Engineers, and dated August 3, 1989, as it may be amended from time to time.

Section 14. "Member" shall mean and refer to a Person entitled to membership in the Association, as provided herein, but shall not include Recreational Members.

Section 15. "Mortgage" shall mean and refer to a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

Section 16. "Mortgagee" shall mean and refer to a beneficiary or holder of a Mortgage.

Section 17. "Mortgagor" shall mean and refer to any Person who gives a Mortgage.

Section 18. "Neighborhood" shall mean and refer to each separately developed and denominated residential area comprised of one (1) or more housing types subject to this Declaration, whether or not governed by an additional owners association, in which owners may have common interests other than those common to all Association Members, such as a common theme, entry feature, development name, and/or common areas and facilities which are not available for use by all Association Members. For example, and by way of illustration and not limitation, each condominium, townhome development, cluster home development, and single-family detached housing development shall constitute a separate Neighborhood. In addition, each parcel of land

intended for development as any of the above shall constitute a Neighborhood, subject to division into more than one (1) Neighborhood upon development. The current Neighborhoods are set forth in "District" listings one (1) through thirteen (13) set forth in Exhibit C attached hereto and incorporated herein by reference. Exhibit C reflects the Petition to Subdivide Neighborhoods Ten into two (2) Neighborhoods, Ten and Twelve recorded at book 16855, page 1826 of the Wake County Register of Deeds, as well as, the Petition to Subdivide Neighborhoods recorded at book 2025, page 2068, Wake County Registry.

Where the context permits or requires, the term Neighborhood shall also refer to the Neighborhood Committee (established in accordance with the By-Laws) or Neighborhood Association (as defined in Article III, Section 3) having jurisdiction over the property within the Neighborhood. It shall not be necessary for any Neighborhood to be governed by an additional owners association except in the case of a condominium or otherwise as required by law. Neighborhoods may be divided or combined in accordance with Article III, Section 3, of this Declaration.

Section 19. "Neighborhood Contributions" shall mean contributions levied against the Units in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses, as more particularly described in Article X, Section 1 of this Declaration.

Section 20. "Neighborhood Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the benefit of Owners of Units within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and replacements, all as may be specifically authorized from time to time by the Board of Directors and as more particularly authorized herein. Neighborhood Expenses shall be determined in accordance with the procedures set forth in Article X, Section 3 of the Declaration. The Voting Member of the Neighborhood shall report any additional services desired for the Neighborhood in addition to those offered in previous years, to the Board within at least ninety (90) days prior to the start of the fiscal year such that the Neighborhood Contribution can be determined prior to the start of the fiscal year.

Section 21. "Owner" shall mean and refer to one (1) or more Persons who hold the record title to any Unit which is part of the Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under the recorded contract of sale, and the contract specifically so provides, then the purchaser (rather than the fee owner) will be considered the Owner.

Section 22. "Person" means a natural person, a corporation, a partnership, a trustee, or any other legal entity.

Section 23. "Properties" shall mean and refer to the real property described in Exhibit "A" attached hereto, together with such additional property as is hereafter subjected to this Declaration by Supplemental Declaration.

Section 24. "Special Contribution" shall mean and refer to contributions levied in accordance with Article X, Section 4, of this Declaration.

Section 25. "Supplemental Declaration" shall mean an amendment or supplement to this Declaration which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein, as specified in Article III, Section 3(b) hereof. The term shall also refer to the instrument recorded by the Association pursuant to Article VIII, Section 2 of this Declaration to subject additional property to this Declaration.

Section 26. "Unit" shall mean a portion of the Properties, whether developed or undeveloped, intended for development, use, and occupancy as an attached or detached residence for a single family, and shall, unless otherwise specified, include within its meaning (by way of illustration, but not limitation) condominium units, townhome units, cluster homes, patio or zero lot line homes, and single-family detached houses on separately platted lots, as well as vacant land intended for development as such, all as may be developed, used, and defined as herein provided or as provided in Supplemental Declarations covering all or a part of the Properties. The term shall include all portions of the lot owned as well as any structure thereon. In the case of an apartment building or other structure which contains multiple dwellings, each dwelling shall be deemed to be a separate Unit.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Units designated for residential use for such parcel on the Master Land Use Plan, whichever is more recent, until such time as a certificate of occupancy is issued on all or a portion thereof by the local governmental entity saving jurisdiction. After issuance of a certificate of occupancy on any portion thereof, the portion designated in the certificate of occupancy shall constitute a separate Unit or Units as determined above and the number of Units on the remaining land, if any, shall continue to be determined in accordance with this paragraph.

Section 27. "Voting Member" shall mean and refer to the representative selected by the Members of each Neighborhood to be responsible for casting all votes attributable to Units in the Neighborhood for election of directors, amending this Declaration or the By-Laws, and all other matters provided for in this Declaration and in the By-Laws. The Voting Members from each Neighborhood shall be the Senior Elected Officer from that Neighborhood; the alternate Voting Member shall be the next most senior officer.

Section 28. "Neighborhood Committee" shall mean the committee of elected officials from each of the Neighborhoods as set forth in Exhibit C and as elected pursuant to the Amended and Restated Bylaws set forth in Exhibit C.

Section 29. "Senior Elected Officer" shall mean the Neighborhood Committee chairman or Neighborhood Association President and Voting Member for a particular Neighborhood, as elected pursuant to the Amended and Restated Bylaws set forth in Exhibit B

Section 30. "Family" shall be defined as an Owner's spouse and children of an Owner who are under the age of eighteen (18) or who are under the age of twenty-five (25) and are full-time students.

Article II
Property Rights

Section 1. General. Every Owner shall have a right and nonexclusive easement of use, access and enjoyment in and to the Common Area, subject to:

(a) this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association;

(b) the right of the Association to limit the number of guests, and to adopt rules regulating the use and enjoyment of the Common Area;

(c) the right of the Board to suspend the right of an Owner to use recreational facilities within the Common Area (i) for any period during which any charge against such Owner's Unit remains delinquent, and (ii) for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing violation, of the Declaration, By-Laws, or rules of the Association after notice and a hearing pursuant to the Article XIII, Section 16 of the Declaration;

(d) the right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area pursuant to Article XIII, Section 5 hereof;

(e) the right of the Association to impose reasonable membership requirements and charge reasonable admission or other fees for the use of any recreational facility situated upon the Common Area;

(f) the right of the Board to permit non-member use of any recreational facility situated on the Common Area upon payment of use fees established by the Board;

(g) the right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred subject to the approval requirements set forth in Article XIV, Section 2 hereof and subject to the mortgagee's rights being subordinated to the rights of the Owners and the Association as set forth in the Raleigh City Code.

(h) the rights to certain Owners to the exclusive use of portions of the Common Areas, designated Exclusive Common Areas, as more particularly described in Section 2 below; and

(i) the easement of access, use and enjoyment granted to those owners of the property described in Exhibit "A".

Any Owner may delegate his or her right of use and enjoyment to the members of his or her family, lessees and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Unit shall be deemed to have delegated all such rights to the Unit's lessee.

The initial Common Area (open space required by Raleigh City Code) shall be conveyed to the Association prior to the conveyance of a Unit to any Unit purchaser other than a builder or developer holding title for the purpose of development and resale, and similar Common Area (open space required by Raleigh City Code) in subsequent Neighborhoods brought within the Association shall be conveyed to the Association prior to the conveyance of a Unit within a Neighborhood to any Unit purchaser other than a builder or developer holding title for the purpose of development and resale.

Section 2. Exclusive Common Areas. Certain portions of the Common Areas may be designated as Exclusive Common Areas and reserved for the exclusive use of Owners and occupants of Units within a particular Neighborhood or Neighborhoods. All costs associated with maintenance, repair, replacement and insurance of Exclusive Common Areas shall be assessed against the Owners of Units in only those Neighborhoods which are benefitted thereby as a Neighborhood Contribution, as defined herein. By way of illustration and not limitation, Exclusive Common Areas may include recreational facilities intended for the exclusive use of Owners within a particular Neighborhood or Neighborhoods and supported exclusively by Neighborhood Contributions. Initially, any Exclusive Common Areas shall be designated as such and the exclusive use thereof shall be assigned in the deed conveying the Common Area to the Association or in the plat of survey relating to such Common Area. A portion of the Common Area may be assigned as Exclusive Common Area of a particular Neighborhood or Neighborhoods and Exclusive Common Area may be reassigned upon both the vote of a majority of the total Association vote, including a majority of the votes within the Neighborhood(s) affected, including those to which the Exclusive Common Areas are assigned, if

applicable, and the vote of a majority of the votes within the Neighborhood(s) to which the Exclusive Common Areas are to be assigned or reassigned.

Section 3. Golf Club. Each Unit shall be benefitted with a temporary easement of use, access, and enjoyment in and to the Golf Club as further set forth in this Declaration.

Article III
Membership and Voting Rights

Section 1. Membership. Every Owner, as defined in Article I, shall be deemed to have a membership in the Association. Notwithstanding the foregoing, only the representative selected by the Neighborhood Committee of each Neighborhood to be responsible for casting all votes attributable to Units in that Neighborhood shall be a Voting Member as defined in Article I.

No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Unit owned. In the event the Owner of a Unit is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the By-Laws. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary, subject to the provisions of this Declaration and the By-Laws.

Section 2. Voting. The Association shall have one (1) class of membership, Class "A" as follows:

(a) Class "A". Class "A" Members shall be all Owners.

Class "A" Members shall be entitled to one (1) equal vote for each Unit in which they hold the interest required for membership under Section 1 hereof; there shall be only one (1) vote per Unit. Unless otherwise specified in this Declaration or the By-Laws, the vote for each Unit shall be exercised by the Voting Member, as defined in Article I, representing the Neighborhood of which the Unit is a part.

Section 3. Neighborhoods.

(a) Neighborhoods. Every Unit shall be located within a Neighborhood as defined in Article I. The Units within a particular Neighborhood may be subject to additional covenants and/or the Unit Owners may all be members of another owners association ("Neighborhood Association") in addition to the Association, but no such Neighborhood Association shall be required except in the case of a condominium or otherwise as required by law. Any Neighborhood which does not have a

Neighborhood Association shall elect a Neighborhood Committee, as described in Article V, Section 3, of the By-Laws, to represent the interests of Owners of Units in such Neighborhood.

Each Neighborhood, upon the affirmative vote, written consent, or a combination thereof, of a majority of Owners within the Neighborhood, may request that the Association provide a higher level of service or special services for the benefit of Units in such Neighborhood. The Association shall provide such services and the cost of such services shall be assessed against the benefitted Units as a Neighborhood Contribution pursuant to Article X hereof.

The Senior Elected Officer of each Neighborhood Association or Neighborhood Committee shall serve as the Voting Member for such Neighborhood and shall cast all votes attributable to Units in the Neighborhood on all Association matters requiring membership vote, unless otherwise specified in this Declaration or the By-Laws. The next most senior officer shall be the alternate Voting Member and may cast such votes in the absence of the Voting Member. The Voting Member may cast all such votes as it, in its discretion, deems appropriate. Notwithstanding the above, each Voting Member shall cast only one (1) equal vote for election of Directors.

Each portion of the Properties which is intended to be subdivided for development as two (2) or more Units at the time it is conveyed by the Declarant or is described on a single plat or series of plats by the same name shall constitute a separate Neighborhood. The composition of Neighborhoods is as set forth in Exhibit C attached hereto, and this determination will be placed on file with the Board. Upon a petition signed by a majority of the Unit Owners in the Neighborhood any Neighborhood may also apply to the Board of Directors to divide the property comprising the Neighborhood into two (2) or more Neighborhoods or to combine two (2) Neighborhoods into one (1) Neighborhood. Any such application shall be in writing and shall include a plat of survey of the entire parcel which indicates the boundaries of the proposed Neighborhood(s) or otherwise identifies the Units included within the proposed Neighborhood(s). A Neighborhood consolidation shall automatically be deemed granted upon the applicant filing the required documents with the Board. A Neighborhood division requested by the Neighborhood or by the Neighborhood developer shall automatically be deemed granted unless the Board of Directors denies such application in writing within thirty (30) days of its receipt thereof. The Board may deny an application only upon determination that there is no reasonable basis for distinguishing between the areas proposed to be divided into separate Neighborhoods. All applications and copies of any denials shall be filed with the books and records of the Association and shall be maintained as long as this Declaration is in effect.

Article IV
Maintenance

Section 1. Association's Responsibility. Except as noted herein, the Association shall maintain and keep in good repair the Area of Common Responsibility, such maintenance to be

funded as hereinafter provided. This maintenance shall include, but need not be limited to, maintenance repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements, including all water and sewer lines, and pump stations situated upon the Common Area, and such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of General Common Areas shall be a Common Expense to be allocated among all Units as part of the Base Contribution. All costs associated with maintenance, repair and replacement of Exclusive Common Areas shall be a Neighborhood Expense assessed as a Neighborhood Contribution solely against the Units within the Neighborhood(s) to which the Exclusive Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder. Any expenses associated with a private right of way for a particular Neighborhood shall be deemed an a Neighborhood Expense for maintaining Exclusive Common Areas.

The Association may also assume maintenance responsibilities with respect to any Neighborhood in addition to those that may be designated by any Supplemental Declaration. This assumption of responsibility may take place either by agreement with the Neighborhood or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Community-Wide Standard of the Properties. All costs of maintenance pursuant to this paragraph shall be assessed as a Neighborhood Contribution only against the Units within the Neighborhood to which the services are provided. The provision of services in accordance with this Section shall not constitute discrimination within a class.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

Section 2. Owner's Responsibility. Each Owner shall maintain his or her Unit respectively, and all structures, parking areas and other improvements comprising the Unit in a manner consistent with the Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association or a Neighborhood pursuant to any Supplemental Declaration or other declaration of covenants applicable to such Unit. If any Owner fails properly to perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit in accordance with Article X, Section 4 of this Declaration; provided, however, except when entry is required due to an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry.

Section 3. Neighborhood's Responsibility. Upon resolution of the Board of Directors, each Neighborhood shall be responsible for paying, through Neighborhood Contributions, costs of maintenance of certain portions of the Area of Common Responsibility within or adjacent to such Neighborhood, which may include, without limitation, the costs of maintenance of any signage, entry features, right-of-way and green space between the Neighborhood and adjacent public roads, private streets within the Neighborhood, and lakes or ponds within the Neighborhood, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association.

Any Neighborhood having responsibility for maintenance of all or a portion of the property within a particular Neighborhood pursuant to additional covenants affecting the Neighborhood shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If any such Neighborhood fails to perform its maintenance responsibility as required herein and in any additional covenants, the Association may perform it and assess the costs against all Units within such Neighborhood as provided in Article X, Section 4 of this Declaration.

Section 4. Party Walls and Party Fences.

(a) General Rules of Law to Apply. Each wall or fence built as a part of the original construction on the Units which shall serve and separate any two (2) adjoining Units shall constitute a party wall or fence and, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing or Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall or fence shall be shared by the Owners who make use of the wall or fence in equal proportions.

(c) Damage and Destruction. If a party wall or fence is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the wall or fence may restore it. If the other Owner or Owners thereafter make use of the wall or fence, they shall contribute to the cost of restoration thereof in equal proportions without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title. The Owner shall, upon demand at any time, furnish to any Owner liable for any contribution a certificate in writing signed by the Owner setting forth any outstanding claim for contribution.

(e) Arbitration. In the event of any dispute arising concerning a party wall or fence, or under the provisions of this Section, each party shall appoint one (1) arbitrator. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefor by the Board of Directors, the Board shall appoint an arbitrator for the refusing party. The arbitrators thus appointed shall appoint one (1) additional arbitrator and the decision by a majority of all three (3) arbitrators shall be binding upon the parties and shall be condition precedent to any right of legal action that either party may have against the other.

Article V
Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors, or its duly authorized agent, shall purchase property insurance on the Common Area insuring against all risks of direct physical loss commonly insured against including fire and extended coverage perils. The total amount of insurance after application of any deductibles shall be not less than eighty percent (80%) of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies. and.

In addition to casualty insurance on the Common Area, the Association may, upon request of a Neighborhood, and shall, if so specified in a Supplemental Declaration affecting the Neighborhood, obtain and continue in effect adequate blanket all-risk casualty insurance, if reasonably available, on properties within the Neighborhood. If all-risk insurance is not reasonably available, then fire and extended coverage may be substituted. Such coverage may be in such form as the Board of Directors deems appropriate and the face amount of the policy shall be sufficient to cover the full replacement cost of all structures to be insured. The costs thereof shall be charged to the Owners of Units within the benefitted Neighborhood as a Neighborhood Contribution, as defined in Article I hereof.

Insurance obtained on the properties within any Neighborhood, whether obtained by such Neighborhood or the Association, shall at a minimum comply with the applicable provisions of this Section 1, including the provisions of this Article applicable to policy provisions, loss adjustment, and all other subjects to which this Article applies with regard to insurance on the Common Area. All such insurance shall be in a face amount sufficient to cover the full replacement cost of all insured structures. All such policies shall provide for a certificate of insurance to be furnished to each Member insured, to the Association, and to the Neighborhood Association, if any.

The Board shall also obtain a liability insurance in reasonable amounts, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Area but having at least a

Two Million and No/100 Dollars ($2,000,000.00) combined single limit per occurrence and aggregate as aspects bodily injury and property damage.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses of the Association and shall be included in the Base Contribution, as defined in Article I and as more particularly described in Article X, Section 1; provided, in the discretion of the Board of Directors, premiums for insurance on Exclusive Common Areas may be included in the Neighborhood Contribution of the Neighborhood(s) benefitted thereby unless the Board of Directors reasonably determines that other treatment of the premiums is more appropriate. The policies may contain a reasonable deductible, and, in the case of casualty insurance, the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for the respective benefitted parties, as further identified in subsection (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company authorized to do business in North Carolina.

(b) All policies on the Common Area shall be for the benefit of the Association and its Members; all policies secured at the request of a Neighborhood shall be for the benefit of the Neighborhood Association, if any, the Owners of Units within the Neighborhood, and their Mortgagees, as their interests may appear.

(c) Exclusive authority to adjust losses under policies obtained by the Association on the Properties shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Wake County, North Carolina area.

(f) The Association's Board of Directors shall be required to use reasonable efforts to secure insurance policies that will provide the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners, and their respective tenants, servants, agents, and guests;

(ii) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

(iii) a statement that no policy may be cancelled, invalidated, suspended, or subject to nonrenewal on account of any one or more individual Owners;

(iv) a statement that no policy may be cancelled, invalidated, suspended, or subject to nonrenewal on account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;

(v) a statement that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(vi) a statement that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, workers' compensation insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees, and other Persons handling or responsible for the Association's funds, if reasonably available, and flood insurance, if required. The amount of fidelity coverage shall be determined in the director's best business judgment but, if reasonably available, may not be less than one-sixth (1/6) of the annual Base Contributions on all Units, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

Section 2. Individual Insurance. By virtue of taking title to a Unit subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on the Unit(s) and structures constructed thereon meeting the same requirements as set forth in Section 1 of this Article V for

insurance on the Common Area, unless either the Neighborhood in which the Unit is located or the Association carries such insurance (which they are not obligated to do hereunder). Each Owner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of structures comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct the damaged structure promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article XI of this Declaration. The Owner shall pay any costs of repair or reconstruction which are not covered by insurance proceeds. In the event that the structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the Unit of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Unit in a neat and attractive condition consistent with the Community-Wide Standard.

A Neighborhood may have more stringent requirements regarding the standards for rebuilding or reconstructing structures on the Units within the Neighborhood and the standard for returning the Units to their natural state in the event the structures are not rebuilt or reconstructed.

Section 3. Damage and Destruction.

(a) Immediately after damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Any damage or destruction to the Common Area or to the common property of any Neighborhood shall be repaired or reconstructed unless the Voting Members representing at least seventy-five percent (75%) of the total Class "A" vote of the Association, if Common Area, or the Unit Owners representing at least seventy-five percent (75%) of the total vote of the Neighborhood Association whose common property is damaged, if common property of a Neighborhood Association, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association with said period, then the period shall be extended until such funds or information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether

the damage or destruction to Common Area or common property of a Neighborhood shall be repaired or reconstructed.

(c) In the event that it should be determined in the manner described above that the damage or destruction to the Common Area or to the common property of any Neighborhood Association shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Properties shall be restored to their natural state and maintained by the Association, or the Neighborhood Association, as applicable, in a neat and attractive condition consistent with the Community-Wide Standard.

Section 4. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies held by the Association are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvement account. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

Section 5. Repair and Reconstruction. If the damage or destruction to the Common Area or to the common property of a Neighborhood Association for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Voting Members, levy a special contribution against all Owners on the same basis as provided for Base Contributions; provided, if the damage or destruction involves the common property of a Neighborhood Association, only the Owners of Units in the affected Neighborhood shall be subject to contribution therefor. Additional contributions may be made in like manner at any time during or following the completion of any repair or reconstruction.

Article VI
No Partition

Except as is permitted in the Declaration or amendments thereto, there shall be no judicial partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Properties or any part thereof seek any judicial partition unless the Properties have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Article VII
Condemnation

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Voting Members representing at least sixty-seven percent (67%) of the total Class "A" vote in the Association and by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Voting Members representing at least seventy-five percent (75%) of the total Class "A" vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply.

If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

Article VIII
Annexation of Additional Property

Section 1. Annexation With Approval of Class "A" Membership. Subject to the consent of the owner thereof, the Association may annex real property to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of Voting Members or alternates representing a majority of the Class "A" votes of the Association present at a meeting duly called for such purpose.

Annexation shall be accomplished by filing of record in the public records of Wake County, North Carolina, a Supplemental Declaration describing the property being annexed. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein. The relevant provisions of the By-Laws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant

to this Section 1 and to ascertain the presence of a quorum at such meeting. Provided, however, that all annexations of additional properties must contain a minimum of five (5) acres and be approved by the City of Raleigh.

Section 2. Density Transfers. The Properties are part of a cluster unit development approved by the Raleigh City Council in which residential density transfers are permitted. Therefore, even though some of the Properties may appear to contain sufficient land area to construct additional Units, prior approved density transfers within the cluster unit development may in fact preclude City of Raleigh approval of additional Units.

Article IX
Rights and Obligations of the Association

Section 1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including, without limitation, furnishing and equipment related thereto and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard.

Section 2. Personal Property and Real Property for Common Use. The Association, through action of its Board of Directors, may acquire, hold, and dispose of tangible and intangible personal property and real property; provided, however, that real property owned by the Association may not be conveyed except in accordance with Raleigh City Code. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Properties conveyed to it by the Declarant.

Section 3. Rules and Regulations. The Association, through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use any recreational facilities on the Common Area. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the By-Laws of the Association.

The Association, through the Board, by contract or other agreement, shall have the right to enforce county ordinances and to permit Wake County to enforce ordinances on the Properties for the benefit of the Association and its Members.

Section 4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the By-Laws, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

Article X
Contributions

Section 1. Creation of Contributions. There are hereby created contributions for Association expenses as may from time to time specifically be authorized by the Board of Directors, to be commenced at the time and in the manner set forth in Section 7 of this Article. There shall be three (3) types of contributions: (a) Base Contributions to fund Common Expenses for the benefit of all Members of the Association; (b) Neighborhood Contributions for Neighborhood Expenses benefitting only Units within a particular Neighborhood or Neighborhoods; and (c) Special Contributions as described in Section 4 below. Each Owner, by acceptance of a deed or recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these contributions.

The contributions levied by the Association shall be used exclusively for the paying of Association expenses to promote the recreation, health, safety, and welfare of the Owners of Units; and, in particular, but not by way of limitation, for the acquisition, improvement and maintenance of the Properties, services, amenities and facilities, and for the use and enjoyment of the Common Areas and the Areas of Common Responsibility, 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 contributions assessed against the Common Areas, the procurement and maintenance of insurance in accordance with this Declaration or as deemed appropriate by the Board, the employment of counsel, accountants and other professionals for the Association when necessary, and such other needs as may arise.

Base Contributions shall be levied equally on all Units. Neighborhood Contributions shall be levied equally against all Units in the Neighborhood benefitting from the services supported thereby, provided that in the event of contribution for exterior maintenance of structures, or insurance on structures, or replacement reserves which pertain to particular structures, such contributions for the use and benefit of particular Units shall be levied on each of the benefitted Units in proportion to the benefit received, if so directed by the Neighborhood in writing to the Board of Directors. Special Contributions shall be levied as provided in Section 4 below.

All contributions, together with interest (at a rate not to exceed the highest rate allowed by North Carolina law) as computed from the date the delinquency first occurs, late charges, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Unit

against which each contribution is made until paid, each such contribution, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Unit at the time the contribution arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid contributions which accrued prior to such acquisition of title.

The Association shall, upon demand at any time, furnish to any Owner liable for any type of contribution a certificate in writing signed by an officer of the Association setting forth whether such contribution has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment to the Association of such contribution therein stated to have been paid. The Association may require the advance payment of a processing fee not to exceed Fifty and No/100 Dollars ($50.00) for the issuance of such certificate.

Contributions shall be paid in such manner and on such dates as may be fixed by the Board of Directors. Unless the Board otherwise provides, the Base Contribution and any Neighborhood Contribution may be paid in monthly installments. Each Owners, by acceptance of a deed to his or her Unit, acknowledges that all Base Contributions and Neighborhood Contributions levied hereunder are annual contributions due and payable in advance on the first day of the fiscal year; provided, the Board may permit any contribution to be paid in installments. If any Owner is delinquent in paying any contributions or other charges levied on his Unit, the Board may revoke the privilege of paying in installments and require annual contributions to be paid in full membership.

No Owner may waive or otherwise exempt himself from liability for the contributions provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of the Unit. The obligation to pay contributions is a separate and independent covenant on the part of each Owner. No diminution or abatement of contribution or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Section 2. Computation of Base Contribution. It shall be the duty of the Board, at least thirty (30) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a budget separately prepared as provided in Section 6 of this Article.

The Base Contribution to be levied against each Unit for the coming year shall be set at a level which is reasonably expected to produce total income to the Association equal to the total budgeted Common Expenses, including reserves. In determining the level of contributions, the Board, in its discretion, may consider other sources of funds available to the Association. In addition, the Board shall take into account the number of Units subject to contribution under Section 7 hereof on the first day of the fiscal year for which the budget is prepared and the number of Units reasonably anticipated to become subject to contribution during the fiscal year.

So long as the Declarant has the right unilaterally to annex additional property pursuant to Article VIII hereof, the Declarant may elect on an annual basis, but shall not be obligated, to reduce the resulting contribution for any fiscal year by payment of a subsidy or by provision of services or materials; (in addition to any amounts paid by Declarant under Section 1 above); provided, any such subsidy shall be conspicuously disclosed as a line item in the income portion of the Common Expenses budget and shall be made known to the membership. The payment of such subsidy in any year shall under no circumstances obligate the Declarant to continue payment of such subsidy in future years.

The Board shall cause a copy of the Common Expense budget and notice of the amount of the Base Contribution to be levied against each Unit for the following year to be delivered to each Owner at least thirty (30) days prior to the beginning of the fiscal year. Such budget and contribution shall become effective unless disapproved at a meeting of the Voting Members by Voting Members or their alternates representing at least a majority of the total Class "A" votes in the Association pursuant to N.C.G.S. §47F-3-103.

Notwithstanding the foregoing, however, in the event the proposed budget is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 3. Computation of Neighborhood Contributions. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a separate budget covering the estimated Neighborhood Expenses to be incurred by the Association for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration or the By-Laws specifically authorizes the Board to assess certain costs as a Neighborhood Contribution. The Board shall set annually the level of services be provided by the Association to a particular Neighborhood, and in such case, any additional costs shall be added to such budget. at The Board will determine such level of services to be provided by the Association to the Neighborhood at least ninety (90) days before the beginning of each fiscal year to allow the Board to incorporate the costs of such additional services into the separate budget covering the estimated Neighborhood Expenses to be

incurred by the Association for the respective Neighborhood for the fiscal year. Such budget may include a capital contribution establishing a reserve fund for repair and replacement of capital items within the Neighborhood, as appropriate. Neighborhood Expenses shall be allocated equally among all Units within the Neighborhood benefitted thereby and levied as a Neighborhood Contribution.

The Board shall cause a copy of such budget and notice of the amount of the Neighborhood Contribution to be levied on each Unit in the Neighborhood for the coming year to be delivered to each Owner of a Unit in the Neighborhood at least thirty (30) days prior to the beginning of the fiscal year. Such budget and contribution shall become effective unless disapproved by a majority of the Owners of Units in the Neighborhood which the Neighborhood Contribution applies; provided, there shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners of at least ten percent (10%) of the Units in such Neighborhood; and provided, further, the right to disapprove shall only apply to those line items in the Neighborhood budget which are attributable to services requested by the Neighborhood.

In the event the proposed budget for any Neighborhood is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 4. Special Contributions.

(a) Entire Membership. The Association may levy Special Contributions from time to time for the purpose of any repairs, maintenance or improvements to the Area of Common Responsibility or for Neighborhood Expense as determined in this Article X Any Special Contribution in excess of the equivalent of one years' of a Unit Owners' Base Contribution, must receive the affirmative vote or written consent of Voting Members or their alternates representing a majority of the total Class "A" votes in the Association. Special Contributions pursuant to this paragraph shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Contribution is approved, if the Board so determines.

(b) Less than All Members. The Association may levy a Special Contribution against any member individually and against such Member's Unit to reimburse the Association for costs incurred in bringing a Member and his Unit into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, the Association rules, or a determination by the Association that an unsafe or nuisance condition exists, which Special Contribution may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing. The Association may also levy a Special Contribution against the Units in any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the

provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, and the Association rules and regulations, which Special Contribution may be levied upon the vote of the Board after notice to the senior officer of the Neighborhood and an opportunity for a hearing.

Section 5. Lien for Contributions. Upon recording of a notice of lien on any Unit or Golf Club, there shall exist a perfected lien for unpaid contributions prior and superior to all other liens, except (1) all taxes, bonds, contributions, and other levies which by law would be superior thereto, and (2) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value.

Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure. The lien herein granted unto the Association shall be enforceable pursuant to, inter alia, N.C.G.S. §47F-3-116 from and after the time of recording a Claim of Lien in the Office of the Clerk of Superior Court in the County in which the Property is located in the manner provided therefore, which claim shall state the description of the Unit encumbered thereby, the name of the record owner, the amount due and date when due. The claim of lien shall be recordable any time after thirty (30) days after the due date of the assessment or any installment thereof and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid. Such claims of lien shall include all assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. Suit to recover a money judgment for unpaid Common Expenses and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

The Association, acting on behalf of the Owners, shall have the power to bid for any Unit or the Golf Club, as applicable, at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Unit or Golf Club is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no contribution shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual contribution, its equal pro rata share of the contribution that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure.

Section 6. Reserve Budget and Capital Contribution. The Board of Directors shall annually prepare a reserve budget to take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect both to amount and timing by annual contributions over the period of the budget. The capital contribution required, if any, shall be fixed by the Board and included within and distributed with the applicable budget and notice of contributions, as provided in Sections 2 and 3 of this Article.

Section 7. Date of Commencement of Contributions. The obligation to pay the contributions provided for herein shall commence as to each Unit on the first day of the month following the conveyance of the Unit to a Person other than Declarant. The full contribution shall be assessed against the Unit on the first day of the month following the initial occupancy of the Unit or two (2) years from the date of conveyance to a Person other than Declarant, whichever occurs earlier; provided, however, that until the full contribution begins, a Person who purchases a Unit for the purpose of constructing a residence thereon shall only be obligated to pay one-fourth (1/4) of the contributions assessed against the Unit. Contributions shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual contribution shall be adjusted according to the number of days remaining in the fiscal year at the time contributions commence on the Unit.

The obligation of the Recreation Member to pay contributions shall commence on the first day of the month following the day the Golf Course is open for play.

Section 8. Subordination of the Lien to First Mortgages. The lien of contributions, including interest, late charges (subject to the limitations of North Carolina law), and costs (including attorney's fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Unit. The sale or transfer of any Unit shall not affect the contribution lien. However, the sale or transfer of any unit pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such contributions as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from lien rights for any contributions thereafter becoming due. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title pursuant to judicial or nonjudicial foreclosure of the Mortgage, it shall not be liable for the share of the Common Expenses or contributions by the Association chargeable to such Unit which became due prior to such acquisition of title. Such unpaid share of Common Expenses or contributions shall be deemed to be Common Expenses collectible from Owners of all the Units, including such acquirer, its successors and assigns.

Section 9. Capitalization of Association. Upon acquisition of record title to a Unit by the first purchaser thereof other than the Declarant or an owner who purchases solely for the purpose of constructing a dwelling thereon for resale, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to one-sixth (1/6) of the annual Base Contribution per Unit for that year as determined by the Board. This amount shall be in addition to, not in lieu of, the annual Base Contribution levied on the Unit and shall not be considered an advance payment of any portion thereof. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to the terms of this Declaration and the By-Laws.

Section 10. Exempt Property. Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of Base Contributions, Neighborhood Contributions, and Special Contributions:

(a) all Common Area; and

(b) all property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public schools, public streets, and public parks, if any.

Article XI
Architectural Standards

No construction, which term shall include within its definition staking, clearing, excavation, grading, and other site work, no exterior alterations, changes or modifications of existing improvements, and no plantings or removal of plants, trees, or shrubs shall take place and no structure, which terms shall include basketball hoops and backboards, including, but not limited to grading, elevation work, painting, landscaping, sloping or tree work, shall be erected except in strict compliance with this Article, until the requirements below have been fully met, and until the approval of the appropriate committee has been obtained pursuant to Sections 1 and 2 below. The Board of Directors may establish reasonable fees to be charged by the committees on behalf of the Association for review of applications hereunder and may require such fees to be paid in full prior to review of any application.

This Article shall not apply to the construction or improvements or modifications to the Common Area by or on behalf of the Association or to construction on or improvements or modifications to the Golf Course.

The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the committees established in Sections 1 and 2 of this Article XI. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

Section 1. Modifications Committee. The Board of Directors may establish a Modifications Committee (MC) to consist of at least three (3) and no more than five (5) persons, all of whom shall be appointed by, and shall serve at the discretion of, the Board of Directors. Members of the MC may include architects or similar professionals who are not Members of the Association. The MC shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing Units or structures containing Units and the open space, if any, appurtenant thereto. Such delegation may be revoked and jurisdiction reassumed at any time by written notice.

The Modification Committee shall promulgate detailed standards and procedures governing its areas of responsibility and practice. In addition thereto, the following shall apply. Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the MC for approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures, topography, and finish grade elevation. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his Unit, or to paint the interior of his Unit any color desired; provided, modifications or alterations to the interior of screened porches, patios and similar portions of a Unit visible from outside the Unit shall be subject to approval hereunder. In the event that the MC fails to approve or to disapprove such plans or to request additional information reasonably required within forty-five (45) days after submission, the complete plans shall be deemed approved.

The MC shall promulgate detailed standards and procedures regarding permitted landscaping and plantings permitted on the Properties. Any Owner which complied with such standards and procedures shall not be required to receive the permission of the NCC before installing such landscaping or plantings.

Section 2. No Waiver of Future Approvals. The approval of the MC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

Section 3. Variance. The MC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) estop the Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 4. Compliance With Guidelines. Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of the guidelines and procedures promulgated by the MC may be excluded by the Board from the Properties without

liability to any person, subject to the notice and hearing procedures contained in Article III, Section 22 of the By-Laws.

Section 5. No Liability. PLANS AND SPECIFICATIONS ARE NOT APPROVED FOR ENGINEERING OR STRUCTURAL DESIGN OR QUALITY OF MATERIALS; AND BY APPROVING SUCH PLANS AND SPECIFICATIONS NEITHER THE MC, THE MEMBERS THEREOF, NOR THE ASSOCIATION ASSUMES LIABILITY OR RESPONSIBILITY THEREFOR, NOR FOR ANY DEFECT IN ANY STRUCTURE CONSTRUCTED FROM SUCH PLANS AND SPECIFICATIONS. NEITHER DECLARANT, THE ASSOCIATION, THE ACC, THE BOARD, NOR THE OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, AND AGENTS OF ANY OF THEM SHALL BE LIABLE IN DAMAGES TO ANYONE SUBMITTING PLANS AND SPECIFICATIONS TO ANY OF THEM FOR APPROVAL, OR TO ANY OWNER OF PROPERTY AFFECTED BY THESE RESTRICTIONS BY REASON OF MISTAKE IN JUDGMENT, NEGLIGENCE, OR NONFEASANCE ARISING OUT OF OR IN CONNECTION WITH THE APPROVAL OR DISAPPROVAL OR FAILURE TO APPROVE OR DISAPPROVE ANY SUCH PLANS OR SPECIFICATIONS. EVERY PERSON WHO SUBMITS PLANS OR SPECIFICATIONS AND EVERY OWNER AGREES THAT SUCH PERSON OR OWNER WILL NOT BRING ANY ACTION OR SUIT AGAINST DECLARANT, THE ASSOCIATION, THE MC, THE BOARD, OR THE OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, AND AGENTS OF ANY OF THEM TO RECOVER ANY DAMAGES AND HEREBY RELEASES, REMISES, QUITCLAIMS, AND COVENANTS NOT TO SUE FOR ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION ARISING OUT OF OR IN CONNECTION WITH ANY JUDGMENT, NEGLIGENCE, OR NONFEASANCE AND HEREBY WAIVES THE PROVISIONS OF ANY LAW WHICH PROVIDES THAT A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS, DEMANDS, AND CAUSES OF ACTION NOT KNOWN AT THE TIME THE RELEASE IS GIVEN.

Article XII
Use Restrictions

The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices for the Declarant or the Association or the owner(s) of the Golf Club as may more particularly be set forth in this Declaration and amendments hereto). Any Supplemental Declaration or additional covenants imposed on the property within any Neighborhood may impose stricter standards than those contained in this Article. The Association, acting through its Board of Directors, shall have standing and the power to enforce such standards.

The Association, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the Properties, in addition to those contained

herein, and to impose reasonable user fees for use of Common Area facilities. Such regulations and use restrictions shall be binding upon all Owners, occupants, invitees and licensees, if any, until and unless overruled, cancelled or modified in a regular or special meeting of the Association by the vote of Voting Members representing a majority of the total Class "A" votes in the Association. The Association shall make copies of regulation and use restrictions and user fees available to Owners and builders.

Section 1. Signs. Except as provided for herein, no sign of any kind shall be erected within the Properties without the written consent of the Board of Directors, except entry and directional signs installed by Declarant or Unit identification signs required by the Raleigh City Code. If permission is granted to any Person to erect a sign within the Properties, the Board reserves the right to restrict the size, color, lettering and placement of such sign. The Board of Directors or Declarant shall have the right to erect signs as they, in their discretion, deem appropriate. Notwithstanding the above, no signs, flags, banners or similar items advertising or providing directional information with respect to activities being conducted outside the Properties shall be permitted within the Properties.

Notwithstanding the foregoing, an Owner may display up to three (3) political signs on their Unit no earlier than 45 days before the day of an election and no later than seven days after an election day with the maximum dimensions of 24 inches by 24 inches. "Political sign" means a sign that attempts to influence the outcome of an election, including supporting or opposing an issue on the election ballot. To the extent the City of Raleigh's sign regulations and ordinances are in direct conflict with such restrictions on political signs, the City of Raleigh regulations or ordinances shall control.

Section 2. Parking and Prohibited Vehicles.

(a) Parking. Vehicles shall be parked only in the garages or in the driveways, if any, serving the Units or in appropriate spaces on the Unit improved for such purposes (i.e. a driveway, parking pad) or in certain on-street designated parking areas in which parking may or may not be assigned and then subject to such reasonable rules and regulations as the Board of Directors, or any Neighborhood Association, if any, having concurrent jurisdiction over parking areas within the Neighborhood, may adopt. Ingress and egress to a Unit shall only be permitted over the driveway serving such Unit. The Board may designate certain on-street parking areas for visitors or guests subject to reasonable rules. Vehicles may not be parked on the lawn, beds or other areas of the Unit which are not explicitly improved for the purposes of parking vehicles.

Excluding recreational vehicles, trailers, campers, camper trailers, boats and other watercraft, and boat trailers, no more than three (3) vehicles shall be parked at a Unit at any time.

(b) Prohibited Vehicles. Tractors, commercial vehicles (including, without limitation, vehicles with commercial writing on their exteriors), mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall be parked only in enclosed garages, the backyard of a Unit behind a house, the side yard of a Unit, or any other area, if any, designated by the Board or by the Neighborhood Association, if any, having jurisdiction over parking areas within a particular Neighborhood. Notwithstanding anything to the contrary herein, no truck larger than a one (1) ton pick-up shall be parked on the Properties.

Stored vehicles and vehicles which are either obviously inoperable or do not have current operating licenses shall not be permitted on the Properties except within enclosed garages. For purposes of this Section, a vehicle shall be considered "stored" if it is put up on blocks or covered with a tarpaulin and remains on blocks or so covered for fourteen (14) consecutive days without the prior approval of the Board. Notwithstanding the foregoing, service and delivery vehicles may be parked in the Properties during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Unit or the Common Areas. Any vehicle parked in violation of this Section or parking rules promulgated by the Board may be towed in accordance with Article III, Section 22 of the By-Laws.

The provisions of this Section are only applicable to Owners and guests of Owners with respect to public streets, but the provisions of this Section are applicable to Owners and non-Owners with respect to private streets owned by the Association.

Section 3. Occupants Bound. All provisions of the Declaration, By-Laws and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, guests and invitees of any Unit or Golf Club. Every Owner shall cause all occupants of his or her Unit to comply with the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any violation of the Declaration, By-Laws and rules and regulations adopted pursuant thereto.

Section 4. Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Properties, except that dogs, cats, or other usual and common household pets may be permitted in a Unit. "Common household pets" shall mean dogs, cats and other small indoor animals, but shall expressly not include poultry of any kind, livestock, horses, swine pigs, goats, llama or other animals who live outside the main home structure situated on the Unit. To the extent allowed under this Section, all common household pets shall be kept and maintained in strict accordance with applicable governmental regulations, including Wake County and the City of Raleigh.

However, those pets which are permitted to roam free, or, in the sole discretion of the Association, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Units or the owner of any portion of the Properties shall be removed upon request of the Board; if the owner fails to honor such request, the pet may be removed by the Board. No pets shall be kept, bred, or maintained for any commercial purpose.

Section 5. Quiet Enjoyment. No portion of the Properties shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any portion of the Properties that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property.

No noxious, illegal, or offensive activity shall be carried on upon any portion of the Properties, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Properties. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted within the Properties.

Section 6. Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Unit. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Properties.

Section 7. Antennas. The Board may issue rules regarding the erection of exterior antennas, including, without limitation, satellite dishes; provided such rules do not prevent reception of acceptable quality signals or cause an unreasonable delay or cost. Unless screened and located to provide minimum visual impact on neighboring properties and streets, no exterior antennas of any kind, including without limitation, satellite dishes, shall be placed, allowed, or maintained upon any portion of the Properties, including any Unit; provided such screening and location do not prevent reception of acceptable quality signals or cause an unreasonable delay or cost. In no event shall any such antenna or satellite dish in excess of one (1) meter in size be permitted in the Properties except if installed by the Board as provided in this Section. The Board shall have the right (but shall not be obligated), to erect a master antenna, satellite dish or other similar master system for the benefit of the Properties. Each Owner acknowledges that this provision benefits all Owners and each Owner agrees to comply with this provision despite the fact that the erection of an outdoor antenna or similar

device would be the most cost-effective way to transmit or receive the signals sought to be transmitted or received.

Section 8. Garbage Cans, Tanks, Etc. All above-ground storage tanks, mechanical equipment, and other similar items on Units shall be located or screened so as to be concealed from view of neighboring Units, streets, and property located adjacent to the Unit. All rubbish, trash, and garbage shall be stored in appropriate containers approved pursuant to Article XI hereof and shall regularly be removed from the Properties and shall not be allowed to accumulate thereon. Containers of rubbish, trash, and garbage shall be stored behind the front elevation line of the house.

Section 9. Subdivision of Unit and Time Sharing. No Unit shall be subdivided or its boundary lines changed except with the prior written approval of the Board of Directors of the Association. Declarant, however, hereby expressly reserves the right to replat any Unit or Units owned by Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

No Unit shall be made subject to any type of timesharing, fraction-sharing or similar program whereby the right to exclusive use of the Unit rotates among members of the program on a fixed or floating time schedule over a period of years, except that the Declarant hereby reserves the right for itself and its assigns to operate such a program with respect to Units which it owns.

Section 10. Firearms. The discharge of firearms within the Properties is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. Notwithstanding anything to the contrary contained herein or in the By-Laws, the Association shall not be obligated to take action to enforce this Section.

Section 11. Pools. No above-ground swimming pools shall be erected, constructed or installed on any Unit.

Section 12. Irrigation. No sprinkler or irrigation systems of any type, which draw upon water from creeks, streams, rivers, lakes, ponds, wetlands, canals or other ground or surface waters within the Properties shall be installed, constructed or operated within the Properties unless prior written approval has been received from the MC. All sprinkler and irrigation systems shall be subject to approval in accordance with Article XI of this Declaration. Private irrigation wells are prohibited on the Properties.

Section 13. Tents, Trailers and Temporary Structures. No tent, utility shed, shack, trailer or other structure of a temporary nature shall be placed upon a Unit or any part of the Properties unless permitted by the MC and the Board.

Section 14. Drainage and Septic Systems. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant may obstruct or rechannel the drainage flows after location and installation of drainage scales, storm sewers, or storm drains. Declarant hereby reserves for itself and the Association a perpetual easement across the Properties for the purpose of altering drainage and water flow. Septic tanks and drain fields are prohibited on the Properties.

Section 15. Tree Removal. No trees shall be removed, except for diseased or dead trees and trees needing to be removed to promote the growth of other trees or for safety reasons, unless approved in accordance with Article XI of this Declaration. In the event of an intentional or unintentional violation of this Section, the violator may be required, by the committee having jurisdiction, to replace the removed tree with one (1) or more trees of such size and number, and in such locations, as such committee may determine in its sole discretion. This Section shall not apply to the Golf Club.

Section 16. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

Section 17. Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Properties, except for temporary lines as required during construction and high voltage lines if required by law or for safety purposes.

Section 18. Air Conditioning Units. Except as may be permitted by the Board or its designee, no window air conditioning units may be installed in any Unit.

Section 19. Lighting. Except for seasonal decorative lights, which may be displayed between Thanksgiving and January 10 only, all exterior lights must be approved in accordance with Article XI of this Declaration.

Section 20. Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation shall be permitted on the exterior of any portion of the Properties. Exterior sculpture, fountains, flags, and similar items must be approved in accordance with Article XI of this Declaration. Notwithstanding anything to the contrary, an American flag shall be permitted on the exterior of any Unit.

Section 21. Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation panels or attendant hardware or other energy conservation equipment that are visible by a person on the ground: (1) on the facade of a structure that faces areas open to common or public access; (2) on a roof surface that slopes downward toward the same areas

open to common or public access that the façade of the structure faces; or (3) within the area set off by a line running across the façade of the structure extending to the property boundaries on either side of the façade, and those areas of common or public access faced by the structure unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the MC pursuant to Article XI hereof. Under no circumstances shall a solar collector (as defined in N.C.G.S. §22B-20) be allowed to be placed on the front facing roof of a home.

Section 22. Playground. Any playground or other play areas or equipment furnished by the Association or erected within the Properties shall be used at the risk of the user, and the Association shall not be held liable to any Person for any claim, damage, or injury occurring thereon or related to use thereof.

Section 23. Fences. No hedges, walls, dog runs, animal pens or fences of any kind shall be permitted on any Unit except as approved in accordance with Article XI of this Declaration. Any fencing on an Owner's Lot is the Owner's responsibility to maintain regardless of who installed the fencing.

Section 24. Business Use. No garage sale, moving sale, rummage sale or similar activity, except upon prior written approval of the Board, and no trade or business may be conducted in or from any Unit, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve persons coming on to the Properties who do not reside in the Properties or door-to-door solicitation of residents of the Properties; and (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of a Unit shall not be considered a trade or business within the meaning of this section. This Section shall not apply to the Golf Club nor shall it apply to any activity conducted by the Association or with respect to its or its designee's use of any portion of the Properties as a management or business office.

Section 25. On-Site Fuel Storage. No on-site storage of gasoline, heating or other fuels shall be permitted on any part of the Properties except that up to five (5) gallons of fuel may be stored on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association and the Golf Club shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

Section 26. Golf Carts. No gasoline-powered golf carts shall be operated within the Properties. All golf carts shall be powered by electricity or by similar noncombustion means. Provided, however, this Section 26 shall not apply to maintenance vehicles used by the Association or its designees.

Section 27. Leasing of Units.

(a) Definition. "Leasing", for purposes of this Declaration, is defined as regular, exclusive occupancy of a Unit by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to a fee, service, gratuity, or emolument. It includes use or licensure of a Unit, in whole or in part, through such online services as Airbnb, VRBO and other websites.

(b) Leasing Provisions.

(i) Rental Cap. The Board of Directors may promulgate rules and regulations that limit the number of non-Owner occupied Units (i.e. leased, rented, licensed) at any given time not to go below thirty five percent (35%) of the total number of Units in Hedingham. It being the intention that, at times, the Board may, but shall not be required to, promulgate or amend its rules and regulations to allow in excess of thirty five percent (35%) of the total Units in Hedingham to be non-Owner occupied, however, may not promulgate or amend its rules and regulations to set the number of non-Owner occupied Units at below thirty five percent (35%) of the total number of Units in Hedingham. The Board may, but shall not be required to, adopt rules and regulations that set the limit at a permissible percentage of the total number of Units in Hedingham which rules and regulations allow for exceptions to exceed the set percentage limit for unforeseen circumstances and hardships by any Owner. By way of example and not limitation, the following are examples of what may constitute an emergency and undue hardship: military deployment such that the Owner would be afforded certain protections under the 2003 Service members Civil Relief Act; job loss by the Owner; where the Owner must relocate his or her residence away from Wake County, or any adjoining County in North Carolina and cannot within ninety (90) days from the date the Unit was placed on the market, sell the Unit for the appraised market value after having made reasonable effort to do so; death in Owner's family necessitating a move from Wake County or any adjoining County in North Carolina; significant illness requiring re-location for treatment or alternative living arrangements by the Owner, and where the Owner dies and the Unit is being administered by his or

her estate. If such rules are adopted, an Owner must apply to the Board prior to leasing the Unit pursuant to Section 27 (b)

(ii) Intent to Occupy as Primary Residence. Units must be purchased with the intent to occupy as the Owner's primary place of residence and not for purposes of Leasing. An Owner must occupy the Unit as their primary residence for at least twelve (12) months before applying to lease, rent or license the Unit pursuant to Section 27 (b).

(iii) General. If allowed pursuant to Section 27 (b) (i) and (ii) above, Units may only be rented only in their entirety; no fraction or portion of a Unit may be rented. For example, an Owner may not lease, rent or license a bedroom in a Unit. There shall be no subleasing of Units or assignment of leases unless prior written approval is obtained from the Board of Directors. No transient tenants may be accommodated in a Unit and no Unit may be used for transient housing or a bed and breakfast, boarding or rooming house. All leases, licenses and rental arrangements with an Owner shall be in writing and shall be for an initial term of no less than six (6) months, except with the prior written consent of the Board of Directors. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Unit Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, By-Laws, and the rules and regulations. The Board may adopt reasonable rules regulating leasing and subleasing.

(iv) Compliance with Declaration, By-Laws and Rules and Regulations. Every Owner shall cause all occupants of his or her Unit to comply with the Declaration, By-Laws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any violation of the Declaration, By-Laws, and rules and regulations adopted pursuant thereto. Every Owner shall give all occupants of the Unit a copy of the Declaration, By-Laws, and rules and regulations of the Association.

Section 28. Wetlands, Lakes and Water Bodies. The use of all wetlands, lakes, ponds, and streams within the Properties shall be subject to the terms of this Declaration and any Supplemental Declaration.

This Section shall not apply to prohibit use by the Golf Club of lakes, ponds, or streams within the Golf Course for irrigation of the property comprising the Golf Club or other purposes in connection with golf course play. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, or streams within the Properties. No docks, piers, or other structures shall be constructed on or over any body of water within the Properties, except such as may be constructed by the Declarant or the Association.

Section 29. Laws and Ordinances. Every Owner and occupant of any Unit, their guests and invitees, shall comply with all laws, statutes, ordinances and rules of federal, state and municipal governments applicable to the Properties and any violation thereof may be considered a violation of this Declaration; provided, the Board shall have no obligation to take action to enforce such laws, statutes, ordinances and rules.

Article XIII
General Provisions

Section 1. Term. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall insure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to this Declaration, their respective legal respective, heirs, successors, and assigns, for a term of thirty (30) years from the date of this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

Section 2. Amendment. This Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Voting Members representing sixty-seven percent (67%) percent of the total Class "A" votes in the Association, In addition, the approval requirements set forth in Article XIV hereof shall be met if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

Any amendment to be effective must be recorded in the public records of Wake County, North Carolina. No amendment shall become effective until approved by the City Attorney of the City of Raleigh, or his deputy, until he, after twenty (20) days' notice fails to comment on the amendment.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

Section 3. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director, or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member so long as the officer, director, or committee member (1) conducted himself in good faith; (2) reasonably believed (i) in the case of conduct in his official capacity with the corporation, that his conduct was in its best interests; and (ii) in all other cases, that his conduct was at least not opposed to its best interests; and (3) in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful. The officer, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officer' and director' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and such portion or portions of the Common Areas as are adjacent there and between adjacent Units or any Unit as the Golf Club due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary between each Unit and the adjacent portion of the Common Area or as between said adjacent Units, as the case may be, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, an owner, occupant, or the Association.

Section 5. Easements for Utilities, Etc. There is hereby reserved unto the Association, and its designees (which may include, without limitation, Wake County, North Carolina, the City of Raleigh, North Carolina, and any utility), blanket easements upon, across, over, and under all of the Properties and the Golf Club for ingress, egress, installation, replacing, repairing, and maintaining cable television systems, master television antenna systems, security, and similar systems, roads, walkways, bicycle pathways, lakes, ponds, wetlands, drainage systems, irrigation lines and systems,

street lights, signage, firefighting, garbage collection, postal delivery, emergency and rescue activities, law enforcement activities, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas , and electricity; provided, the exercise of this easement shall not unreasonably interfere with the use of any Unit and, except in an emergency, entry into any Unit shall be made only after reasonable notice to the Owner or occupant thereof.

Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier easements across all Units and the Common Areas and the Golf Club for ingress, egress, installation, reading, replacing, repairing, and maintaining water meter boxes. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be initially installed or relocated on the Properties except as may be approved by the Association's Board of Directors.

Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement over the Properties without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Properties.

The Board shall have, by an eighty percent (80%) vote of the Voting Members, subject to N.C.G.S § 47F-3-112(a), the power to dedicate portions of the Common Area to Raleigh, North Carolina, or to any other local, state, or federal governmental entity, subject to such approval requirements as may be contained in Article XIV, Section 2 of this Declaration.

Section 6. Easement for Golf Balls. Every Unit and the Common Area and the common property of any Neighborhood are burdened with an easement permitting golf balls unintentionally to come upon the Common Area, Units or common property immediately adjacent to the golf course and for golfers at reasonable times and in a reasonable manner to come upon the Common Area, common property of a Neighborhood, or the exterior portions of a Unit to retrieve errant golf balls; provided, however, if any Unit is fenced or walled, the golfer will seek the owner's permission before entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall the Association be held, liable for any damage or injury resulting from errant golf balls or the exercise of this easement.

Section 7. Electrical and Gas Service. Declarant reserves the right to subject the above-described Property to a contract with Duke Energy 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 said Property. Declarant further reserves the right to subject the above-described Property to a contract with the Public Service Company or other provider of natural gas service for the

installment of underground gas lines which may require an initial payment or continuing monthly payment to said gas service by the owner of each Lot within said Property.

Section 8. City of Raleigh Disclaimer. In no case shall the City be responsible for failing to provide any emergency or regular fire, police or other public service to such developments or their occupants when such failure is due to the lack of access to such areas due to inadequate design or construction, blocking of access routes, or any other factor within the control of the developer, homeowner's association or occupants.

Section 9. Duke Energy Progress. The Board reserves the right to subject the real property in this subdivision to a contract with Duke Energy Progressfor the installation of street lighting, which requires a continuing monthly payment to Carolina Power and Light by each residential customer.

Section 10. Severability. Invalidation 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 11. Right of Entry. The Association shall have the right, but not the obligation, to enter into any Unit for emergency, security, and safety reasons, and to inspect for the purpose of ensuring compliance with this Declaration, the By-Laws, and the Association rules, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after request by the Board.

Section 12. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 13. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five (75%) percent of the Voting Members. In the case of such a vote, and notwithstanding anything contained in this Declaration or the Articles of Incorporation or By-Laws of the Association to the contrary, a Voting Member shall not vote in favor of bringing or prosecuting any such proceeding unless authorized to do so by a vote of seventy-five (75%) percent of all Members of the Neighborhood represented by the Voting Member. This Section shall not apply, however, to (a) actions brought by the Association to enforce

the provisions of this Declaration (including without limitation, the foreclosure of liens), (b) the imposition and collection of contributions as provided in Article X hereof, (c) proceedings involving challenges to ad valorem taxation, (d) counterclaims brought by the Association in proceedings instituted against it; (e) zoning matters of which the Association has a substantial interest; or (f) claims related to contracts or work performed by vendors of the Association. This Section shall not be amended unless such amendment is made by the Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 14. Cumulative Effect; Conflict. The covenants, restrictions, and provisions of this Declaration shall be cumulative with those of any Neighborhood and the Association may, but shall not be required to, enforce the latter; provided, however, in the event of conflict between or among such covenants and restrictions, and provisions of any articles of incorporation, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, those of any Neighborhood shall be subject and subordinated to those of the Association. The foregoing priorities shall apply, but not be limited to, the liens for contributions created in favor of the Association.

Section 15. Use of the Word "Hedingham". No Person shall use the word "Hedingham" or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant. However, Owners may use the term "Hedingham" in printed or promotional matter where such term is used solely to specify that particular property is located within Hedingham and the Association and the Golf Club shall each be entitled to use the word "Hedingham" in its name.

Section 16. Compliance and Enforcement. Every Owner and occupant of any Unit shall comply with all lawful provisions of this Declaration, the By-Laws and rules and regulations of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, in a proper case, by any aggrieved Unit Owner or Owners. The Board may charge the offending Owner any administrative fees incurred by the Association from its management company for any fines or enforcement action pursued in this Section 16.

The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote or any person's right to use the Common Area for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Unit or to suspend an Owner's right to vote due to nonpayment of contributions. In the event that any occupant, guest or invitee of a Unit violates the Declaration, By-Laws, or a rule or regulation and fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the

Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

(a) Notice. Prior to imposition of any sanction hereunder, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Covenants Committee, if any, or Board of Directors for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) Hearing. If a hearing is requested within the allotted ten (10) day period, the hearing shall be held in executive session affording the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board of Directors or the Covenants Committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules of any Person.

(c) Appeal. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within thirty (30) days after the hearing date.

(d) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these By-Laws, or the rules and regulations or the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

Section 17. Security. The Association may, but shall not be obligated to maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY

SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTIES, HOWEVER, AND NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY UNIT, TENANTS, GUESTS AND INVITEES OF ANY OWNERS, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD OF DIRECTORS, DECLARANT, OR ANY SUCCESSOR DECLARANT AND THE MODIFICATIONS COMMITTEES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY THE DECLARANT OR THE MODIFICATION COMMITTEES MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD UP, OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY UNIT, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER OCCUPANT OF ANY UNIT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES, DECLARANT, OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE RECOMMENDED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTIES.

Section 18. Notice of Sale or Transfer of Title. In the event that any Owners desires to sell or otherwise transfer title to his or her Unit, such Owner shall give the Board of Directors (through its management company) at least seven (7) days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board of Directors may reasonably require. Until such written notice is received by the Board of Directors, the transferor shall continue to be jointly and severally responsible for all obligations of the Owner of the Unit hereunder, including payment of contributions, notwithstanding the transfer of title to the Unit.

Section 19. Unit Easement. If any dwelling is located closer than five (5) feet from the Unit line, the Owner thereof shall have a perpetual access easement over the adjoining Unit to the extent reasonably necessary to perform repair, maintenance or reconstruction of this dwelling. Such repair, maintenance or reconstruction shall be done expeditiously and, upon completion of the work, the Owner shall restore the adjoining Unit to as near the same condition as that which prevailed prior to the commencement of the work as is reasonably practicable.

Section 20. Greenway – City of Raleigh Approval. Notwithstanding any other provisions of these Declarations the Association, Owners, Members, Tenants of members, member's guests or invitees, or families of members shall not, within the greenway area shown on the Plans of the Property referred to above, without the prior written consent of the City of Raleigh;

(a) Remove any trees or vegetation;

(b) Erect gates, fences or other structures;

(c) Place any garbage receptacles;

(d) Fill or excavate;

(e) Plant vegetation or otherwise restrict or interfere with the use, maintenance and preservation of said greenway in its natural state, including without limitation, recreational pursuits such as walking, bicycling and other similar activities by the general public.

It is understood and agreed that within this greenway area, the City of Raleigh may erect trails, trail markers, place litter receptacles, and other convenience facilities and adopt and amend regulations concerning the use of the greenway (including without limitation hours of operation), which shall be equally applicable to the general public and the unit owners. The Association and Lot owners may adopt such other regulations governing the use of the greenway, not inconsistent with those adopted by the City and may enter into such agreements with the City of Raleigh as is deemed appropriate to insure the maintenance and upkeep of the greenway in its natural state, free of litter and unsightly debris.

Article XIV
Mortgagee Provisions

The following provisions are for the benefit of holders of first Mortgages on Units in the Properties. The provisions of this Article apply to both this Declaration and to the by-laws, notwithstanding any other provisions contained therein.

Section 1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, therefore becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) any delinquency in the payment of contributions or charges owned on a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of the Declaration or By-Laws relating to such Unit or the Owner or occupant thereof which is not cured within sixty (60) days;

(c) any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) any proposed action which would require the consent of a specified percentage of Eligible Holders.

Section 2. Actions Requiring Approval of Eligible Mortgage Holders. To the extent possible under North Carolina law:

(a) Any restoration or repair of the Properties after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with this Declaration and the original plans and specifications unless the approval is obtained of the Eligible Holders of first Mortgages on Units to which at least fifty-one (51%) percent of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

(b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of Voting Members representing sixty-seven (67%) percent of the total Association vote and the approval of the Eligible Holders of first Mortgages on Units to which at least fifty-one (51%) percent of the votes of Units subject to Mortgages held by such Eligible Holders are allocated.

(c) Any election to terminate the Association under circumstance other than substantial destruction or a substantial taking in condemnation shall require the consent of Voting Members representing at least sixty-seven (67%) percent of the Class "A" votes.

(d) Any material amendment to the Declaration, By-Laws, or Articles of Incorporation of the Association shall require the consent of Voting Members representing at least fifty-one (51%) percent of the votes of Units subject to a Mortgage held by an Eligible Holder are allocated. An amendment which changes the provisions for any of the following shall be considered material:

(i) voting rights;

(ii) contributions, assessment liens, or subordination of such liens;

(iii) reserves for maintenance, repair, and replacement of the Common Area;

(iv) responsibility for maintenance and repair of the Properties;

(v) rights to use the Common Area;

(vi) boundaries of any Unit;

(vii) expansion or contraction of the Properties or the addition annexation, or withdrawal of Properties to or from the Association;

(viii) insurance or fidelity bonds;

(ix) leasing of Units;

(x) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Unit;

(xi) establishment of self-management by the Association where professional management has been required by an Eligible Holder; or

(xii) any provisions included in the Declaration, By-Laws, or Articles of Incorporation which are for the express benefit of holders, guarantors, or insurers of first Mortgages on Units.

Section 3. Additional Requirements. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least sixty-seven (67%) percent of the first Mortgagees or Voting Members representing at least sixty-seven percent (67%) of the total Association vote entitled to be cast thereon consent, the Association shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);

(b) change the method of determining the obligations, contributions, dues, or other charges which may be levied against an Owner of a Unit (A decision, including contracts, by the Board or provisions of any declaration subsequently recorded on any portion of the Properties regarding contributions for Neighborhoods or other similar areas shall not be subject to this provision where such decision or subsequent declaration is otherwise authorized by this Declaration.);

(c) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Units and of the Common Area (The issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision.);

(d) fail to maintain insurance, as required by this Declaration; or

(e) use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

Section 4. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 5. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

Section 6. Amendment by Board. Should the Federal National Mortgage Association of the Federal Home Loan Mortgage Corporation subsequently delete any of their respective

requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

Section 7. Applicability of Article XIV. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or North Carolina law for any of the acts set out in this Article.

Section 8. Failure of Mortgagee to Respond. Any Mortgagee who received a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

Article XV
Association Rights

All rights previously reserved to Declarant in Article XV now rest with the Association.

No Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Association's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions, and restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Association.

The Declarant and its duly authorized agents, representatives, and employees as well as its successors, assigns, licensees and Mortgagees, shall have and there is hereby reserved an easement over the Properties for the purposes of enjoyment, use, access and development of the property described in Exhibit "a" attached hereto and by this reference incorporated herein, whether or not such property is made subject to this Declaration. This easement includes but is not limited to a right of ingress and egress over the Properties for construction of roads and for tying in and installation of utilities on the property described in Exhibit "A".

CERTIFICATION OF VALIDITY OF AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HEDINGHAM

By authority of its Board of Directors, the undersigned hereby certify that the foregoing instrument has been duly approved by the affirmative vote or written consent, or any combination thereof, of Voting Members representing seventy five percent (75%) of the total Class "A" votes in the Association and is, therefore, a valid amendment to the existing Fifth Amendment to Declaration for Hedingham, pursuant to the requirements of Article XIII to the Fifth Amendment to Declaration.

HEDINGHAM COMMUNITYASSOCIATION, INC.

By: _____
President

ATTEST:

_____
Secretary

STATE OF NORTH CAROLINA

ACKNOWLEDGMENT

COUNTY OF WAKE

I, Ashley M Webster, a Notary Public of the County and State aforesaid, certify that Eileen Pinto, personally came before me this day and acknowledged that he/she is Secretary/Assistant Secretary of Hedingham Community Association, a North Carolina non-profit corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and attested by Eileen Pinto as its Secretary/Assistant Secretary.

Witness my hand and official stamp or seal, this 17 day of Dec, 2025

ASHLEY M WEBSTER NOTARY PUBLIC FRANKLIN COUNTY, NC MY COMMISSION EXPIRES 10/03/2026

_____
Notary Public Signature
My commission expires: 10.03.26

Table of Exhibits:

Exhibit A – Master Plan—Hedingham on the Neuse

Exhibit B – Amended and Restated Bylaws

Exhibit C – Neighborhoods

Exhibit A - Master Plan—Hedingham on the Neuse

All land previously subjected to the Fifth Amendment to the Declaration of Covenants, Conditions and Restrictions for Hedingham recorded at book 4677, page 661 of the Wake County Register of Deeds ("the Fifth Amendment") pursuant to, inter alia, the annexation rights of Declarant as set forth previously in Article VIII of the Fifth Amendment, being further described as:

1. All property included in the Declaration of Covenants, Conditions and Restrictions of Hedingham Village Homeowners Association on July 6, 1987, recorded in Book 4058, Page 637, Wake County Registry (the "Original Declaration"), as amended by that document recorded in Book 4069, Page 165, Wake County Registry to include any missing Exhibits;
2. The Additional Property known as Phase 2 of Hedingham, shown in that map recorded in Book of Maps 1987, Page 1516, Wake County Registry, as annexed into the Original Declaration on January 28, 1988, by that document recorded in Book 4191, Page 200, Wake County Registry;
3. The Additional Property known as Phase I of Hedingham, shown in that map recorded in Book of Maps 1989, Page 248, Wake County Registry, as annexed into the Original Declaration on March 3, 1989, by that document recorded in Book 4449, Page 444, Wake County Registry;
4. The Additional Property known as Phase 4 Sections 1 and 2 of Hedingham on the Neuse, shown in that map recorded in Book of Maps 1989, Pages 1269 and 1270, Wake County Registry, as annexed into the Original Declaration on November 1, 1989, by that Supplemental Declaration recorded in Book 4594, Page 937, Wake County Registry;

AND, all land annexed into the Original Declaration after the recording of the Fifth Amendment, being further described as:

1. The Additional Property annexed into the Original Declaration by that Fifth Supplemental Declaration to Covenants, Conditions, and Restrictions for Hedingham (Annexation of Additional Land) recorded November 20, 1991, in Book 5036, Page 703, Wake County Registry;

AND all of the golf course land acquired by Hedingham Community Association in that certain North Carolina Special Warranty Deed recorded June 1, 2023, in Book 19349, Page 385, of the Wake County Register of Deeds.

Exhibit B

(Amended and Restated Bylaws)

AMENDED AND RESTATED BY-LAWS

OF

HEDINGHAM COMMUNITY ASSOCIATION

(REPLACING EXHIBIT "C" TO FIFTH AMENDMENT RECORDED AT BOOK 4677, PAGE 661, WAKE COUNTY REGISTER OF DEEDS)

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THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HEDINGHAM ("Declaration") is adopted on the date hereinafter set forth by the Hedingham Community Association, Inc. ("Association") in conjunction with the Amended and Restated Declaration of Hedingham.

WHEREAS, A&S New Hope Limited Partnership, a North Carolina limited partnership, recorded a Declaration of Covenants, Conditions and Restrictions for Hedingham Village Homeowners Association on July 6, 1987, in Deed Book 4058, Page 637, et seq., Wake County, North Carolina Register of Deeds ("Original Declaration"); which Original Declaration was previously amended by that First Amendment recorded on July 22, 1987, in Deed Book 4069, Page 165, et seq., Wake County, North Carolina Register of Deeds; a Second Amendment was recorded on January 6, 1988, in Deed Book 4181, Page 262, et seq., Wake County, North Carolina Register of Deeds; Additional Property known as Phase 2, Hedingham, Book of Maps 1987, Page 1516, Wake County Registry, was annexed into the Original Declaration on January 28, 1988, in Deed Book 4191, Page 200, et seq., Wake County, North Carolina Register of Deeds; Additional Property known as "Phase One and Two, Hedingham Village, Bristol Park" was annexed into the Original Declaration on March 3, 1989, in Deed Book 4449, Page 444, et seq., Wake County, North Carolina Register of Deeds; a Third Amendment was recorded on October 26, 1989, in Deed Book 4589, Page 1, et seq., Wake County, North Carolina Register of Deeds; a Supplemental Declaration was recorded on November 1, 1989, in Deed Book 4594, Page 937, et seq., Wake County, North Carolina Register of Deeds; a Fourth Amendment was recorded on November 1, 1989 in Deed Book 4594, Page 360, et seq., Wake County Register of Deeds; a Fifth Amendment to Declaration was recorded on March 30, 1990, in Deed Book 4677, Page 661, et seq., Wake County, North Carolina Register of Deeds; a Second Supplement to Declaration was recorded on February 22, 1991 in Deed Book 4868, Page 462, et seq., Wake County Register of Deeds; a Third Supplement to Declaration was recorded on July 26, 1991 in Deed Book 4954, Page 909, et seq., Wake County Register of Deeds; a Fourth Supplement to Declaration was recorded on August 15, 1991 in Deed Book 4975, Page 898, et seq., Wake County Register of Deeds; a Fifth Supplement to Declaration was recorded on November 20, 1991 in Deed Book 5036, Page 703, et seq., Wake County Register of Deeds; a Petition to Subdivide Neighborhoods was recorded on July 25, 2017 in Deed Book 16855, Page 1826, et seq., Wake County Register of Deeds; an Amendment to Second Supplemental Declaration was recorded on July 25, 2017 in Deed Book 16855, Page 1822,

et seq., Wake County Register of Deeds; an Amendment to Declaration recorded on January 19, 2018 in Deed Book 17023, Page 1153, et seq., Wake County Register of Deeds, an amendment to Declaration recorded at book 19422, page 2266 of the Wake County Register of Deeds and amendment to Bylaws recorded at book 19422, page 2274 of the Wake County Registry and a Petition to Subdivide Neighborhoods recorded at book 2025, page 2068, Wake County Registry recorded on September 25, 2025;

WHEREAS, the Original Declaration and all of the aforementioned amendments to the Original Declaration where heretofore recorded with the Wake County Register of Deeds;

WHEREAS, the Hedingham Community Association ("the Association") was incorporated on or about 21 January 1988 with the North Carolina Secretary of State;

WHEREAS, the last restatement of all of the terms, conditions easements and restrictions for the Hedingham community was the Fifth Amendment to Declaration recorded on March 30, 1990, in Deed Book 4677, Page 661, et seq., Wake County, North Carolina Register of Deeds ("Fifth Amendment to Declaration") and various amendments to said Fifth Amendment to Declaration have subsequently been recorded;

WHEREAS, additionally, certain Bylaws originally appended to the Fifth Amendment to Declaration as Exhibit "C" have been amended by that certain Amendment to Bylaws recorded at book 13893, page 2672 of the Wake County Register of Deeds and at book 19422, page 2274 of the Wake County Registry;

WHEREAS, the Voting Members representing seventy five percent (75%) of the total Class "A" votes in the Association, desire to codify, in one (1) comprehensive document, an Amended and Restated Declaration and Amended and Restated Bylaws, for ease of reference; to add clarity to a number of procedural issues in the community; and to update the Fifth Amendment to Declaration and Bylaws to account for changes in the law;

NOW, THEREFORE, the undersigned does hereby declare that the Bylaws of the Association shall be amended as follows:

Article I
Name, Principal Office, and Definitions

Section 1. Name. The name of the Association shall be Hedingham Community Association (hereinafter sometimes referred to as the "Association").

Section 2. Principal Office. The principal office of the Association shall be located in Wake County, generally, the location of the community management company for the Association. The Association may have such other offices, either within or outside Wake County, as the Board of Directors may determine or as the affairs of the Association may require.

Section 3. Definitions. The words used in these Amended and Restated By-Laws shall have the same meaning as set forth in that Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Hedingham (said Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration" or "Amended and Restated Declaration"), unless the context shall prohibit.

Article II
Association: Membership, Meetings, Quorum, Voting, Proxies

Section 1. Membership. The Association shall have one (1) class of membership, Class "A", as more fully set forth in the Amended and Restated Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2. Place of Meetings. Meetings of the Association where Voting Member attend may be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Properties or as convenient thereto as possible and practical. Meetings may also be held virtually pursuant to North Carolina law, including without limitation, N.C.G.S. §55A-7-09. Voting Members may start attending meetings on January 1 of the year following their election or appointment by the Neighborhood under Article III, Section 3 of the Amended and Restated Declaration.

Section 3. Annual Meetings. The first meeting of the Association and its Voting Members, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Meetings shall be of the Voting Members or their alternates only. Subsequent regular annual meetings shall be set by the Board so as to occur at least thirty (30) but not more than one hundred twenty (120) days before the close of the Association's fiscal year on a date and at a time set by the Board of Directors. For purposes of notice of meetings and proxies the Uniform Electronic Transmissions Act, N.C.G.S. §66-311 shall apply. Notices and proxies may be by electronic mail as allowed under N.C.G.S. §47F-3-108, N.C.G.S §55A-1-41, N.C.G.S §55A-1-70 and other applicable statutes.

Section 4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Voting Members representing at least ten percent (10%) of the total Class "A" votes of the Association pursuant to N.C.G.S. §47F-3-108. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes, and any proposal to remove a

director or officer. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. Written, printed or notice by electronic transmission stating the place, day, and hour of any meeting of the Voting Members shall be delivered, either personally, by mail or electronic transmission, to each Voting Member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when required by statute, these By-Laws, or the Declaration, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at his address as it appears on the records of the Association, with postage thereon prepaid. If sent by electronic mail, notice of a meeting shall be deemed to be delivered when sent from the sender.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the Voting Members shall be deemed the equivalent of proper notice. Any Voting Member may, in writing, waive notice of any meeting of the Voting Members, either before or after such meeting. Attendance at a meeting by a Voting Member or alternate shall be deemed waiver by such Voting Member of notice of the time, date, and place thereof, unless such Voting Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 7. Adjournment of Meetings. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person. Notwithstanding any provision to the contrary in the declaration or the bylaws, the quorum requirement at the next meeting shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.

Section 8. Voting. The voting rights of the Members and Recreational Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein. Voting Members shall cast all votes of the Members at meeting of the Association pursuant to Article III of the Amended and Restated Declaration. Each Voting Member shall have one equal vote. In situations where a Voting Member is unavailable or has not been elected or appointed by a Neighborhood, then in that event, where action under the legal documents for the

Association require a certain percentage of Voting Members to approve the action, the percentage may be calculated based on the total number of validly elected or appointed Voting Members then in existence and recognized even though such number may be less than the total number of officially recognized Neighborhoods.

Section 9. Proxies. Voting Members may not vote by person or by proxy.

Section 10. Majority. As used in these By-Laws, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty percent (50%) of the total number of all votes attributable to Units in each Neighborhood.

The Voting Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Voting Members to leave less than a quorum, provided that Voting Members or their alternates representing at least twenty-five percent (25%) of the total Class "A" votes of the Association remain in attendance, and provided further that any action taken is approved by at least a majority of the Members required to constitute a quorum.

Section 11. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by alternate of the Voting Members representing a majority of the total vote of the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting. Except as otherwise provided in these Amended and Restated Bylaws, meetings of the Association shall be conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised.

Section 13. Action Without A Meeting. Any action required by law to be taken at a meeting of the Voting Members, or any action which may be taken at a meeting of the Voting Members, may be taken without a meeting if written consent setting forth the action so taken is signed by all of the Voting Members entitled to vote with respect to the subject matter thereof, and any such consent shall have the same force and effect as a unanimous vote of the Voting Members.

Article III
Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) vote. The directors shall be

Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of an Owner which is a corporation or partnership, the person designated in writing to the secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 2. Nomination of Directors. Except with respect to directors selected by the Class "B" Member, nominations for election to the Board of Directors may be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Voting Members to serve a term of one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled. The Nominating Committee shall nominate separate slates for the directors to be elected at large by all Voting Members,. Nominations for each slate shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Voting Members and to solicit votes.

Section 3. Number of Directors. The number of directors shall be five (5):

Nominations for election to the Board of Directors may be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Members of the Association, with at least one (1) representative from each Voting Group. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Voting Members to serve a term of one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled. The Nominating Committee shall nominate separate slates for the directors to be elected at large by all Voting Members, and for director(s) to be elected at large by and from each Voting Group. Nominations for each slate shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Voting Members and to solicit votes.

Section 4. Election and Term of Office. Notwithstanding any other provision contained herein:

Each Voting Member shall be entitled to cast one (1) vote with respect to each vacancy to be filled from each slate on which such Voting Member is entitled to vote. There shall be no cumulative voting. The candidate(s) receiving the most votes shall be elected. The directors elected by the Voting Members shall hold office until their respective successors have been elected to sere any number of consecutive terms.

Section 5. Removal of Directors and Vacancies. Any director elected by the Voting Members may be removed by the Voting Members pursuant to the procedures set forth in N.C.G.S. §47F-3-103. In the event of the death, disability, or resignation of a director, a vacancy may be declared by the Board, and it may appoint a successor, or the Board may leave the office vacant until the term expires.

B. Meetings.

Section 6. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board. For purposes of Board meetings, the Uniform Electronic Transmissions Act, N.C.G.S. §66-311 shall apply. Notices may be by electronic mail as allowed under N.C.G.S. §47F-3-108, N.C.G.S §55A-1-41, N.C.G.S §55A-1-70 and other applicable statutes.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 8. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any three (3) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (d) by telegram, charges prepaid; (e) or by electronic mail. All such notices shall be given at the director's telephone number or sent to the director's address (electronic or physical) as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal, delivery, telephone, telegraph or electronic mail, shall be sent, delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

Section 9. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 10. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 11. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Voting Members representing a majority of the total Class "A" vote of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 13. Open Meetings. Subject to the provisions of Section 14 of this Article, meetings of the Board shall be held as provided in the Amended and Restated Bylaws. At regular intervals, the executive board meeting shall provide Voting Members an opportunity to attend a portion of a Board meeting and to speak to the Board about their issues or concerns. The Board may place reasonable restrictions on the number of persons who speak on each side of an issue and may place reasonable time restrictions on persons who speak. Notwithstanding the above, the President may, at any time, also adjourn any meeting of the Board of Directors and reconvene in executive session, excluding Voting Members, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc. In addition to the foregoing, the Board may at any time call an executive session of the Board to discuss business without Voting Members present.

Section 14. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

Section 15. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do or cause to be done all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the Voting Members or the membership generally.

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to establish policies relating to, and shall be responsible for performing or causing to be performed, the following, in way of explanation, but not limitation:

(a) preparation and adoption, in accordance with Article X of the Declaration, of annual budgets in which there shall be established the contribution of each Owner to the Common Expenses and Neighborhood Expenses;

(b) making contributions to defray the Common Expenses and Neighborhood Expenses, establishing the means and methods of collecting such contributions, and establishing the period of the installment payment of the annual contribution; provided, unless otherwise determined by the Board of Directors, the annual contribution for each Unit's proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month;

(c) providing for the operation, care, upkeep, and maintenance of all of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, operation, repair, and replacement of its property and the Area of Common Responsibility and, when appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) collecting the contributions, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds

to operate the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) making available to any prospective purchaser of a Unit, any Owner of a Unit, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage of any Unit, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules governing the Unit and all other books, records, and financial statements of the Association;

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties; and

(o) the paying of ad valorem taxes and contributions levied against the Common Area.

Section 16. Management. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth in subparagraphs (a), (b), (f), (g), and (i) of Section 17 of this Article. The Declarant, or affiliate of the Declarant, may be employed as managing agent or manager.

Section 17. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) cash accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(f) commencing at the end of the month in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on a cash basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying any contributions at the time of the report and describing the status of any action to collect such contributions which remain delinquent (any contribution or installment thereof shall be considered to be delinquent on the fifteenth (15th) day following the due date unless otherwise determined by the Board of Director(s); and

(g) an annual report consisting of at least the following shall be distributed to all Members within 75 days after the close of the fiscal year to which the information relates: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited or reviewed basis, as determined by the Board, by an independent public accountant; provided, upon written request of any holder, guarantor or insurer of any first Mortgage on a Unit, the Association shall provide an audited financial statement.

Section 18. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance repair or restoration of the Area of Common Responsibility without the approval of the Voting Members of the Association. The Board shall also have the power to borrow money for other purposes; provided, Board shall obtain Voting Member approval in the same manner provided in Article X, Section 4, of the Declaration for special contributions in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities and the total amount of such borrowing exceeds or would exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year. . Notwithstanding anything to the contrary contained in the Declaration, these By-Laws, or the Articles of Incorporation, no Mortgage lien shall be placed on any portion of the Common Area which subordinates the rights of the Owners and the Association to the Mortgagee.

Section 19. Rights of the Association. With respect to the Area of Common Responsibility, and in accordance with the Articles of Incorporation and the Declaration, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Neighborhood and other owners or residents associations, both within and without the Properties. Such agreements shall require the consent of a majority of all directors of the Association.

Article IV
Officers

Section 1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Voting Members, as herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

Article V
Committees

Section 1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules

adopted by the Board of Directors. All members of a committee, standing or otherwise, shall sign and comply with a Committee Member's Code of Conduct, which shall contain the policies, rules and procedures for committee members and committees and may be amended, revised or replaced from time to time by the Board. An Owner refusing to sign the Code of Conduct shall not be eligible to serve on any committee.

Section 2. Covenants Committee. In addition to any other committees which may be established by the Board pursuant to Section 1 of this Article, the Board of Directors may appoint a Covenants Committee consisting of at least five (5) and no more than seven (7) members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Article III, Section 22 of these By-Laws.

Section 3. Neighborhood Committees. In addition to any other committees appointed as provided above, there shall be a Neighborhood Committee for each Neighborhood which has no formal organizational structure or association. Such Neighborhood Committees shall consist of three (3) members; provided, however, by vote of at least fifty-one percent (51%) of the Owners within the Neighborhood this number may be increased to five (5).

The member of each Neighborhood Committee shall be elected by the vote of Owners of Units within that Neighborhood as follows: The odd numbered Districts on odd years and the even numbered Districts on even years shall, by the United States Postal Service, or electronic mail, notify every homeowner within the specified Neighborhood District that elections are about to be held and that anyone interested in becoming a candidate for their Neighborhood Committee fill out and return a candidate questionnaire to the HCA. Once received by the HCA the questionnaires along with a ballot will then be sent to all Owners of Units within that Neighborhood District. The Owners of the Units will submit their votes by return mail or deposited in a district box provided by the HCA at such designated location noted on the Ballot, or by electronic mail to the management company as instructed by the Board, or on any other electronic balloting program used by the then management company to facilitate elections of the Neighborhood Committees. This will represent the complete voting process and the votes will then be tallied and candidates notified and winners will be posted on the community website. Elected Committee Members shall then serve two (2) years or until their successors are elected. Any director elected to the Board of Directors from a Neighborhood Committee shall be an officio member of the Committee. It shall be the responsibility of the Neighborhood Committee to determine the nature and extent of services, if any, to be provided to the Neighborhood by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A Neighborhood Committee may advise the Board on any other issue, but shall not have the authority to bind the Board of Directors..

In the conduct of its duties and responsibilities, each Neighborhood Committee shall abide by the procedures and requirements applicable to the Board of Directors set forth in Article III,

Sections 8, 9, 10, 11, 12, 13, 14, 15, and 16, of these By-Laws; provided, however, the term "Voting Members" shall refer to the Owners of Units within the Neighborhood. Each Neighborhood Committee shall select a chairman from among its members who shall preside at its meetings and who shall be responsible for transmitting any and all communications to the Board of Directors and shall be the Voting Member from that Neighborhood.

Section 4. Removal. Any committee member, including without limitation a Neighborhood Committee member, may be summarily removed from a committee at any time for any reason, with cause, by majority vote of the Board. Violations of the Code of Conduct shall be grounds for immediate removal of a committee member by the Board. In addition to the foregoing, any Voting Member may be summarily removed as a Voting Member for a violation of the Code of Conduct by the Board of Directors.

Article VI
Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors. In the absence of a resolution, the fiscal year shall be the calendar year.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with North Carolina law, the Articles of Incorporation, the Declaration, or these By-Laws.

Section 3. Conflicts. If there are conflicts between the provisions of North Carolina law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of North Carolina law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

Section 4. Books and Records.

(a) Inspection by Members and Mortgagees. The Declaration, By-Laws, and Articles of Incorporation, any amendments to the foregoing, the rules and regulations of the Association, the membership register (if otherwise subject to review pursuant to N.C.G.S. §55A-16-01 *et seq.*), balance sheet, income and expense statements and the minutes of meetings of the Members, the Board (if otherwise subject to review pursuant to N.C.G.S. §55A-16-01 *et seq.*), and committees shall be made available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Unit, Member of the Association, or by the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in the Unit at the office of the Association or at such other place within the Properties as the Board shall prescribe.

(b) Rules for Inspection. In addition to the procedures and limitations to access to records set forth in N.C.G.S. §55A-16-01 *et seq.* and N.C.G.S. §47F-3-118, the Board shall establish reasonable rules with respect to:

(i) notice to be given to the custodian of the records;

(ii) hours and days of the week when such an inspection may be made; and

(iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right of any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

Section 5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing or sent by electronic mail and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to a Member or Voting Member, at the address (including electronic mail address) which the Member or Voting Member has designated and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member or Voting Member. All Owners consent to conducting business by electronic means pursuant to the Uniform Electronic Transactions Act, N.C.G.S. §66-311 *et eq.* ; or

(b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6. Amendment. Prior to the conveyance of the first Unit, Declarant may unilaterally amend these By-Laws. After such conveyance, the Declarant may unilaterally amend these By-Laws at any time and from time to time if such amendment is (a) necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule or regulation, or judicial determination; (b) necessary to enable any reputable title insurance company to issue title

insurance coverage on the Units; (c) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Units; or (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Units; provided, however, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing.

Thereafter and otherwise, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Voting Members representing sixty-seven percent (67%) of the total Class "A" votes in the Association. In addition, the approval requirements set forth in Article XIV of the Declaration shall be met, if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the public records of Wake County, North Carolina.

If an Owner consents to any amendment to the Declaration or these By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

CERTIFICATION OF VALIDITY OF AMENDED AND RESTATED BYLAWS FOR HEDINGHAM COMMUNITY ASSOCIATION

By authority of its Board of Directors, the undersigned hereby certify that the foregoing instrument has been duly approved by the affirmative vote or written consent, or any combination thereof, of Voting Members representing seventy five percent (75%) of the total Class "A" votes in the Association and is, therefore, a valid amendment to the existing Bylaws for Hedingham, pursuant to the requirements of Article VI of the Bylaws appended to the Fifth Amendment to Declaration.

HEDINGHAM COMMUNITY ASSOCIATION

By: Tiffani Bylow
President

ATTEST:
Eileen Pinto
Secretary

STATE OF NORTH CAROLINA

ACKNOWLEDGMENT

COUNTY OF WAKE

I Ashley M Webster, a Notary Public of the County and State aforesaid, certify that Tiffani Bylow, personally came before me this day and acknowledged that he/she is Secretary/Assistant Secretary of Hedingham Community Association, Inc. a North Carolina non-profit corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and attested by Eileen Pinto as its Secretary/Assistant Secretary.

Witness my hand and official stamp or seal, this 17 day of Dec, 2025.

Ashley M Webster
Notary Public
My commission expires: 10.03.26

ASHLEY M WEBSTER NOTARY PUBLIC FRANKLIN COUNTY, NC MY COMMISSION EXPIRES 10/03/2026

Exhibit C – Neighborhoods

District 1 = Bristol Park, Whitethorne

District 2 = Bristol Park, Northmoore

District 3 = Royal Birkdale, Huntingdale, Kingston Heath

District 4 = Firestone, Long Point

District 5 = Somerset Hills

District 6 = Castle Pines

District 7 = Spyglass Hills

District 8 = Pumpkin Ridge

District 9 = Thornblade

District 10 = Blackwolf Run 1

District 11 = Blackwolf Run 2

District 12 = Oakland Hills

District 13 = Osprey Cove