

BY-LAWS
OF
GOLDER'S GREEN TOWNHOME ASSOCIATION, INC.

ARTICLE I
DEFINITIONS - GENERAL

Capitalized words and phrases used in these By-Laws have the following meanings:

1.1. "Association" means Golder's Green Townhome Association, Inc., its successors and assigns.

1.2. "Classes of Membership". The Association shall have two classes of voting membership:

Class A: Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. Declarant may, however, be a Class A Member upon the termination of Class B membership. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote of such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any Lot. Fractional voting shall be prohibited.

Class B: The Class B Member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon either of the following events, whichever occurs first:

A. When the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership, but provided that the Class B membership shall be reinstated if thereafter and before the time stated in subparagraph (b) below, additional lands are annexed to the Property without the assent of Class A Members for the development of such additional lands by the Declarant, as provided in the Declaration; or

B. On December 31, 2005; or

C. Upon the surrender of all Class B memberships by the holder thereof or cancellation by the Association.

1.3. "Common Area" means all real property and amenities, if any, owned by the Association for the common use and enjoyment of the Owners.

1.4. "Declarant" means Homes By Huff & Co., Inc., its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development or if such successors or assigns should acquire more than one Lot, whether developed or undeveloped, pursuant to foreclosure or a deed in lieu of foreclosure.

1.5. "Declaration" means the Declaration of Covenants, Conditions and Restrictions applicable to the Property recorded in the Office of the Register of Deeds, Durham County, North Carolina, and all amendments thereto.

1.6. "Haddon Hall Association" means the Haddon Hall Community Association, Inc., its successors and assigns.

1.7. "Haddon Hall Declaration" means the Declaration of Covenants of Haddon Hall, recorded in Book 6495, Page 232, Wake County Registry, as amended.

1.8. "Lot" means any plot of land containing a single townhome shown upon any recorded subdivision map of the Property with the exception of the Common Area.

1.9. "Member" means every person or entity who holds membership in the Association.

1.10. "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

1.11. "Property" means certain real property described in the Declaration of Covenants, Conditions, and Restrictions for Golder's Green Townhomes being within the Association's jurisdiction, and such additions brought within the jurisdiction of the Association.

ARTICLE II OFFICES

2.1. Principal Office. The principal office of the Association shall be located at P. O. Box 12033, Durham, North Carolina 27709-2033.

2.2. Registered Office. The registered office of the Association required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

2.3. Other Offices. The Association may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may designate or as the affairs of the Association may require from time to time.

ARTICLE III MEMBERSHIP

3.1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject to the Declaration, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to the Declaration. Ownership of such Lot shall be the sole qualification for membership. As evidence of each Owner's membership, the Association may require each Owner to furnish a photocopy of the page(s) of his deed(s) which contains the name of the Member and the Lot(s) owned by such Member.

3.2. Suspension. The Board of Directors may suspend a Member's voting rights and/or his rights (including his family's, guests', etc.) to use the recreation facilities during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may

also- be suspended after notice and hearing, for a period not to exceed one hundred twenty (120) days, for infraction of published rules and regulations; provided, however, that if said infraction is continuing in nature, said suspension may be enforced until such infraction is cured.

ARTICLE IV MEETINGS OF MEMBERS

4.1. Place of Meetings. All meetings of Members shall be held at the principal office of the Association, or at such other place, either within Wake County, State of North Carolina, as shall be designated on the notice of the meeting or agreed upon by a majority of the votes of the Members entitled to vote thereat.

4.2. Annual Meetings. The annual meeting of Members for the election of directors and the transaction of other business shall be held at such time and at such place as determined by the Board of Directors.

4.3. Substitute Annual Meeting. If the annual meeting shall not be held on the day designated by these By-Laws, a substitute annual meeting may be called in accordance with the provisions of Section 4.4 of this Article IV. A meeting so called shall be designated and treated for all purposes as the annual meeting.

4.4. Special Meeting. Special meetings of the Members may be called at any time by the President, Secretary, or Board of Directors of the Association, or by any Member pursuant to the written request of the holders of not less than one-fourth of all Class A votes or Class B votes, if any, entitled to vote at the meeting.

4.5. Notice of Meetings. Written or printed notice stating the time and place of the meeting shall be delivered not less than ten nor more than fifty days before the date of any Members' meeting, either personally or by mail, by or at the direction of the President, the Secretary, or other person calling the meeting, to each Member of record entitled to vote at such meeting; provided that such notice must be given not less than twenty days before the date of any meeting at which a merger, dissolution or consolidation is to be considered. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at his address as it appears on the record of Members of the Association, with postage thereon prepaid.

In the case of a special meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called; but, in the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted thereat unless such a statement is required by the provisions of Chapter 55A of the North Carolina General Statutes.

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

4.6. Voting Lists. At least ten days before each meeting of Members the Secretary of the Association shall prepare an alphabetical list of the Members entitled to vote at such meeting or any

adjournment thereof, with the address of and number of votes held by each, which list shall be kept on file at the registered office of the Association for a period of ten days prior to such meeting, and shall be subject to inspection by any Member at any time during the usual business hours. This list shall be produced and kept open at the time and place of the meeting and shall be subject to inspection by any Member during the whole time of the meeting.

4.7. Quorum. One-tenth (1/10) of the votes of each class of the Association entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Members, except that at a substitute annual meeting of Members the number of votes there represented either in person or by proxy, even though less than the quorum required above, shall constitute a quorum for the purpose of such meeting.

The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

In the absence of a quorum at the opening of any meeting of Members, such meeting may be adjourned from time to time by a vote of the majority of the votes voting on the motion to adjourn; and at any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting.

4.8. Proxies. Votes may be voted either in person or by one or more agents authorized by a written proxy executed by the Member or by his duly authorized attorney in fact. No Member shall be entitled to vote more than one proxy at any one meeting. A proxy is not valid after the expiration of eleven months from the date of its execution, unless the person executing it specifies therein the length of time for which it is to continue in force, or limits its use to a particular meeting, but no proxy shall be valid after ten years from the date of its execution.

4.9. Voting. The vote of a majority of the votes on any matter present at a meeting of Members at which a quorum is present, regardless of class, shall be the act of the Members on that matter, unless the vote of a greater number is required by law or by the charter, Declaration or by-laws of this Association.

4.10. Informal Action. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting, and filed with the Secretary of the Association to be kept as part of the Association's records.

4.11. Presiding Officer. The President of the Association, or in the absence of the President, the Vice-President shall preside at all meetings of the Members and the Secretary of the Association shall act as the Secretary thereof. In the absence of the Secretary, the President shall designate some other person to act as the Secretary of the meeting. In the absence of both the President and the Vice-President, the Members present at the meeting shall elect a Presiding Officer for such meeting.

4.12. Order of Business. The order of business at the annual meeting and at any special meeting of the Members shall be as follows:

(a) The calling of the meeting to order;

- (b) The calling of the roll;
- (c) The announcement by the Presiding Officer of the purpose of the meeting and of the nature of the business which may be presented by it;
- (d) The reading and approval of the minutes of any former meeting of the Members, the Minutes of which have not been previously read and approved;
- (e) The presentation of and action, if required, upon reports of officers and committees;
- (f) Unfinished business;
- (g) New business, including the election of directors for the forthcoming year if the meeting be an annual meeting; and
- (h) Adjournment.

ARTICLE V BOARD OF DIRECTORS

5.1. Number, Term and Qualification. The number of directors constituting the Board of Directors shall be not less than three (3) nor more than nine (9) as may be fixed by resolution duly adopted by the Members or by the Board of Directors prior to the annual meeting at which such directors are to be elected; and, in the absence of such a resolution, the number of directors shall be the number elected at the preceding annual meeting. Any directorships not filled by the Members shall be treated as vacancies to be filled by and in the discretion of the Board of Directors.

Each director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor shall have been elected and qualified. Directors need not be residents of the State of North Carolina or Members of the Association.

5.2. Nomination. Nomination for election to the Board of Directors shall be made by the Board of Directors. Nominating may also be made from the floor at the annual meeting. The Board of Directors shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members.

5.3. Election of Directors. Except as provided in Section 5 of this Article IV, the directors shall be elected at the annual meeting of Members; and those persons who receive the highest number of votes shall be deemed to have been elected. If any Member so demands, the election of directors shall be by ballot. Cumulative voting is not permitted.

5.4. Removal. Any director may be removed at any time with or without cause by a vote of the Members holding a majority of the outstanding votes entitled to vote at an election of directors. If any directors are so removed, new directors may be elected at the same meeting.

5.5. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative

vote of a majority of the remaining directors even though less than a quorum, or by the sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the authorized number of directors shall be filled only by election at an annual meeting or at a special meeting of Members called for that purpose.

5.6. Chairman of Board. There may be a Chairman of the Board of Directors elected by the directors from their number at any meeting of the Board. The Chairman shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board.

5.7. Compensation. The Board of Directors may not compensate directors for their services as such, but may provide for the payment of any or all expenses incurred by directors in attending regular and special meetings of the Board or in performing his duties.

ARTICLE VI MEETINGS OF DIRECTORS

6.1. Regular Meetings. A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of Members. In addition, the Board of Directors may provide, by resolution, the time and place, either within or without the State of North Carolina, for the holding of additional regular meetings.

6.2. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. Such a meeting may be held either within or without the State of North Carolina, as fixed by the person or persons calling the meeting.

6.3. Notice of Meetings. Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of the Board of Directors shall, at least three (3) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

6.4. Waiver of Notice. Any director may waive notice of any meeting. The attendance by a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

6.5. Quorum. A majority of the number of directors fixed by these by-laws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

6.6. Manner of Acting. Except as otherwise provided in these by-laws, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

6.7. Presumption of Assent. A director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation

immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

6.8. Informal Action by Directors. Action taken by a majority of the directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

6.9. Committees of the Board. The Board of Directors, by resolution adopted by a majority of the number of directors fixed by these by-laws, shall designate three or more directors to constitute an Architectural Committee as provided in the Declaration and may appoint other committees as it deems appropriate. The designation of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility or liability imposed upon it or him by law.

ARTICLE VII POWERS/DUTIES OF BOARD OF DIRECTORS

7.1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend a Member's voting rights and right to use of the recreational facilities as provided elsewhere;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

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

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties. Until such time as all Class B memberships shall cease, the Association shall not enter into any lease or contract (including management contracts) unless there is a right of termination of any such lease or contract, without cause, which is exercisable without penalty upon not more than ninety (90) days' notice to the other party.

7.2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;

(b) supervise all officers, agents, and employees of this Association, and to see that their duties

are properly performed;

(c) as more fully provided in the Declaration to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least fifteen (15) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

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

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) pay ad valorem taxes and public assessments levied against the Common Area;

(g) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(h) cause the Common Area and the improvements to the Common Area to be maintained; and

(i) direct and supervise the affairs of the Association and require the Association to fulfill all of its obligations and duties set forth in the Declaration.

ARTICLE VIII OFFICERS

8.1. Officers. The officers of the Association shall consist of a President, a Secretary, a Treasurer and such Vice-Presidents, Assistant Secretaries, Assistant Treasurers, and other officers as the Board of Directors may from time to time elect. Any two or more offices may be held by the same person, but no officer may act in more than one capacity where action of two or more officers is required.

8.2. Election, Term and Qualification. The officers shall be elected by the Board of Directors and each officer shall hold office until his death, resignation, retirement, removal, disqualification or his successor shall have been elected and qualified. Only members of the Board of Directors shall serve in the capacity of President and Vice-President. Other officers need not be directors or Members of the Association.

8.3. Compensation of Officers. The Board of Directors shall fix the compensation of officers; however, in no event shall Members of the Association be compensated for serving as an officer except

to the extent necessary to reimburse said officer for expenses incurred in performing his duties on behalf of the Association.

8.4. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby; but such removal shall be without prejudice to the contract rights, if any, of the persons so removed.

8.5. Bonds. The Board of Directors may by resolution require an officer, agent, or employee of the Association to give bond to the Association, with sufficient sureties, conditioned on the faithful performance of the duties of his respective office or position, and to comply with such other conditions as may from time to time be required by the Board of Directors.

8.6. President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the Members. He shall sign, with the Secretary, an Assistant Secretary, or any other proper officer, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

8.7. Vice-Presidents. In the absence of the president or in the event of his death, inability or refusal to act, the Vice-Presidents in the order of their length of service as Vice-Presidents, unless otherwise determined by the Board of Directors, shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President shall perform such other duties as from time to time may be assigned to him by the President or Board of Directors.

8.8. Secretary. The Secretary shall: (a) keep the minutes of the meetings of Members, of the Board of Directors and of all Committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the Association records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; (d) keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member; (e) keep or cause to be kept a record of the Association's Members, giving the names and addresses of all Members and the number of votes held by and addresses of all Members and the number of votes held by each, and prepare or cause to be prepared voting lists prior to each meeting of Members as required by law; and (f) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

8.9. Assistant Secretaries. In the absence of the Secretary or in the event of his death, inability or refusal to act, the Assistant Secretaries in the order of their length of service as Assistant Secretary, unless otherwise determined by the Board of Directors, shall perform the duties of the Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary. They

shall perform such other duties as may be assigned to them by the Secretary, by the President, or by the Board of Directors.

8.10. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such depositories as shall be selected; (b) prepare, or cause to be prepared, a true statement of the Association's assets and liabilities as of the close of each fiscal year, all in reasonable detail, which statement shall be made and filed at - the Association's registered office or principal place of business in the State of North Carolina within four months after the end of such fiscal year and there kept for a period of at least ten years; (c) cause, at the direction of the Board of Directors, an independent annual audit be made of the books and records of the association; (d) issue, at the direction of the Board of Directors, certificates as to whether assessments on a specified lot have been paid; and (e) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors, or by these By-Laws.

ARTICLE IX MEMBERSHIP REGISTER

9.1. For the purpose of determining members of the Association entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or in order to make a determination of Members for any other proper purpose, the Board of Directors may provide that the membership register shall be closed for a stated period but not to exceed, in any case, fifty (50) days. If the membership register shall be closed for the purposes of determining members entitled to notice of or to vote at a meeting of Members, such books shall be closed for at least ten (10) days immediately preceding such meeting.

9.2. In lieu of closing the membership register, the Board of Directors may fix in advance a date as the record date for any such determination of Members, such record date in any case to be not more than fifty (50) days and, in case of a meeting of Members, not less than ten (10) days immediately preceding the date on which the particular action, requiring such determination of Members is to be taken.

9.3. If the membership register is not closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, the date on which notice of the meeting is mailed shall be the record date for such determination of Members.

9.4. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof except where the determination has been made through the closing of the membership register and the stated period of closing has expired.

ARTICLE X GENERAL PROVISIONS

10.1. Books & Records. The books, records and papers of the Association shall at all times,

during reasonable business hours, be subject to inspection by any Member, his agent or attorney, for any proper purpose. The Declaration, the Articles of Incorporation and the By-Laws of the Association and the financial statements for the Association for the immediately preceding fiscal year shall be available for inspection by any Member and any first mortgage holders, their insurers or guarantors, at the principal office of the Association, where copies may be purchased at reasonable cost.

10.2. Seal. The seal of the Association shall consist of two concentric circles between which is the name of the Association and in the center of which is inscribed SEAL; and such seal, as impressed on the margin hereof, is hereby adopted as the Association's seal.

10.3. Waiver of Notice. Whenever any notice is required to be given to any Member or director by law, by the charter, declaration or by these by-laws, a waiver thereof in writing signed by the person or persons entitled to such notice whether before or after the time stated therein, shall be equivalent to the giving of such notice.

10.4. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

10.5. Amendments.

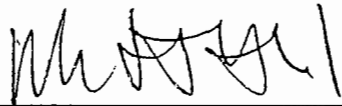
10.5.1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

10.5.2. Notwithstanding any provision in this instrument to the contrary, as long as the Declarant controls the Association and if the Property has been approved by the Veterans Administration and the Federal Housing Administration for loans guaranteed by the Veterans Administration or the Federal Housing Administration (but not otherwise), any amendment of these By-Laws will require the prior approval of the Federal Housing Administration or the Veterans Administration.

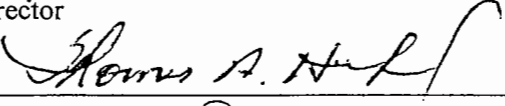
10.6. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration or Haddon Hall Declaration and these By-Laws, the Declarations shall control.

Adopted this 17 day of September, 1997, by the undersigned Directors.

GOLDER'S GREEN TOWNHOME ASSOCIATION, INC.



Director



Director



Director

PRESENTED
FOR
REGISTRATION

PREPARED BY AND MAIL TO
Burns, Day & Presnell, P. A.
P. O. Box 10867, Raleigh, NC 27605

000552

97 SEP 17 PM 3:59

NORTH CAROLINA

DECLARATION OF COVENANTS, CONDITIONS

WAKE COUNTY

AND RESTRICTIONS
GOLDER'S GREEN TOWNHOMES UNIT

THIS DECLARATION, made on this 17th day of September, 1997, by **HOMES BY HUFF & CO., INC.**, a North Carolina corporation, hereinafter referred to as the "Declarant;"

WITNESSETH: THAT WHEREAS, the Declarant is the owner of certain property lying within Wake County, North Carolina, more particularly described as **Golder's Green Townhomes Phase 1, Section 1A**, as shown on a map recorded in Book of Maps 1997, Page 1532, Wake County Registry, and more particularly described as:

Beginning at a Control Corner in the southern right of way line of Haywards Heath Lane, said Control Corner having NC Grid Coordinates of N=725004.85 and E=2040395.94, running thence along said right of way along a curve a distance of 518.10 feet, having a radius of 1280.99, a bearing of N 83 deg. 04' 20" E and with a chord distance of 514.57 feet to a point; thence S 85 deg. 20' 28" E 174.78 feet to a point; thence leaving said right of way S 45 deg. 46' 04" W 26.27 feet to a point; thence S 03 deg. 07' 28" E 49.11 feet to a point; thence S 30 deg. 54' 49" E 83.01 feet to a point; thence S 46 deg. 37' 38" W 211.70 feet to a point; thence N 81 deg. 32' 43" W 128.71 feet to a point; thence N 46 deg. 52' 41" W 50.95 feet to a point; thence S 72 deg. 22' 39" W 59.53 feet to a point; thence S 34 deg. 06' 30" W 8.83 feet to a point; thence N 55 deg. 53' 42" W 116.95 feet to a point; thence N 34 deg. 24' 02" W 161.86 feet to the point and place of Beginning, and being all of Golder's Green, Phase 1, Section 1A, as shown on map recorded in Book of Maps 1997, Page 1532, Wake County Registry, but not including the areas shown as "Future Development"; and

WHEREAS, said property is subject to a **Declaration of Covenants of Haddon Hall**, recorded in Book 6495, Page 232, Wake County Registry, (referred to herein as the "**Haddon Hall Declaration**").

WHEREAS, Declarant will convey the said properties, subject to certain protective covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth;

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, as well as to the Haddon Hall Declaration, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the real property. These easements, covenants, restrictions, and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described properties or any part thereof, and shall inure to the benefit of each owner thereof.

52.00

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1. DEFINITIONS

1.1. **"Additional Properties"** shall mean all or any portion of the real property which may be annexed to this Declaration.

1.2. **"Amenities"** means the facilities, if any, constructed, erected or installed on the Common areas.

1.3. **"Association"** shall mean Golder's Green Townhome Association, Inc.

1.4. **"Board of Directors"** or "Board" mean those persons elected or appointed and acting collectively as the Directors of the Association.

1.5. **"Building"** means a multi-unit residential structure, constructed or erected on the Property.

1.6. **"Common area"** shall mean all real property owned by the Association and the easements granted thereto for the common use and enjoyment of the Owners. The Common area to be owned by the Association shall be described in deeds to the Association and designated as such on each recorded map of the Property. Common areas include, but are not limited to private streets, storm drainage facilities and open space areas.

1.7. **"Common Expenses"** means:

- (a) All sums lawfully assessed by the Association against its members;
- (b) Expenses of administration, maintenance, repair or replacement of the Common area;
- (c) Expenses declared to be common expenses by the provisions of this Declaration or the Bylaws;
- (d) Expenses agreed by the members to be Common Expenses of the Association;
- (e) Expenses for maintenance of the townhomes private streets and storm drainage facilities located outside of public streets rights of way, if any, as provided in this Declaration;
- (f) Hazard, liability or such other insurance premiums as the Declaration or the Bylaws may require the Association to purchase;
- (g) Ad valorem taxes and public assessment charges lawfully levied against Common areas; and,
- (h) Unpaid assessments resulting from the purchase of a townhome at a foreclosure sale (such assessment shall be collectible from all members of the Association, including the purchaser at the foreclosure sale, his successors and assigns).

1.8. **"Declarant"** shall mean and refer to **Homes By Huff & Co., Inc.**, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant

for the purpose of development or if such successors or assigns should acquire more than one Lot, whether developed or undeveloped, pursuant to foreclosure or a deed in lieu of foreclosure.

1.9. **"Declaration"** means this Declaration of Covenants, Conditions and Restrictions.

1.10. **"Haddon Hall Association"** means Haddon Hall Community Association, Inc., its successors and assigns.

1.11. **"Haddon Hall Declaration"** means the **Declaration of Covenants of Haddon Hall, recorded in Book 6495, Page 232, Wake County Registry, as amended.**

1.12. **"Lot"** shall mean and refer to any plot of land containing a single townhome described by a metes and bounds description shown upon any recorded subdivision map of the Property with the exception of the Common area.

1.13. **"Lot in Use"** shall mean any Lot owned by any person other than Declarant and as to those Lots owned by Declarant, any Lot on which a dwelling unit has been fully constructed and for which a certificate of occupancy has been issued by the appropriate governmental agency. In no event shall it mean a Lot owned by the Declarant on which no dwelling unit has been constructed.

1.14. **"Member"** shall mean and refer to every person or entity who holds membership in the Association. There shall be two classes of voting membership in the Association.

A. "Class A Members" shall be all those Owners as defined in Article III herein, with the exception of the Declarant. Declarant may, however, be a Class A member upon termination of Class B membership.

B. "Class B Member" shall be the Declarant as defined herein.

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

1.16. **"Person"** means any individual, corporation, partnership, association, trustee, or other legal entity.

1.17. **"Property"** shall mean and refer to that certain real property described in **Exhibit A** attached hereto and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

1.18. **"Townhome"** means a dwelling or place of residence constructed upon a Lot within the Property and constituting a part of a Building.

2. **PROPERTY RIGHTS.**

2.1. **Title to Common Area:** The Declarant shall convey fee simple title in the Common Area to the Association, subject to these Protective Covenants, current and subsequent years ad valorem

taxes, and rights-of-way, restrictive covenants and easements of record. Conveyance of title to the Common Area to the Association shall be done promptly after the recording of the plat reflecting that particular Common Area and, in any event, prior to the sale by the Declarant of the first Lot included in that plat.

2.2. **Owners' Easement of Enjoyment:** Every Owner shall have a right and easement of use and enjoyment in and to the Common Area (the "Owners' Easement"), including specifically an easement for access, ingress and egress from and to public streets, common parking, private streets and walkways. The Owners' Easement shall be appurtenant to and shall pass with the title to every Lot subject to the following provisions:

A. **Dedication and Transfer of Common Area:** Subject to all applicable governmental ordinances, the Association's right to dedicate or transfer fee simple title to all or any part of the Common Area to any public agency, authority, utility, or non-profit corporation. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each Class of Members agreeing to the dedication or transfer has been recorded, in the appropriate County Registry. Any dedication or transfer shall be made subject to that portion of the Owners' Easement providing for access, ingress and egress to public streets, parking, private streets and walkways.

B. **Borrowing for Improvements:** The Association's right, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and facilities and to mortgage those properties to secure those borrowings; provided the mortgage is subordinate to the Owners' Easement as described in this Section 2.2.

C. **Rules and Regulations.** The Association's right to impose and enforce rules and regulations which may restrict the use and enjoyment of the Common Areas and/or Amenities.

D. **Additional Easements.** The Association, Declarant shall have the authority to grant and/or establish upon, over, under and across the Common Areas further easements (including, but not limited to those provided in these Protective Covenants) as are required for the convenient use and enjoyment of the Property.

E. **Admission and Other Fees:** Subject to all applicable governmental ordinances, the right of the Association to charge reasonable admission and other fees for the use of any Amenities.

F. **Suspension of Use of Common Area:** The right of the Association to suspend the voting rights and the right to use any Amenities by any Owner, his family, guests, etc., for any period during which any assessment against his Lot remains unpaid. The right to use any recreational facilities may also be suspended for a period, not to exceed one hundred twenty (120) days, for the infraction of its published rules and regulations; provided; however, that if the infraction is continuing in nature, the suspension may be enforced until such infraction is cured.

2.3. **Parking Rights.** Each Owner and its guests, in common with the other Owners and their guests, shall be entitled to the non-exclusive use of the automobile parking space(s) located within

the Common Areas, together with the right of ingress and egress in and to those parking space(s). The Declarant or Association reserves the right to permanently assign parking spaces for each Townhome. Subject to all applicable governmental ordinances, for so long as it holds Class B Membership, Declarant reserves the right to establish additional Areas of parking within the Common Areas as Declarant, in its discretion, may determine are needed.

2.4. **Delegation of Use:** Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to his members of his family and tenants who reside at his Lot and to his guests.

3. MEMBERSHIP AND VOTING RIGHTS.

3.1. Ownership of a Lot shall be the sole qualification for membership in the Association. The Association's Board may make reasonable rules relating to the proof of ownership of a Lot. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

3.2. The Association shall have two classes of voting membership:

(a) Class A Members shall be all Owners with the exception of the Declarant. Declarant may, however, be a Class A member upon the termination of Class B membership. Class A members shall be entitled to one (1) vote for each Lot owned. When more than one Person holds an interest in any one Lot, all such Persons shall be Members. The vote of that Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Lot. Fractional voting is prohibited.

(b) The Class B Member shall be the Declarant. Class B Members shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the earlier of:

(i) the date the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; provided that the Class B membership shall be reinstated with all rights, privileges, responsibilities and voting power if, after conversion of the Class B membership to Class A membership, additional lands are annexed to the Property by the Declarant as provided in the Declaration; or

(ii) December 31, 2005; or

(iii) the effective date of the Declarant's written consent to termination.

3.3. **Membership in Haddon Hall Association.** Owners of Lots shall be members in the Haddon Hall Association.

4. ANNEXATION OF ADDITIONAL PROPERTIES.

4.1. **Annexation by Members:** Except as provided in 4.2, Additional Properties may be added and annexed to the Property only if two-thirds (2/3) of each class of all the votes entitled to be cast in such class by Members are cast in favor of annexation.

4.2. **Annexation by Declarant**: Prior to December 31, 2005, the Declarant may, from time to time, annex Additional Properties to the Property without the consent of the Members, if the Declarant should develop an additional tract or tracts of land consisting of any property contiguous to the Property. The annexation will be accomplished by recording with the appropriate Register of Deeds a Declaration of Annexation, duly executed by Declarant, describing the lands annexed and incorporating the provisions of this Declaration. No other action or consent shall be necessary. Subsequent to recordation of the Declaration of Annexation, the Declarant shall deliver to the Association one or more deeds conveying any property that will be designated as Common Area within the Additional Properties as such designated property is developed. Title to these Common Areas shall be conveyed subject to the same exceptions noted in Section 2.1. Upon annexation, the Additional Properties shall be deemed part of the Property and shall be subject to this Declaration.

4.3. **Reserved Declarant Rights**. Subject to all applicable governmental ordinances, as long as Class B membership exists, the Declarant reserves the following development rights: (i) to add real estate to the Property in accordance with Section 4.2 of this Declaration; (ii) to add Common Areas; (iii) to reallocate Lots within the Property; and (iv) prior to a conveyance of that real estate to an Owner, to withdraw real estate from the Property.

5. COVENANT FOR ASSESSMENTS.

5.1. **Lien of Assessments**:

5.1.1. The Declarant, for each Lot, covenants, and each Owner of any Lot by acceptance of a deed therefore (whether or not it shall be so expressed in such deed) is deemed to covenant and agree to pay the Association Annual Assessments, Special Assessments, and Initial Assessment, all as described below, (together the "Assessments"). The Association shall also have the authority, through the Association's Board, to establish, fix and levy an individual assessment on any Lot to secure the liability of that Owner to the Association arising from Owner's breach of any of the provisions of this Declaration.

5.1.2. The Assessments shall be set on a calendar year basis (the "Annual Assessment Period") by the Association's Board and may be collected on a monthly or yearly basis as determined by the Association's Board. Annual Assessments shall be charged to each Owner of a Lot in Use. Special Assessments shall be charged to each Lot without regard as to whether or not it is a Lot in Use. Assessments, together with interest thereon and the costs of collection (including reasonable attorney fees), shall be a lien on the applicable Lot from the due date for the Assessment as set by the Association's Board, continuing until paid in full, as well as a personal obligation of the Person who was the Owner of the Lot at the time the Assessment became due. While any unpaid amounts shall remain a lien on the applicable Lot, the personal obligation shall not pass to that Owner's successors in title unless expressly assumed by the successor.

5.2. **Purpose of Assessments**: The Assessments shall be used exclusively for the purposes of these Protective Covenants as described in the Recitals, the payment of Common Expenses, the health, safety and welfare of the Owners, and the improvement and maintenance of the Common Area, including, but not limited to, the expenses for maintenance of the private drives and parking areas. The Association shall maintain a reserve fund for periodic maintenance, repair, and replacement of improvements to the Common Area.

5.3. **Annual Assessments:**

5.3.1. On or before December 1st of each year, the Association's Board of Director's shall adopt the Budget (as defined below) for the upcoming Annual Assessment Period. The annual budget for the Association shall include all anticipated revenues (including revenues from Annual Assessments to be charged in the next Annual Assessment Period - the "Anticipated Annual Assessments") and anticipated costs for the Association for the upcoming Annual Assessment Period (together the "Budget"). The Anticipated Annual Assessments for the approved Budget shall be the basis for calculating the Annual Assessment to be charged each Owner for the upcoming Annual Assessment Period.

5.3.2. Notwithstanding the above to the contrary:

(a) Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Annual Assessment shall be \$1200.00; and

(b) An annual increase in the Annual Assessments shall not be more than twenty (20%) percent except by approval by two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose.

5.3.3. As long as Declarant has a majority of the total votes, Declarant will loan the Association monies to the extent that Annual Assessments paid by the Owners are inadequate. This advance shall be to the Association and on terms generally available to Declarant from its lending institution. Declarant shall also be responsible for the payment of Assessments as otherwise required by this Article.

5.4. **Special Assessments:** In addition to the Annual Assessments, the Association may levy in any Annual Assessment Period a special assessment applicable to that year only (the "Special Assessment") for the purpose of defraying in whole or in part the cost of any expenditures (including capital improvements and property acquisition costs) not otherwise included in the Budget. A Special Assessment, but not including fines levied pursuant to Paragraph 5.6, shall require the assent of two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose.

5.5. **Initial Assessment:** At the closing of each sale by the Declarant of a Lot in Use, a sum equal to two (2) monthly payments of the then applicable Annual Assessment (the "Initial Assessment") shall be collected from the purchaser and contributed to the Association as working capital. The Initial Assessment shall be used in the manner specified for Annual Assessments. The Initial Assessment shall not be considered an advance against Assessments to become due on and after transfer of title to the purchaser.

5.6 **Initial Payment to Developer.** At the closing of each sale by the Declarant of a Lot in Use, the sum of \$550.00 shall be collected from the purchaser for the use of and membership in the recreation center and facilities of the master development of Haddon Hall, which amount shall be paid to the developer or its assigns.

5.7. **Fines.** The Association's Board may impose fines against any Lot for a failure to

comply with the Protective Covenants. These fines shall be treated as a Special Assessment otherwise due to the Association from that Owner. Fines shall be paid not later than thirty (30) days after notice of the assessment is given to the offending Owner. These fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled. Any fine paid by the offending Owner shall nevertheless be deducted from or offset against any damages that the Association may otherwise be entitled to recover by law from that Owner. Fines shall be as follows:

- (a) First non-compliance or violation: a fine not in excess of Fifty Dollars (\$50.00).
- (b) Second non-compliance or violation: a fine not in excess of One Hundred Dollars (\$100.00).
- (c) Third and subsequent non-compliance or violation, or violations that are of a continuing nature: a fine not in excess of One Hundred Dollars (\$100.00) for each week of continued violation or non-compliance.

5.8. **Uniform Rate of Assessment.** Both Annual Assessments and Special Assessments must be fixed at a uniform rate for all Lots in Use or Lots, as the case may be. Provided, however, that the Association shall also have the authority, through the Board of Directors, to establish, fix and levy a Special Assessment on any Lot to secure the liability of that Owner to the Association arising from that Owner's breach of any of the provisions of this Declaration. As a matter of information, it is a part of the original plan of the development to construct a variety of Townhomes with a variety of exteriors for the good of the entire Subdivision. As a result, some Townhomes will require more maintenance than others because of the type of exterior exposures. Nevertheless, it is believed that all Members will be benefited by the variety of exteriors and therefore the Association should provide exterior maintenance and make a uniform rate of charge without regard to differences in the cost of maintenance of each Townhome.

5.9. **Date of Commencement of Annual Assessment/Due Dates.** The Annual Assessments shall commence as to all then existing Lots in Use on the first day of the month following the conveyance of the Common Area to the Association. Thereafter, the Annual Assessments shall commence as to a Lot on the first day of the month following the date it becomes a Lot in Use. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year. Written notice of the Annual Assessment shall be sent to every Owner subject thereto at least fifteen (15) days in advance of each Annual Assessment Period. The due date shall be established by the Board of Directors. The Association shall, upon demand at any time, furnish a certificate in writing signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. These certificates shall be conclusive evidence of payment of any Assessment as to third parties acting in reliance on the statement.

5.10. **Non-Payment of Assessment Remedies of the Association.** Any Assessments which are not paid when due shall be delinquent. The Association shall have the option to declare the outstanding balance of any Assessment due and payable if any installment thereof becomes delinquent. If the Assessment is not paid within thirty (30) days after the due date, the assessment shall incur a late charge of \$25.00 and bear interest from the date of delinquency at the greater of the rate set by the Association's Board and eight percent (8.0%) per annum. The Association may bring an action at law

against the responsible Owner and/or foreclose the lien against the applicable Lot. Interest, costs, and reasonable attorney fees of any such action shall be added to the amount of the delinquent Assessment. Each Owner, by the acceptance of a deed to a Lot, expressly vests in the Association, its agents or assigns, the right and power to bring all actions against the Owner personally liable for the collection of a debt and to enforce the lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or a deed of trust lien on real property. Each Owner also expressly grants to the Association a power of sale in connection with foreclosure of a lien for Assessments. The lien provided for in this Article shall be in favor of the Association acting on behalf of the Owners, which shall have the power to bid in at foreclosure and to acquire and hold, lease, mortgage and convey the foreclosed Lot. No Owner may waive or otherwise escape liability for Assessments by non-use of the Common Area or abandonment of his Lot.

5.11. **Subordination of the Lien.** The lien of the Assessments shall be subordinated to the lien of the first mortgage on a Lot. Except in those instances described below, the sale or transfer of a Lot shall not release or otherwise affect the lien of delinquent Assessments. Provided the Association is given prior written notice of such, the sale or transfer of a Lot pursuant to the foreclosure of a first mortgage or pursuant to a deed in lieu given in satisfaction of a first mortgage shall extinguish the lien of the delinquent Assessments for that Lot. In no event, however, shall a sale or transfer relieve the Lot from liability for any Assessments subsequently becoming due or from the lien thereof.

5.12. **Exempt Property.** All Lots dedicated to and accepted by a local public authority and the Common Area shall be exempt from the Assessments.

5.13. **Lien of Assessments of Haddon Hall Association.** The Owners of Lots in Golder's Green Townhomes shall be subject to regular and special assessments levied by the Haddon Hall Association as imposed by the Haddon Hall Declaration.

6. **INSURANCE.**

6.1. **Association Coverage.** The Association's Board or its duly authorized agent may have the authority to and shall obtain insurance for all Improvements owned by the Association against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of the Improvements. The Association shall also obtain a broad-form public liability policy (in an amount not less than \$1,000,000) covering all Common Area and all damage or injury caused by the negligence of the Association or any of its agents. This insurance may include coverage against vandalism. All persons responsible for or authorized to expend funds or otherwise deal in the Association's assets shall first be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties. This coverage shall be in an amount equal to at least one-half the Annual Assessment plus reserves accumulated. The Association shall also obtain such other insurance coverage as it deems desirable and necessary.

6.2. **Owner's Coverage.** It shall be the responsibility of each Owner, at his own expense, to obtain hazard insurance in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction to his Townhome from any hazard. The hazard insurance shall be with a company, in an amount, and in a form which is acceptable to the Association's Board and shall include a loss payable clause listing the Association as an additional insured. Each

Owner shall satisfy the Association's Board that at all times his property is covered by the required hazard insurance.

6.3. **Repair/Reconstruction.**

6.3.1. In the event of damage to an Owner's property, the Owner shall contract to rebuild or repair such damaged portions of the property in as good condition as formerly. In the event the Owner fails to commence and thereafter diligently pursue the repair or rebuilding of its property to the same condition as formerly within ninety days, the Association's Board, upon obtaining the required Member approval, shall have the power to purchase the Owner's property, to repair and rebuild the same and the adjoining party wall(s), and to levy a Special Assessment against all Members to pay the purchase price and the costs of repairing and/or rebuilding. In the event the Association exercises its repair/rebuild rights under this Section, the Association shall be entitled to receive and use any and all insurance proceeds payable under the policy required under Section 6.2 to the extent necessary to repair/rebuild the damaged property.

6.3.2. In the event of damage to any property covered by insurance written in the name of the Association, the Association's Board shall, with concurrence of the mortgagee, if any, upon receipt of the insurance proceeds, contract to rebuild or repair the damage to as good condition as formerly. In the event the insurance proceeds are insufficient to pay all of the costs of repairing and/or rebuilding to the same condition as formerly, the Association's Board shall, upon obtaining the required Member approval, levy a Special Assessment against all Members to make up any deficiency.

6.4. **Ownership/Proceeds.** All contracts of insurance purchased by the Association shall be for the benefit of the Association and its mortgagees, if any, as their interest may appear, and the Owners, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee. The sole duty of the Association as insurance trustee shall be to receive any proceeds as are paid and to hold them in trust for the purposes stated in these Protective Covenants. The proceeds received by the insurance trustee shall be distributed to or for the benefit of the appropriate beneficiary(ies).

6.5. **Premiums.** Premiums for contracts of insurance purchased by the Association shall be paid by the Association and shall be included in Common Expenses.

6.6. **Prohibited Acts.** No Owner shall do or keep anything on the Property which shall cause an increase in the premiums for or the cancellation of any insurance maintained by the Association.

7. **PARTY WALL.**

7.1. **General Rules of Law to Apply.** Each wall which is built as a part of the original construction of the Townhome and placed on the dividing line between the Lots and all reconstruction or extensions of such walls shall constitute party walls. To the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls, lateral support, in-below ground construction and of liability for property damage due to negligence or willful acts or omissions shall apply.

7.2. **Sharing of Repair and Maintenance.** The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

7.3. **Destruction by Fire or other Casualty.** If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it. If other Owners make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use; subject, however, to the right of any Owners to call for a larger contribution from the others under any rule of law regarding liability for negligence or willful acts or omissions.

7.4. **Construction or Reconstruction.** The Owner may construct or reconstruct a party wall subject to and within the limitations of architectural control and other limitations of this Declaration with the right to go upon the adjoining Lot to the extent reasonably necessary to perform the construction. The construction shall be done expeditiously. Upon completion of the construction, the Owner shall restore, as is reasonably practicable, the adjoining Lot to as near the same condition which prevailed on or before the commencement of the construction.

7.5. **Weatherproofing.** Notwithstanding any other provisions of this Article, an Owner who, by his negligence or willful act, causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against those elements.

7.6. **The Right to Contribution Runs with the Land.** The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to the Owners' successors in title.

7.7. **Contribution Certification by Adjoining Property Owner.** If any Owner desires to sell his Townhome, he may, in order to assure a prospective purchaser that no adjoining Owner(s) has a right of contribution as provided in this Article, request that the adjoining Owner(s) provide a certification that no right of contribution exists. It shall be the duty of each adjoining Owner to make such certification immediately upon request and without charge; provided, however, that where the adjoining Owner claims a right of contribution, the certification shall contain a recital of the amount claimed. In the event an adjoining Owner refuses or neglects to provide such certification, it shall be deemed a waiver to proceed against such Owner or his successors for any contributions which may have accrued to that date.

8. **EXTERIOR MAINTENANCE.**

8.1. **Maintenance Responsibility.** In addition to maintenance of the Common Area, the Association shall provide exterior maintenance for each Lot in Use as follows: Paint, repair and replace exterior Building surfaces, roofs, gutters and downspouts; maintenance of trees, shrubs, grass, walks, and driveways within the Common Area; and maintenance of all other exterior Improvements initially installed by Declarant and/or Successor Declarant. This exterior maintenance shall not include any maintenance specifically designated as the Owner's responsibility elsewhere in this Declaration. In order to enable the Association to accomplish the foregoing, it is reserved to the Association the right to unobstructed access over and upon each Lot and each Townhome at all reasonable times to perform maintenance as provided in this section. The Owner shall not place any furniture, place or construct any Improvements, or plant any vegetation in the front yard or, except with the prior approval required by Article 11, in the rear yard of a Lot. After receiving the required approval, the Owner may plant flowers and grass in his rear yard and may also maintain portions or all of his rear yard, provided that such maintenance by the Owner does not hinder the Association in performing its exterior maintenance obligations. In that event, the Owner shall maintain such plantings or other maintenance. No such

maintenance by an Owner shall reduce the assessment payable by him to the Association. If, in the opinion of the Association, any Owner fails to maintain his rear yard in a neat and orderly manner, the Association may perform the required maintenance and assess Owner for those costs.

8.2. **Cost of Maintenance.** In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family guests, tenants, contractors, employees or invitees, or is caused by any hazard covered under a North Carolina Standard Fire and Extended Coverage Insurance policy, the cost of such maintenance or repair shall be added to and become a part of the Assessment to which the Lot is subject.

8.3. **Maintenance Procedures.** The Association shall establish regulations governing the procedure for exterior maintenance. In the event any Owner desires to expend a sum greater than that sum authorized by the Association, he/she shall advance to the Association, prior to the commencement of work an amount necessary to cover the additional expenses and a lien shall be established against the Owner's Lot for any deficiency.

9. **EASEMENTS.**

9.1. **Blanket Utility Easement.** A blanket easement upon, across, over, and under all of the Common Area is reserved for ingress and egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to water, sewer, gas, telephones, electricity, and a master antenna system. Notwithstanding such, no sewers, electrical lines, water lines, or other utility equipment or facilities may be installed or relocated in the Common Area except as approved by the Declarant or, after the termination of Class B membership, the Association. Should any utility furnishing a service covered by this general easement request a specific easement by separate recordable documents, Declarant or, after the termination of Class B membership, the Association will have the right and authority to grant such easement. The easement provided for in this Article shall in no way affect other recorded easements on the Property.

9.2. **Association Easement.** An easement is granted to the Association, its officers, agents, employees, and to any management company retained by the Association to enter in or to cross over the Common Area. Every Lot shall be subject to an easement for entry by the Association (and the Persons described above) for the purpose of correcting, repairing, or alleviating any emergency condition which arises upon any Lot and that endangers any improvement or portion of the Common Area.

9.3. **Temporary Construction Access and Disturbance Easement.** An easement over, through and to the Common Area is reserved and established in favor of Declarant and all Owners for purposes of ingress, egress, regress, conduct of construction activity, storage of construction materials and the necessary disturbance of land for construction on any Lot. This easement shall be used only as and when necessary to facilitate the construction of improvements at any time on a Lot by Declarant or Owner as well as the extension of driveways, sidewalks, underground drainage and utility conduit and hookups to any dwelling structure situated on a Lot. In each instance, the Person exercising these easement rights shall use its best efforts to minimize any soil or land disturbance activities, and shall restore the land to a condition which is graded smooth and in harmony with surrounding Areas. Should that Person fail to restore the disturbed land as required, the Association may restore the land to the required condition and that Person shall indemnify the Association for the reasonable expense incurred in performing that restoration. This easement shall be restricted to that Common Area which shall be

reasonably servient and proximate to the Lot(s) upon which the construction is taking place.

9.4. **Repair, Maintenance and Reconstruction Easement.** If any Townhome is located closer than five (5) feet from its lot line, the Owner thereof shall have a perpetual access easement over the adjoining Lot to the extent reasonably necessary to perform repair, maintenance or reconstruction of his Townhome. The repair, maintenance or reconstruction shall be done expeditiously and, upon completion of the work, the Owner shall restore, to the extent reasonably practical, the adjoining Lot to as near the same condition as that which existed prior to the commencement of the work. Should the Owner fail to restore the adjoining Lot as required, the adjoining Lot Owner and/or the Association may, at the other Owner's expense, complete the required restoration.

9.5. **Drainage Easement.** For a period of eighteen (18) months following the initial conveyance of a Lot to an Owner by the Declarant, that Lot shall be subject to an easement for entry and encroachment by the Declarant for the purpose of correcting any grading or drainage problems with respect to that Lot or adjoining Lots. After such an entry, the Declarant, at its expense, shall, to the extent reasonably practicable, restore the affected Lot(s) to their original condition.

9.6. **Easement for Minor Encroachments.** All Lots and the Common Area shall be subject to a perpetual easement for the encroachment of initial Improvements constructed on Lots to the extent that such initial Improvements actually encroach. These authorized encroachments shall include, but not be limited to, such items as overhanging eaves, roofs, gutters, downspouts, exterior storage rooms, bay windows, stoops, decks, patios, porches, steps and walls. In the event a Building is partially or totally destroyed and then rebuilt, the Owners of the Townhomes so affected agree that minor encroachments of part of the adjacent Townhome units or Common Areas due to construction shall be permitted and that a valid easement for this encroachment and the maintenance thereof shall exist.

9.7. **Governmental Easements.**

9.7.1. Declarant reserves an easement for the benefit of the appropriate governmental entity over all Common Area and over an Area five (5) feet behind the curb line of any street or roadway in the Property existing now or in the future for the setting, removal, and reading of water meters, the maintenance and replacement of water, sewage, and drainage facilities and the collection of garbage.

9.7.2. An easement is also granted to all police, fire protection, garbage, mail delivery, ambulance, and all similar persons to enter upon the Subdivision's private streets and the Common Area in the performance of their duties.

10. **ARCHITECTURAL COMMITTEE.**

10.1. **Members.** The Architectural Committee shall consist of one (1) or more persons designated by the Declarant. At such time as Declarant no longer owns any real property within the Property, or until December 31, 2005, whichever first occurs (or earlier if the Declarant shall surrender this right in a written instrument in recordable form executed by Declarant), the Declarant shall assign to the Association the rights, powers, duties and obligations of the Architectural Committee. Upon this assignment, the Board shall appoint three (3) or more persons as the members of the Architectural Committee. Prior to December 31, 2005, this provision shall not be amended or revoked without the Declarant's written consent.

10.2. **Powers.** The Architectural Committee shall have the right to refuse to approve any plans and specifications for Improvements proposed to be constructed on a Lot (the "Plans & Specifications") which are not suitable or desirable, in its sole discretion, for aesthetic or any other reasons, provided such approval is not unreasonably withheld. In approving or disapproving Plans & Specifications, the Architectural Committee shall consider the purposes of the Protective Covenants as discussed in the Recitals, including the suitability of the proposed Improvements and materials to be used in those Improvements, the site upon which it is proposed to be erected, and the effect of the Improvements on adjacent or neighboring property. There is specifically reserved unto the Architectural Committee the right of entry and inspection upon any Lot for the purpose of determining whether there exists any construction of any Improvements which violates the terms of any approval by the Architectural Control Committee or the terms of this Declaration or of any other applicable covenants, conditions and restrictions. The Architectural Committee and the Board of Directors is specifically empowered to enforce the provisions of this Declaration by any legal or equitable remedy. In the event it becomes necessary to resort to litigation to determine the propriety of any constructed Improvement, or to remove any unapproved Improvements, the prevailing party shall be entitled to recovery of all court costs and expenses (including reasonable attorney's fees).

11. **ARCHITECTURAL CONTROL AND USE RESTRICTIONS.**

11.1. **Building Sites.** Each Lot, as approved by the appropriate governmental entity, shall constitute a building site (a "Building Site") and shall be used for single-family, residential purposes only. The lay of the Lots as shown on the recorded plat shall be substantially adhered to; provided, however, that with the prior written approval of the Declarant (as long as Class B Membership exists), or, thereafter, the Association's Board or the Architectural Committee, and the appropriate governmental authority, the size and shape of any Lot may be altered. More than one Lot may be used as one Building Site provided the location of any structure permitted thereon is approved in writing by the Architectural Committee or the Declarant, its successors or assigns, and said Lot is recombined as provided in N.C. General Statute 160A-376(1). In no event, however, shall a Lot or group of Lots be resubdivided or recombined in violation of any applicable zoning or other laws in force at the time of the change.

11.2. **Setbacks.** Except as contemplated by the party walls, no structure shall be located on any Building Site nearer than the minimum required by the appropriate municipality's setback requirements. Provided it otherwise complies with the applicable zoning ordinances and the setbacks, if any, shown on the applicable recorded plat, the Declarant, as long as Class B membership exists, and thereafter the Architectural Committee may approve by written waiver a violation of these requirements.

11.3. **Structures.** Improvements on any Building Site shall be restricted solely to residential dwellings for residential use. All Improvements erected upon a Lot shall be of new construction and no building or structures, other than the Amenities constructed by the Declarant or the Association and single-family Townhome buildings joined by a common exterior roof and foundation, shall be constructed. No residential structure, which has a minimum Area of less than 1200 square feet of heated Area exclusive of porches, basement and garage, shall be erected or placed on any Building Site. No building or structures shall exceed three (3) stories in height. No structures of a temporary character, manufactured home, trailer, basement, tent, shack, garage, barn or other out-building shall be used on any portion of the Property at any time as a residence, either temporarily or permanently.

11.4. **Approval of Plans & Specs.** No Improvement shall be commenced, erected, or

maintained upon the Property, nor shall an Improvement be repaired or rebuilt after destruction by any hazard until completed Plans & Specifications, showing the nature, kind, space, height, materials, and location of the Improvement shall have been submitted to and approved in writing by the Architectural Committee. A failure to approve or disapprove completed Plans & Specifications within forty-five (45) days after they have been submitted shall be deemed to be an approval of those Plans & Specifications. Neither the Association, the Association's Board, the Declarant, the Architectural Committee or any officer, employee, director or members thereof shall be liable for damages to any persons by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval, disapproval or failure to approve any Plans & Specifications. Every person who submits Plans & Specifications for approval agrees, by submission of such Plans & Specifications, that it will not bring any action or suit to recover any such damages.

11.5. **Declarant Facilities.** Notwithstanding any provision in this Article to the contrary, during the period of development and sale of the Lots and Townhomes the Declarant are permitted, subject to the laws of the applicable governmental authority, to maintain such facilities and conduct such sales activities as Declarant deem reasonably required, convenient, or incidental to the development and sale of the Lots and Townhomes. These facilities/activities shall include but not be limited to sales tours, sales parties and promotions at the Amenities, a business/sales office, storage Area, construction yards, model units, and signs. Prior to December 31, 2005, this provision shall not be amended or revoked without the Declarant's written consent.

11.6. **Animals.** No animals, livestock, or poultry of any kind shall be raised, bred, or kept on the Lots, except that a reasonable number of domesticated, household pets may be kept, provided they are not maintained for commercial purposes.

11.7. **Screening.** All equipment, garbage cans, service yards, wood piles, or storage piles shall be kept screened by adequate Improvements so as to screen them from view from the street and adjoining Lots. All garbage, trash, or rubbish shall be regularly removed from the Lot and shall not be allowed to unreasonably accumulate. No clothes lines, whether screened or not, shall be allowed outside of the Owner's Townhome.

11.8. **Leasing.** No Lot or any portion of the Improvements thereon shall be leased for transient or hotel purposes, except that an Owner may lease not less than the entire residential structure on its Lot; provided that each lease must be in writing, must be for a period of not less than six (6) months, and must provide that it is subject to this Declaration and the Bylaws and that any failure by a tenant to comply with such shall be a default under the lease. The Owner shall promptly provide the Association with copies of any and all leases entered into by the Owner.

11.9. **Utility Devices.** Without the prior written approval and the authorization of the Declarant (as long as Class B Membership exists), the Association's Board or the Architectural Committee, no exterior television or radio antennas, satellite dishes or solar panels or other utility devices, of any sort shall be placed, allowed or permitted upon any portion of the exterior of the Improvements to be located upon the Property. The Declarant and the Association, for the common benefit of the Owners, reserves the right to install within the Property such utility devices necessary to provide cable TV or similar services.

11.10. **Business/Obnoxious Activity.** No business activity of any kind or any obnoxious or

offensive activity shall be carried on the Property or Improvements thereon, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood. Nor shall the Property be used in any way or for any purpose which may endanger the health or unreasonably disturb an Owner or his tenants or invitees. No "For Sale" signs (except as otherwise specifically authorized by the Association), advertising signs or rent signs, bill boards, unsightly objects or nuisances shall be erected, placed or permitted to remain on the Property, and in no event in the Common Area. The foregoing covenants shall not, however, apply to the business activities, signs, and billboards or the construction and maintenance of buildings, if any, of Declarant, its agent and assigns, during the construction and sales period for the Falls River Townhomes.

11.11. **Vehicles.** No boats, recreation vehicles, campers, motorcycles, tractors, trucks (other than one pick-up truck rated one-half ton or less), or trailers (the "Vehicles") of any Owner or member of his family, his tenants, or contract purchasers shall be parked within the Common Area, or within the right-of-way of any street in or adjacent to the Subdivision. All Vehicles shall be stored either within the Owner's garage or other facilities not located on the Subdivision. No Owner shall park or store an inoperative or abandoned Vehicle or automobile on any Lot or on the streets or Common Areas in the Subdivision.

11.12. **Tanks.** Other than hot tubs or similar devices approved by the Architectural Committee, no above or below-ground tanks or pools will be permitted for the storage of fuel or water or any other substance. The installation of such tanks shall be subject to reasonable screening requirements established by the Architectural Committee.

11.13. **Lawn Ornaments.** No decorative lawn ornaments shall be placed on any Lot without the prior written approval of the Architectural Committee.

11.14. **Parking.** Adequate off-street parking shall be provided by the Owner of each Lot for the parking of automobiles and Vehicles owned by that Owner. Owners shall not be permitted to park their automobiles and Vehicles on the streets or Common Areas in the Subdivision.

11.15. **Maintenance.** Maintenance, upkeep, and repairs of any patio, deck, porch decking, screens and screen doors, exterior doors, and windows and window fixtures and other hardware shall be the sole responsibility of the individual Owner of the Lot and not in any manner the Association's. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of the Common Areas and all exterior and roofs of the Townhomes, including, but not limited to, recreation and parking Areas and walks, shall be taken by the Association or by its duly delegated representatives. All fixtures and equipment installed with a Townhome commencing at a point where the utility lines, pipes, wires, conduits, or systems are within the Townhome's exterior walls, including the courtyards, shall be maintained and kept in repair by the Owner thereof. An Owner shall do no act, nor any work that will impair the structural soundness or integrity of another Townhome, nor impair any easement or hereditament, nor do any act or allow any condition to exist which will adversely affect the other Townhomes or their Owners. All private utility systems (other than those serving a single Lot and those systems in public easements and public streets) located outside the exterior walls and/or within the Common Areas shall be maintained by the Association as a common expense. All public utility systems located outside the exterior walls and/or within the Common Areas shall be maintained by the appropriate utility company or governmental authority.

11.16. **Governmental Regulations.** Each Owner shall comply with all laws, ordinances, governmental building codes, health regulations, zoning restrictions and the like applicable to its Lot and/or Common Areas. In the event of any conflict between any provision of such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provision shall apply.

11.17. **Additional Restrictions.** The Declarant (as long as it hold Class B Membership) and thereafter, the Association, the Association's Board, or the Architectural Committee shall have the power to formulate, amend, publish and enforce other reasonable rules and regulations concerning the architectural control and use of the Property.

11.18. **Anti-Discrimination.** No action shall at any time be taken by the Declarant, the Association, the Association's Board, or the Architectural Committee in the enforcement or interpretation of these Protective Covenants which in any manner would unfairly discriminate against any Owner in favor of any of the other Owners.

11.19. **Limited Liability.** In no case shall the Town of Apex be responsible for failing to provide any emergency or regular fire, police or other public service when such failure is due to lack of access to such Areas due to inadequate design or construction, blocking of access routes, inadequate maintenance, or any other factor within the control of the Declarant, the Association, Owners or occupants. In no case shall the Town of Apex or the State of North Carolina be responsible for maintaining any private street. Such responsibility shall rest with the Association and/or Owners.

11.20. **Waiver.** Notwithstanding anything above to the contrary, the Declarant (as long as Class B Membership exists), the Association's Board, or the Architectural Committee shall have the right, in the exercise of their reasonable discretion, to waive one or more violations of the requirements of this Article. No waiver shall be effective unless in writing and nevertheless shall not operate as a waiver of any other requirement respecting the Lot in question or any other Lots subject to this Declaration. No waiver shall be effective if it shall cause the Lot or structures thereon to be in non-conformance with any applicable governmental ordinances.

12. GENERAL PROVISIONS.

12.1. **Enforcement.** The Declarant (as long as Class B Membership exists), the Association or any Owner shall have the right to enforce, by a proceeding at law or in equity, the terms of the Protective Covenants. Failure by the Association or by any Owner to enforce any covenant or restriction herein shall in no event be deemed a waiver of the right to do so thereafter.

12.2. **Severability.** Invalidation of any one or more of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

12.3. **Amendment.**

12.3.1. The Protective Covenants shall run with the land for a term of twenty (20) years from the date of their recording and shall insure to the benefit of the Declarant (as long as Class B Membership exists), the Association or any Owner or their respective legal representatives, heirs, successors, and assigns. These Protective Covenants shall thereafter automatically be extended for successive periods of

ten (10) years. Except as specifically otherwise provided in this document, the Protective Covenants may be amended by an instrument signed by not less than the owners of seventy-five percent (75.0%) of the Lots.

12.3.2. If an amendment is executed, each such amendment shall be delivered to the Association's Board which shall, within thirty (30) days:

(a) Reasonably assure itself that the amendment has been executed by the Owners of the required number of Lots (for this purpose, the Board may rely on its roster of Members, and shall not be required to cause the title to any Lot to be examined); and

(b) Attach the following certification:

CERTIFICATION

By authority of its Board of Directors, Golder's Green Townhome Association, Inc. certifies that the foregoing instrument has been duly executed by the Owners of seventy-five percent (75%) of the Lots in the Property and is therefore a valid amendment to the Declaration recorded at Book _____, Page _____, Wake County Registry.

GOLDER'S GREEN TOWNHOME ASSOCIATION, INC.

BY: _____

ATTEST: _____ President

Secretary

(Corporate Seal)

Within the thirty (30) day period, the Association's Board shall cause the amendment to be recorded with the appropriate Register of Deeds. All amendments shall be effective from the date of recordation in the appropriate Register of Deeds; provided, however, that no such instrument shall be valid until it has been indexed in the name of the Association.

12.4. **Disputes.** In the event of any dispute arising concerning a provision of this Declaration, such dispute shall be settled by legal proceedings or the parties may, by mutual agreement, submit the dispute to a committee appointed by the Association for this purpose, and once submitted, the parties agree to be bound by the decision of that committee.

12.5. **Voting.** Voting by Members of the Association shall be in accordance with the applicable provisions set forth in this Declaration and the Bylaws.

12.6. **Member Addresses.** Each Member agrees to keep the Association informed of his address at any time and any notice sent or delivered to that address shall be sufficient. Each new Member agrees to provide the Association with evidence of his ownership for preparation of a membership roster and the roster as so completed shall be sufficient evidence as to the ownership of each Lot.

12.7. **Gender and Gammer.** All words and phrases in this Declaration shall be construed to include the singular or plural number, and the masculine, feminine, or neuter gender, as the context requires.

12.8. **Owner Responsibility.** Notwithstanding anything in this Declaration to the contrary, an Owner shall be responsible for any and all violations of these Declarations by his employees, agents, tenants, contractors, guests and invitees. When a party to this Declaration consists of more than one individual or entity, such party's liability hereunder shall be joint and several.

12.9. **Construction.** This Declaration shall be construed in accordance with the laws of North Carolina without giving effect to its conflict of laws principles. In case of any conflict between the Declaration and the Articles or the Bylaws, the Declaration shall control.

12.10. **Exhibits.** All Exhibits and Schedules, if any, attached to this Declaration are hereby incorporated by reference and made a part of this Declaration. The term "Declaration" as used herein shall be deemed to include all such Exhibits and Schedules.

12.11. **Remedies.** In the event of any default in and/or breach of any of the terms, conditions and provisions of this Declaration (either actual or threatened) the party or parties who are thereby aggrieved shall have the right to specific performance and/or injunction in addition to any and all other rights and remedies at law or in equity. The right and remedies provided by this Declaration are distinct and cumulative and the use of any one right or remedy by any party shall not preclude or waive its right to use any or all other remedies. No delay or omission of a party to exercise any right or power arising from any default on the part of the other shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein. The rights and remedies provided herein are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

12.12. **FHA/VA Approval.**


12.13.1. As long as there is a Class B membership, the following actions will require prior approval of the Veterans Administration and/or the Department of Housing and Urban Affairs: Annexation of Additional Properties, conveyance of Common Area, dedication or withdrawal of land from dedication of Common Area, or an Amendment of this Declaration.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, this day first above written.

HOMES BY HUFF & CO., INC.

BY: 
Vice PRESIDENT

ATTEST:


SECRETARY

NORTH CAROLINA

WAKE COUNTY

I, a Notary Public for the County and State aforesaid, certify that Greg L. Hinshaw, personally appeared before me this day and acknowledged that he is Assistant Secretary of **Homes By Huff & Co., Inc.**, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its corporate name by its President, sealed with its corporate seal, and attested by as its Secretary, all by order of its Board of Directors.

WITNESS my hand and notarial seal, this 17 day of September, 1997.

Maria L. Kling
Notary Public

My Commission expires:

October 31, 2001



GOLDER'S GREEN HOMEOWNERS ASSOCIATION

COMMITTEE GUIDELINES AND DESCRIPTIONS

I. PURPOSE:

To establish policies governing the establishment and operation of committees of the Golder's Green Homeowners Association.

II. OBJECTIVES:

- A. To provide an effective framework for establishment of committees necessary to accomplish functions of the Golder's Green Homeowners Association.
- B. To provide a clear understanding of the relationship between the Board of Directors and the committees.
- C. To insure that committee chairpersons and members understand the roles and responsibilities of the various committees.
- D. To encourage volunteerism and committee participation among members of the Golder's Green Homeowners Association.

III. RESPONSIBILITIES:

A. Board of Directors

1. The Board of Directors is responsible for oversight, direction and supervision of all committees.
2. The President of the Board of Directors shall be an ex-officio member of all committees. The President or a Board member assigned by the President shall be the primary point of contact for all committee chairpersons.

B. Committee Chairpersons

1. With the exception of the Architectural Control Committee, all Committee Chairpersons may be appointed by the President with the approval of the Board, or be elected annually by the Committee membership at a meeting of the full committee.
2. The chairperson of the Architectural Control Committee shall be appointed from the membership of the Architectural Control Committee by the President of the Board of Directors with the approval of a majority of the Board of Directors.
3. Committee Chairpersons may not chair more than one committee simultaneously.

circumstances require action at another time. Such circumstances shall be documented.

- c. The ACC is responsible for developing draft architectural standards and related regulations for submission to the Board of Directors for approval. When considering major new areas or controversial areas where policy is not clear, the ACC shall administratively deny the initial application and refer suggested draft standards to the Board of Directors for review before taking action, if feasible under the circumstances.
- d. The ACC is responsible for enforcement of architectural standards and related regulations as directed by the Board of Directors.

B. Grounds Committee

1. Organization
 - a. The Grounds Committee shall consist of a Chairperson, a Recording Secretary, and any number of members.
 - b. The Grounds Committee may establish such subcommittees as are necessary to carry out its responsibilities.
2. Functions
 - a. The Grounds Committee is responsible for monitoring and supervising maintenance of all common areas. The common areas include the parking lots, the entranceway, common area landscaping, sidewalks, buffers, and other common areas within Golder's Green.
 - b. The Grounds Committee shall make appropriate recommendations to the Board of Directors concerning regulations, budget, planning, contracts, reserve funds, and other areas related to facilities and grounds.
 - c. The Grounds Committee chair shall maintain close liaison with the management company on facilities and grounds issues.

C. Newsletter Committee

1. Organization
 - a. The Newsletter Committee shall consist of a Chairperson, a Recording Secretary, an Editor, and any number of members.
2. Functions
 - a. The purpose of the Newsletter Committee is to provide mechanisms for keeping the members of the Golder's Green Homeowners Association informed as to Association events and activities and topics of significant interest to the community, under the direction of the Board of Directors.
 - b. The Newsletter Committee shall publish at least four (4) issues of the newsletter annually.
 - c. The Newsletter Committee shall perform such additional communications and functions as directed by the Board of Directors.

Directors may delegate purchasing authority by a majority vote when necessary and appropriate.

B. Budget

1. Each group leader shall insure that each committee shall provide budget recommendations to the Board of Directors for their committee area of responsibility not later than September 1 each year.
2. Each committee shall be responsible for complying with budget limits during the budget year. Overages must have Board of Director's approval.

C. Financial Administration

1. Original receipt must be obtained for all purchases and expenses.
2. Original receipts must be turned into the Treasurer as soon as feasible after the expenditure. Some receipts may be appropriate to go directly to the management company, but this will be decided by the appropriate committee chair or group leader in consultation with the Treasurer of Board of Directors on a case by case basis.

Golders Green Community Association, Inc.
Policy Resolution No. 1999-2
Book of Resolutions

WHEREAS, Article VII of the Bylaws assigns the Board of Directors all of the powers and duties necessary for the administration of the affairs of the Association and further states that the Board may do all such acts and things as are not by the Declaration or the Bylaws required to be exercised and done by the Association;

WHEREAS, there is a need for the Board to keep a record of the actions and decisions taken in the performance of its duties; and

WHEREAS, it is the intent of the Board to maintain a record of its decisions in addition to the customary Book of Minutes.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors shall create a Book of Resolutions which shall be an orderly and indexed record of the resolutions adopted by the Board, and of the Rules and Regulations promulgated by the Association.

I. Classification of Resolutions

The resolutions of the Board shall be classified as follows:

- A. "Policy Resolutions" means resolutions adopted by the Board which specifically relate to the long-term governance of the Association, including, without limitation, actions affecting the property rights, obligations, and equity of both the Association and the individual owners.
- B. "Administrative Resolutions" means those resolutions adopted by the Board which deal with the internal operation and structure of the Association, including, without limitation, resolutions adopted with respect to financial procedures and committee terms of reference.
- C. "General Resolutions" means those resolutions adopted by the Board with respect to specific expenditures, single task actions, and other matters which have no continuing, far-reaching, or precedent-setting implications.
- D. "Special Resolutions" means (1) resolutions adopted by the Board or the Covenants Committee with respect to questions of compliance by an owner or resident with the provisions of the Homeowners Association Instruments (Bylaws, Declaration of Covenants, and Articles of Incorporation) or the Book of Resolutions; and (2) resolutions adopted by the Board or Covenants Committee in the course of issuing an interpretation of the Homeowners Association Instruments.

X. Enforcement

The Association, Declarant, and successor Declarant, any owner or tenant shall have the right to enforce, by any proceeding set forth herein or at law or in equity, all provisions of the Book of Resolutions and the Homeowners Association Instruments. Failure by the Association, Declarant, successor Declarant, or any owner or tenant to enforce any of the provisions of this Book of Resolutions shall in no event be deemed a waiver of the right to do so thereafter. A waiver of such rights shall be effective only pursuant to a written instrument signed by the party charged with such waiver. Such instrument shall operate as a waiver of only those provisions which are expressly waived therein.

XI. Violation and Nuisance

Every act or omission which, in whole or in part, violates any provision of this Book of Resolutions is hereby declared to be a nuisance and may be enjoined or abated by the Association, the Declarant, any successor of Declarant, or any owner, whether or not the relief sought is for negative or affirmative action.

XII. Violation of the Association Rules and Regulations

All owners, their households, tenants, employees, guests, licensees, and invitees must observe and abide by all Rules and Regulations adopted by the Association. If an owner or such owner's tenant, or such owner's (or tenant's) household, employees, guests, licensees, and invitees violates a rule or regulation then such owner shall hold the Association harmless for any and all damages and losses that may ensue.

XIII. Violation of Law

Any violation by an owner or such owner's tenant, or such owner's (or tenant's) household, employees, guests, licensees, and invitees of any applicable law, ordinance, or regulation, pertaining to the ownership, occupation, or use of any portion of the Homeowners Association is hereby declared to be a violation of this Book of Resolutions. Such owner may be subject, at the discretion of the Board, to any or all of the enforcement procedures set forth herein.

XIV. Remedies Cumulative

Each remedy set forth in this Book of Resolutions shall be in addition to all other remedies available at law or in equity and all such remedies, whether or not set forth in this Book of Resolutions, shall be cumulative and not exclusive.

XV. Reference of Pronouns

All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, and plural as the identity of the person, persons, or entities may require.

Exhibit A

Resolution Action Recorded

Resolution Type: Policy No. 1999-1
Pertaining to: Book of Resolutions
Duly adopted at a meeting of the Board of Directors held _____
Motion by ANTHONY LEA Seconded by JOHN JEFFERS

Vote:
Yes No Abstain Absent

John B. Jeffers yes _____
President

Anthony A. Lea yes _____
Vice President

Treasurer

Julia Schuapke yes _____
Secretary

Ann B. Zimmerman yes _____
Director

Director

Director

ATTEST:
Julia Schuapke _____
Secretary Date 9/22/99

Resolution Action Recorded

Resolution Type: Policy

No. 1999-1

Pertaining to: Book of Resolutions

Duly adopted at a meeting of the Board of Directors held _____

Motion by _____ Seconded by _____

Vote:

Yes No Abstain Absent

President

Vice President

Treasurer

Secretary

Director

Director

Director

ATTEST:

Secretary

Date

Golders Green Homeowners Association, Inc.
Policy Resolution No. 1999-3
Assessment Collections

WHEREAS, Article VII of the Bylaws assigns the Board of Directors all of the powers and duties necessary for the administration of the affairs of the Association and further states that the Board may do all such acts and things as are not by the Declaration or the Bylaws to be exercised and done by the Association;

WHEREAS, Article V of the Declaration of Covenants, Conditions, and Restrictions creates assessments and outlines the procedures to be followed for non-payment of assessments for members of the Association;

WHEREAS, The North Carolina Planned Community Act (N.C.G.S. 47-E) further clarifies the collection of delinquent assessments and allows for the collection of actual attorney fees;

WHEREAS, the Board recognizes the need for specific procedures to be set and followed in the collection of assessments from members of the Association;

NOW, THEREFORE, BE IT RESOLVED THAT, the assessment collections procedure shall be outlined as below:

Monthly installments of the regular annual assessment are due on the first day of the month for which they are due and are considered past due if not received in the office of the managing agent on the last day of the month for which they are due.

The managing agent is hereby instructed to charge each unit owner for which assessments have not been received on the last day of the month, a late charge of \$25, and collection charges as outlined on the attached collection policy sample. Such charges shall become a part of the assessment charged for such unit in default.

The managing agent is further empowered to notify such defaulting unit owner by past due invoices of such default and to continue collection procedures through the Association's attorney until such delinquency is brought current. In the event the assessment is considered uncollectable by reason of bankruptcy, etc., the managing agent will advise the Board of Directors.

Resolution Action Recorded

Resolution Type: Policy No. 1999-3
Pertaining to: Assessment Collections
Duly adopted at a meeting of the Board of Directors held: _____
Motion by: _____ Seconded by: _____

Vote:
YES NO ABSTAIN ABSENT

John Jeffers yes _____
President

Anthony A. Lee yes _____
Vice President

Treasurer

Jalal Sobwapi yes _____
Secretary

Am B Z... yes _____
Director

Director

Director

ATTEST:

Jalal Sobwapi
Secretary

9-22-99
Date

**GOLDER'S GREEN HOMEOWNERS ASSOCIATION
ADMINISTRATIVE RESOLUTION NO. 2000-1
BOOK OF RESOLUTIONS**

The Golder's Green By-Laws Article V Board of Directors 5.1 states that "Each director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor shall have been elected and qualified."

It is this Board of Directors intention to clarify and codify this to more a succinct policy. Therefore:

Whereas, Article V Section 1 of the By-Laws establishes a Board of Directors;

Whereas, Article VII sets forth the powers and duties of the Board of Directors;

Whereas, Article VIII of Chapter 55A, The Nonprofit Corporation Act, of the General Statues of North Carolina outlines the powers and duties of the Board of Directors;

Whereas, there is a need to codify a Board members term of office;

Whereas, it is the intent of this Board to establish a specific term of office for Board members;

Now, therefore, be it resolved that the Board of Directors of the Golder's Green Homeowners Association set the standard term of office at three year to be effective immediately and to remain in effect until otherwise rescinded, modified, or amended by a majority of the Board.

Effective this date, March 15, 2000.