

RETURN TO:

JAMES H. CLARKE
MOORE & VAN ALLEN
2024 West Main Street
Durham, N.C. 27705

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
TREYBURN ASSOCIATION

Amendment

BK 1516
pg 844
4-7-89

fourth Amend

BK 1539
Pg 32
8-4-89

Consent

BK 1497
pg 760-762
12-21-88

Amendment

BK 1479
Pg. 32-36
9-16-88

p. 854

fifth Amendment

BK 1552 pg 150
10-4-89

second Amendment

BK 1480
Pg. 908-912
9-26-88

6th Amend

BK 1582
pg 614
3-23-90

Sub. TR

BK 1678
Pg 921
9-13-91

7th Amend

Agmt.
BK 1586
Pg 127
4-11-90

BK 1689
pg 467
11-6-91

Amend

8-17-90
1611-308

7th Amend

BK 1604
Pg 867
7-19-90

9th Amend.

BK - 1613
Pg 961
8-31-90

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10th Amend

BK 1618
Pg 937
9-28-90

Sub. TR. Deed

BK. 1671
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**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
TREYBURN ASSOCIATION**

This Declaration of Covenants, Conditions, and Restrictions is made this 10th day of November, 1987, by Research Properties Associates, a North Carolina limited partnership, (together with its successors and assigns hereinafter referred to as "Declarant");

Declarant is the owner of the real property described in Exhibit "A" attached hereto and incorporated herein by reference. Declarant intends by this Declaration to impose upon the Properties (as defined herein) mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of property within the master planned development known as Treyburn made subject to this Declaration and amendments thereto by the recording of this Declaration. Declarant desires to provide a flexible and reasonable procedure for the overall development of the Properties and the interrelationship of the component residential and nonresidential developments, and to establish a method for the administration, maintenance, preservation, use and enjoyment of such Properties as are now or may hereafter be subjected to this Declaration.

Declarant hereby declares that all of the Properties described in Exhibit "A" and any additional property as may by amendment be added to and subjected to this Declaration shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property subjected to this Declaration and which shall be binding on all parties having any right, title, or interest in the described Properties or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof.

**ARTICLE I
DEFINITIONS**

Section 1. "Area of Common Responsibility" shall mean and refer to the Common Area, together with those areas, if any, which by contract with any residential association, with any nonresidential association, any golf or country club, or by action under the terms of this Declaration become the responsibility of the Association. In addition, any public right-of-way within the Properties may be part of the Area of Common Responsibility.

Section 2. "Association" shall mean and refer to Treyburn Association, Inc. a North Carolina nonprofit corporation, and its successors and assigns. The "Board of Advisors" or "Board" shall be an elected body defined as the "board of directors" under North Carolina law. The use of the term "association" or "associations" in lower case letters shall refer to the Residential and Nonresidential Associations defined elsewhere in this Article and, where the context requires, any other community association having jurisdiction over any portion of the Properties.

Section 3. "Common Area" shall mean all real and personal property which the Association now or hereafter owns or otherwise holds for the common use and enjoyment of the Owners, including any portion of the Properties dedicated to public use, and specifically including, without limitation, designated archeological and historical sites located within the Properties.

Section 4. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the By-Laws, and the Articles of Incorporation of the Association.

Section 5. "Country Club" shall mean that portion of the Properties designated as such upon conveyance by the Declarant and described as such on any plat and shall include, but shall not be limited to, any clubhouse, golf course, tennis courts, swimming pool, parking lot and other related facilities. Where the context may require, the term "country club" shall also refer to the governing structure thereof.

Section 6. "General Assessment" shall mean and refer to assessments levied to fund expenses applicable to all Members of the Association.

Section 7. "Member" shall mean and refer to a person or entity entitled to membership in the Association, as provided herein.

Section 8. "Mortgage" shall include a deed of trust, as well as a mortgage.

Section 9. "Mortgagee" shall include a beneficiary or holder of a deed of trust, as well as a holder of a mortgage.

Section 10. "Mortgagor" shall include the trustor of a deed of trust, as well as a mortgagor.

Section 11. "Nonresidential Unit" shall mean a portion of the Properties subject to the Declaration of Covenants, Conditions and Restrictions for Treyburn Nonresidential Owners Association ("Nonresidential Declaration"), which is intended for any type of independent ownership for use and occupancy as permitted in the Treyburn development order issued by the appropriate local governmental entity as such order may be amended or modified from time to time. The term shall include all portions of the lot owned including any structure thereon as well as unimproved property intended for such permitted development, and shall specifically include, without limitation, office, research, industrial and retail properties, each unit within an office condominium, hotels, rental apartment buildings, nursing homes and similar community care facilities. For the purposes of this Declaration, a Nonresidential Unit shall come into existence when a plat subdividing the property is recorded in the land records of Durham County, North Carolina, but in no event later than the date on which a certificate of occupancy is issued by the appropriate agency of the County of Durham, or City of Durham, North Carolina, or other local governmental entity.

Section 12. "Owner" shall mean and refer to one or more persons or entities who hold the record title to any Residential or Nonresidential Unit or any country club which is part of the Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Residential or Nonresidential Unit is sold under a recorded contract of sale, the purchaser (rather than the fee owner) will be considered the Owner if the contract so provides.

Section 13. "Person" means a natural person, a corporation, a partnership, trustee, or other legal entity.

Section 14. "Properties" shall mean and refer to the real property described in Exhibit "A" attached hereto and shall further refer to such additional property as may hereafter be annexed to this Declaration or which is owned by the Association.

Section 15. "Residential Unit" shall mean a portion of the Properties subject to the Declaration of Covenants, Conditions and Restrictions for Treyburn Residential Owners Association ("Residential Declaration"), which is intended for development, use and occupancy as a residence for a single family and shall, unless otherwise specified, include within its meaning (by way of illustration, but not limitation) condominium units, patio or zero lot line homes, and single family houses on separately platted lots, as permitted in the Treyburn development order issued by the appropriate local governmental entity, as such order may be amended or modified from time to time. The term shall also include all portions of the lot owned including any structure thereon as well as unimproved property intended for development of any of the foregoing. The term shall specifically exclude rental apartment buildings, nursing homes and similar community care facilities and other properties subject to the Nonresidential Declaration. For the purposes of this Declaration, a Residential Unit shall come into existence when a plat subdividing the property which includes the unit is recorded in the Durham County, North Carolina land records but in no event later than the date on which a certificate of occupancy is issued by the appropriate agency of the City or County of Durham, North Carolina, or other local governmental entity having jurisdiction.

Section 16. "Special Assessment" shall mean and refer to assessments levied in accordance with Article X, Section 3 of this Declaration.

Section 17. "Subdistrict" shall mean and refer to separately designated, developed residential or nonresidential areas comprised of housing, research, hotel, research/application, office, nonresidential, or related activity which initially or by amendment are made subject to this Declaration; for example, and by way of illustration and not limitation, condominiums, fee simple townhomes, single family detached houses; nonresidential, office and retail establishments, and rental apartments. The Declarant may designate in any amendment adding property to the terms and conditions of this Declaration that such properties shall

constitute a separate Subdistrict or Subdistricts; and provided, further, by a vote of five (5) out of seven (7) Advisors, the Board of Advisors may also designate Subdistrict status to any area so requesting.

Section 18. "Treyburn Nonresidential Owners Association, Inc." or "Nonresidential Association" shall mean the North Carolina nonprofit corporation provided for in the Declaration of Covenants, Conditions and Restrictions for Treyburn Nonresidential Owners Association, to be recorded in the Durham County, North Carolina land records.

Section 19. "Treyburn Residential Owners Association, Inc." or "Residential Association" shall mean the North Carolina nonprofit corporation provided for in the Declaration of Covenants, Conditions and Restrictions for Treyburn Residential Owners Association, to be recorded in the Durham County, North Carolina land records.

Section 20. "Treyburn-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout Treyburn. Such standard may be more specifically determined and set forth by the Board of Advisors or its designee.

Section 21. "Unit" shall be an inclusive term referring to both Nonresidential Units and Residential Units.

ARTICLE II

PROPERTY RIGHTS

Every Owner shall have a right and easement of enjoyment in and to the Common Area subject to this Declaration and to any restrictions or limitations contained in any Deed or amendment to this Declaration conveying to the Association or subjecting to this Declaration such property. Any Owner may delegate his, her, or its right of enjoyment to the members of his or her family, tenants, and social or business invitees subject to reasonable regulation by the Board and in accordance with procedures it may adopt.

Declarant reserves the right to amend this Declaration unilaterally at any time, without prior notice and without the consent of any person or entity, for the purpose of removing certain portions of the Properties then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration to the extent included originally in error or as a result of any changes whatsoever in the plans for Treyburn desired to be effected by the Declarant; provided, however, such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for Treyburn.

Access to golf course or courses and to any club facilities or to any part thereof is strictly subject to the rules and procedures of the golf club or clubs which may be a part of Treyburn. No Owner or occupant gains any right to enter or to use those facilities by virtue of ownership or occupancy of a Nonresidential or Residential Unit.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. *Membership.* Membership in the Association shall be limited to the following:

- (a) *Class "A".* The sole Class "A" Member shall be the Residential Association.
- (b) *Class "B".* The sole Class "B" member shall be the Nonresidential Association.
- (c) *Class "C".* Class "C" Members shall be the Owners of the country club or clubs created within the Properties and made subject to this Declaration; provided, in the event that the Owner of any such country club is more than one person or entity, there shall be only one (1) membership attributable to such country club.

Section 2. *Voting.* All votes and participation in the Association shall be through representatives on the Board of Advisors selected by the respective associations and club(s) as more specifically set out in the By-

Laws for Treyburn Association, Inc. and as provided in the Declaration of Covenants, Conditions, and Restrictions for the Treyburn Residential Owners Association, and the Declaration of Covenants, Conditions, and Restrictions for the Treyburn Nonresidential Owners Association, and the charter and by-laws of the country club or clubs.

ARTICLE IV MAINTENANCE

The Association shall maintain and keep in good repair the Area of Common Responsibility, such maintenance to be funded as hereinafter provided. This maintenance shall include, but not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and improvements situated upon such areas.

The Association shall have the power to assume, in the discretion of its Board, maintenance responsibilities of any member. In such event, all costs of such maintenance shall be assessed only against those Members whose responsibilities were so assumed. This assumption of responsibility may take place either by contract or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the Treyburn-Wide Standard. The provision of services in accordance with this Section shall not constitute discrimination within a class.

ARTICLE V INSURANCE AND CASUALTY LOSSES

Section 1. *Insurance.* The Association's Board of Advisors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance, if reasonably available, for all insurable improvements on the Common Area, if any. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred (100%) percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

The Board shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least a One Million (\$1,000,000.00) Dollar single person limit as respects bodily injury and property damage, a Three Million (\$3,000,000.00) Dollar limit per occurrence, if reasonably available, and a Five Hundred Thousand (\$500,000.00) Dollar minimum property damage limit.

Unless higher insurance requirements are contained in any covenants or restrictions for any residential or nonresidential association or Subdistrict, the following shall apply: insurance obtained on the Properties contained within any Subdistrict, nonresidential association, or residential association, whether obtained by the Subdistrict, the residential or nonresidential association or the Association, shall meet the requirements of this Section 1. Costs of such coverage shall be a charge to the Members residing within the residential or nonresidential association or Subdistrict.

Premiums for all insurance on the Common Area shall be common expenses of the Association; premiums for insurance provided to other associations or Subdistricts shall be charged to those associations or Subdistricts. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be responsible for the repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total. Deductibles on damage caused by errant golf balls shall be allocated either to the Owner or golfer as provided by law, but under no circumstances shall the Association be responsible.

Cost of insurance coverage obtained by the Association for the Common Area shall be included in the General Assessment, as defined in Article I, Section 5 and as more particularly described in Article X, Section 1.

All such insurance coverage obtained by the Board of Advisors shall be written in the name of the Association. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in North Carolina which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc. if reasonably available, or, if not available, the most nearly equivalent rating.

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

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

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

(e) The Association's Board of Advisors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

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

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

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

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

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

(vi) the Association shall be given at least thirty (30) days' prior written notice of any cancellation, substantial modification or nonrenewal.

In addition to the other insurance required by this Section, the Board shall obtain, as a common expense, worker's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the directors' best business judgment but may not be less than three (3) months' assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification or nonrenewal.

Section 2. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows: If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Area or, in the event no repair or reconstruction is made, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

Section 3. Damage and Destruction.

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

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless at least six (6) out of seven (7) Advisors on the Board of Advisors shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) days. No mortgagee shall have the right to participate in the determination of whether the Common Area damage or destruction shall be repaired or reconstructed.

(c) In the event that it should be determined by the Association in the manner described above that the damage or destruction of the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the Properties shall be restored to their natural state and maintained as an undeveloped portion of the Common Area in a neat and attractive condition.

Section 4. Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Advisors shall, without the necessity of a vote of the Members, levy a special assessment against all Members in proportion to their obligation for common expenses as provided herein. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

**ARTICLE VI
NO PARTITION**

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

**ARTICLE VII
CONDEMNATION**

Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of all Owners) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as Trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any property described on Exhibit "A" or "B" of this Declaration, and at least six (6) out of seven (7) Advisors on the Board of Advisors shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefore, in

accordance with plans approved by the Board of Advisors of the Association. If such improvements are to be repaired or restored, the above provisions in Article V hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Advisors of the Association shall determine.

ARTICLE VIII

ANNEXATION OF ADDITIONAL PROPERTY

Section 1. *Annexation Without Approval of Membership.* As the owner thereof, or if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option, from time to time at any time until the year 2016, to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property described in Exhibit "B", attached hereto and by reference made a part hereof, which is subject to the Master Declaration whether in fee simple or leasehold, by filing in the Public Records of Durham County, North Carolina, an amendment annexing such Properties. Such amendment to this Declaration shall not require the vote of Members. Any such annexation shall be effective upon the filing for record of such amendment unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other person the said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided that such transferee or assignee shall be the developer of at least a portion of said real property described in said Exhibit "B" attached hereto and that such transfer is memorialized in a written, recorded instrument.

Section 2. *Annexation With Approval of Membership.* Subject to the consent of the owner thereof, the Association may annex real property other than that shown on Exhibit "B", and following the expiration of the right in Section 1, the Properties shown on Exhibit "B", to the provisions of this Declaration and the jurisdiction of the Association, provided such property is subject to the Master Declaration. Such annexation shall require the written consent or affirmative vote of six (6) out of seven (7) members of the Board of Advisors and the consent of the Declarant, so long as Declarant owns property subject to this Declaration or which may become subject in accordance with Section 1 of this Article. Annexation of additional property shall be accomplished by filing of record in the public records of Durham County, North Carolina, an amendment with respect to the Properties being annexed. Any such amendment shall be signed by the President and the Secretary of the Association, and the owner of the properties being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein. The relevant provisions of the By-Laws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 2 and to ascertain the presence of a quorum at such meeting.

Section 3. *Acquisition of Additional Common Area.* Declarant may convey additional real estate, improved or unimproved, located within the properties described in Exhibits "A" and "B" which upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members.

Section 4. *Amendment.* This Article shall not be amended without the written consent of Declarant, so long as the Declarant owns any property described in Exhibits "A" or "B".

ARTICLE IX

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. *Common Area.* The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all

improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof.

Section 2. *Personal Property and Real Property for Common Use.* The Association, through action of its Board of Advisors, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Properties conveyed to it by the Declarant.

Section 3. *Rules and Regulations.* The Association, through its Board of Advisors, may make and enforce reasonable rules and regulations governing the use of the Properties, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines and suspension of the right to use Association facilities. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the By-Laws of the Association. In addition, the Association, through the Board, may, by contract or other agreement, enforce county ordinances or permit the City or County of Durham to enforce ordinances on the Properties for the benefit of the Association and its Members.

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

Section 5. *Governmental Interests.* Neither the Association, the Declarant, any Member, or other person with an interest in the Properties shall have the power to take or shall take any action which would preclude annexation of the Properties by the City of Durham, North Carolina, including seeking annexation by any other governmental body, seeking incorporation as a municipality, seeking status as a statutory special service district, or seeking to merge in all or part with any special purpose district.

Without objection, the Association shall permit the Declarant to designate sites within the Properties for fire, police, water, or sewer facilities and schools.

Section 6. *Superiority of Association.* The Association shall be superior to all other associations and all Subdistricts within the Properties and shall have the authority to enforce the provisions of the Declarations of Covenants, Conditions and Restrictions for the Treyburn Residential Owners Association and the Treyburn Nonresidential Owners Association. In addition, the Association may serve as the arbiter of any disputes which may arise between or among its Members.

ARTICLE X ASSESSMENTS

Section 1. *Creation of Assessments.* There are hereby created assessments for Common Expenses as may be from time to time specifically authorized by the Board of Advisors to be commenced at the time and in the manner set forth in Section 6 of Article X. Assessments, which are based upon the number of "assessment units" assigned each Member in accordance with this Section, shall be allocated as follows:

(a) The Class "A" Member shall be assigned one (1) assessment unit for each Residential Unit subject to assessment under the Declaration of Covenants, Conditions and Restrictions for Treyburn Residential Owners Association on the first day of the eleventh month of the fiscal year during which the budget is prepared; provided, however, the Class "A" Member shall be assigned only one-half ($\frac{1}{2}$) of one (1) assessment unit for any Residential Unit consisting solely of raw land or on which no certificate of occupancy has been issued until such time as a certificate of occupancy is issued or the expiration of two (2) years from the date of conveyance by Declarant, whichever is earlier.

(b) The Class "B" Member shall be assigned one (1) assessment unit for each building and land

point allocated to property subject to assessment under the Declaration of Covenants, Conditions and Restrictions for Treyburn Nonresidential Owners Association on the first day of the eleventh month of the fiscal year during which the budget is prepared as set forth in Exhibit "C" attached hereto and incorporated herein.

(c) Each Class "C" Member shall be assigned one (1) assessment unit for each twenty-five (25) acres of property comprising the country club and golf course owned by the Class "C" Member on the first day of the eleventh month of the fiscal year during which the budget is prepared.

All assessments and other sums due the Association shall be directly paid by the Member to the Association, except in the case of special assessments as provided in Section 3 below.

All such assessments, together with interest not to exceed eighteen percent (18%) per annum or the highest rate allowed by North Carolina law as computed from the date the delinquency first occurs, costs, and reasonable attorney's fees, shall be a charge on all of the property subject to the Declaration of Covenants, Conditions and Restrictions for the Treyburn Residential Owners Association, all of the property subject to the Declaration of Covenants, Conditions and Restrictions for the Treyburn Nonresidential Owners Association, or the property of the Class "C" Members subject to this Declaration or the property of an Owner, as applicable, and shall be a continuing lien upon such property against which each assessment is made.

In the case of a blanket lien imposed on all property subject to the residential or nonresidential declarations representing an assessment against the Class "A" or Class "B" Member, any Owner of a Unit may remove the lien from his or her Unit by payment to the Association of the pro rata share of the assessment due from the association of which he is a member attributable to his or her Unit as provided in the declaration for the Residential Association or the Nonresidential Association, as applicable. The Owner shall then be entitled to release of the lien on the Unit and the Association shall release the lien in accordance with applicable provisions of law. After an Owner of a Unit has paid his or her pro rata share and the lien has been released against that Unit, the Association shall not assess further or have a valid lien against the Unit for any portion of the common expenses incurred in connection with the remaining lien still held by the Association.

Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance to the extent expressly assumed, except no first mortgagee who obtains title to such property pursuant to the remedies provided in the mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Advisors which may include, without limitation, acceleration of the annual assessment for delinquents; unless the Board otherwise provides, the assessments shall be paid in monthly installments.

The Association is specifically authorized to enter into subsidy contracts, or contracts for the "in kind" contribution of services or materials or a combination of services and materials, with Declarant or other entities for the payment of some portion of the Common Expenses.

Section 2. *Computation of Assessments.* It shall be the duty of the Board, at least sixty (60) days before the beginning of the fiscal year to prepare a budget covering the estimated costs of operating the Association during the coming year. The budget may include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared. The Board shall cause a copy of the budget, and the amount of the assessments to be levied against each Member for the following year to be delivered to each Member at least thirty (30) days prior to the beginning of the fiscal year.

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

The total budget shall be apportioned among the Members according to the ratio which the number of assessment units assigned to each Member bears to the total number of assessment units assigned to all Members.

Section 3. Special Assessments. In addition to the assessments authorized in Section 1 of this Article, the Association may levy a Special Assessment or Special Assessments in any year applicable to that year; provided, however, such assessment shall have the vote or written assent of five-sevenths (5/7) of the Board of Advisors. The Association may also levy a Special Assessment against any Member or Owner for fines or to reimburse the Association for costs incurred in bringing a Member or Owner into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, and the Association Rules and Regulations, which Special Assessment may be levied upon the vote of the Board followed by notice to the Member or Owner and an opportunity for a hearing. The Association may also levy a Special Assessment against any Subdistrict or association to reimburse the Association for costs incurred in bringing the Subdistrict or association into compliance with the provisions of this Declaration, any amendments thereto, the Articles, the By-Laws, and the Association's Rules and Regulations, which Special Assessment may be levied upon the vote of the Board after notice to the senior officer of the Subdistrict or association and an opportunity for a hearing.

Section 4. Lien for Assessments. Upon recording of a notice of lien, there shall exist a perfected lien for unpaid assessments as provided in Section 2 of this Article prior and superior to all other liens, except (a) all taxes, bonds, assessments, and other levies which by law would be superior thereto, and (b) the lien or charge of any first mortgage of record (meaning any recorded mortgage or deed of trust with first priority over other mortgages or deeds of trust) made in good faith and for value.

Such lien, when delinquent, may be enforced by suit, judgment, and foreclosure.

The Association, acting on behalf of the Members, shall have the power to bid for the property at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which such property is owned by the Association following foreclosure (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be assessed or levied on it; and (c) each other Member shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been assessed against such property had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid assessments and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same.

Section 5. Capital Budget and Contribution. The Board of Advisors may annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect both to amount and timing by annual assessments over the period of the budget. The capital contribution, if required, shall be fixed by the Board and included within the budget and assessment, as provided in Section 2 of this Article. A copy of the capital budget shall be distributed to each Member in the same manner as the operating budget.

Section 6. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to each Member on the first day of the month following its incorporation, in the case of Class "A" and "B" Members, and following conveyance by the Declarant of property designated as a Country Club, in the case of Class "C" Members. Assessments shall be due and payable in a manner and on a schedule as the Board of Advisors may provide. The first annual assessment shall be adjusted according to the number of months then remaining in that fiscal year.

Section 7. Subordination of the Lien to First Deeds of Trust and First Mortgages. The lien of assessments, including interest, late charges (subject to the limitations of North Carolina law), and costs (including attorneys' fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon the property of any member. The sale or transfer of any such property shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such property from lien rights for any assessments thereafter becoming due. Where the Mortgagee of a first Mortgage of record or other purchaser of a such property obtains title, his successors and assigns shall not be liable for the share of the common expenses or assessments by the Association chargeable to such property which became due prior to the acquisition of title to such property by such acquirer. Such

unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the Units, including such acquirer, his successors and assigns.

Section 8. *Exempt Property.* Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of General Assessments, Subdistrict Assessments, and Special Assessments:

- (a) all Common Area;
- (b) all property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public schools, public streets, and public parks; and
- (c) all property owned by non-profit organizations and restricted for use as private schools or churches; provided, however, the availability of the exemption for such non-profit organizations is contingent upon prior approval by the Board of Advisors.

ARTICLE XI ARCHITECTURAL STANDARDS

Architectural and site standards shall be promulgated and enforced by such committees as are established in the Declarations of Covenants, Conditions and Restrictions for the Treyburn Residential Owners Association and the Treyburn Nonresidential Owners Association. The Board of Advisors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the committees so established, to promulgate additional standards and guidelines to be implemented and enforced by such committees, and to enforce all standards and guidelines in courts of competent jurisdiction in the event that the responsible committee fails to do so. This Article may not be amended without the Declarant's written consent so long as the Declarant retains veto power over the actions of the Board of Advisors pursuant to Article III of the By-Laws.

No construction, which term shall include within its definition staking, clearing, excavation, grading, and other site work, and no plantings or removal of plants, trees, or shrubs shall take place except in strict compliance with the Residential and Nonresidential Declarations, until the requirements thereof have been fully met, and until the approval of the appropriate committee has been obtained.

ARTICLE XII USE RESTRICTIONS

The Properties shall be used only for such purposes as are permitted in the Treyburn development order issued by the appropriate local governmental entity, subject to such further restrictions as may be set forth in this Declaration, amendments hereto or subsequently recorded declarations creating associations subject to this Declaration. The Association, acting through the Board of Advisors, shall have standing and the power to enforce use restrictions contained in any such declaration as if such provisions were a regulation of the Association.

The Association, acting through its Board of Advisors, shall have authority to make and to enforce standards and restrictions governing the use of Units and Common Area, including common property of any Subdistrict or residential or nonresidential association, in addition to those contained herein, and to impose reasonable user fees for Association facilities, if any. Such regulations and use restrictions shall be binding upon all Owners and occupants until and unless overruled, cancelled or modified in a regular or special meeting of the Association.

The Declaration or other creating document for any residential or nonresidential association may impose stricter standards than those contained in this Article. The Association, acting through its Board of Advisors, shall have standing and the power to enforce such standards.

Section 1. *Occupants Bound.* All provisions of the Declaration and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants of any Unit, as well as tenants, employees, guests, and invitees of any Owner.

Section 2. *Greenbelts for Association Use.* Those greenbelts or portions thereof identified on Exhibit "D" are reserved for the use and enjoyment of all Owners and no Owner, association, builder, or other Person shall take any action to restrict the use, access, or enjoyment without Declarant's written permission.

Section 3. *Offensive Activity.* It shall be the responsibility of each owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition of his, her, or its Unit. No Unit shall be used, in whole or in part, for the storage of any property or thing that will cause such Unit to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any Unit that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any Unit, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any property adjacent to the Unit. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties.

Section 4. *Unsightly or Unkempt Conditions.* The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Properties.

Section 5. *Subdivision of Unit.* No Unit shall be subdivided or its boundary lines changed except with the prior written approval of the Association. Declarant, however, hereby expressly reserves the right to replat any Unit or Units prior to the conveyance of such Unit or Units by Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

Section 6. *Guns.* The use of firearms within the Properties is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size.

ARTICLE XIII

GENERAL PROVISIONS

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

Section 2. *Amendment.* Prior to the sale of the first Residential Unit, Declarant may unilaterally amend this Declaration. After such sale, the Declarant may unilaterally amend this Declaration so long as it still owns property described in Exhibit "B" for development as part of the Properties and so long as the amendment has no adverse effect upon any right of any Owner; thereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent of the voting members or their alternates, as defined in the Residential and Nonresidential Declarations, representing two-thirds ($\frac{2}{3}$) of the total votes of the Residential and Nonresidential Associations, respectively, excluding votes held by the Declarant. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed

percentage of affirmative votes required for action to be taken under that clause. Any amendment which directly and materially affects the rights or responsibilities of the Class "C" Members shall also require the approval of all Class "C" Members. Any amendment must be recorded in the Public Records of Durham County, North Carolina.

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

Section 3. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Advisors) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws of the Association, his or her right of enjoyment of the Common Area and facilities to the members of his or her family, tenants, and social invitees.

Section 5. Easements for Utilities, Etc. Declarant hereby reserves for itself and its designees (which may include, without limitation, the City of Durham, the County of Durham, and any utility) blanket easements upon, across, over, and under all of the Common Area and to the extent shown on any plat over the Units for ingress, egress, installation, replacing, repairing, and maintaining cable television systems, master television antenna systems, security, and similar systems, walkways, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas, and electricity. This reserved easement may be assigned by Declarant by written instrument to the Association, and the Association shall accept the assignment upon such terms and conditions as are acceptable to Declarant. If this reserved easement is assigned to the Association, the Board shall, upon written request, grant such easements as may be reasonably necessary for the development of any Properties described in Exhibit "A" or that may be annexed in accordance with Article VIII of this Declaration.

The Board shall have, by a vote of five (5) out of seven (7) members, the power to dedicate all or part of the Common Area to the City of Durham, other local, state, or federal governmental entity, so long as the provisions of Article IX, Section 5, are not violated thereby.

Section 6. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 7. Right of Entry. The Association shall have the right, but shall not be obligated, to enter into any portion of the Properties for maintenance, emergency, security, and safety, which right may be exercised by the Association's Board of Advisors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner, Subdistrict, or other association, as appropriate. This right of entry shall include the right of the Association to enter a Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner, Subdistrict or other association fails or refuses to cure the condition upon request by the Board.

Section 8. Perpetuities. If any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Section 9. Golf Balls. Each Unit and the Common Area and the common property of any Subdistrict or residential association is burdened with an easement permitting golf balls unintentionally to come upon the Common Area and Units immediately adjacent to the Golf Course and for golfers at reasonable times and in a reasonable manner to come upon the Common Area and the exterior portions of a Unit to retrieve errant golf balls. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls.

Section 10. Cumulative Effect; Conflict. The covenants, restrictions, and provisions of this Declaration shall be cumulative with those of any association and the Association may, but shall not be required to, enforce the latter; provided, however, in the event of conflict between or among such covenants, restrictions, and provisions or any articles of incorporation, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, those of any other association shall be subject and subordinate to those of the Association. The foregoing priorities shall apply, but not be limited to, the lien for assessments created in favor of the Association.

Section 11. Mortgagees' Rights. All provisions intended to benefit mortgagees under the Residential Declaration are incorporated herein in their entirety and shall apply with respect to the Common Area and the Properties subject to this Declaration as well as the properties subject to the Residential Declaration. When so incorporated, the term "Association" as used therein shall refer to Treyburn Association, Inc., the term "Owner" shall refer to Owners of Residential Units only, and the terms "Class A votes" and "Voting Members" shall have the meanings set forth in the Residential Declaration. All other defined terms shall have the meanings set forth in this Declaration or, if not defined herein, the meanings set forth in the Residential Declaration.

Section 12. Contracts Executed During Declarant Control. All contracts or leases executed by or on behalf of the Association prior to extinguishment of the Declarant's veto power established in the By-Laws of the Association, shall contain a termination clause permitting the Association to terminate the contract or lease at any time after extinguishment of the Declarant's veto power, without cause and without penalty, upon not less than thirty (30) nor more than ninety (90) days' written notice.

ARTICLE XIV

DECLARANT'S RIGHTS

Any or all of the special rights and obligations of the Declarant may be transferred to other persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Official Records of Durham County, North Carolina. Nothing in this Declaration shall be construed to require Declarant or any successor to develop any of the property set forth in Exhibit "B" in any manner whatsoever.

The Declarant or any successor of Declarant who takes title to a portion of the Properties for the purpose of development and sale and is designated as such in a recorded instrument executed by Declarant shall be entitled to appoint members to the Board of Advisors as provided in the By-Laws until one hundred twenty (120) days after the happening of the earlier of the following:

- (a) the conveyance by Declarant of seventy-five (75%) percent of the total acreage described in Exhibits "A" and "B" of this Declaration;
- (b) January 1, 2016; or
- (c) when, in its discretion, the Declarant so determines.

Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Units shall continue, it shall be expressly permissible for Declarant and any builder approved by Declarant to maintain and carry on upon portions of the Properties such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the

construction or sale of such Units, including, but not limited to, business offices, signs, model units, and sales offices, and the Declarant and any builder approved by Declarant shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use all or part as models and sales offices.

So long as Declarant continues to have rights under this paragraph, no person or entity shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

This Article may not be amended without the express written consent of the Declarant until January 1, 2021, unless earlier surrendered upon recording by Declarant of a written statement that all sales activity has ceased.

ARTICLE XV THE COUNTRY CLUBS

Section 1. *General.* Neither membership in the Association nor ownership or occupancy of a Unit shall confer any ownership interest in or right to use any Country Club. Rights to use the Country Clubs will be granted only to such persons and on such terms and conditions, as may be determined from time to time by the respective owners of the Country Clubs. The owners of the Country Clubs shall have the right, from time to time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of their respective Country Clubs, including, without limitation, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether. Membership in any Country Club is separate and distinct from membership in the Association.

Section 2. *Conveyance of Country Clubs.* All persons, including all Owners, are hereby advised that no representations or warranties, have been or are made by the Declarant or any other Person with regard to the continuing ownership or operation of any Country Clubs, and no purported representation or warranty in such regard, either written or oral, shall ever be effective without an amendment hereto executed or joined into by the Declarant. Further, the ownership or operational duties of and as to the Country Clubs may change at any time and from time to time by virtue of, but without limitation, (a) the sale or assumption of operations of the Country Clubs by/to an independent person, (b) the conversion of the Country Clubs' membership structures to an "equity" club or similar arrangement whereby the members of the Country Clubs or an entity owned or controlled thereby become the owner(s) and/or operator(s) of the Country Clubs, (c) the conveyance, pursuant to contract, option, or otherwise, of the Country Clubs to one or more affiliates, shareholders, employees, or independent contractors of Declarant or the Country Clubs, or (d) the conveyance of the Country Clubs to the Treyburn Association, Inc., with or without consideration and subject or not subject to a Mortgage(s) or other encumbrance. As to any of the foregoing or any other alternative, no consent of the Association, the Class "A" or Class "B" Members, any Subdistrict, or any Owner shall be required to effectuate such transfer, even in the case of a conveyance of the Country Clubs to the Association, for or without consideration and subject to or not subject to any Mortgage, covenant, lien, or other encumbrance on the applicable land and other property.

Section 3. *Rights of Access and Parking.* All Country Clubs and their members (regardless of whether such members are Owners hereunder), their guests, invitees, employees, agents, contractors, and designees shall at all times have a right and non-exclusive easement of access and use over all roadways located within the Properties as reasonably necessary to travel from/to the entrance within the Properties to/from a Country Club and, further, over those portions of the Properties (whether Common Areas or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of a Country Club and its facilities. Without limiting the generality of the foregoing, members of a Country Club and permitted

members of the public shall have the right to park their vehicles on the roadways located within the Common Areas at reasonable times before, during, and after golf tournaments and other approved functions held by/at a Country Club.

Section 4. *Architectural Control.* Neither the Association or any Member, nor any Subdistrict, association or committee or board thereof, shall approve or permit any construction, addition, alteration, change, or installation on or to any portion of the Properties which is adjacent to, or otherwise in the direct line of sight of a Class "C" Member's Country Club for the depth of one building lot, without giving the Class "C" Member at least fifteen (15) days' prior notice of its intent to approve or permit same together with copies of the request therefor and all other documents and information finally submitted in such regard. The affected "Class C" Member shall then have fifteen (15) days in which to provide written comments regarding the proposal. The failure of the Class "C" Member to respond to the aforesaid notice within the fifteen (15) day period shall constitute a waiver of such Member's right to comment or object to the matter so submitted. If the affected member objects to the action ultimately taken by the group concerned, it may appeal such action in writing to the Board of Advisors, which shall be authorized to override or modify the action by a vote of six-sevenths (6/7) of the Board. This Section applies without limitation to any work on the Common Areas hereunder or any common areas/elements of an association, if any.

Section 5. *Limitations on Amendments.* In recognition of the fact that the provisions of this Article are for the benefit of the Class "C" Members, no amendment to this Article, and no amendment in derogation hereof to any other provisions of this Declaration, may be made without the written approval of all Class "C" Member(s). The foregoing shall not apply, however, to amendments made by the Declarant.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 10th day of November, 1987.

RESEARCH PROPERTIES ASSOCIATES,
a North Carolina limited partnership

By: DRP ASSOCIATES, a North Carolina
limited partnership, its General Partner

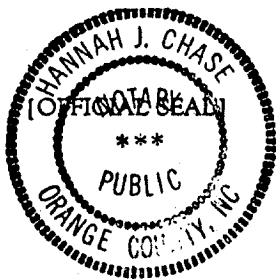
By: _____ [SEAL]
General Partner

By: _____ [SEAL]
General Partner

P. 872

STATE OF NORTH CAROLINA }
COUNTY OF ~~DURHAM~~ *Orange* } SS.

This 10th day of November, 1987, personally came before me W. Clay Hamner and Terry Sanford, Jr., who being by me duly sworn, state that they are the General Partners of DRP Associates, a North Carolina limited partnership, general partner of Research Properties Associates, a North Carolina limited partnership, and that said writing was signed and sealed by them on behalf of said limited partnership by its authority duly given. And the said General Partners acknowledged the said writing to be the act and deed of said limited partnership.



Hannah J. Chase
Signature of Officer

My Commission expires:

My Commission Expires 12/13/92

FILED
BOOK 1457 PAGE 854-890
JUN 20 10 12 AM '88

RUTH C. GARRETT
REGISTER OF DEEDS
DURHAM COUNTY, NC

State of North Carolina-Durham County
The foregoing certificate(s) of HANNAH J. CHASE
A Notary (Notaries) Public for the Designated Governmental
units is (are) certified to be correct.
This the 20th day of June A.D. 19 88
Ruth C. Garrett Wanda S. Oester
Register of Deeds By: Assistant, Deputy
Register of Deeds

EXHIBIT A

All of the real property located in Mangum Township, Durham County, North Carolina and more particularly described as follows:

Lots 4 through 18 inclusive as shown on the subdivision plat of Treyburn, Phase I, Section 1, dated February 9, 1988, recorded in Plat Book 118 at Page 16, Office of the Register of Deeds, Durham County; TOGETHER WITH those portions of Summerville Lane and Abbotsford Court shown on said plat; TOGETHER WITH a parcel forming an approximately 50 foot buffer and more particularly described as follows:

BEGINNING at an iron set at North Carolina Grid Coordinates N865293.943 and E2038943.893; thence from the point of BEGINNING N 51-55-36 E 26.54 feet to an iron set; thence N 45-20-16 E 183.32 feet to an iron set; thence N 45-20-16 E 101.60 feet to an iron set; thence N 42-22-49 E 36.43 feet to an iron set; thence with the arc of a circular curve to the right with a radius of 1829.86 feet (and a chord bearing and distance of N 46-03-33 E 242.01 feet) an arc distance of 242.19 feet to an iron set; thence N 49-51-03 E 65.12 feet to an iron set; thence with the arc of a circular curve to the left with a radius of 1989.86 feet (and a chord bearing and distance of N 47-10-24 E 185.91 feet) an arc distance of 185.98 feet to an iron set; thence N 86-02-37 E 84.95 feet to an iron set; thence S 47-43-16 E 35.00 feet to an iron set; thence with the arc of a circular curve to the left with a radius of 836.94 feet (and a chord bearing and distance of S 58-52-41 E 323.89 feet) an arc distance of 325.95 feet to an iron set; thence S 32-45-02 E 78.37 feet to an iron set; then with the arc of a circular curve to the right with a radius of 499.96 feet (and a chord bearing and distance of S 23-03-18 W 108.12 feet) an arc distance of 108.33 feet to an iron set; thence S 29-15-44 W 96.72 feet to an iron set; thence with the arc of a circular curve to the left with a radius of 645.96 feet (and a chord bearing and distance of S 04-08-14 W 548.54 feet) an arc distance of 566.51 feet to an iron set; thence N 69-00-44 E 50 feet to an iron set; thence along the western boundary of the variable right-of-way of Old Trail Drive with the arc of a circular curve to the right with a radius of 595.96 feet (and a chord bearing and distance of N 04-08-14 E 506.08 feet) an arc distance of 522.67 feet to an iron set; thence N 29-15-44 E 96.72 feet to an iron set; thence with the arc of a circular curve to the left with a radius of 549.96 feet (and a chord bearing and distance of N 20-45-45 E 162.58 feet) an arc distance of 163.18 feet to an iron set; thence N 12-15-46 E 27.90 feet to an iron set; thence N 32-45-02 W 43.57 feet to an iron set; thence continuing along the western boundary of the variable right-of-way of Treyburn Parkway along the arc of a circular

curve to the left having a radius of 786.94 feet (and a chord bearing and distance of N 61-25-11 W 372.71 feet) an arc distance 376.29 feet to an iron set; thence N 47-43-16 W 109.71 feet to an iron set; thence S 86-02-37 W 47.07 feet to an iron set; thence with the arc of a circular curve to the right having a radius of 1939.86 feet (and a chord bearing and distance of S 46-03-33 W 256.56 feet) an arc distance of 256.75 feet to an iron set; thence S 49-51-03 W 65.12 feet to an iron set; thence with the arc of circular curve to the left having a radius of 1879.86 feet (and a chord bearing and distance of S 46-03-33 W 248.63 feet) an arc distance of 248.81 feet to an iron set; thence S 42-16-03 W 33.75 feet to an iron set; thence S 45-20-16 W 284.92 feet to an iron set; thence S 52-51-15 W 20.00 feet to an iron set; thence S 37-08-45 E 50.00 feet to the point and place of BEGINNING.

Lots 1 through 3 inclusive and Lots 19 through 31 inclusive as shown on the subdivision plat of Treyburn, Phase I, Section 2 dated February 10, 1988, recorded in Plat Book 118 at Page 17, Office of the Register of Deeds, Durham County; TOGETHER WITH those portions of Summerville Lane, Johnstone Court and Vintage Hill Drive shown on said plat.

Lots 32 through 40 inclusive and Lots 117 through 120 inclusive as shown on the subdivision plat of Treyburn, Phase I, Section 3 dated February 17, 1988, recorded in Plat Book 118 at Page 18, Office of the Register of Deeds, Durham County; TOGETHER WITH those portions of Vintage Hill Drive, Lincolnshire Court and Sutherland Court shown on said plat;

TOGETHER WITH a parcel forming an approximately 50 foot buffer and more particularly described as follows:

BEGINNING at iron set in the line of the Northwest corner of Lot 34 as shown on said plat; thence N 23-11-58 W 28.10 feet to an iron found; thence N 64-17-16 E 70.61 feet to an iron set in the southern right-of-way of Orange Factory Road; thence along the southern right-of-way of Orange Factory Road with the arc of a circular curve to the left with a radius of 848.51 feet (and a chord bearing and distance of N 67-07-29 E 418.31 feet) an arc distance of 422.67 feet to an iron set; thence S 37-08-45 E 50 feet to an iron set; thence with the arc of a circular curve to the left with a radius of 898.51 feet (and a chord bearing and distance of S 69-03-08 W 501.29 feet) an arc distance of 508.03 feet to an iron set to the point and place of BEGINNING.

Lots 41 through 47 inclusive and Lots 109 through 116 inclusive as shown on the subdivision plat of Treyburn, Phase I, Section 4 dated February 18, 1988 recorded in Plat Book 118 at Page 19 Office of the Register of Deeds, Durham County; TOGETHER WITH those portions of Vintage Hill Drive and Fairway Lane as shown on said plat.

Lots 48 through 53 inclusive and Lots 89 through 95 inclusive as shown on the subdivision plat of Treyburn, Phase I, Section 5 dated February 25, 1988 recorded in Plat Book 118 at Page 20, Office of the Register of Deeds, Durham County; TOGETHER WITH those portions of Vintage Hill Drive, Turnberry Circle and Chevoit Court as shown on said plat.

Lots 54 through 58 inclusive; Lots 80 through 88 inclusive; Lots 96 through 100 inclusive; and Lots 103 through 108 inclusive as shown on the subdivision plat of Treyburn, Phase I, Section 6 dated March 3, 1988, recorded in Plat Book 118 at Page 21, Office of the Register of Deeds, Durham County; TOGETHER WITH those portions Vintage Hill Drive and Turnberry Circle as shown on said plat.

Lots 59 through 61 inclusive; Lots 77 through 79 inclusive; and Lots 101 and 102 as shown on the subdivision plat of Treyburn, Phase I, Section 7 dated March 4, 1988, recorded in Plat Book 118 at Page 22, Office of the Register of Deeds, Durham County; TOGETHER WITH those portions of Vintage Hill Drive, Turnberry Court, Turnberry Circle and Vintage Hill Court as shown on said plat.

Lots 70 through 76 inclusive as shown on the subdivision plat of Treyburn, Phase I, Section 8 dated March 6, 1988, recorded in Plat Book 118 at Page 23, Office of the Register of Deeds,

Durham County; TOGETHER WITH that portion of Vintage Hill Court as shown on said plat.

Lots 122 through 139 inclusive as shown on the subdivision plat of Treyburn, Phase I, Section 9 dated February 12, 1988, recorded in Plat Book 118 at Page 24, Office of the Register of Deeds, Durham County; TOGETHER WITH those portions of Moss Creek Court, Jupiter Hills Court, and Rocky Point Lane, as shown on said plat.

Lot 121 and Lots 140 through 157 inclusive as shown on the subdivision plat of Treyburn, Phase I, Section 10 dated February 15, 1988, recorded in Plat Book 118 at Page 25 Office of the Register of Deeds, Durham County; TOGETHER WITH that portion of Fairway Lane as shown on said plat.

Land Subject to Annexation

ALL THAT TRACT OR PARCEL OF LAND lying and being in Durham County, North Carolina, and more particularly described as follows:

BEGINNING at a point on the easterly margin of Roxboro Road, also known as U.S. 501, said BEGINNING point being located at the intersection of the easterly right-of-way margin of Roxboro Road and the southern right-of-way margin of Orange Factory Road (S.R. 1628) and running thence along the southerly margin of the right-of-way of Orange Factory Road 17 courses and distances as follows: (1) North 56° 57' 38" East 75.73 feet to a point; (2) North 74° 56' 05" East 719.09 feet to a point; (3) North 74° 12' 59" East 132.97 feet to a point; (4) North 73° 37' 55" East 100.61 feet to a point; (5) North 72° 02' 37" East 100.50 feet to a point; (6) North 71° 38' 30" East 100.47 feet to a point; (7) North 70° 26' 17" East 101.70 feet to a point; (8) North 65° 13' 10" East 102.79 feet to a point; (9) North 59° 42' 26" East 102.16 feet to a point; (10) North 57° 00' 20" East 100.93 feet to a point; (11) North 56° 06' 49" East 100.48 feet to a point; (12) North 54° 59' 07" East 100.20 feet to a point; (13) North 54° 35' 40" East 199.86 feet to a point; (14) North 55° 48' 46" East 98.79 feet to a point; (15) North 59° 10' 10" East 98.01 feet to a point; (16) North 63° 13' 52" East 112.58 feet to a point; (17) North 64° 11' 46" East 208.86 feet to a point; thence leaving said right-of-way and running South 25° 40' 54" East 893.59 feet to a point; thence South 00° 27' 59" East 797.58 feet to a point; thence North 89° 27' 39" East 73.52 feet to a point; thence South 00° 27' 59" East 290.18 feet to a point; thence South 89° 32' 01" West 73.52 feet to a point; thence South 00° 27' 59" East 102.30 feet to an angle point; thence South 00° 28' 02" East 720.24 feet to a point; thence South 00° 31' 04" East 460.84 feet to a point; thence North 86° 21' 43" East 2,608.68 feet to a point; thence North 86° 14' 57" East 670.50 feet to a point; thence South 59° 24' 17" East 217.73 feet to a point; thence South 03° 09' 22" East 180.30 feet to a point; thence North 89° 58' 12" West 155.01 feet to a point; thence South 52° 44' 21" West 131.99 feet to a point; thence South 00° 02' 15" West 149.98 feet to a point; thence South 61° 39' 23" East 369.26 feet to a point; thence South 20° 00' 49" East 335.27 feet to a point; thence South 69° 36' 29" West 544.23 feet to a point; thence North 57° 28' 48" West 260.76 feet to a point; thence South 76° 31' 10" West 128.55 feet to a point; thence South 23° 03' 57" West 117.92 feet to a point; thence South 23° 10' 20" West 328.95 feet to a point; thence South 03° 35' 31" East 160.30 feet to a point; thence South 50° 12' 27" East 312.42 feet to a point; thence North 66° 47' 30" East 380.73 feet to a point; thence South 59° 02' 37" East 233.19 feet to a point; thence North 42° 30' 19" East 162.82 feet to a point; thence North 74° 03' 26" East 181.94 feet to a point; thence South 69° 06' 36" East 529.97 feet to a point; thence North 16° 57' 26" East 223.54 feet to a point; thence North 66° 01' 48" East 344.71 feet to a point; thence North 08° 54' 22" East 450.37 feet to a point; thence North 69° 16' 07" East 395.52 feet to a point; thence South 66° 35' 15" East 326.93 feet to a point; thence South 11° 44' 48" West 245.18 feet to a point; thence South 31° 03' 18" East 115.83 feet to a point; thence South 23° 28' 46" West 376.35 feet to a point; thence North 69° 27' 38" West 128.15 feet to a point; thence South 68° 32' 37" West 451.39 feet to a point; thence South 09° 45' 55" East 186.58 feet to a point; thence South 69° 06' 41" East 275.11 feet to a point; thence South 04° 00' 43" West 280.43 feet to a point; thence South 77° 39' 51" East 139.86 feet to a point; thence South 77° 45' 21" East 588.44 feet to a point; thence North 76° 44' 13" East 852.41 feet to a point; thence North 66° 46' 58" East 1,066.54 feet to a point; thence North 48° 57' 02" East 464.38 feet to a point; thence North 17° 54' 47" East 1,139.24 feet to a point; thence North 55° 58' 17" West 1,232.03 feet (crossing Little River) to a point; thence South 89° 55' 43" West 359.87 feet to a point; thence South 44° 11' 00" West 363.62 feet to a point; thence North 88° 52' 22" West 795.91 feet to a point; thence North 55° 45' 47" West 604.68 feet to a point; thence North 60° 18' 48" East 248.59 feet to a point; thence North 05° 38' 06" West 674.25 feet to a point; thence North 66° 24' 04" West 142.21 feet to a point; thence North 10° 00' 59" West 427.55 feet to a point; thence North 87° 12' 15" East 290.75 feet to a point; thence North 21° 01' 12" West 377.80 feet to a point; thence North 42° 36' 37" East 416.21 feet to a point; thence North 67° 04' 03" West 232.45 feet to a point; thence North 21° 15' 29" East 332.86 feet to a point; thence South 76° 56' 57" East 403.97 feet to a point; thence North 56° 40' 13" East 334.84 feet to a point; thence North 53° 25' 03" West 353.60 feet

to a point; thence North 35° 08' 50" East 515.40 feet to a point; thence North 35° 29' 40" West 415.66 feet to a point; thence North 50° 29' 01" East 319.06 feet to a point; thence North 66° 48' 02" East 563.15 feet to a point; thence North 23° 11' 58" West 130.00 feet to a point; thence North 64° 17' 16" East 201.68 feet to a point; thence North 62° 30' 29" East 168.56 feet to a point; thence North 54° 51' 33" East 166.95 feet to a point; thence North 48° 28' 29" East 159.95 feet to a point; thence North 42° 17' 36" East 1,619.77 feet to a point; thence North 33° 26' 28" East 167.97 feet to a point; thence North 19° 48' 03" East 126.82 feet to a point; thence North 09° 08' 48" East 154.75 feet to a point; thence North 01° 07' 45" East 797.49 feet to a point; thence North 06° 46' 50" East 134.79 feet to a point; thence North 15° 42' 02" East 114.38 feet to a point; thence North 27° 59' 18" East 146.18 feet to a point; thence North 33° 19' 41" East 177.01 feet to a point; thence South 05° 10' 19" West 84.57 feet to a point; thence South 01° 12' 35" West 723.38 feet to a point; thence South 02° 06' 34" East 607.43 feet to a point; thence North 27° 31' 03" East 1,934.38 feet to the centerline of the right-of-way line of the Norfolk & Western Railroad; thence with said centerline right-of-way 515.04 feet along the arc of a circular curve to the right with a radius of 1,044.06 feet and having a chord bearing and distance of South 23° 38' 49" East 509.83 feet to a point; thence again with said right-of-way South 09° 30' 53" East 1,029.17 feet to a point; thence again with said right-of-way 261.34 feet along the arc of a circular curve to the right with a radius of 2,991.58 feet and having a chord bearing and distance of South 07° 00' 43" East 261.26 feet to a point; thence North 81° 22' 28" East 50.13 feet to a point; thence North 81° 22' 28" East 49.74 feet to a point; thence North 80° 33' 04" East 105.10 feet to a point; thence North 78° 33' 24" East 285.33 feet to a point; thence North 81° 21' 33" East 209.90 feet to a point; thence North 76° 50' 25" East 266.67 feet to a point; thence South 65° 09' 23" East 159.45 feet to a point; thence South 65° 07' 15" East 202.18 feet to a point; thence South 65° 00' 45" East 55.85 feet to a point; thence South 56° 00' 05" East 233.73 feet to a point; thence North 76° 39' 51" East 59.95 feet to a point; thence North 73° 28' 09" East 32.54 feet to the centerline of S.R. 1615; thence North 24° 11' 43" West 1,280.18 feet to a point; thence North 27° 52' 05" West 524.80 feet to a point; thence North 29° 13' 53" West 1,407.80 feet to a point; thence North 26° 20' 06" West 451.88 feet to a point; thence North 21° 41' 30" West 1,495.83 feet to a point in the line of Donald B. & Flora H. Tilley (now or formerly); thence South 89° 32' 41" East 2,180.30 feet to a concrete monument, a corner of Rutha C. Tilley property (now or formerly); thence with Tilley North 01° 26' 35" East 683.43 feet to a concrete monument, a corner of Joe Ellis Heirs as recorded in Plat Book 17, Page 178, of the Durham County Registry; thence with a line of the Joe Ellis Heirs North 89° 15' 19" East 3,355.86 feet to a point in the line of Lucy Evan Heirs as recorded in Plat Book 14, Page 78, of the Durham County Registry; thence with said Lucy Evans Heirs South 33° 59' 15" East 812.36 feet to a concrete monument, a corner of Reginald R. Tilley (now or formerly); thence with Reginald R. Tilley North 55° 37' 32" East 1,501.14 feet to a point; thence North 53° 48' 46" East 1,658.27 feet to a concrete monument in the line of The City of Durham Property as recorded in Plat Book 5, Page 167, of the Durham County Registry; thence with The City of Durham line South 20° 20' 32" East 862.33 feet to a concrete monument; thence South 02° 44' 25" West 3,623.95 feet to a concrete monument; thence South 77° 27' 39" West 904.38 feet to a concrete monument; thence South 18° 55' 39" East 585.50 feet to a point; thence North 77° 24' 30" East 662.67 feet to a point in the centerline of S.R. 1680, a corner of the Lands of the United States of America (Falls Lake Project, U.S. Army Corps of Engineers); thence with the centerline of S.R. 1680 South 26° 53' 48" West 216.49 feet to a point; thence South 26° 16' 58" West 366.00 feet to a point; thence South 24° 55' 57" West 1,354.07 feet to a point; thence 251.98 feet along the arc of a circular curve to the left having a radius of 391.97 feet and a chord bearing and distance of South 06° 30' 58" West 247.66 feet to a point; thence South 11° 54' 01" East 300.27 feet to a point; thence 334.44 feet along the arc of a circular curve to the left having a radius of 498.53 feet and a chord bearing and distance of South 31° 07' 08" East 328.21 feet to a point; thence South 50° 20' 16" East 260.42 feet to a point in the centerline of S.R. 1680 and S.R. 1004; thence with the centerline of S.R. 1004 South 39° 41' 59" West 441.65 feet to a point; thence leaving the centerline of S.R. 1004 and running South 10° 57' 43" West 65.71 feet to a concrete monument; thence South 10° 58' 53" West 1,378.28 feet to a concrete monument; thence South 30° 15' 56" West 220.34 feet to a point; thence South 79° 02' 07" West 291.69 feet to a point; thence North 10° 09' 24" West 702.68 feet to a point; thence 150.99 feet along the arc of circular curve with a radius of 399.00 feet and a chord bearing and distance of South 71° 49' 45" West 150.08 feet to a point; thence South 82° 39' 46" West 487.87 feet to a point (POINT A);

thence 272.31 feet along the arc of a circular curve to the left having a radius of 225.00 feet and a chord bearing and distance of South 47° 59' 23" West 255.99 feet to a point in eastern right-of-way of State Road 1004; thence South 13° 20' 03" West 1,623.92 feet to a point; thence South 12° 54' 26" West 406.11 feet to a point; thence South 13° 26' 00" West 108.50 feet to a concrete monument; thence North 88° 07' 35" East 1,925.48 feet to a concrete monument; thence South 44° 38' 06" East 990.33 feet to a point; thence North 69° 26' 28" East 734.88 feet to a point; thence South 48° 13' 28" East 698.79 feet to a point; thence North 37° 46' 34" East 893.59 feet to a point; thence South 11° 21' 46" West 1,297.83 feet to a concrete monument; thence South 00° 54' 21" West 952.90 feet to a concrete monument; thence South 14° 40' 41" West 1,200.75 feet to a point; thence South 12° 55' 34" East 869.18 feet to a point (POINT B); thence South 16° 06' 48" West 941.03 feet to a point; thence South 72° 29' 59" East 1,183.96 feet to a point; thence South 05° 30' 56" East 654.72 feet to a point; thence North 84° 12' 01" East 575.17 feet to a point; thence South 08° 43' 58" West 1,430.96 feet to a point; thence South 36° 15' 47" West 1,029.97 feet to a point; thence North 34° 40' 33" West 420.03 feet to a point; thence South 89° 50' 35" West 685.97 feet to a point; thence South 89° 50' 35" West 43.99 feet to a point within the right-of-way of North Carolina State Road 1632 (Red Mill Road); thence South 13° 08' 37" West 64.63 feet to a point; thence South 13° 10' 42" West 1,913.81 feet to a point; thence South 70° 35' 33" West 217.59 feet to a point; thence North 39° 16' 42" West 865.43 feet to a point; thence North 27° 47' 28" West 835.54 feet to a point; thence South 35° 15' 12" West 385.86 feet to a point; thence South 11° 09' 30" East 947.67 feet to a point; thence South 32° 26' 54" West 849.99 feet to a point; thence South 26° 41' 35" East 592.75 feet to a point; thence South 76° 00' 40" West 608.85 feet to a point; thence South 38° 07' 33" West 672.18 feet to a point; thence North 36° 16' 30" West 1,279.97 feet to a point; thence South 55° 40' 48" West 1,196.79 feet to a point; thence North 12° 35' 52" West 1,109.30 feet (crossing over the right-of-way of North Carolina State Road 1004) to a point; thence South 74° 42' 35" West 392.75 feet to a point; thence South 06° 52' 17" East 627.92 feet to a point; thence South 56° 58' 55" West 607.63 feet to a point; thence North 56° 38' 32" West 553.01 feet to a point; thence North 14° 38' 34" West 1,235.76 feet to a point; thence South 82° 30' 35" West 962.13 feet to a point; thence North 42° 17' 01" West 1,730.68 feet to a point; thence North 42° 17' 01" West 55.78 feet to a point in the centerline of the Norfolk & Western Railroad right-of-way; thence with the centerline of the Norfolk & Western Railroad right-of-way 794.64 feet along the arc of a circular curve to the right with a radius of 2,654.94 feet and having a chord bearing and distance of North 34° 24' 18" East 791.67 feet; thence continuing with said centerline North 42° 58' 46" East 289.60 feet to a point; thence continuing with said centerline 320.84 feet along a circular curve to the left with a radius of 1,091.15 feet and having a chord bearing and distance of North 34° 33' 21" East 319.69 feet to a point; thence continuing with said centerline North 26° 07' 56" East 1,751.35 feet to a point; thence continuing with said centerline 608.44 feet along the arc of a circular curve with a radius of 2,859.97 feet and having a chord bearing and distance of North 20° 02' 15" East 607.29 feet to a point; thence leaving said centerline and running South 37° 23' 26" West 113.28 feet to a point; thence South 37° 23' 26" West 1,908.28 feet to a point; thence North 25° 38' 52" West 789.02 feet to a point; thence North 08° 40' 31" East 1,302.58 feet to a point; thence North 34° 03' 40" East 679.81 feet to a point; thence South 60° 58' 06" West 196.32 feet to a point in the centerline of Little River; thence South 60° 58' 39" West 411.08 feet to a point; thence South 17° 07' 11" West 1,260.88 feet to a point; thence South 09° 58' 42" East 706.89 feet to a point; thence North 53° 30' 17" West 677.17 feet to a point; thence South 14° 23' 17" West 868.63 feet to a point; thence South 18° 20' 01" West 1,184.23 feet to a point; thence South 63° 55' 13" West 896.47 feet to a point; thence North 69° 41' 35" West 979.05 feet to a point in the eastern right-of-way of Snow Hill Road (S.R. 1631); and running thence with said eastern right-of-way, parallel to and 30.00 feet from the centerline the following eight (8) courses and distances: (1) North 01° 05' 07" East 525.57 feet to a point; (2) North 04° 51' 52" East 198.84 feet to a point; (3) North 11° 32' 52" East 208.26 feet to a point; (4) North 13° 41' 51" East 633.24 feet to a point; (5) North 11° 08' 40" East 204.88 feet to a point; (6) North 02° 18' 05" East 205.96 feet to a point; (7) North 11° 05' 28" West 209.43 feet to a point; (8) North 18° 35' 02" West 61.81 feet to a point; thence leaving said right-of-way and running North 69° 35' 43" East 299.78 feet to a point; thence North 27° 54' 32" West 338.05 feet to a point; thence South 54° 35' 59" West 299.99 feet to a point in the northern right-of-way of Snow Hill Road; thence with the northern right-of-way of Snow Hill Road North 39° 07' 34" West 121.85 feet to a point; thence continuing with the northern right-of-

way of Snow Hill Road North 43° 04' 19" West 212.21 feet to the point of curvature of a curve; thence leaving Snow Hill Road right-of-way and running 31.41 feet along the arc of a curve in an easterly direction with a radius 20.00 feet and having a chord bearing and distance of South 88° 17' 09" East 28.28 feet to a point; thence North 46° 42' 50" East 279.99 feet to a point; thence 299.67 feet along the arc of a circular curve with a radius of 499.99 feet and having a chord bearing and distance of North 29° 32' 35" East 295.21 feet to a point; thence North 12° 24' 56" East 76.88 feet to a point; thence North 77° 37' 09" West 370.40 feet to a point; thence South 35° 49' 27" West 463.69 feet to a point in the northern right-of-way margin of Snow Hill Road; thence with the northern right-of-way of Snow Hill Road North 57° 57' 13" West 145.57 feet to a point; thence North 66° 37' 19" West 163.23 feet to a point at the intersection of the northern right-of-way margin (30.00 feet from centerline) of Snow Hill Road (S.R. 1631), with the eastern right-of-way a 60.00 foot street known as Frosty Lane, as shown on a plat of Snow Hill Estates, Section One, as recorded in Plat Book 89 at page 31, Durham County Registry, and running thence with the eastern margin of Frosty Lane N 13° 41' 31" East 51.26 feet to a point; thence 141.75 feet along the arc of a circular curve with a radius of 303.75 feet and having a chord bearing and distance of North 27° 03' 18" East 140.47 feet to a point; thence continuing with the eastern margin of Frosty Lane North 40° 25' 17" East 84.30 feet to a point; thence with the line of Block "C" of Snow Hill Estates (Plat Book 89 at page 31) North 73° 13' 09" West 1,192.74 feet to a point in the northern line of Lot 3 of Block C of Snow Hill Estates; thence continuing with the northern line of Block "C", Block "B" and Block "A" of Snow Hill Estates South 85° 39' 13" West 2,164.36 feet to a point in the centerline of Duke Power Company 150 foot right-of-way; running thence with the centerline North 42° 01' 48" West 128.33 feet to a point at the northeast corner of Lot 4, Block "A" of Snow Hill Estates; thence with the northern line of Block "A" of Snow Hill Estates North 85° 35' 17" West 715.05 feet to a point at the northwest corner of Lot 1, Block "A" of Snow Hill Estates in the eastern right-of-way of Alfred Drive; thence North 00° 08' 29" West 86.06 feet to a point opposite the northeast corner of Lot 36 as shown on plat entitled "North Highland" as recorded in Plat Book No. 31A at Page 31, Durham County Registry; thence South 89° 51' 29" West (crossing Alfred Drive) 60.0 feet to the northeast corner of Lot 36 of the aforementioned "North Highland" subdivision; and running thence with the northern line of said subdivision North 64° 43' 54" West 3,919.93 feet to a point; thence North 04° 14' 28" West 411.17 feet to a point; thence South 25° 45' 22" West 333.42 feet to a point in the northern line of North Highland Subdivision and running thence with the North Highland Subdivision line North 57° 58' 32" West 1,405.18 feet to a point; thence North 29° 25' 40" West 510.75 feet to a point; thence North 26° 21' 37" East 96.48 feet to a point; thence North 64° 54' 50" East 205.59 feet to a point; thence North 25° 06' 10" West 1,152.79 feet to a point; thence North 25° 31' 37" East 315.68 feet to a point; thence North 63° 43' 58" West 701.99 feet to a point in the easterly margin of the right-of-way of Roxboro Road (U.S. 501); thence along the easterly margin of Roxboro Road (crossing a 150 foot wide Duke Power Company right-of-way) North 18° 40' 05" East 883.96 feet to a point and place of BEGINNING; all as shown on a survey by Larry W. Pool & Associates P.A. entitled "Treyburn", dated August 4, 1986 and revised June 30, 1987.

TOGETHER WITH Lots 1, 4 and 5, Block "A"; Lots 4 and 5, Block "B"; and Lots 5, 6, 7, and 9, Block "C" as shown on a plat entitled "Snow Hill Estates" as recorded in Plat Book 89, Page 31 of the Durham County Registry.

Points referred to above and below are generally marked by iron pipes or concrete monuments.

Less and except the following three tracts or parcels:

Tract 1: BEGINNING at a point which is located North 26° 44' 47" West 428.16 feet from POINT A (as described above); thence from the point of BEGINNING North 03° 21' 05" West 120.74 feet to a point; thence North 84° 11' 16" West 439.78 feet to a point; thence South 02° 43' 17" West 540.00 feet to a point; thence North 62° 23' 29" East 271.99 feet to a point; thence North 04° 01' 07" West 238.97 feet to a point; thence North 87° 41' 44" East 246.14 feet to the point and place of BEGINNING, containing 3.083 acres, all as shown on a survey by Larry W. Poole & Associates P.A. entitled "Treyburn", dated August 4, 1986 and revised June 30, 1987.

Tract 2: BEGINNING at a point which is located the following three courses and distances from POINT A (as described above); (1) North 26° 44' 47" West 428.16 feet to a point; (2) North 03° 21' 05"

West 120.74 feet to a point; (3) North 02° 13' 20" West 564.72 feet to the point and place of BEGINNING; running from said point of BEGINNING North 10° 48' 09" West 96.72 feet to a point; thence 167.78 feet along the arc of a circular curve to the right with a radius of 390.04 feet and having a chord distance and bearing of North 01° 31' 15" East 166.49 feet to a point; thence North 36° 27' 45" East 13.91 feet to a point; thence South 10° 49' 52" East 268.15 feet to a point; thence South 78° 22' 21" West 45.89 feet to the point and place of BEGINNING, containing 0.023 acres, all as shown on a survey by Larry W. Poole & Associates P.A. entitled "Treyburn", dated August 4, 1986 and last revised June 30, 1987.

Tract 3 (Fairtosh): BEGINNING at a point which is located North 84° 36' 41" West 672.16 feet from POINT B (described above); thence from said Point of BEGINNING South 04° 03' 06" East 430.08 feet to a point; thence South 19° 54' 12" West 485.87 feet to a point; thence South 88° 38' 51" West 44.60 feet to a point; thence South 06° 08' 51" West 707.93 feet to a point; thence South 85° 10' 57" West 195.89 feet to a point; thence South 05° 48' 43" East 112.44 feet to a point; thence South 78° 56' 06" West 154.78 feet to a point; thence 407.39 feet along the northern right-of-way of North Carolina State Road 1632 along the arc of a circular curve to the left with a radius of 437.78 feet and having a chord bearing and distance of North 37° 43' 28" West 392.85 feet to a point; thence continuing along said northern right-of-way North 64° 23' 02" West 1,111.05 feet to a point; thence continuing along said northern right-of-way 275.08 feet along the arc of a circular curve with a radius of 1,868.75 feet and a chord bearing and distance of North 60° 10' 01" West 274.83 feet to a point; thence continuing along said northern right-of-way North 55° 57' 00" West 566.54 feet to a point; thence continuing along said northern right-of-way 252.83 feet along the arc of a circular curve with a radius of 2,497.18 feet and having a chord bearing and distance of North 58° 51' 01" West 252.72 feet to a point; thence continuing along said northern right-of-way North 61° 45' 03" West 210.29 feet to a point in North Carolina State Road 1004; thence North 04° 39' 36" West 64.12 feet to a point; thence North 06° 38' 16" West 43.35 feet to a point; thence North 56° 02' 54" East 2,111.17 feet to a point; thence North 15° 35' 08" West 180.80 feet to a point; thence North 52° 22' 58" East 255.59 feet to a point; thence South 37° 58' 03" East 1,703.15 feet to the point and place of BEGINNING and comprising approximately 107.67 acres, all as shown on a survey by Larry W. Poole & Associates P.A. entitled "Treyburn", dated August 4, 1986 and revised June 30, 1987.

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Formula for Assessments for Nonresidential Units

Assessments

Assessments are computed as follows: Each unimproved Nonresidential Unit, whether or not shown upon a recorded plat, shall be assigned one (1) point for each five thousand (5,000) square feet of land within the boundaries of that Nonresidential Unit as shown on a plat, excluding streets and common areas (rounded to the nearest five thousand (5,000) square feet) ("land points"). Each improved Nonresidential Unit (whether or not shown upon a recorded plat) shall be assigned land points as described above and, in addition, three (3) points for each five thousand (5,000) square feet of gross floor area (including everything within the outer perimeter shell of the building or buildings thereon) on the Nonresidential Unit (rounded to the nearest five thousand (5,000) square feet) ("building points"). "Improved Nonresidential Unit," as used herein, shall mean land upon which improvements intended for use and occupancy have been erected, and either a notice of completion has been filed or a certificate of occupancy has been obtained.

Total land points and building points shall be added together for all Nonresidential Units subject to a particular assessment to determine the basis for calculating the number of assessment units to be assigned to the Class "B" Member in accordance with Article X, Section 1 of the Declaration. For purposes of Special Assessments, the percentage of the total assessment to be levied on a particular Nonresidential Unit shall be computed by dividing the total points assigned to that Nonresidential Unit (including land points and building points) by the total points for all Nonresidential Units subject to assessment. For example, a one hundred thousand (100,000) square foot unimproved Nonresidential Unit (shown upon a recorded plat) shall have twenty (20) points. The same Nonresidential Unit improved with a fifty thousand (50,000) gross square foot office building shall have fifty (50) points. The point totals for each Nonresidential Unit and for all the Nonresidential Units subject to assessment and the percentage of the total assessment for each Nonresidential Unit shall be computed annually as of the first day of the eleventh month of the fiscal year of the Association for each type of assessment by the Board of Advisors, and notice of the percentages for each Nonresidential Unit (including a summary of the computations) shall be sent to each Owner together with the annual notice of any Special Assessment.

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EXHIBIT "D"

Greenbelts

None within land initially submitted.

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EXHIBIT E

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BY-LAWS

OF

TREYBURN ASSOCIATION, INC.

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Pages 36-40 omitted)

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BY-LAWS
OF
TREYBURN ASSOCIATION, INC.

ARTICLE I
NAME, PRINCIPAL OFFICE, AND DEFINITIONS

Section 1. *Name.* The name of the Association shall be Treyburn Association, Inc. (hereinafter sometimes referred to as the "Association").

Section 2. *Principal Office.* The principal office of the Association in the State of North Carolina shall be located in the County of Durham. The Association may have such other offices, either within or without the State of North Carolina, as the Board of Advisors may determine or as the affairs of the Association may require.

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

ARTICLE II
ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES

Section 1. *Membership.* The Association shall have three (3) classes of membership, Classes "A", "B", and "C", as more fully set forth in that Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2. *Place of Meetings.* Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Advisors either within the Properties or as convenient thereto as possible and practical.

Section 3. *Annual Meetings.* The first meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. The next annual meeting shall be set by the Board so as to occur no later than ninety (90) days after the close of the Association's fiscal year. Subsequent regular annual meetings shall be held within thirty (30) days of the same day of the same month of each year thereafter at an hour set by the Board. Subject to the foregoing, annual meetings shall be held at a date and time as set by the Board of Advisors. Each Member shall be represented at all meetings of the Association by the Advisor(s) selected by the Member in accordance with Article III hereof.

Section 4. *Special Meetings.* The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Advisors. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. *Notice of Meetings.* Written or printed notice stating the place, day, and hour of any meeting of the Association shall be delivered, either personally or by mail, to each Advisor not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

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

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

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

Section 7. Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a majority of the Advisors who are present in person at such meeting, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place of the reconvened meeting shall be given to Advisors in the manner prescribed for regular meetings.

The Advisors present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Advisors to leave less than a quorum; however, no action shall be taken unless approved by at least five (5) Advisors.

Section 8. Voting. The voting rights of the Members shall be exercised by the Advisors as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

Section 9. Proxies. Advisors may not vote by proxy but only in person.

Section 10. Majority. As used in these By-Laws, the term "majority" shall mean more than fifty (50%) percent of the total number of persons or things of which a majority is required.

Section 11. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person of four (4) of the seven (7) Advisors, including at least one (1) representative from at least (2) of the three (3) classes of members; shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat.

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

ARTICLE III

BOARD OF ADVISORS: NUMBER, POWERS, MEETINGS

A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Advisors. The Advisors selected by the Declarant as provided herein need not be Owners or residents. Advisors selected by the Members as provided herein must be Owners.

Section 2. Advisors During Declarant Control. All Advisors shall be selected by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant until the happening of the following events:

- (i) Within thirty (30) days of the conveyance by Declarant of twenty (20%) percent of the total acreage described on Exhibits "A" and "B" of the Declaration, the number of Advisors shall be

increased to five (5), four (4) of whom shall be appointed by the Declarant to serve as a representative-at-large on the Board of Advisors and one (1) of whom shall be an Owner selected by the board of directors of the Class "A" or Class "B" member, whichever has the largest number of assessment units assigned to it as of the date the Members are first entitled to representation by a member-at-large on the Board of Advisors. The Advisor so selected shall not be subject to removal by the Declarant acting alone and shall be selected for a term of two (2) years or until the happening of the event described in subparagraph (ii) below, whichever is shorter;

(ii) Within thirty (30) days of the conveyance by Declarant of forty (40%) percent of the total acreage described on Exhibits "A" and "B" of the Declaration, the Class "A" Member and the Class "B" Member shall each be entitled to select one (1) Owner to serve on the Board of Advisors, who shall be selected in the manner provided in the by-laws of those respective associations. The Advisors so selected shall not be subject to removal by the Declarant acting alone and shall be elected for a term of two (2) years or until termination of the Declarant's right to appoint Advisors, whichever is shorter; and

(iii) within one hundred and twenty (120) days of the conveyance by Declarant of seventy-five percent (75%) of the total acreage described on Exhibits "A" and "B" of the Declaration, the number of Advisors shall be increased to seven (7), all of whom shall be selected by the Members in accordance with Section 5 of this Article, notwithstanding anything to the contrary contained in the Declaration or these By-Laws.

Section 3. Veto. This Section 3 may not be amended without the express, written consent of the Declarant until Declarant no longer owns any land described in Exhibits "A" or "B" to the Declaration or until January 1, 2021, whichever first occurs.

From the expiration of the Declarant's right to appoint Advisors, the Declarant shall have a veto power over all actions of the Board and any committee, as is more fully provided in this Section. This power shall expire when the Declarant no longer owns any land described in Exhibits "A" or "B" to the Declaration or January 1, 2021, whichever occurs first, unless earlier surrendered. This veto power shall be exercisable only by Declarant, its successors, and assigns who specifically take this power in a recorded instrument. The veto shall be as follows:

No action authorized by the Board of Advisors or any committee shall become effective, nor shall any action, policy, or program be implemented until and unless:

(a) Declarant shall have been given written notice of all meetings and proposed actions approved at meetings of the Board or any committee by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies as to the Board of Advisors meetings with Article III, Sections 8, 9, and 10, of these By-Laws as to regular and special meetings of the Advisors and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) Declarant shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program to be implemented by the Board, any committee, or the Association. Declarant and its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the committee concerned or the Association and/or the Board. Declarant shall have and is hereby granted a veto power over any such action, policy, or program authorized by any committee or the Board of Advisors and to be taken by said committee or Board or the Association or any individual Member of the Association if Board, committee, or Association approval is necessary for said action. Said veto may be exercised by Declarant, its representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof. Any veto power shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association.

Section 4. Number of Advisors. The number of Advisors in the Association shall vary from three (3) to seven (7) as provided herein. The initial Board of Advisors shall consist of three (3) members.

Section 5. Election and Term of Office. There shall be two (2) Advisors from membership Class "A", four (4) Advisors from Class "B", and one (1) Advisor from Class "C". Advisors shall be selected by the

Class which they represent in the manner to be determined by each Class. In the absence of such determination by a particular Class, the highest elected officer of the Class shall appoint the Advisors to represent the Class. Except as provided in Section 2 above, Advisors shall be selected for a term of two (2) years and shall serve until their successors are selected.

Section 6. *Removal of Advisors and Vacancies.* Advisors may be removed only by the members of the Class which they represent, in a manner to be determined by each Class. Any Advisor whose removal is sought shall be given notice prior to any meeting called for that purpose.

In the event of death or resignation of an Advisor, his or her successor shall be selected by the Class which the predecessor represented in the same manner as provided for selection initially.

B. Meetings.

Section 7. *Organization Meetings.* The first meeting of the members of the Board following each annual meeting of the Association shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

Section 8. *Regular Meetings.* Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Advisors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to Advisors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any Advisor who has signed a waiver of notice or a written consent to holding of the meeting.

Section 9. *Special Meetings.* Special meetings of the Board shall be held when called by written notice signed by the President, Vice President, or Secretary of the Association, or by a Majority of Advisors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each Advisor by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the Advisor or to a person at the Advisor's office or home who would reasonably be expected to communicate such notice promptly to the Advisor; or (d) by telegram, charges prepaid. All such notices shall be given at the Advisor's telephone number or sent to the Advisor's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

Section 10. *Waiver of Notice.* The transactions of any meetings of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Advisors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Advisor who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 11. *Quorum of Board of Advisors.* At all meetings of the Board of Advisors, four (4) of the seven (7) Advisors, including at least one (1) representative from at least two (2) of the three (3) classes of membership, shall constitute a quorum for the transaction of business, and the votes of five (5), or such larger number as may be otherwise required, of the Advisors present at a meeting at which a quorum is present shall constitute the decision of the Board of Advisors. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Advisors; provided, no action may be taken unless at least five (5) Advisors are present and vote in favor thereof. If any meeting of the Board cannot be held because a quorum is not present, a majority of the Advisors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 12. *Compensation.* No Advisor shall receive any compensation from the Association for acting as such.

Section 13. *Conduct of Meetings.* The President shall preside over all meetings of the Board of Advisors, and the Secretary shall keep a minute book of the Board of Advisors, recording therein all resolutions adopted by the Board of Advisors and a record of all transactions and proceedings occurring at such meetings.

Section 14. *Voting.* Each Advisor shall have one (1) vote, and a vote of five (5) of seven (7) shall be required for action.

Section 15. *Activities of Board During Period of Declarant Control.* During the period of Declarant control as provided in Section 2 of this Article, the provisions of Sections 6-11 and 14 shall not apply. Moreover, notwithstanding anything to the contrary contained in the Declaration or these By-Laws, during the period of Declarant control as described in Article III, Section 2, the presence in person of two-thirds ($\frac{2}{3}$) of the total number of Advisors shall constitute a quorum for the transaction of business at all meetings of the Association or the Board of Advisors, and the votes of a majority of those present shall constitute the decision of the Board of Advisors on all other matters as to which the Advisors are entitled to vote under the Declaration or these By-Laws, the vote of a majority of the total number of Advisors shall control so long as the Declarant is entitled to appoint advisors pursuant to Section 2 of Article III.

C. Powers and Duties.

Section 16. *Powers.* The Board of Advisors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the Members.

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may be hereafter adopted, the Board of Advisors shall have all power necessary and proper to discharge its duties and responsibilities.

Section 17. *Management Agent.* The Board of Advisors shall have the authority to employ management personnel or companies. If such a decision is made, the Board shall adopt procedures governing the management and shall be guided by Article III, Section 19, of the By-Laws of the Treyburn Residential Owners Association, Inc., in developing the procedures.

Section 18. *Enforcement.* The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote or to use the common elements for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Advisors to limit ingress and egress to or from a Unit. In the event that any occupant of a Unit violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

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

(b) *Hearing.* If a hearing is requested in a timely manner, the hearing shall be held in executive session affording the Owner a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting, and Article IX, Section 3, of the Declaration shall be complied with. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Advisor, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the

meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The decision of the Board of Advisors after hearing shall be final.

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

ARTICLE IV

OFFICERS

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

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

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

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

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

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

ARTICLE V

COMMITTEES

Committees to perform such tasks and to serve for such periods as may be designated by a resolution adopted by five (5) of the Advisors present at a meeting at which a quorum is present are hereby authorized. Such committees shall perform such duties and have such powers as may be provided in the resolution.

Each committee shall be composed as required by law and shall operate in accordance with the terms of the resolution of the Board of Advisors designating the committee or with rules adopted by the Board of Advisors.

ARTICLE VI MISCELLANEOUS

Section 1. Fiscal Year. The initial fiscal year of the Association shall be set by resolution of the Board of Advisors.

Section 2. Conflicts. If there are conflicts or inconsistencies between the provisions of North Carolina law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of North Carolina law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

Section 3. Books and Records.

(a) *Inspection by Members and Mortgagees.* The Declaration and By-Laws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any mortgagee, Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within Treyburn as the Board shall prescribe.

(b) *Rules for Inspection.* The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

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

Section 4. Financial Review. A financial review of the accounts of the Association shall be made annually in the manner as the Board of Advisors may decide. Upon written request of any institutional holder of a first Mortgage and upon payment of all necessary costs, such holder shall be entitled to receive a copy of the annual financial statement within ninety (90) days after the end of each fiscal year.

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

- (a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated;
- (b) if to an Owner, at the address which the Owner has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the Unit of such Owner; or
- (c) if to the Association, the Board of Advisors, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Owners or Members pursuant to this Section.

Section 6. Amendment. Prior to the sale of the first Residential Unit, Declarant may unilaterally amend this Declaration. After such sale, the Declarant may unilaterally amend this Declaration so long as it still owns property described in Exhibit "B" for development as part of the Properties and so long as the amendment has no adverse effect upon any right of any Owner; thereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent of the Voting Members or their alternates, as

defined in the Residential and Nonresidential Declarations, representing two-thirds (2/3) of the total votes other than the Declarant of the Residential Association and Nonresidential Association, respectively. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment which directly and materially affects the rights or responsibilities of the Class "C" Members shall also require the approval of all Class "C" Members. Notwithstanding anything to the contrary contained in this Section, Article III, Section 4 of these By-Laws may be amended by a majority of the total number of Advisors on the Board of Advisors for the sole purpose of increasing the number of Advisors in accordance with Article III, Section 2 hereof. Any amendment must be recorded in the Public Records of Durham County, North Carolina.

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

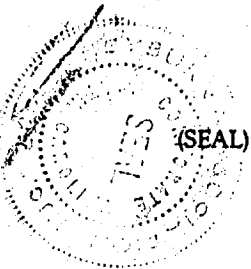
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Treyburn Association, Inc., a North Carolina corporation;

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Advisors thereof held on the 10th day of Nov, 1987

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 10th day of Nov, 1987



James H. Clark
Secretary