

LAW OFFICES  
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July 24, 2010

Board of Directors  
Lochmere Association  
c/o Cathy Wade, President  
HRW, inc.  
4700 Homewood Court, Suite 380  
Raleigh NC 27609

Re: Certification of Vote

Dear Board of Directors:

I have reviewed the information regarding the recent vote of the Lochmere membership. Please allow this letter to serve as certification of the vote that took place via mail ballot on the issues of (1) annexation of the Lochmere Swim and Tennis Club and (2) an increase in the Basic Annual Assessment of up to \$260 per Dwelling Unit to support the purchase, maintenance and operation of the facility. As set forth below, both proposals were properly approved by the membership.

As of 5:00 p.m. on July 20, 2010, the Association was in receipt of a total of 1,632 ballots. The Tellers appointed to tally and record the votes were as follows:

Kent Smith, President of the Association  
Andy Hiscock, Vice President of the Association  
Joe Merrill, Treasurer of the Association  
Pat Easterbrook, Board Member  
Jim Davis, Board Member

Brian Cain, member of the Election Oversight Committee – Lochmere Village  
Kim Hagan, member of the Election Oversight Committee – Lochside  
Robyn Harrower, member of the Election Oversight Committee – Highlands  
Carol Himes, member of the Election Oversight Committee – Hampton Park  
Joyce Wester, member of the Election Oversight Committee – Hampton Park  
Reynold Nippe, member of the Election Oversight Committee – Lochridge Lakeside  
Barb Trapnell, member of the Election Oversight Committee – Lochridge Cluster

Randy Smith, member of the Election Oversight Committee – The Greens  
Mike Miles, member of the Election Oversight Committee – Fairwinds  
George Summerlin, member of the Election Oversight Committee – Fairwinds  
Armand Billieux, member of the Election Oversight Committee – Lochview South

Cathy Wade, Community Manager, HRW, Inc.  
Karen Coachman, HRW, Inc.  
Laynea Tyler, HRW, Inc.

Of the total number of ballots, 1,606 ballots were considered to be valid and included in the vote. The remaining 26 ballots were considered invalid and excluded from the vote for the following reasons: the ballot was submitted by an owner delinquent on assessments; the name on the ballot did not match the name of the legal owner of record; the owner's property had been sold since submitting the ballot; more than one ballot or a conflicting ballot was received for a single lot; or the response was not on an official ballot. It should be noted that neither the inclusion nor exclusion of these ballots would affect the outcome of the vote.

Per Article VIII, Section 1 of the Declaration of Master Covenants, Conditions and Restrictions for Lochmere ("Declaration"), the quorum requirement was 60% of the total votes of the members, which translates to 1,179 votes. The quorum requirement was satisfied given that there were a total of 1,606 votes received.

The annexation of the Lochmere Swim and Tennis Club required approval of 2/3 of the persons voting, per Article VIII, Section 1 of the Declaration, which amounted to a total of 1,071 votes in favor of the annexation. The annexation was approved by 72.8% of the votes, with 1,169 in favor and 437 opposed.

Per Article VI, Section 3 of the Declaration, the assessment increase also required 2/3 approval of the persons voting. The assessment increase was approved by 72.3% of the votes, with 1,161 in favor and 445 opposed.

In my legal opinion, a vote was properly taken regarding the annexation of the Lochmere Swim and Tennis Club and the increase in the Basic Annual Assessment. Quorum was achieved, and each issue passed by a vote of more than the required 2/3 of the received ballots. Accordingly, the Board is authorized to announce the vote to the membership and thereafter to move forward with the purchase of the Lochmere Swim and Tennis Club facility and annexation of the same into Lochmere. In the event an acceptable purchase arrangement is reached with the seller, the Board may institute an increase in the Basic Annual Assessment of up to \$260.00 per Dwelling Unit.

Sincerely,

JORDAN PRICE WALL GRAY JONES & CARLTON, PLLC

Hope Derby Carmichael