

SECTION 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of all members or designated classes of members of the Association, including green ways and recreational areas.

SECTION 4. "Lot" shall mean and refer to any plot of land shown upon the last recorded subdivision map of the Properties on which such plot appears (provided said map has been approved by Declarant), with the exception on the Common Area, privately owned recreation areas and non residential areas.

SECTION 5. "Lot in Use" shall mean and refer to any lot on which a dwelling unit has been fully constructed and occupied as a dwelling unit.

SECTION 6. "Member" shall mean and refer to every person or entity who holds membership in the Association.

SECTION 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 8. "Declarant" shall mean and refer to Bill Clark Homes of Raleigh, LLC and those of its successors and assigns, if any, to whom the rights of Declarant hereunder are expressly transferred hereafter, in whole or in part, and subject to such terms and conditions as the Declarant may impose.

SECTION 9. "Amenities" shall mean the facilities constructed, erected, or installed on the Common Area for the use, benefit and enjoyment of Members.

ARTICLE II ANNEXATION OF ADDITIONAL PROPERTIES

SECTION 1. ANNEXATION BY MEMBERS. Except as provided in Section 2 of this Article, additional lands may be added and annexed to the Properties only if both two-thirds (2/3) of all of the votes entitled to be cast, in the aggregate, by Class A members and also two-thirds (2/3) of all of the votes entitled to be cast by Class B members, if any, are cast in favor of annexation. A meeting shall be duly called for this purpose, written notice of which shall be sent to all members of the Association, setting forth the time, place and purpose of the meeting, not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

For the purpose of such meeting, the presence thereof of members or proxies entitled to cast sixty (60%) percent of the votes of the Class A members and sixty (60%) percent of the votes of the Class B members, if any, shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting

may be called within sixty (60) days thereafter, subject to the notice requirement set forth above, and the required quorum of such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting.

If a quorum is present and the majority of the votes are cast in favor of the annexation, but the majority is less than the two-thirds (2/3) majority either of the Class A or of the Class B votes, or both, required for approval of the annexation, and it appears that the required two-thirds (2/3) majority of either class may be achieved if the members not present or voting by proxy assent to the annexation, then and in that event, the members not present or voting by proxy may assent to or dissent from the proposed annexation in writing within 120 days following the date of the meeting at which the vote was taken. Each member so assenting or dissenting shall be deemed to have cast, respectively, all of the votes to which he is entitled under Article V of this Declaration either in favor of or against the annexation. If the number of votes cast at the meeting in favor of the annexation, together with the votes deemed to have been cast by the members assenting to the annexation, shall constitute the requisite two-thirds (2/3) majority of all votes entitled to be cast by the Class A members, in the aggregate, and by the Class B members, the annexation shall stand approved.

SECTION 2. ANNEXATION BY DECLARANT. The Declarant may annex additional lands to the Properties in the following manner:

(A) If, within ten (10) years of the date of incorporation of the Association, the Declarant should develop additional lands such additional lands may be annexed to said properties without the assent of Class A members. Detailed plans for the development of additional lands may be submitted to the County of Wake prior to such development if such submission is required by ordinances of the County of Wake.

(b) The Declarant may annex to the Properties the additional lands described in Subsection (A) of this Section 2 by recording in the Wake County Registry a declaration of annexation, duly executed by Declarant, describing the lands annexed and incorporating the provisions of this Declaration either by reference or by fully setting out all provisions therein. The additional land shall be deemed annexed to the Properties on the date of recordation of the declaration of annexation, and no action or consent on the part of the Association or any other person or entity shall be necessary to accomplish the annexation.

(c) Subsequent to recordation of the declaration of annexation by the Declarant, the Declarant shall deliver to the Association one or more deeds conveying any Common Area within the lands annexed as such Common Area is developed.

ARTICLE III

MEMBERSHIP

SECTION 1. MEMBERS. The Declarant, for so long as it shall be an Owner, and every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessments by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Ownership of such Lot shall be the sole qualification for membership, and no Owner shall have more than one membership, except as expressly provided hereinafter. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. The Board of Directors may make reasonable rules relating to the proof of ownership of a Lot in this subdivision.

ARTICLE IV

VOTING RIGHTS

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

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

CLASS B. The Class B member shall be the Declarant. The Class B member shall be entitled to Three (3) votes for each Lot in which it holds a fee or undivided fee interest, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in Class A memberships equal the total votes outstanding in Class B membership; provided, that the Class B membership hereunder, additional lands are annexed to the Properties without the assent of Class A members on account of the development of such additional lands by the Declarant, all within the times and as provided for in Article II, Section 2 above; or

(b) on September 1, 2005.

SECTION 2. The right of any member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations and according to the provisions of Article V, Section 1(c).

ARTICLE V
PROPERTY RIGHTS

SECTION 1. Members' Easement of Enjoyment. Every member shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every assessed lot, subject to each of the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage the Common Area, or any portion thereof, and the rights of such mortgage in said Properties shall be subordinate to the rights of the homeowners hereunder; provided, however, that if any Common Area is mortgaged while the Class B membership is in existence, the execution of such mortgage shall require the same approval of the membership which is required for Special Assessments for Capital Improvements as set forth in Article VI, Section 4 of this Declaration.

(c) The right of the Association to suspend the voting rights and right to the use of the recreational facilities by a Member or any person to whom he has delegated his right or enjoyment for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed thirty (30) days, for any infraction of its published rules and regulations;

(d) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless approved by members entitled to cast two-thirds (2/3) of the votes of the Class A membership and two-thirds (2/3) of the votes of the Class B membership, if any, and unless written notice of the proposed action is sent to every member not less than thirty (30) days nor more than sixty (60) days in advance.

The instrument effecting such dedication, transfer or conveyance shall be sufficient if executed by appropriate officers of the Association, and contains a recital of the approval of the members;

(e) The right of the Association to formulate, publish and enforce rules and regulations as provided in Article VIII.

SECTION 2. Delegation of Use. Any member may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

SECTION 3. Title to the Common Area. The Declarant hereby covenants for itself, its heirs and assigns, that it will convey fee simple title to the Common Area as shown on recorded map to the Association, free and clear of all encumbrances and liens on or before the date which the total votes outstanding in Class A memberships equal the total votes outstanding in Class B membership. Similarly, Declarant will convey to the Association common areas which are part of CARPENTER PARK as those portions are annexed in the future until all common areas as shown on the plans approved by the City of Raleigh have been conveyed to the Association.

SECTION 4. The Association may regulate the parking of boats, trailers, and other such items on the Common Area (including the provision of special facilities for which a reasonable charge may be made).

SECTION 5. Membership in the Association does not provide unto members any rights of use or enjoyment in the common areas or facilities owned and maintained by Carpenter Park Condominium Association which adjoins Carpenter Park single family lots and which has a common Declarant. It is hereby acknowledged, however, that Carpenter Park Condominium Association offers to all members of this Association the right of use and enjoyment of the swimming pool facility owned by Carpenter Park Condominium Association and grants to members of this Association a right and easement of enjoyment in and to the common area upon which the swimming pool is maintained and which right and easement shall pass with the title to each single family lot the right and easement of use and enjoyment of the swimming pool facility shall upon conditions and terms as follows:

a. The right of use and enjoyment of the swimming pool at Carpenter Park Condominium Association shall be subject to all rules and regulations as Carpenter Park Condominium Association provides for its members.

b. Each member may elect, by written notice to Carpenter Park Condominium Association, by not later than April 1 of each year, to exercise the right of use and enjoyment of such swimming pool and upon such election shall pay an annual fee, based upon the pro rata cost of maintaining the swimming pool, as reflected by the Association's budget for the fiscal year.

ARTICLE VI

COVENANT FOR ASSESSMENT

SECTION 1. Creation of the Personal Obligation of Assessments. Notwithstanding any provisions or inference in this Declaration to the contrary, no Lot shall be subject to any annual or special assessments until and unless such Lot becomes a Lot in Use, except as follows: Following approval of each area by the County of Wake and either the Veterans Administration or the Federal Housing Administration and the annexation of each such area by the Declarant, and before the sale of any Lot in the area annexed, the Common Area of such annexed area shall be conveyed to the Association. The obligation to pay the annual assessment as to all Lots in each annexed area shall accrue from the first day of the first month following annexation.

The amount of assessment on each Lot which is not a Lot in Use shall be one-fourth (1/4) of the assessment applicable to a Lot in Use.

The Declarant, for each Lot in Use owned within the Properties, hereby covenants, and each Owner of any Lot in Use, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree, to pay to the Association: (1) annual assessments or charges and (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments on Lots in Use and the annual assessments on lots which are not Lots in Use, together with such interest thereon and costs of collection thereof, as hereinafter provided, including without limitation, reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot and improvements against which each such assessment is made and shall be the personal obligation of the person who was the Owner of such property for the period of such person's ownership. The personal obligation shall not pass to his successors in title unless expressly assumed by them. All assessments relating to Common Area shall be shared equally by the owners of each Lot in Use.

Notwithstanding the foregoing, the Declarant may, at its election, postpone, in whole or in part, the date on which the assessment shall commence provided that the Declarant maintains the Common Areas for which no assessment is being collected during the period of such postponement.

If any person shall purchase land within the boundaries of the Property and shall apply to the secretary of the Association, or such person who has been designated by the Association for the maintenance of payment records, for information as to whether assessments applicable to the land being purchase is subject to any past due assessments, it shall be the duty of the secretary or

other person in charge of assessment records to immediately issue a written statement as to whether the land being purchased is subject to past due assessments. If such issued statement indicates the status of past due assessments, the purchaser of land shall be entitled to rely upon the accuracy of such statement and shall purchase free of any lien for past due assessments not shown on such statement.

SECTION 2. Purposes of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the beautification of the Properties, the recreation, health, safety, and welfare of the residents in the in the Properties, the enforcement of these Covenants and the rules of the Association, and, in particular, for the improvement and maintenance of the Properties and providing the services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area. Nothing herein shall mean that assessments may not be used for the beautification of areas within the subdivision but which are not part of the Common Areas, such as entrance signs, access easements crossing private property, median strips within public streets or the interior of cul de sacs.

SECTION 3. Basic and Maximum Annual Assessments. To and including December 31, 1999, the basic (and maximum) annual assessment shall not be in excess of \$1,500.00 per Lot in Use, except as otherwise provided herein, the exact amount of which shall be determined from time to time as provided in subsection (c) of this Section 3.

(a) From and after December 31, 1999, the basic annual assessment may be increased by the Board of Directors of the Association effective January 1 of each year, without a vote of the membership, by a percentage which may not exceed the greater of five (5%) percent per year or the percentage increase reflected in the U. S. City average, Consumer Price Index-United States and selected areas for urban wage earners and clerical workers, all items most recent index and percent changes from selected dates (published by the U. S. Bureau of Labor Statistics, Washington, D. C.) or such Index as may replace said Consumer Price Index, for the twelve-month period ending the immediately preceding July 1; such increased assessment shall be the maximum annual assessment.

(b) After December 31, 1999, the basic annual assessment may be increased by an affirmative vote of two-thirds (2/3) of the members or proxies who are entitled to vote at a meeting called for such purpose, and the increased basic annual assessments shall be the basic annual assessment and be thereafter adjusted pursuant to subparagraph (a) of this Section 3. Written notice of such meeting shall be given by the Board of Directors to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the date, time, place and purpose of the meeting. The provisions of this subsection shall not apply to nor be a limitation upon any change in the basic and maximum

assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(c) After consideration of the current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessments at an amount not in excess of the maximums as determined in subsection (a) of this Section 3.

SECTION 4. Special Assessments for Capital Improvements. In addition to the annual; assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any new construction, reconstruction of described capital improvements or unexpected repair or replacement of described capital improvements upon the Common Area, including the necessary fixtures and personal property related thereto: provided that any such assessments shall be adopted by a two-thirds (2/3) affirmative vote of each class of members voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the time, place and purpose of the meeting.

SECTION 5. Uniform Rate of Assessments. Both annual and special assessments relating to the Common Area must be fixed at a uniform rate for all Lots in Use and may be collected on either a monthly, quarterly, or annual basis. Similarly, annual assessments relating to the Common Areas must be fixed at a uniform rate for all other Lots and may be collected on a monthly, quarterly, or annual basis. Assessments may be collected in advance or in arrears.

SECTION 6. Quorum for any Action Authorized Under Sections 3 and 4. At the first meeting called for the purpose stated in Sections 3 and 4 hereof, the presence at the meeting of members or of proxies entitled to cast sixty percent (60%) of all votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 3 and 4, and the required quorum at any subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. Such subsequent meeting shall be held within sixty (60) days following the preceding meeting.

SECTION 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots in Use and other Lots then existing as of date of transfer to owner, unless postponed by the Declarant. The first annual assessments shall be adjusted according to the number of months remaining in the fiscal year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every

Owner subject thereto. If the Board of Directors of the Association shall determine that it would be inequitable to require the payment of the full amount of annual assessment as might be the case if only a portion of the amenities are available for the use of members the Board may waive payment of any portion of the assessment. The due dates and appropriate penalties for late payment shall be established by the Board of Directors. The Association upon demand at any time shall furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made to defray the actual cost of furnishing such certificate. Such certificate shall constitute conclusive evidence of payment of any assessment therein stated to have been paid.

SECTION 8. Effect of Nonpayment of Assessment: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessments are not paid within thirty (30) days after the due date, assessment shall bear interest from the date of delinquency at the lesser of the highest lawful rate or twelve (12%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of his lot.

SECTION 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the Lien of any mortgage. Sale or transfer of any Lot shall not affect the assessment lien; provided, however, that the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof.

Except as amended herein the Declarations remain unchanged and in full force and effect.

ARTICLE VII

USE RESTRICTIONS

SECTION 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Area.

SECTION 2. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties which may be or may become a nuisance or annoyance to the neighborhood.

ARTICLE VIII

EASEMENTS

All of the properties, including Lots and Common, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television antenna lines and other public utilities as shall be established by the Declarant or by his successors in title, prior to the conveyance of Lots to subsequent owners or the conveyance of Common Area to the Association; and the Association shall have the power and authority to grant and establish upon, over, under and across the Common Area conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Properties.

ARTICLE IX

RIGHTS OF FIRST MORTGAGES AND INSURERS OF FIRST MORTGAGES

SECTION 1. Notice of Default to First Mortgagees and Insurers of First Mortgages. In the event that any Member is in default in any obligation hereunder which remains unpaid for a period of sixty (60) days, every lender who is a first mortgagee as to the Lot of the defaulting Member and the insurer of such first mortgage, shall be immediately notified of such default, provided that such lender and/or insurer shall have given notice to the Association that it is a first mortgagee or insurer as to the Lot of such Member and shall have requested the notice of default as herein set forth.

SECTION 2. Right to inspect Books of the Association. Every first mortgagee and/or insurer of a first mortgage of the Lot of a Member of the Association shall have the right during regular business hours to examine the books and records of the Association.

ARTICLE X

GENERAL PROVISIONS

SECTION 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

SECTION 2. Severability. Invalidation of any of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

SECTION 3. Exchange of Common Area for other Portions of the Properties. Notwithstanding any provision herein to the contrary, except as provided in Section 9 of this Article X, it is expressly provided that the Association may convey to the Declarant, as well as any other member, in exchange for other portions of the Properties conveyed by the Declarant or other members of the Association, any portion of the Common Area therefore conveyed to the Association, all as provided in the Articles of Incorporation of the Association. Upon such conveyance, the area thus conveyed to the Declarant shall become Common Area and subject to the Provisions of these Covenants relating to Common Area. The following hypothetical is by way of illustration and not of limitation: Due to a surveying error or the erroneous plotting of topo lines, a greenway intended to extend along a drainage area is incorrectly located. Thereafter, upon discovery of the error subsequent to the tie of the conveyance of the greenway to the Association, such error could be corrected by an exchange of land between the Declarant and the Association.

SECTION 4. Amendment. The covenants, conditions and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the owner of any Lot 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 said covenants shall be automatically extended for successive periods of ten (10) years. The covenants, conditions and restrictions of this Declaration may be amended during the thirty-year (30) period by an instrument signed by the Owners of not less than ninety (90%) percent of the Lots existing at the time of such amendment, and thereafter by an instrument signed by the Owners of not less than seventy-five (75%) percent of the Lots; provided, however, that the Board of Directors of the Association may amend this Declaration to correct any obvious error or inconsistency in drafting, typing, or reproduction without action or consent of the Owners, and such amendment shall be certified as an official act of the Board and recorded in the Wake County Registry.

SECTION 5. Procedure for Certification and Recordation of Amendment. Any instrument amending these covenants, conditions and restrictions other than an amendment by the Board to correct an error or inconsistency in drafting, typing, or reproduction shall be delivered following execution by the Owners, to the Board of Directors of this Association. Thereupon, the Board of Directors shall, within thirty (30) days after delivery, do the following:

(a) Reasonable assure itself that the amendment has been executed by the Owners of the required number of Lots as provided in Section 4 of this Article. (For this purpose, the Board may rely on its roster of members and shall not be required to cause any title to any Lot to be examined);

(b) Attach to the amendment a certification as to its validity, which certification shall be executed by the Association in the same manner that deeds are executed. The following form of certification is suggested:

(c) Immediately, and within the thirty (30) day period aforesaid, cause the amendment to be recorded in the Wake County Registry.

All amendments shall be effective from the date of recordation in the Wake County Registry, provided, however, that no such instrument shall be valid until it has been indexed in the name of this Association. When an instrument purporting to amend the covenants, conditions and restrictions has been certified by the Board of Directors, recorded and indexed as provided by this Section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to the Owners of all Lots in CARPENTER PARK - Single Family.

SECTION 6. Amendment of Declaration Without Approval of Owners. The Declarant, without the consent or approval of any other owner, shall have the right to amend this Declaration to conform to the requirements of any law or governmental agency having legal jurisdiction over the Property or to qualify the Property or any Lots and improvements thereon for mortgage or improvement loans made by, guaranteed by, sponsored by or insured by a governmental agency or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by, or under the substantial control of, the United States Government or the State of North Carolina, regarding purchase or sale in such lots and improvements, or mortgage interest therein, as well as any other law or regulation relating to the control of the Property, including, without limitation, ecological controls, construction standards, aesthetics, and matters affecting the public health, safety and general welfare. A letter from an official of any such corporation or agency, including, without limitation, the Veterans Administration (VA), U. S. Department of Housing and Urban Development (HUD), the Federal Home Loan Mortgage Corporation, Government National Mortgage Corporation, or the Federal National Mortgage Association, requiring an amendment as a condition of approval, of such amendment of VA, HUD and/or such corporation or agency.

No amendment made pursuant to this Section shall be effective until duly recorded in the Wake county Registry.

SECTION 7. Right of Declarant or Association to Amend to Achieve Tax-Exempt Status. The Declarant, for so long as it shall retain control of the Association, and, thereafter, the Board of Directors of the Association, may amend this Declaration as shall be necessary, in its opinion;, and without the consent of any Owner, in order to qualify the Association or the Properties or any portion thereof, for tax-exempt status. Such amendment shall

become effective upon the date of its recordation in the Wake County Registry.

SECTION 8. Protective Covenants for Lots. Nothing herein shall affect the Declarant's right to establish from time to time appropriate protective covenants governing the use of Lots and the size and location of building thereon. Further, nothing herein shall be deemed to grant to the Association any right to govern the Use of any Lot by its owner, except for the exercise of easements rights owned by the Association which are located on the Lots of Owners.

SECTION 9. FHA/VA Approval. Notwithstanding any provision in this instrument to the contrary, as long as there is a Class B membership, the following actions shall be allowed if Declarant desires to qualify sections of CARPENTER PARK for Federal Housing Administration or Veterans Administration approval (but not otherwise), and only if the actions have received the prior approval of the Federal Housing Administration or the Veterans Administration; (a) annexation of additional properties, and dedication of additional Common Areas; (2) exchange of Common Area for other portions of the properties; (3) amendment of this Declaration of Covenants, Conditions and Restrictions.

SECTION 10. Other Associations. Nothing herein shall affect the Declarant's right to establish other associations and in connection therewith designate common areas solely for the benefit of members of such association. The annexation to CARPENTER PARK Homeowners Association of areas within such associations shall not entitle the members of CARPENTER PARK - Single Family Homeowners Association to the use of Common Areas established for the benefit of members of such other associations.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this instrument on this the 18th day of November, 1998.

BILL CLARK HOMES OF RALEIGH, LLC

BY: Clyde McKinney
CLYDE MCKINNEY, Manager

BY: Gertrud McKinney
GERTRUD MCKINNEY, Manager

North Carolina

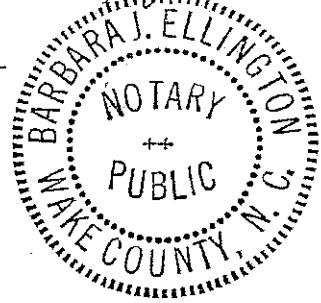
Wake County

I, the undersigned Notary Public of aforesaid County and State, do hereby certify that Clyde McKinney and Gertrud McKinney, Managers of Bill Clark Homes of Raleigh, LLC, personally appeared before me this day and acknowledged the due execution of the foregoing document.

WITNESS my hand and notarial stamp or seal this the 18th day of November, 1998.

Barbara J. Ellington
Notary Public

My Commission Expires: 4-6-2001



NORTH CAROLINA — WAKE COUNTY

The foregoing certificate ___ of _____

Barbara J. Ellington
Notar(y)(ies) Public

is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the first page hereof.

LAURA M. RIDDICK, Register of Deeds

By *Sandra Albrecht*
Asst./Deputy Register of Deeds

~~BN 8293060900~~

~~PRESENTED
FOR
REGISTRATION~~

PREPARED BY AND HOLD: CLIFTON & SINGER, LLP, BOX #43

000714

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NORTH CAROLINA

WAKE COUNTY

ADDITIONAL PROTECTIVE COVENANTS
FOR CARPENTER PARK-SINGLE
FAMILY LOTS, BOOK OF MAPS 1998,
PAGE 1214, WAKE COUNTY REGISTRY
AND AMENDMENT TO RESTRICTIVE COVENANTS
RECORDED IN BOOK 8192, PAGE 1815, WAKE
COUNTY REGISTRY.

Wake County, NC 332
Laura N Riddick, Register of Deeds
Presented & Recorded 08/11/2008 13:35:55
Book : 008656 Page : 01010 - 01017

THIS DECLARATION OF ADDITIONAL PROTECTIVE COVENANTS AND AMENDMENT TO RESTRICTIVE COVENANTS, made on the date hereinafter set forth by BILL CLARK HOMES OF RALEIGH, L.L.C., a North Carolina Limited Liability Corporation, Owner of the property in Carpenter Park, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Cedar Fork and White Oak Townships, County of Wake, State of North Carolina, which is more particularly described as follows:

BEING all of Lots 28 - 52, 97 and 98, inclusive, Carpenter Park Subdivision, Phase I, as shown on plat thereof recorded in Book of Maps 1998, Page 1214, Wake County Registry, except such lots as may have heretofore been conveyed.

AND WHEREAS, the Declarant heretofore caused to be recorded its Declaration of Covenants and Conditions and Restrictions for Carpenter Park, - Single Family Lots, Book of Maps 1998, Page 1214, Wake County Registry, the same appearing in Book 8192, Page 1815, Wake County Registry, whereby the Declarant will convey said properties, subject to certain protective covenants, conditions, restrictions and reservations, liens and charge, and included in said Declaration was the reservation of Declarant's right to establish from time to time appropriate protective covenants governing the use of the Lots and the size and location of buildings thereon;

~~BE RECORDED TO CORRECT SECTION 111, PAGE 3 - TYPOGRAPHICAL ERROR AND OMISSION.~~ PAGE 2, PARAGRAPH 1) to insert book/page numbers, and

[Handwritten Signature]

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AND WHEREAS, Declarant wishes to correct certain typographical errors contained in the original recorded Covenants recorded in Book 8192, Page 1815, Wake County Registry;

AND WHEREAS, Declarant hereby declares that all of the properties within the boundaries of the property as hereinabove described shall be held, sold and conveyed subject to the additional protective covenants which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property in addition to those covenants, conditions, and restrictions heretofore declared which are recorded in Book 8192, Page 1815, Wake County Registry.

NOW THEREFORE, DECLARANT DOES HEREBY:

- 1) Correct the original recorded Covenants recorded in Book 8192, Page 1815, Wake County Registry as follows:
 - * All Reference to Book of Maps 1998, Page 1224, Wake County Registry are replaced with: Book of Maps 1998, Page 1214, and re-recorded in Book of Maps 1999, Page 577, Wake County Registry.
 - * All reference to Book of Maps #, page #, Wake County Registry are replaced with: Book of Maps 1998, Page 1214, and re-recorded in Book of Maps 1999, Page 577, Wake County Registry.

- 2) Exercise its right to amend said covenants recorded in Book 8192, Page 1815, Wake County Registry as follows:

- III. In order to provide for harmony of appearance of the residential lots no building, fence, wall, playground equipment or other structure shall be commenced, erected or maintained upon such lots, nor shall any exterior addition to any structure be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of same have been submitted to and approved in writing by the Board of Directors of the Association.

1998: 1224

~~DK 9293 PLU 907~~

II No obnoxious or offensive trade or activity shall be carried on the property, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood, and no condition shall be permitted or allowed to exist on the property which is or may become an annoyance or a nuisance to the neighborhood.

RSS

III No structure of a temporary nature, including but not limited to a trailer, ~~mobile home, boat,~~ basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time ~~as a residence~~, either temporary or permanently, and no trailer, ~~mobile home, tent, boat~~ shack, barn or other outbuilding shall be permitted to exist on the property. ~~xxx~~

RSS

IV The property herein described shall be used for residential purposes only and no business or commercial enterprise may be carried on upon the premises. This restriction, however, shall not prevent any support activities in conjunction with the construction of residences or development of the common areas.

V If the parties claiming hereunder, or any of their heirs, successors, or assigns, shall violate or attempt to violate any of the covenants herein except as hereinafter provided, then it shall be lawful for any person or any other person or persons owning the real properties situated in said development to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any such covenants, either to prevent him or them from so doing or to recover damages or other dues for such violation except the Declarant who is specifically excluded from any liability for damages.

These covenants shall run with the land and shall be binding on all parties and persons claiming under them unless by vote of the then owners of the lots located within said land it is agreed to change said covenants in whole or in part as set forth herein.

~~BK 8293760904~~

IN WITNESS WHEREOF, the Declarant, BILL CLARK HOMES OF RALEIGH, L.L.C., has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors and have hereunto set their hands and seals this 31 day of March, 1999.

BILL CLARK HOMES OF RALEIGH, L.L.C.

By: [Signature] (SEAL)
Clyde McKinney, Manager

By: [Signature] (SEAL)
Gertrud McKinney, Manager

NORTH CAROLINA

WAKE COUNTY

On this 31 day of March 1999, personally appeared before me, the said CLYDE MCKINNEY and GERTRUD MCKINNEY, managers of Bill Clark Homes of Raleigh, LLC, and they acknowledged that he executed the same being duly sworn by me, made oath that the statements in the foregoing instrument are true.

Witness my hand and notarial seal, this 31 day of March, 1999.

ELIZABETH F. HART
Notary Public
Wake County, NC

[Signature]
Notary Public
My Commission Expires: 6-18-02

NORTH CAROLINA — WAKE COUNTY

The foregoing certificate of [Signature]

Notary (ies) Public

is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the first page hereof.

LAURA M. DODDICK, Register of Deeds

By: [Signature]
Asst./Deputy Register of Deeds

Laura M Riddick
Register of Deeds
Wake County, NC



Book : 008656 Page : 61818 - 61817

Yellow probate sheet is a vital part of your recorded document.
Please retain with original document and submit for rerecording.



Wake County Register of Deeds
Laura M. Riddick
Register of Deeds

North Carolina - Wake County

The foregoing certificate ___ of _____

_____ Notary(ies) Public is (are) certified to be correct. This instrument
and this certificate are duly registered at the date and time and in the book and
page shown on the first page hereof.

Laura M. Riddick, Register of Deeds

By: _____
Assistant/Deputy Register of Deeds

This Customer Group
_____ # of Time Stamps Needed

This Document
_____ New Time Stamp
_____ # of Pages

Date _____
Time _____
Book _____
Page _____
Copy

Book 8293/900

PREPARED BY AND HOLD: CLIFTON & SINGER, LLP, BOX #43

NORTH CAROLINA

3:32

WAKE COUNTY

ADDITIONAL PROTECTIVE COVENANTS
FOR CARPENTER PARK-SINGLE
FAMILY LOTS, BOOK OF MAPS 1998,
PAGE 1214, WAKE COUNTY REGISTRY
AND AMENDMENT TO RESTRICTIVE COVENANTS
RECORDED IN BOOK 8192, PAGE 1815, WAKE
COUNTY REGISTRY.

PRESENTED
FOR
REGISTRATION

99 APR 16 PH 3:48

LAURA M. JIDDICK
REGISTER OF DEEDS
WAKE COUNTY

THIS DECLARATION OF ADDITIONAL PROTECTIVE COVENANTS AND
AMENDMENT TO RESTRICTIVE COVENANTS, made on the date hereinafter set forth by
BILL CLARK HOMES OF RALEIGH, L.L.C., a North Carolina Limited Liability Corporation,
Owner of the property in Carpenter Park, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Cedar Fork and White Oak
Townships, County of Wake, State of North Carolina, which is more particularly described as
follows:

BEING all of Lots 28 - 52, 97 and 98, inclusive, Carpenter Park Subdivision, Phase I,
as shown on plat thereof recorded in Book of Maps 1998, Page 1214, Wake County Registry,
except such lots as may have heretofore been conveyed.

AND WHEREAS, the Declarant heretofore caused to be recorded its Declaration of
Covenants and Conditions and Restrictions for Carpenter Park - Single Family Lots, Book of
Maps 1998, Page 1214, Wake County Registry, the same appearing in Book 8192, Page 1815,
Wake County Registry, whereby the Declarant will convey said properties, subject to certain
protective covenants, conditions, restrictions and reservations, liens and charge, and included in
said Declaration was the reservation of Declarant's right to establish from time to time
appropriate protective covenants governing the use of the Lots and the size and location of
buildings thereon;

AND WHEREAS, Declarant wishes to correct certain typographical errors contained in the original recorded Covenants recorded in Book 8192, Page 1815, Wake County Registry;

AND WHEREAS, Declarant hereby declares that all of the properties within the boundaries of the property as hereinabove described shall be held, sold and conveyed subject to the additional protective covenants which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property in addition to those covenants, conditions, and restrictions heretofore declared which are recorded in Book 8192, Page 1815, Wake County Registry.

NOW THEREFORE, DECLARANT DOES HEREBY:

- 1) Correct the original recorded Covenants recorded in Book 8192, Page 1815, Wake County Registry as follows:
 - * All Reference to Book of Maps 1998, Page 1224, Wake County Registry are replaced with: Book of Maps 1998, Page 1214, and re-recorded in Book of Maps 1999, Page 577, Wake County Registry.
 - * All reference to Book of Maps #, page #, Wake County Registry are replaced with: Book of Maps 1998, Page 1214, and re-recorded in Book of Maps 1999, Page 577, Wake County Registry.
- 2) Exercise its right to amend said covenants recorded in Book 8192, Page 1815, Wake County Registry as follows:
- III. In order to provide for harmony of appearance of the residential lots no building, fence, wall, playground equipment or other structure shall be commenced, erected or maintained upon such lots, nor shall any exterior addition to any structure be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of same have been submitted to and approved in writing by the Board of Directors of the Association.

- II No obnoxious or offensive trade or activity shall be carried on the property, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood, and no condition shall be permitted or allowed to exist on the property which is or may become an annoyance or a nuisance to the neighborhood.
- III No structure of a temporary nature, including but not limited to a trailer, mobile home, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, either temporary or permanently, and no trailer, mobile home, tent, shack, barn or other outbuilding shall be permitted to exist on the property as a residence.
- IV The property herein described shall be used for residential purposes only and no business or commercial enterprise may be carried on upon the premises. This restriction, however, shall not prevent any support activities in conjunction with the construction of residences or development of the common areas.
- V If the parties claiming hereunder, or any of their heirs, successors, or assigns, shall violate or attempt to violate any of the covenants herein except as hereinafter provided, then it shall be lawful for any person or any other person or persons owning the real properties situated in said development to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any such covenants, either to prevent him or them from so doing or to recover damages or other dues for such violation except the Declarant who is specifically excluded from any liability for damages.

These covenants shall run with the land and shall be binding on all parties and persons claiming under them unless by vote of the then owners of the lots located within said land it is agreed to change said covenants in whole or in part as set forth herein.

IN WITNESS WHEREOF, the Declarant, BILL CLARK HOMES OF RALEIGH, L.L.C., has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors and have hereunto set their hands and seals this 31 day of March, 1999.

BILL CLARK HOMES OF RALEIGH, L.L.C.

By: *Clyde McKinney* (SEAL)
Clyde McKinney, Manager

By: *Gertrud McKinney* (SEAL)
Gertrud McKinney, Manager

NORTH CAROLINA

WAKE COUNTY

On this 31 day of March, 1999, personally appeared before me, the said CLYDE MCKINNEY and GERTRUD MCKINNEY, managers of Bill Clark Homes of Raleigh, LLC, and they acknowledged that he executed the same being duly sworn by me, made oath that the statements in the foregoing instrument are true.

Witness my hand and notarial seal, this 31 day of March, 1999.

ELIZABETH F. HART
Notary Public
Wake County, NC

Elizabeth F. Hart
Notary Public
My Commission Expires: 6-18-02

BY-LAWS OF
CARPENTER PARK SINGLE FAMILY HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION. The name of the corporation is Carpenter Park Single Family Homeowners Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 4112 Blue Ridge Road, Raleigh, North Carolina 27612, but meetings of members and directors may be held at such places within the State of North Carolina, County of Wake, as may be designated by the Board of Directors.

ARTICLE II

Section 1. "Association" shall mean and refer to Carpenter Park Single Family Homeowners Association, Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Open Space" shall mean all real property owned by the Association for the common use and enjoyment of the Owners, and including any real property leased to the Association.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Open Space.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to Bill Clark Construction Co., Inc., a North Carolina Corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants and Restrictions of Carpenter Park Single Family Homeowners Association, Inc. recorded in the Office of the Register of Deeds, Wake County, North Carolina, and all amendments thereto.

Section 8. "Member" shall mean and refer to those persons who own lots in the property subject to the Declaration and are entitled to membership as provided in the Declaration.

Section 9. "Classes of Membership". The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. Class B member(s) shall be the Declarant and shall be entitled to four (4) votes for each lot owned. The Class B. membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership, but provided that the Class B membership shall be reinstated if thereafter and before the time stated in sub-paragraph (b) below, such additional lands, filed with the Wake County Planning Department, are annexed to the Properties by the Declarant, all as provided in Article VII, Section 4 of the Carpenter Park Single Family Declaration of Covenants.

(b) on September 1, 2005.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, or in any event on or before November 15, 1999, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:30 p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. The Association shall give at least 15 days written notice of the first annual meeting to all members.

Section 2. Special Meetings. Special Meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A Membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting; by mailing a copy of such notice, postage prepaid, at least 10 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, sixty percent (60%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting. If the required quorum is not present, another meeting may be called and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than five (5) and not more than nine (9) directors, who need not be members of the Association. The first board of directors shall consist of three (3) persons, who shall serve until their successors have been chosen.

Section 2. Term of Office. At the first annual meeting the members shall elect three directors for a term of one year, three directors of a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

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

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

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

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

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

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

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

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

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

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

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

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

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

(f) cause all officer or employees having fiscal responsibilities to be bounded, as it may deemed appropriate;

(g) cause the Open Space to be maintained; and

(h) perform all other duties set forth in the Articles of Incorporation of the Association.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meting of the members.

Section 3. Term. The officer of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of 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. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

PRESIDENT: The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory note.

VICE PRESIDENT: The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

SECRETARY: The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all paper requiring said seal; serve notice of meetings of the board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of accounts; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 10 per center per annum, and the Association may bring an action at law against the Owners personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Open Space or abandonment of his Lot.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Carpenter Park Single Family Homeowners Association, Inc.. The work "Association" may appear as "Assn."

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

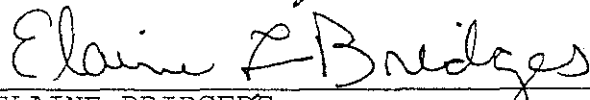
The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation, and end on December 31, 1995.

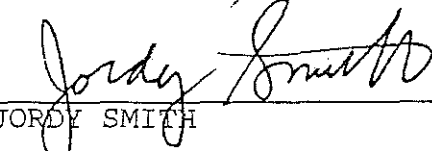
IN WITNESS WHEREOF, we, being all of the initial Board of Directors of Carpenter Park Single Family Homeowners Association, Inc. have hereunto set our hands this 18th day of November, 1998.


WILLIAM H. CLARK


CLYDE MCKINNEY


GERTRUD MCKINNEY


ELAINE BRIDGES


JORDY SMITH

NORTH CAROLINA
WAKE COUNTY

I, the undersigned Notary Public, do hereby certify that WILLIAM H. CLARK, CLYDE MCKINNEY, GERTRUD MCKINNEY, JORDY SMITH and ELAINE BRIDGERS, all of the initial Board of Directors of Carpenter Park Single Family Homeowners Association, Inc. personally appeared before me this day and acknowledge the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this the 18th day of November, 1998.

Elizabeth F. Hart
Notary Public

My Commission Expires: 06-18-02

ELIZABETH F. HART
Notary Public
Wake County, NC

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Carpenter Park Single Family Homeowners Association, Inc., a North Carolina Corporation; and

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 18 day of November, 1998.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the said Association this 18th day of November, 1998.

Paul D. Sizer
SECRETARY

CARPENTER PARK
SINGLE FAMILY PATIO HOMES

Morrisville, North Carolina 27560

RULES
&
REGULATIONS

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- B. PARKING POLICY AND PROCEDURES
- C. SIGN RULES AND PROCEDURES
- D. DELINQUENT ASSESSMENT COLLECTION POLICY
- E. ARCHITECTURAL OR LANDSCAPE REQUEST FORM

SAB Property Management Group
PO BOX 1607
Apex NC 27502
919/333-4599
888/660/4154 efax
Email: sabpmg@yahoo.com
www.sabpmg.com

I. THE GOVERNANCE OF CARPENTER PARK SINGLE FAMILY HOMES

When you purchase or lease a home in Carpenter Park Single Family Homes you become part of a community that is governed in accordance with government, state and city laws and three (3) official documents. In addition, owners and residents must abide by a set of Rules and Regulations that may from time to time be updated and altered by the Board of Directors. The three (3) governing documents are:

- (1) The Declaration of Covenants, Conditions and Restrictions of Carpenter Park Single Family Homes
- (2) The Articles of Incorporation of the Carpenter Park Single Family Homes
- (3) The Bylaws of the Carpenter Park Single Family Homes

Homeowners who did not receive a copy of these documents upon closing the purchase of a unit may secure copies from the management company for the cost of the photocopying.

The Carpenter Park Single Family Homeowners Association: The owners of each unit automatically have a single vote in the Homeowners Association (hereafter referred to as CPS). An annual meeting of CPS is to be held on the same day in November at 7:30PM at a time and place selected by the Board of Directors. A summary of the expenses incurred in the previous year and the budget for the upcoming year are presented, along with other information that may be of interest to the homeowners. Also, an election is held to fill the positions of the Board of Directors that have expired. Occasionally, additional meetings are called to discuss a matter of special importance that needs attention before the next annual meeting.

Board of Directors: The Board of Directors (hereafter referred to as the Board) is governing body of CPS and makes decisions concerning the raising and expenditure of funds, the contracts for work done for CPS, and the establishment and enforcement of the rules of the community.

The Board, after control is turned over to the homeowners, is composed of between five (5) and nine (9) elected members who, by a custom, are homeowners. Terms on the Board are for two (2) years and are staggered so that either three (3) or four (4) terms expire each year. The Board meets as necessary at the home of one of the directors or at the office of the management company. For information about meeting time, call the management company. All homeowners may attend the meetings of the Board, but voting and discussion participation is limited to its elected members.

Officers of CPS: The officers of CPS include a president, vice-president, treasurer, and secretary, who are elected annually by the Board. All four officers must be members of the Board. The president presides over the meetings of the CPS and the Board.

Management: In view of the large number of tasks that rise in the day-to-day operation of the CPS, it has been necessary to employ the services of a professional management company. Among the services performed are the processing of monthly assessments, paying the bills of the CPS, preparing reports on expenditures and keeping records. In addition, the management company oversees the grounds maintenance and landscaping. You should call or write the management company listed at the bottom of the Table of Contents on page ii if you have any questions about the association.

II. GENERAL INFORMATION

Community Defined: Carpenter Park Single Family Homes is a community of single family homes and collectively owned Common Area. Because of our shared environment, each homeowner, and/or resident must help preserve the appearance and desirability of Carpenter Park Single Family Homes for the mutual benefit and enjoyment of all residents. Courtesy, consideration for others, and common sense will allow all Carpenter Park Single Family owners/residents to enjoy our attractive community. In order to facilitate this goal, the following rules and polices have been established and adopted by the Board of Directors of the Carpenter Park Single Family Homeowners Association (CPS).

Questions and Problems Relating to Rules and Regulations: All questions and problems concerning Rules and Regulations should be in writing and directed to the management company of the CPS. Items that are urgent and require immediate attention should be reported by telephone directly to the management company and then confirmed in writing.

III. RULES AND REGULATIONS

Use of Properties: No portion of the properties shall be used except for single-family residential purposes. Single-Family means and refers to a group related by blood, marriage, or adoption living together, or a group of not more than four (4) persons who need not be related, living together. The yards are the property of the individual homeowner and are for the exclusive of that owner. Please respect the rights of each other. Bicycles and skates should no be ridden on grass, natural areas, or sidewalks. Young children, may, however, ride tricycles on the sidewalks. All motor vehicles, except those belonging to the landscaping service, are prohibited from driving behind the units, on sidewalks, or on any non-paving areas. Damages to grass, trees, shrubs, fixtures, or buildings will be assessed to the unit owner of the offending parties.

Leasing Units: Houses may be leased if done so in a manner that does not violate the governing documents for the CPS or the ordinances of the Town of Morrisville. Each house should be used for a single-family residence and for no other purpose. No owner may lease his/her unit for less than a thirty (30) day term or for purposes of occupancy by

other than a single family as defined above. Renting individual rooms or a portion of a residence as a utility apartment is not permitted, nor are more than four (4) unrelated individuals are permitted to reside in a house. Every lease shall contain a provision stating that failure of the tenant(s) to comply with the terms of the Declaration of Covenants, Conditions, and Restrictions for Carpenter Park Single Family Homes, to the CPS Bylaws, and to such Rules and Regulations shall constitute an act of default under the lease.

It is the homeowner's responsibility to correct, or have corrected, any violation within one (1) month of written notification. The homeowner is responsible for payment of the monthly assessment and for the fines levied for violation of the rules. Homeowners that rent their houses should secure a copy of the Board's Governance of Carpenter Park Single Family Homes document from the management company for the use of their tenant. This may be obtained for the cost of photocopying.

YARDS: There are needs to be a uniform appearance of the front yards. Approval must be given by the Association to extend flower beds. Flowers may be added to existing beds without approval. The homeowners are responsible for maintaining their own flower beds. The planting of additional shrubs and trees also need approval from the association. Yard lights and ornaments also need approval from the association.

PETS: No animals, livestock, or poultry of any kind shall be raised, bred, or kept in any unit or in the Common area with the exception of household pets. Two dogs, two cats, or other household pets are allowed, but not to exceed three (3) in number in total. They shall not disturb or annoy residents. The Town of Morrisville leas law shall be adhered to; that is, pets shall not run free. If dogs are walked on the Common Area, the owner will scoop the pet droppings. Do not walk dogs near shrubbery or air conditioner condensers. Unleashed pets will be reported to the Town of Morrisville Animal Control Officer if found outside.

In accordance with the city leash laws, pets must not be allowed to run freely on Common Area, nor may they be chained in these areas. This law applies to all pets, including their cats. At no time should a pet owner allow their animal to relieve themselves on their front yard, common grass/natural areas, sidewalks, parking areas or on someone else's property. Should this happen, the pet owner is required to pick up the droppings or flood the urinated area with water immediately. The homeowner is also required to keep animal droppings off the grass in their backyards so as not to be unpleasant for others or to interfere with the landscaper's mowing or maintaining the grass.

SIGNS: Except for such signs as may be posted by the CPS for safety, traffic control, marketing and sales purposes, nit addresses, or identification numbers, no signs of any kind shall be erected, posted, or displayed upon, in , from, or about an lot, unit, or Common Area except as allowed by the Board of Directors. Prior approval is required.

Please see Appendix C, Sign Rules and Procedures, for the complete sign policy.

TRASH CONTAINERS: All trash containers must be stored either in the garage of in the back of yard concealed by shrubs or fences so as not to be visible from the street or from the neighboring yards. They are not to be put out for pick up until the night before and must be put away the day of pickup.

YARD SALES: Yard sales are allowed only on Saturdays between 7am and 3pm.

OUTSIDE DRYING AND TEMPORARY STRUCTURES: Outdoor clothes dryers or clotheslines are not allowed in any yard. No laundry, clothing, or the like should be hung outside from any part of the unit or from any porch or patio at any time. In addition, no trailer, tent, shack or barn is permitted.

ASSESSMENTS: Monthly assessments from each homeowner are due in full on the first of each calendar month. Checks payable to Carpenter Park Single Family Homes should be mailed with the provided monthly coupon to the management company of CPS. A homeowner may authorize direct debit from their bank account by contacting the management company and signing an authorization form. The CPS is authorized to charge interest on assessments not paid within thirty (30) days after the due date. Please see Appendix D, Delinquent Assessment Collection Policy, for complete rules and procedures.

QUIET ENJOYMENT: Courtesy and consideration of the neighbors should be the general rule. Measures must be taken not to disturb the peace and tranquility to which your fellow neighbors are entitled. Radios, stereos, TVs, or pets should not be heard louder than normal conversation level in another unit with its doors and windows open. Patio usage should be monitored so that noise is not above normal conversation level. Loud noise should be avoided at all times, but especially after 11:00PM and before 8:00AM. Violations should be reported to the Town of Morrisville Police Department after an attempt to contact the disturbing party.

PARKING: Please see Appendix B, Parking Policy and Procedures.

ANTENNAS: No transmission-only antennas of any kind may be installed on the exterior of any unit except on individual patios. All antennas not covered by the FCC rules are prohibited. Homeowners may install a DBS, MDS, or standard reception antenna according to the CPS and FCC guidelines, subject to prior submission of an Architectural Committee Review form. Please see Appendix A, Architectural Change and Review Policy and Procedures, for a complete set of guidelines.

ARCHITECTURAL CONTROL: See Appendix A, Architectural Change and Review Policy and Procedures.

GROUNDS MAINTENANCE: The association contracts yearly for the maintenance of the private yards and the common areas.

RULES ENFORCEMENT: Occasionally, it becomes necessary for the Board to take special action to enforce the rules of the CPS. The Board is empowered to suspend voting rights in the case of those who disregard rules after a request for compliance has been made. As a final resort before the initiation of legal action, the Board may impose fines ranging from five dollars (\$5) to fifty dollars (\$50), which may be repeated monthly if violations continue. Homeowners are responsible for the actions of their dependents, guests, and tenants.

RENTERS: Renters and resident owners must abide equally by these Rules and Regulations that are to be included with the lease and furnished to all renters by the homeowner.

APPENDIX A

ARCHITECTURAL CHANGE AND REVIEW POLICY AND PROCEDURES

Whereas, in order to further define the Declaration of Covenants, Conditions and Restrictions, the Board of Directors wishes to establish an Architectural Change and Review Policy:

Now therefore, be it resolved that the following Architectural Change Policy be adopted by the Board:

Section 1 Guideline for Exterior Modifications

A. Basis for Architectural Control: The basis for architectural control is outlined in the Declarations of Covenants, Conditions and Restrictions for Carpenter Park Single Family Homes.

B. Purpose of Architectural Committee: The Architectural Committee (hereafter referred to as Committee) was established to preserve the original concept of Carpenter Park Single Family Homes. In addition, its purpose is to preserve property values, the natural beauty of the planned unit development, and to enhance the quality of life in Carpenter Park. The Committee meets as required to review and approve or disapprove the requests of homeowners to construct, modify, or affect improvements on any properties in Carpenter Park Condominiums. The Covenants and Deed Restrictions that established the Carpenter Park Single Family Homeowners Association and the Committee take priority over each homeowner's General Warranty Deed that conveyed ownership of property.

C. Requests for Architectural Approval: All proposed improvements, additions or modifications (hereafter referred to as modifications) to the 1) exterior of structures, 2) interior of structures which are visible from the exterior such as window mullions or 3) landscape (as noted below) within Carpenter Park Single Family must be submitted to the Committee in writing for review and approval or disapproval. The owner must file a "Request for Architectural Approval" for any proposed modification regardless of whether the house is occupied by the owner or someone else. The owner must have written approval for the modifications before any work begins. The owner takes full responsibility for any modifications made on his property.

General examples of modifications that require Committee approval include, but are not limited to the items listed below. It is impractical to list every modification; therefore, the following list is not inclusive. The absence of any item from this list in no way implies that it is exempt from Committee approval. The presence or absence of any item in the following lists in no way implies that it will be approved. When a homeowner wants to make a modification similar to a modification previously made by another homeowner, he/she must still obtain approval from the Committee.

1. Structural: Any exterior redesign, window, door, permanent overhang over the door or windows, shutters, gutters, downspouts, and mullions require approval from the committee. Storm doors, and screen doors on the front and rear of the units require approval from the Committee.
2. Adjacent Structures: Playhouses, tree houses, greenhouses, gazebos, swing sets, basketball goals, and other outbuildings or structures must be approved prior to construction or installation.
3. Miscellaneous: Modifications or additions in outside lighting, solar collectors, signs, flagpoles need Committee approval. No items, such as birdbaths, bird feeders, birdhouses, lawn decorations, wind chimes, and insect control bags may be placed on the Common Area or on front and side yards without prior written permission from the Committee. Antennas are not allowed within Carpenter Park Single Family Homes. Storm doors on the front entrance must be full view white brass kick panel and brass handles and other hardware. No gardens are allowed on Common Area. Anyone wishing to plant shrubbery must submit a request for approval.
4. Antenna Installation: Installing a DBS, MDS or standard reception antenna is considered an architectural change, and a homeowner must submit a Request for Architectural Approval form.

Section 2 Architectural Committee's Review Procedure

- A. Forms: Architectural Change Request Forms and Notice of Intent to Install an Antenna on Individually-Owned Areas forms may be obtained by contacting the management company that is listed on page ii in the Table of Contents or a sample is attached to the back of this booklet. The completed Architectural Change Request form, with all the supporting documents, must be returned to the management company no later than ten days before the next Committee meeting to have the request reviewed at that meeting. The Committee generally meets at the home of a committee member bimonthly or when required. It is not necessary for a homeowner to be present when the Committee reviews his/her request. However, homeowners are welcome to attend the meeting to ask questions and observe the process. Please call the management company to confirm the date, time, and place of the meeting.
- B. Request Review Process: When a request is reviewed by the Committee, the following process will take place.
 1. The committee will examine the written request, noting its completeness or areas of concern.
 2. The committee may contact the neighbors and/or property owners who would reasonably view the proposed modification from their property to make them aware of the proposed modification and to obtain their viewpoint on the matter. In addition, other

CPS members have the right to comment and present views about the proposed modification.

3. The committee will discuss the request and determine any action to be taken, such as:
 - a. Approved as submitted
 - b. Approved subject to conditions
 - c. Disapproved because of an incomplete request
 - d. Disapproved

The committee has thirty (30) days after receipt of the written request to make a decision on the request. The requester will be informed of the Committee's decision in writing by the management company. If the Committee requests further information regarding the proposed modifications, it has thirty (30) days to consider the request after the additional information is submitted. The additional information must be submitted at least ten (10) days before the next Committee meeting. If the Committee does not approve or disapprove the request and inform the homeowner in writing within thirty (30) days of receipt of the request, the request is assumed to be approved and the homeowner may proceed with the modification.

5. The request and the supporting documents become the property of the CPS and will be retained in the property files.
6. Should the Committee deny the homeowner's request, he/she may appeal the decision in writing or in person to the Board of Directors.
7. Any questions should be directed to the management company. They can arrange communications with the committee or answer most questions during their business hours.

APPENDIX B

PARKING POLICY AND PROCEDURES

Whereas, The Declaration of Covenants, Conditions and Restrictions grants the Board of Directors of the Association the power to formulate, amend, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Area; and

Whereas, it shall be the responsibility of the Association to maintain uninterrupted traffic flow along all streets within the properties. If it is necessary to erect "no parking" signs, street lights, or other necessary traffic aides or tow vehicles in order to accomplish this, this shall be done ate the expense of the Association as a common expense; and with the approval of the Town of Morrisville.

Whereas, every member shall have a right and easement of enjoyment in and to the Common Area and a right and easement of ingress and egress over and through the Common Area and such easement shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

- (1) The right of the Association to limit the number of guests or members.
- (2) The right of the Association to make reasonable rules and regulations.

Whereas, ownership of each Lot shall entitle the owner or owners thereof to the use of their driveway only for parking. Boats, campers, trailers, tractors, motor homes, commercial vehicles, and the like may not be parked within the Carpenter Park Single Family Homeowners Association. Furthermore, the repair or extraordinary maintenance of automobiles or other vehicles is not allowed with the exception of minor repairs which must be completed in one day. Owners are responsible for any damage from oil or gas.

Section 2 Vehicle requirements

All motor vehicles shall display current registration license plates and inspection sticker. All motor vehicles shall be maintained in proper operating condition so as not to be a hazard or nuisance by noise, exhaust, emission (loss of liquids such as fuel, oil, or coolant) or appearance (junk, non-operating vehicle). Violators will be held responsible for all damage to the property including pavement, sidewalks, etc.

Section 3 Restrictions

A. Only passenger cars and/or pick up trucks shall be permitted in CPS. Boats, trailers, recreational vehicles, and trucks larger than pick ups are expressly prohibited. Parking of any kind shall be prohibited except in spaces designated for such parking by

being paved and striped. No junk vehicle, trailer, truck other than pick up, camper, recreational vehicle, house trailer, boat or the equivalent, commercial vehicle as may be prohibited by the CPS Association Declaration of Covenants, Conditions and Restrictions, shall be parked in the parking areas without prior written permission of the Board of Directors through the management company.

B. Vehicles must be parked only in driveways and not in the right-of-way of any street. Parking on the grass, pine straw, or in any natural areas is prohibited, as is parking next to mailboxes.

C. The speed limit on any street within Carpenter Park Single Family Homes shall be fifteen (15) miles per hour. Special attention should be exercised when driving within the community to ensure the safety of all residents.

Section 4 Penalties

Infractions of the above rules shall incur penalties as follows:

- A. If any one vehicle is parked in violation of these regulations, it will be subject to towing by the authorized agent for the Association. Notification of possible towing will be given by posting a notice on the offending vehicle. All towing and storage expenses will be the responsibility of the owner of the vehicle.
- B. *Only* the managing agent for the Association may authorize towing.

APPENDIX C

SIGN RULES AND PROCEDURES

Whereas, in order to further define Article IX, Section 6, Signs, of the Declaration of Covenants, Conditions and Restrictions, the Board of Directors wishes to establish a Sign Policy:

Now therefore, be it resolved that the following Sign Policy be adopted by the Board:

Section 1 Sign Policy

Only two types of signs have been approved for use by homeowners: (a) "for sale" or "for lease" signs, and (b) political signs. Furthermore, these signs are subject to the following regulations:

- A. "For Sale" or "For Lease" Signs
 - a. Only one (1) sign may be allowed on a lot
 - b. No signs (including directional signs) may be placed along the streets or at the entrance(s) of Carpenter Park Single Family Homes
 - c. No signs may be attached directly to the outside wall of the house.

- B. Political Signs
 - a. Political Signs may not be placed on the Common Area. Only two (2) signs not to exceed three (3) square feet per house. The names of more than one (1) candidate may appear on one sign.
 - b. The signs may be displayed no more than three (3) weeks before an election and must be removed the day following the election.

APPENDIX D**DELINQUENT ASSESSMENT COLLECTION POLICY**

Whereas, in order to further define Article V, Covenant for Assessments, Section 9, Effect of Nonpayment of Assessments, Remedies of the Association, of the Declaration of Covenants, Conditions and Restrictions, the Board of Directors wishes to establish a Delinquent Assessment Collection Policy:

Now therefore, be it resolved that the following Delinquent Assessment Collection Policy be adopted by the Board:

Section 1 General Information

- A. Delinquent Assessment and Collection Policy
- a. At the end of each month, ten percent (10%) per annum interest and/or late fees will be added to all accounts past due at the end of that month.
 - b. Once an account is fourteen (14) days late, a late notice will be mailed to the owner.
 - c. Once an account is forty-two (42) days late and at least one hundred dollars (\$100), a warning notice will be sent to the owner.
 - d. Once an account is seventy-two (72) days late and at least one hundred dollars (\$100), management will send a ten- (10) day demand letter, notifying the owner that they must pay in ten (10) days or the account will be turned over to an attorney for collection.
 - e. Once an account is ninety (90) days and at least one hundred dollars (\$100) past due, the account will be turned over to the attorney for collection and the costs will be billed to the owner. If the attorney is unsuccessful in collecting after having sent out a letter, he/she will automatically file a lien.
 - f. Once the account is one hundred twenty (120) days past due, the attorney will be advised by management to file in small claims court. If this action is unsuccessful, the attorney will be advised by management to start foreclosure proceedings.
 - g. Once the attorney has received the right to foreclose from the Clerk of Court, the Board of Directors will decide whether to proceed with the foreclosure.

CARPENTER PARK SINGLE FAMILY ASSOCIATION

ARCHITECTURAL OR LANDSCAPE REQUESTION FORM

Name: _____

Address: _____

Telephone: _____ (home) _____ (work)

Please indicate the Change Request Type: Architectural Landscape

Give a complete description of what architectural/landscape alteration you are requesting the committee to approve.

Specify dimensions (including elevations), type of materials to be used, a sketch of the proposed design, colors (if applicable) and a plat of the property showing the change. Use additional sheets of paper and submit maps and/or plats as appropriate. Elevations views will be required as necessary to give a complete understanding of the project.

Date submitted

Homeowner Signature

The owner is required to review the proposed changes with all abutting neighbors who might reasonably view the change, prior to submission to the Architectural Request Committee. This review is NOT an approval or disapproval, but is merely a notification to the neighbors that a change is being requested. The signatures below indicate that the neighbors are aware of the change and that they understand they may voice their opinion on this request. It is the owner's responsibility to obtain permits and inspections as required by the Town of Morrisville.

Name	Address	Signature
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____

Please return completed form to:

RS Fincher & Co., LLC

P O Box 1117

Apex, NC 27502