

Park at Oaklawn Homeowners Association



Board of Directors
Organizational Meeting
November 21, 2005

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Introduction

Thank you!

Thank you for volunteering your time to participate on the first Board of Directors for the Park at Oaklawn Homeowners Association. Stepping forward into these leadership roles demonstrates your commitment to maintaining your home and community. You have the power to come together as a group to create and implement a vision of how you would like your neighborhood to thrive.

Charlotte-Mecklenburg Housing Partnership, Inc. (CMHP)

CMHP is the award winning, master developer for The Park at Oaklawn community. CMHP is a broad-based, private, non-profit housing development and finance corporation organized to expand affordable and well-maintained housing within stable neighborhoods.

This Guide

The contents of this guide are meant to provide a general overview of the responsibilities and purpose of the Homeowner Association and its Board Members. The governing documents are also included for your benefit.

Definition of a Homeowner Association

A homeowner association is an organization comprised of all unit owners in a planned development and works to preserve, maintain, and enhance homes and property values.

Homeowner associations have three defining characteristics:

1. Membership in the homeowner association is mandatory and automatic for all owners.
2. Certain documents bind all owners to be governed by the community association.
3. Mandatory lien-based monetary charges or assessments are levied on each owner in order to operate and maintain the homeowner association.

In North Carolina the homeowner association is Incorporated and has a non-profit status.

Purpose of a Homeowner Association

1. Manage common areas of the property if any.
2. Manage property interests of the homeowner.
3. Develop a sense of community through social activities and/or amenities.
4. In some areas, they provide services for homeowners such as snow removal or yard maintenance.

Laws impacting Homeowner Associations in North Carolina

1. **North Carolina Condominium Act** October 1986
Chapter 47C (1985 (Regular Session 1986), c. 877, s. 1.)
2. **North Carolina Planned Communities Act** January 1, 1999
Chapter 47F (1998-1999, s. 1.)
3. **Session Law 2004-109 Senate Bill 1167** July 17, 2004
Amendments to the Condominium Act and Planned Communities Act
4. **Session Law 2005-422 House Bill 1541** August 23, 2005
An Act to Amend the Laws Governing Homeowner Associations to Provide Greater Protections for Homeowners

Hierarchy of Documents Governing a Homeowner Association

1. Declaration of Covenants, Conditions, & Restrictions (See Tab A)
2. Articles of Incorporation (See Tab B)
3. Bylaws of the Homeowner Association (See Tab C)
4. Board Policies
5. Robert's Rules of Order (See Tab D)

Responsibilities of the Homeowner Association

- ◆ Provide an information package to new homebuyers
- ◆ Publish the names and addresses of all the Association officers and directors within 30 days of their election
- ◆ Hold regular board and committee meetings and an annual meeting for all members
- ◆ Keep as permanent records minutes of all meetings and make available to association members
- ◆ Enforce the Restrictive Covenants and other governing documents in a fair and consistent manner.
- ◆ Provide copies to all residents of any changes in rules or regulations
- ◆ Conduct meetings in accordance with Robert's Rules of Order
- ◆ Create an annual budget
- ◆ Inform residents of annual assessments and special assessments
- ◆ Provide members with an annual income statement and balance sheet within 75 days of the end of the fiscal year
- ◆ Provide a statement of a resident's account within ten days of their written request.

Officers and their Duties

President

- ◆ Preside at meetings of the Board and the Annual meetings, prepare meeting agendas, and ensures valid voting procedures are used
- ◆ See that orders and resolutions of the Board are carried out
- ◆ Be knowledgeable about all of the associations governing documents
- ◆ Sign and deliver in the name of the corporation contracts
- ◆ Be an effective communicator

Vice President

- ◆ Preside over Board and Annual meetings in the absence of the President
- ◆ Be knowledgeable about all of the associations governing documents
- ◆ Perform other duties prescribed by the board or by the president.

Secretary

- ◆ Record and maintain minutes of meetings
- ◆ Be knowledgeable about all of the associations governing documents
- ◆ Maintains all of the association's records and files necessary forms with state agencies.
- ◆ The secretary affixes the corporate seal to legal documents, and witnesses and verifies signatures on documents.
- ◆ The secretary accepts and verifies proxies for annual or special membership meetings.
- ◆ Record records of all votes
- ◆ Perform other duties prescribed by the board or by the president.

Treasurer

- ◆ Keep accurate financial records for the association
- ◆ Deposit money, drafts, and checks in the name of and to the credit of the corporation in the banks and depositories designated by the board;
- ◆ Endorse for deposit notes, checks, and drafts received by the corporation as ordered by the board, making proper vouchers for the deposit;
- ◆ Disburse corporate funds and issue checks and drafts in the name of the corporation as ordered by the board;
- ◆ Upon request, provide the president and the board an account of transactions by the treasurer and of the financial condition of the corporation;
- ◆ Perform other duties prescribed by the board or by the president.
- ◆ Be knowledgeable about all of the associations governing documents

Chair of the Architectural Review Committee (ARC)

- ◆ Preside over ARC meetings
- ◆ Be knowledgeable about all of the associations governing documents
- ◆ Organize neighborhood walk throughs to visually inspect compliance with the Association's Covenants and Restrictions
- ◆ Send out written notices to those out of compliance with the covenants and restrictions
- ◆ Send out written responses to homeowner requests to make exterior improvements
- ◆ Perform other duties prescribed by the board or by the president.

Other Possible Committees

- ♦ Community Events Committee
- ♦ Neighborhood Watch / Safety Committee
- ♦ Care Committee

Creating Community

The following are some activities that can help foster a positive community spirit in your neighborhood*:

- ♦ Have a neighborhood welcome wagon to greet new residents
- ♦ Create a "Yard of the Month" recognition program
- ♦ Organize a block party or pot-luck dinner
- ♦ Print a community t-shirt
- ♦ Establish committees for resident involvement
- ♦ Have a community newsletter
- ♦ Choose a signature shrub or tree and celebrate each Arbor Day
- ♦ Sponsor community workshops (home repair, conflict management, safety, etc.)
- ♦ Work together as a community to support the larger community (blood drive, food or clothing drives, or a volunteer as a community for an event or agency)
- ♦ Send notes of thanks and appreciation
- ♦ Develop an after-school club for neighborhood children

*Many of the suggestions were taken from, *"An Introduction to Community Association Living"* from the Community Association Institute.

Further Resources

♦ **Community Associations Network**

www.communityassociations.net

The Community Associations Network website is an online resource center. You can sign-up for a free bi-weekly email newsletter which informs you of the latest news concerning community associations.

♦ **Homeowner Associations of North Carolina**

www.hoa-nc.com

The Homeowners Associations of North Carolina website is another online resource center. This website keeps a database of homeowners associations in North Carolina.

♦ **Community Associations Institute**

www.caionline.org

This website offers a wide range of resources and educational tools. However, membership is required to access many of the links or documents.

♦ **Community Associations Institute- North Carolina Chapter**

www.cai-nc.org

♦ **City of Charlotte Ordinances**

www.municode.com

To find a listing of the City of Charlotte Ordinances click on **Resources**, than choose **North Carolina**, then click on **Charlotte Code of Ordinances**

♦ **HOABookstore.com**

Online store for books dealing with Management, Meetings, Rules, Minutes, and other community issues.

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

**SECOND AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR THE PARK AT OAKLAWN**

THIS SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration") is made the 3rd day of November, 2005, by FAIRVIEW SINGLE FAMILY HOUSING, LLC, a North Carolina limited liability company (hereinafter referred to as "Declarant").

RECITALS

WHEREAS, Declarant entered into that certain Declaration of Covenants, Conditions, and Restrictions for The Park at Oaklawn dated July 15, 2004, and recorded in Book 17496, Page 502 in the office of the Register of Deeds of Mecklenburg County, North Carolina; and

WHEREAS, by that certain Amended and Restated Declaration of Covenants, Conditions, and Restrictions for The Park at Oaklawn dated July 28, 2004, and recorded in Book 17546, Page 858 in the office of the Register of Deeds of Mecklenburg County, North Carolina, the Declarant amended certain terms of the Declaration; and

WHEREAS, Article XII, Section 12.4 of the Declaration permits the Declaration to be amended by the Declarant to correct scrivener's errors, patent or latent ambiguities, or to make any other modifications whatsoever that do not materially adversely affect the rights or responsibilities of any Owner.

WHEREAS, the Declarant desires to amend and restate the Declaration to correct certain scrivener's errors and to make other certain modifications that do not materially adversely affect the rights or responsibilities of any Owner.

NOW, THEREFORE, the Declaration is hereby amended and restated as follows:

DRAWN BY AND MAIL TO:
Helms Mulliss & Wicker, PLLC (MLW)
P.O. Box 31247 (ROD Box 72)
Charlotte, NC 28210

STATEMENT OF PURPOSE

Declarant is the owner of real property in Mecklenburg County, North Carolina, which is more particularly described on Exhibit A hereof (the "Property"). Declarant desires to create thereon a residential community of single-family detached and attached residential dwellings to be known as THE PARK AT OAKLAWN (the "Subdivision"). The residential dwellings shall consist of traditional fee simple deeded properties.

Declarant desires to insure the attractiveness of the Subdivision and to prevent any future impairment thereof; to prevent nuisances; to preserve, protect, and enhance the values of all properties within the Subdivision, and to provide other services as detailed herein; and to this end, desires to subject the Property to the covenants, conditions, restrictions, easements, assessments, charges, liens and other obligations hereinafter set forth, all of which are for the benefit of said Property and each owner thereof. The Declarant also desires to limit the use of the Property for rental (non-owner-occupied) properties, as set forth in more detail in Article XI.

Declarant has deemed it desirable, for the efficient preservation, protection, and enhancement of the values in said Subdivision, to create an organization to which will be delegated and assigned the powers of administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created.

Declarant has incorporated or will incorporate under North Carolina law THE PARK AT OAKLAWN HOMEOWNERS ASSOCIATION, INC. as a non-profit corporation for the purpose of exercising and performing the aforesaid functions.

Declarant, by this Declaration, does hereby declare that all of the Property described on Exhibit A hereof is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, conditions, restrictions, easements, assessments, charges, and liens set forth in this Declaration which shall run with the real Property and be binding on all parties owning any right, title, or interest in said real Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1.1. "Act" shall refer to the North Carolina Planned Community Act, North Carolina General Statutes Section 47-F, as amended.

Section 1.2. "Articles of Incorporation" shall refer to the articles of incorporation of the Association, as filed with the North Carolina Secretary of State.

Section 1.3. "Assessments" are any dues or other monies owed the Association pursuant to the terms of this Declaration. There are three (3) kinds of Assessments:

(a) Annual Assessments are those levied against each Owner equally, in order to pay for normal activities of the Association.

(b) General Special Assessments are those levied against each Owner equally, in order to pay for extraordinary activities of the Association.

(c) Specific Special Assessments are those levied against one or more individual Owners on account of violations by those Owner(s) of the terms of this Declaration, or on account of expenses incurred by the Association as a result of the activity or inactivity of the Owner(s).

Section 1.4. "Association" shall mean and refer to THE PARK AT OAKLAWN HOMEOWNERS ASSOCIATION, INC., a North Carolina non-profit corporation, its successors and assigns.

Section 1.5. "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Association.

Section 1.6. "Builder" shall mean any homebuilder or other contractor in the business of purchasing Lots from the Declarant, and building thereon, and selling, residential dwelling units to the public. The initial Builder in the Subdivision shall be deemed to be Arvida-Mid Atlantic Homes, Inc., provided that the Declarant shall have the right to identify any other additional Builders at any time.

Section 1.7. "Bylaws" shall mean the bylaws of the Association, as amended.

Section 1.8. "Declarant" shall mean and refer to Fairview Single Family Housing, LLC and its successors and assigns.

Section 1.9. "Dwelling" shall mean any single family residential dwelling unit erected upon any Lot.

Section 1.10. "Housing Authority of the City of Charlotte, North Carolina or "CHA" shall mean the owner of the adjacent property known as The Park at Oaklawn.

Section 1.11. "HUD/VA/FNMA/FHLMC" shall refer to the U. S. Department of Housing and Urban Development, and/or the Veterans Administration, and/or the Federal National Mortgage Association, and/or the Fair Housing Loan Mortgage Corporation, any governmental authority which succeeds said organizations, and/or any other governmental or quasi-governmental authority which governs, regulates or administers the selling of residential dwellings or the issuing of mortgages on such dwellings.

Section 1.12. "Lot" shall mean any Lot. In the event any Lot is permissibly subdivided, increased or decreased in size by resubdivisions, through recordation of new subdivision plats, by deed or otherwise, each lot resulting from such subdivision or resubdivisions shall thereafter constitute a Lot for the purpose of this Declaration.

Section 1.13. "Map" shall mean and refer to any certain Subdivision map(s) which shows the Property and is or shall be recorded in the Mecklenburg County Public Registry.

Section 1.14. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 1.15. "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 Property, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.

Section 1.16. "Property" shall mean and refer to the property described on Exhibit A.

Section 1.17. "Single Family Lot" shall mean and refer to any parcel of land, fronting on a public street, upon which is or may be placed one single-family detached Dwelling, with delineated boundary lines, appearing on plat or maps of the Subdivision recorded with Mecklenburg County Public Registry.

Section 1.18. "Subdivision" shall mean all of The Park at Oaklawn Subdivision, which consists of and is identical to the Property.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF THE ASSOCIATION

Section 2.1. The Property.

The real property which is and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration, and within the jurisdiction of the Association is located in Mecklenburg County, North Carolina, and is described on Exhibit A attached hereto.

Section 2.2. Annexation of Additional Property.

Declarant shall have the right, so long as it owns any Lot, to add additional property, to the Property which is the subject of this Declaration, provided that such additional property is physically contiguous to the Property. Such additional property shall be added by recordation of a Supplemental Declaration identifying such contiguous property. Provided however that, so long as there is a Class B Member as defined in Section 3.2 and HUD/VA approvals are necessary to obtain financing for the Property, such annexation shall require approval of HUD/VA.

In the event the Declarant adds additional property to the Property which is the subject of this Declaration, the Declarant shall have the absolute right, all other provisions of this Declaration notwithstanding, to use any portion of the Property for roadway or other access to the property

being added upon obtaining the written consent of CHA which consent shall not be unreasonably withheld. This right shall include, but not be limited to, the right to use platted lots for vehicular and/or pedestrian access to the additional property.

Section 2.3. Intentionally Deleted.

ARTICLE III

MEMBERSHIP CLASSIFICATIONS: VOTING RIGHTS & DUES OBLIGATIONS

Section 3.1. Membership.

Every Owner of a Lot is subject to Assessments and shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot.

Section 3.2. Classes of Membership.

The voting rights of the membership shall be appurtenant to the ownership of the Lots. There shall be two classes of membership with respect to voting rights. There shall be two classes of membership with respect to dues.

I. Voting Rights

(a) Class A Membership. Every Owner of a Lot, other than the Declarant shall be deemed to be a Class A Member. Each Class A Member shall be entitled to one vote per Lot owned. When more than one person owns an interest (other than a leasehold or a security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any one (1) Lot not owned by the Declarant.

(b) Class B Membership. The Declarant shall be the Class B Member. The Declarant shall be entitled to four (4) votes per each Lot owned. The Class B Membership shall cease to exist and shall be converted to Class A Membership (as appropriate) upon the happening of either of the following events, whichever occurs earlier:

- (1) the date that 75% of the Lots are conveyed to Class A Members other than any Builder; or
- (2) seven years from the initial recording of the Declaration, or
- (3) written notice of consent to such conversion by the Declarant.

II: Dues Obligations

(a) Basic Dues: Basic Dues shall be the pro-rata share of all expenses incurred related to the maintenance of any portion of the Property, if any, that is shared by all Owners.

Basic Dues shall be determined by dividing the total of such expenses by the total number of Lots on the Property.

(b) Class A Membership Dues: Class A Membership Dues shall be the basic dues and the prorata share of all expenses related to the maintenance and service obligations benefiting the Lots. For purposes of determining such prorata share, the Class A Dues shall be determined by dividing the total of such expenses by the total number of Lots on the Property.

(c) Intentionally Deleted.

(d) Class B Membership Dues. The Class B Member shall be responsible for one-quarter of the applicable dues for each Lot owned by it. Alternatively, the Class B Member shall have the right to pay any shortfall between the actual Association expenses and the actual revenues raised from the other Members. The Class B Member shall at all times have the right to satisfy its obligations hereunder by providing services in-kind for the Association, such services to have a value mutually agreed upon by the Association and the Declarant.

ARTICLE IV

PROPERTY RIGHTS

Section 4.1. Owner's Easement of Enjoyment.

Every Owner shall have a general right and easement of enjoyment of his own Lot, subject to the provisions of this Declaration.

Section 4.2. Intentionally Deleted.

Section 4.3. Limitations on Easement of Enjoyment as to All Lots.

(a) Reservation of Five Foot Side-Line and Ten-Foot Rear Line Easements. The Declarant, the Association, their successors and assigns, shall have and hereby do reserve a permanent five-foot easement along the side lines and a permanent ten-foot easement along the rear lines of each Lot for purposes of the installation and maintenance of poles, lines, conduits, pipes and other equipment necessary or useful for furnishing electrical power, gas, water, sewer, storm drainage, telephone service and other utilities to the Lots.

(b) Restrictions on Improvements or Interference with Easements. No improvement shall be built in such a way, and no other action shall be taken by any Owner, which in any way restricts or limits the easement rights granted and reserved herein.

(c) Reservation of Easements for Encroachments. Declarant, for itself and for its successors and assigns, reserves a permanent right and easement over all of the Lots for encroachments of roofs, trim and molding, siding and any other integral components of

structures, the walls of which are located on a common boundary line between adjoining Lots. This right and easement shall be for the continuing existence of any such encroachments; further, there shall be a perpetual right and easement of Owners and their employees, agents and representatives, to go upon adjoining property for the purpose of repair, maintenance and reconstruction of any structure located on the Lot of such Owners.

(d) No Entry Into Residences. Nothing in this section shall be interpreted to grant or reserve to any Owner, other than the Declarant or the Association as specifically set forth herein, the right to enter into the residence of any other Owner under any circumstances whatsoever.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 5.1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each Lot within the Property, hereby covenants and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Annual Assessments or charges, (2) General Special Assessments for capital improvements, and (3) Specific Special Assessments, as determined by the Association, such assessments to be established and collected as hereinafter provided. Any assessment or charge levied against a Lot, remaining unpaid for a period of thirty (30) days or longer, together with interest, costs, fines and reasonable attorneys' fees shall constitute a lien on that Lot. Each such assessment, together with interest, costs, fines and reasonable attorneys' fees shall also be the personal obligation of the person who was the Owner of the Lot at the time when the assessment or charge fell due.

Section 5.2. Purpose of Assessments.

(a) The Assessments levied by the Association shall be used to promote the recreation, health, safety and welfare of the residents of the Property.

(b) Intentionally Deleted.

(c) All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Property, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the Bylaws of the Association. As monies for any assessment are paid to the Association by any Owner, the same may be commingled with monies paid to the Association by the other Owners. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom, shall be held for the benefit of the Members of the Association, no Member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest

therein, except as an appurtenance to his Lot, by whatever means, and the Association shall not be required to account to such Owner for any share of the fund or assets of the Association, or which may have been paid to the Association by such Owner, as all monies which any Owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Property.

(d) The foregoing notwithstanding, no Assessment of any kind may be used for the purpose of filing or pursuing of any legal action of any sort whatsoever (including but not limited to lawsuits, arbitrations, administrative proceedings, and mediations) unless approved by the Declarant for so long as the Declarant owns any Lot. Such limitation shall not apply, however, and Assessments may be used, for the bringing of any action to collect dues or to enforce the use restrictions set forth in this Declaration, or for the defense of any action brought against the Association.

Section 5.3. Maximum Annual Assessment.

(a) Intentionally Deleted.

(b) Until January 1 of the year immediately following the year in which conveyance of the first Lot to an Owner other than Declarant or Builder is made, the Annual Assessment for Dues shall be \$25.00 per year.

(c) The Annual Assessments shall be established by the Board of Directors on an annual basis.

(d) The Board shall have the right to reduce the Annual Assessments at any time.

Section 5.4. Capital Contribution.

Every Owner of a Lot other than Declarant or Builder shall likewise be responsible for an initial capital contribution in the amount of \$25.00. Such capital contributions shall be due upon transfer of the title to any portion of the Property to an Owner other than Declarant or the Builder, and may be applied to capital expenditures or repairs, and regular operating expenses.

Section 5.5. Notice And Quorum For Any Action Authorized.

Written notice of any meeting called for the purpose of taking any action authorized under this Section hereof shall be sent to all Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of all the votes of each class of membership shall constitute a quorum or the percentage needed under the Act, whichever is lower. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5.6. Rate Of Annual Assessment.

Both Annual and General Special Assessments shall be collected on a not more often than monthly basis.

Section 5.7. Date Of Commencement Of Annual Assessments; Due Date.

The Annual Assessments provided for herein shall be due in full on January 1 of each calendar year (other than the first year in which such Assessments are levied, in which case, such are due immediately upon assessment), and shall be payable, as determined by the Association in its absolute discretion, on a monthly or quarterly basis on the first business day of each calendar month or quarter. The first such annual assessment shall be adjusted according to the number of days remaining in the calendar year after conveyance of the first Lot to an Owner, other than Declarant or Builder.

General and Specific Special Assessments shall be due immediately when levied by the Association, or at such other time determined by the Association.

At least thirty (30) days in advance of each annual assessment period, the Board of Directors shall fix the amount of the annual assessment against each Lot for the next year and at least thirty (30) days before January 1 shall send written notice of such fixed assessment to every Owner subject thereto. The Association shall, upon demand, and for a fee to be determined by the Association, furnish a certificate signed by an officer of the Association setting forth whether the assessment on a specified Lot has been paid.

Failure by any Owner to pay any dues in a timely fashion shall give the Association the right to accelerate all dues for the year in which such deficiency occurs. Upon notice of such acceleration, the delinquent Owner shall immediately be obligated to pay all remaining dues for that year.

Section 5.8. Effect Of Nonpayment Of Assessments; Remedies Of The Association.

Any Assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate allowed by law. In addition to such interest charge, the delinquent Owner shall also pay such late charges or fines as may have been theretofore established by the Board of Directors, not to exceed the greater of \$20.00 per month or ten percent (10%) of any assessment installment unpaid. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien created herein against the property in the same manner as prescribed by the laws of the State of North Carolina for the foreclosure of deeds of trust, and interest, late payment fees, costs and reasonable attorneys' fees for representation of the Association in such action and/or foreclosure shall be added to the amount of such assessment. Provided however, the Association may not foreclose an assessment lien if the debt securing the lien consists solely of fines imposed by the Association, interest on unpaid fines, or attorneys' fees incurred by the Association solely associated with fines imposed by the Association; but the Association may enforce such liens by judicial foreclosure. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of

his Lot; nor shall damage to or destruction of any improvement on any Lot by fire or other casualty result in abatement or diminution of the assessments provided for herein. Provided, however, that an Owner's failure to pay any assessment shall not constitute a default under any mortgage given by that Owner, unless expressly agreed to by the Owner in writing.

A judgment, decree, or order in any action shall include costs and reasonable attorneys' fees for the prevailing party. If the Owner does not contest the collection of debt and enforcement of a lien after the expiration of the 15-day period following notice as required by the Act, then reasonable attorneys' fees shall not exceed \$1,200.00 not including costs or expenses incurred. The collection of debt and enforcement of a lien remain uncontested as long as the Owner does not dispute, contest, or raise any objection, defense, offset, or counterclaim as to the amount or validity of the debt and lien asserted or the association's right to collect the debt and enforce the lien as provided in this section. The attorneys' fee limitation in this paragraph shall not apply to judicial foreclosures. An Owner may not be required to pay attorneys' fees and court costs until the Owner is notified in writing of the Association's intent to seek payment of attorneys' fees and court costs. The notice must be sent by first-class mail to the property address and, if different, to the mailing address for the Owner in the Association's records. The notice shall set out the outstanding balance due as of the date of the notice and state that the Owner has 15 days from the mailing of the notice by first-class mail to pay the outstanding balance without the attorneys' fees and court costs. If the Owner pays the outstanding balance within this period, then the Owner shall have no obligation to pay attorneys' fees and court costs. The notice shall also inform the Owner of the opportunity to contact a representative of the Association to discuss a payment schedule for the outstanding balance and shall provide the name and telephone number of the representative. The Association, acting through its Board and in the Board's sole discretion, may agree to allow payment of an outstanding balance in installments. Neither the Association nor the Owner is obligated to offer or accept any proposed installment schedule. Reasonable administrative fees and costs for accepting and processing installments may be added to the outstanding balance and included in an installment payment schedule. Reasonable attorneys' fees may be added to the outstanding balance and included in an installment schedule only after the Owner has been given notice as required in this paragraph.

Section 5.9. Exempt Property.

The assessments, charges and liens created under this Article V shall not apply to any Lot the title to which is vested either in any first mortgagee subsequent to foreclosure or in the Secretary of Housing and Urban Development or the Administrator of Veterans Affairs or any other state or federal governmental agency which acquires title by reason of such agency's guarantee or insurance of a foreclosed mortgage loan; provided, however, that upon the resale of such property by such first mortgagee or such governmental agency the assessment herein provided shall again commence and accrue and shall be fully applicable to such Lot upon the conveyance to any subsequent Owner. All land which shall be dedicated to and accepted by a local public authority, and all land granted to or used by a utility company, and property owned by a nonprofit organization exempt from taxation under the laws of the State of North Carolina shall be exempt from the assessments and charges created herein.

Section 5.10. Subordination to the Lien of First and Second Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any first and second priority deed of trust or first and second mortgages and liens for real estate taxes and other governmental assessments and charges against the Lot. The sale or transfer of any Lot shall not affect the assessment lien; provided, however, the sale or transfer of any Lot which is subject to any first and second deed of trust or first and second mortgage, pursuant to a foreclosure thereof or under a power of sale, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessment as to payments which became due prior to the acquisition of title to such Lot by such purchaser. Such unpaid assessments shall be deemed to be common expenses collectible from all owners including such purchaser, its heirs, successors and assigns.

Section 5.11. Application of Payments.

In the event an Owner pays any funds after the imposition of any fines, or the incurrence of collection fees, the funds paid shall be applied first to any fines levied, then to any other late fees, if any, then to any special assessment, if any, then to the Annual Assessments, if any.

ARTICLE VI

ARCHITECTURAL CONTROL

No improvement of any sort shall be commenced, erected, or maintained upon the Property or any Lot, nor shall any exterior addition to or change or alteration made to any Dwelling (including but not limited to, color or painting of the exterior and type of exterior finish) without the express approval of the Declarant, so long as the Declarant owns any Lot, and thereafter, by the Board of Directors of the Association. In the event an Owner desires to erect an improvement, or alter the exterior of any Dwelling, the Owner shall submit to the Declarant (or the Board, as appropriate), two copies of the plans and specifications showing the nature, kind, shape, height, materials, and location of the improvements. The Declarant (or the Board of Directors) shall have absolute discretion as to the approval or denial of any improvements. The Declarant (or the Board of Directors) shall base its approval or denial upon reasonable consideration as to harmony of external design and location in relation to surrounding structures and topography. Absent such approval, the proposed improvement may not be commenced.

In the event an Owner of any Lot shall make unauthorized changes to any Dwelling and the improvements situated thereon in a manner unsatisfactory to the Declarant (or the Board of Directors), the Declarant (or the Board of Directors) shall have the right, through its agents and employees, to enter upon said Lot, or into said Dwelling, and to repair, maintain and restore the Lot, or the exterior of the Dwelling so that the improvement and/or violation no longer exists. The cost of such action, including materials and labor, and any other costs or attorneys' fees incurred in the enforcement of the rights under these provisions shall be considered a Specific Special Assessment against that Owner(s) and said Lot(s).

Only construction of new structures or improvements shall be permitted, it being the intent of this section to prohibit the moving of any existing structure or improvement onto any Lot or Dwelling.

The Declarant, so long as Declarant owns any Lot or other portion of the Property, and thereafter the Board of Directors, may appoint persons to a committee (the "Architectural Review Committee") to carry out the responsibilities set forth in this Article and to oversee the development and enforcement of architectural control standards and restrictions, including those set forth in this Declaration, with respect to the Property.

ARTICLE VII

MAINTENANCE & SERVICE

Section 7.1. Maintenance Easements

In order to enable the Association to accomplish its maintenance obligations as set forth in this Article, permanent rights and easements over all Lots, and into all Dwellings, have been reserved to the Association.

Section 7.2. Maintenance by Owners:

(a) Intentionally Deleted.

(b) Lots: Each Owner of a Single Family Lot shall be responsible for the maintenance, repair, and replacement of all improvements and landscaping upon his Lot. Each Owner shall maintain his Lot in an orderly fashion, keeping the grass cut and all vegetation of any kind neatly kept and trimmed. Provided, however, the external appearance of such maintenance, repairs or replacement shall be subject to the regulation and control of the Declarant or the Association as provided in this Declaration. All Lots, together with the exterior of all improvements thereon, shall be maintained in a neat and attractive condition by the respective Owners. Such maintenance shall include, but not be limited to, painting, repairing, replacing or caring for roofs, gutters, downspouts, building surfaces, trees, shrubs, walks or other exterior improvements.

No Owner shall excavate or extract earth from the Property for any business commercial purpose. No elevation changes shall be permitted which materially affects surface grade of surrounding Lots unless otherwise approved in writing by the Declarant or the Association; provided that the foregoing restriction shall not prohibit the Declarant or its agent from grading and altering the elevation of any Lot in connection with the construction of a residence upon such Lot in conformity with the terms of this Declaration.

(c) Should an Owner fail to discharge his maintenance, repair or replacement responsibilities in a reasonable and prudent manner to standards harmonious with that of other Lots in the Subdivision as determined by the Declarant in its discretion or, after the

Declarant owns no portion of the Property, by the Board of Directors, then the Declarant (or Board of Directors, if appropriate) in its discretion may demand that the Owner promptly comply with the same by mailing a notice thereof to the Owner at his address, specified in his contract to purchase such Lot and by posting such notice on the Lot. If the Owner has not complied therewith within five (5) days thereafter, the Board of Directors shall have the right to cause such maintenance, repair or replacement to be performed and to charge the cost thereof as a part of and in addition to the regular assessment attributable to the Lot and provided for in this Declaration, notwithstanding any provision to the contrary contained herein. Should an Owner fail to pay any charge billed in accordance with this subparagraph (d) within fifteen (15) days of such billing, then the Board shall have the right to levy fines and to claim a lien against the Lot and to foreclose such lien, all as provided for in this Declaration. No such entry as provided herein shall be deemed a trespass.

Section 7.3. Intentionally Deleted.

Section 7.4. General Maintenance Provisions.

(a) In the event that the need for maintenance, repair or replacement is caused through the willful or negligent act of the Owner, his family, guests or invitees, the cost of such maintenance, repair or replacement shall be added to and become a part of the assessment to which such Lot is subject, notwithstanding any provisions to the contrary contained herein.

(b) The Association shall have the power to enforce the obligations contained in this Article VII through the levy of General and/or Specific Special Assessments.

ARTICLE VIII

USE RESTRICTIONS

Section 8.1. Residential Use.

All Lots shall be used for single family residential purposes only. No structure erected, altered, placed or permitted to remain on any Lot shall exceed two and one-half stories in height. A private garage for each Lot for not more than two cars and other accessory structures customarily incidental to the use of the Lot may be erected. The term "Single Family" shall include one or more related or unrelated adults, as well as the children of any such adults. No Lot shall at any time be used for advertising, displaying or otherwise making any outward appearance or showing of any commercial, business or professional purpose, including without limitation, utilizing any property for rental income. Notwithstanding the foregoing, however, nothing set forth in this Section shall prohibit: (a) the Declarant from conducting sales, leasing and promotional activities on any Lot as Declarant shall determine including, but not limited to, using any Lot as a model home or a sales office; (b) the Owner from receiving rental income for a maximum period of six months in a lease purchase arrangement for a Lot; or (c) the Owner of any Lot or any other

person from using such Lot as an office, provided that such use does not create regular customer or client traffic to and from such Lot and no sign, logo, symbol or name plate identifying such business is displayed anywhere on such Lot. In no event may any Lot be used as a registered daycare or otherwise be used for the habitual care for compensation of two or more children unrelated to the Owner or a member of such Owner's household for more than four hours per day.

Section 8.2. Setbacks.

No Dwelling shall be located nearer to the front property line or any side street line than the building setback line as shown on the recorded maps of the Subdivision. No building shall be located nearer any side lot line than the applicable zoning ordinance shall allow. Deviations from building line requirements not in excess of ten percent (10%) thereof shall not be construed as a violation of the building line requirements as long as such deviation does not violate any local ordinance or zoning.

Section 8.3. Animals and Pets.

No animals of any kind shall be kept on any Lot except generally accepted household pets. No swine or goat or cattle of any kind shall be permitted. No pets shall be kept for commercial use or sale, and no more than three pets over the age of six months shall be permitted at any time. Birds shall be confined in cages. No pet shall be roped or tethered in open spaces or shall be permitted to remain outdoors for any extended period of time without supervision of an Owner, it being the intent of this restriction to prohibit the leaving of pets outdoors while the Owner is absent from the Dwelling. In no instance shall household pets become a nuisance to other Owners or infringe upon the property rights of other Owners. In no event may any openly dangerous or vicious animal be kept or maintained on the Property. Owners shall remove and properly dispose of any waste deposited by their pets on any right-of-way, street, parking lot, or Lot of another Owner.

Section 8.4. Signs.

No signs of any type or kind shall be erected, placed or permitted to remain upon or above any Lot with the exception of a single "For Sale" sign, which sign shall not exceed two feet by three feet in dimension and shall refer only to the premises on which displayed, temporary political signs which shall not exceed five square feet in dimension, or Subdivision identification signs at such places as approved by the Declarant or the Board.

Absolutely no "For Rent" signs shall be permitted. Notwithstanding the above, Declarant may erect and place signs of any size or shape on any unsold Lot. Declarant shall also have the right of ingress, egress and regress over the aforesaid Lots in order to maintain and replace any such signs until all of the Lots in the Subdivision have been conveyed by Declarant.

Section 8.5. Nuisances Rubbish.

No activity may be carried on which shall or may be offensive, illegal, or an annoyance or nuisance, as determined by Declarant. Each Owner, his family, tenants, guests and invitees shall refrain from any act or use of his Lot which could reasonably cause embarrassment, discomfort, annoyance or nuisance to any other Owner or resident of another Lot. Without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells or other sound devises, except security devices used exclusively for security purposes shall be located, used or placed on a Lot. No Lot or right-of-way shall be used for rubbish disposal, or for storage if such storage may cause such Lot or right-of-way to appear unclean or unsightly; nor shall any thing be kept upon any Lot or right-of-way that will emit a foul odor or will cause noise that might disturb the peace. However, the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish and other such debris for pick up by trash removal service units, but such deposits shall only be permitted upon the specific day of pick up. In the event any Owner fails or refuses to keep his Lot free from unsightly objects, weeds, or underbrush or to maintain the structures of each Dwelling in a manner satisfactory to the Board of Directors, the Board of Directors may, five days after delivering notice to the Owner requesting the Owner comply with the requirements of this paragraph, enter and remove all such unsightly objects or vegetation at Owner's expense and Owner agrees to pay such costs incurred by the Association in the enforcement of this paragraph, such charge being deemed a Specific Special Assessment. No such entry as provided herein shall be deemed a trespass. The foregoing provisions shall not apply to Declarant or to a Builder while constructing residences upon any Lots.

Section 8.6. Clotheslines, Garbage Cans; Lawn Maintenance, General Upkeep of Lots, etc.

All clothes lines, garbage cans, lawn mowers, stored materials, wrecked, unlicensed, or inoperable vehicles, and similar equipment shall be kept in an enclosed structure or adequately screened by planting or fencing, as determined by the Board of Directors. Incinerators for garbage, trash or other refuse shall not be permitted anywhere in the Subdivision. All garbage cans and other sanitary containers must be kept in a garage or otherwise screened from view from the street, and shall not be permitted to be left on the street for pickup for more than 12 hours. Temporary window treatments (such as towels, bed sheets, etc.) shall not be permitted except for the first 30 days after an Owner takes possession of his/her/their Lot. No colored blinds shall be permitted upon any Lot. No trash, rubbish, garbage or other waste material shall be kept or permitted upon any Lot, except in garbage cans or other sanitary containers. No weeds, vegetation, rubbish, debris, garbage, or other waste materials shall be permitted to accumulate on any Lot or any other portion of the Subdivision which would render it unsanitary, unsightly, or offensive. Each Owner shall keep his grass, hedges, shrubs, vines and mass planting of any kind trimmed or cut so as to appear neat and attractive, and shall promptly remove any dead trees, vines, shrubs or plants on his property. No part of any structure or the lower branches of trees or other vegetation shall be permitted to obstruct the view at street intersections.

Section 8.7. Antennas, Satellite Dishes.

No freestanding radio or television transmission or reception towers, antennas, dishes or discs shall be erected on a Lot. One radio/television antenna not exceeding twenty-four (24) inches in

height above the roofline of the Dwelling, and one satellite dish or disc not exceeding twenty-four (24) inches in diameter may be installed, provided that they are attached to the Dwelling and not visible from the street in front of the Dwelling. On Dwellings that have a southern-facing front elevation, or that for whatever reason cannot reasonably use satellite dishes subject to the foregoing limitations, it shall be permissible to place one satellite dish, not attached to the residence, in the front or side yard of such Lot, provided that such dish is no more than three (3) feet from the Dwelling, and is screened from view by landscaping, such installation to be specifically approved by the Board.

Section 8.8. Walls, Fences and Hedges.

No fence, hedge or wall of any type or kind shall be erected or maintained on any Lot except such fences, hedges or walls as may be planted, installed, constructed or erected with the initial construction of the main dwelling located on said Lot, or as may be properly installed and improved by the Declarant or the Association. Chain link fencing may be installed in the rear yard only provided the fence is not visible from the street in front of the Dwelling. No privacy fences higher than six (6) feet are permitted on any Lot. In no event may any wall or fence or similar obstruction be erected or maintained along the front or side perimeter of any Lot nor may any approved wall, fence, hedge of any kind or type impede any easement, right of way or similar property boundary of any adjoining Lot. Fencing is only permitted along the perimeter beginning at the rear corner of the main dwelling on the Lot and along the rear perimeter of the Lot.

Section 8.9. Pools.

Underground pools shall be permitted upon Lots. Underground pools must be located directly behind the residence of each Lot, and screened from view by a six-foot privacy fence. No aboveground swimming pools, except for small wading pools, are permitted on any Lot unless otherwise approved in writing by the Declarant or the Board.

Section 8.10. Driveways and Parking Areas.

Only driveways and parking areas constructed of concrete or brick shall be permitted.

Section 8.11. Boats, Commercial Vehicles, Etc.

No boats, motor homes, trailers, campers, mobile homes, school buses, commercial trucks of any size, (trucks with signs or advertising and trucks used for commercial purposes as determined by the Association shall be considered "commercial trucks"), recreational vehicles in excess of twelve (12) feet in length or motorized vans used for commercial purposes (as distinguished from vans used solely as passenger vehicles), shall be parked within the right of way of any public or private street within the subdivision or placed upon a Lot for storage purposes, other than in an enclosed garage and except as may be necessary by an approved Builder while constructing homes.

Section 8.12. Outbuildings.

There shall be no structure of a temporary nature on any Lot; all structures erected must have a permanent foundation (i.e.: poured concrete at least 4 inches thick). No trailer, shed, tent, garage or any other similar structure shall be used as a residence. Provided, however, this paragraph shall not be construed to prevent Declarant from using sheds or other temporary structures during construction. Provided, further, this paragraph shall not be construed to prevent Owners of Lots from constructing a permanent detached garage, carport, or utility shed (such shed not to exceed 12 feet by 16 feet in area) if constructed of materials similar to those used in the residence upon such Lot, if located behind the rear wall of the residence, if constructed in conformity to existing structures within the immediate area, and if not located within any Easements and approved by the Board.

Section 8.13. Basketball Goals and Mailboxes.

Basketball goals shall be permitted on a Lot if placed a minimum of ten (10) feet behind the concrete curb into such Lot, and placed outside of the public right-of-way. All goals and surrounding areas are to be maintained in a neat and orderly condition so as not to create a nuisance. No stone or masonry mailbox structures are permitted. All mailboxes are to be constructed of break-away materials as approved by the North Carolina Department of Transportation, and shall be identical to those originally installed by the Declarant or Builder. If identical mailboxes are no longer available, replacement mailboxes shall be of a style and design substantially similar to the original mailboxes installed by the Declarant or Builder, as approved by the Board.

Section 8.14. Minimum Square Footage.

Dwellings upon any Lot shall contain not less than a minimum of nine hundred (900) square feet of heated floor area, exclusive of garage, carport, unheated storage areas and non-living space for dwellings.

Section 8.15. Subdivision of Lots.

No Lot shall be subdivided by sale or otherwise, except by and with the written consent of Declarant and in compliance with local ordinances. The foregoing notwithstanding, the Declarant shall at all times have the right to reconfigure all unsold Lots, provided that such reconfiguration is in compliance with local ordinances. Such reconfiguration by the Declarant need not result in the same number of Lots existing in the Subdivision, it being the intent of this Section to provide the Declarant with the right to change the size, number, and use of any unsold Lots in the Subdivision.

Section 8.16. Fire.

In the event any home or structure is destroyed or partially destroyed, said damage must be repaired and the improvement reconstructed within twelve months.

Section 8.17. Utility and Drainage.

An easement on each Lot is hereby reserved by Declarant for itself and its successors and assigns along, over, under and upon a strip of land ten (10) feet in width along the rear lot lines, and easements five (5) feet in width along the front and side lot lines of all Lots, in addition to any other Easements. The purpose of these easements shall be to provide, maintain, and operate drainage facilities and utility service lines to, over or for each of the Lots. Within these easements, no structure, planting or other material shall be placed which may interfere with the installation or maintenance of utilities, or which may change the direction or flow of drainage channels in the easements. The easement area of and all improvements in it shall be maintained by Owner, except for those improvements for which a public authority or utility company is responsible. With ten (10) days prior written notice to Owner, Declarant may exercise the right to remove obstructions in such easements upon Owner's failure to do so at Owner's expense, and Owner agrees to pay costs incurred by Declarant in doing so. For the purpose of this covenant, Declarant reserves the right to modify or extinguish the easements herein along any Lot lines in its sole discretion. For the duration of these restrictions, no such utilities shall be permitted to occupy or otherwise encroach upon any of the easement areas reserved without first obtaining the prior written consent of Declarant; provided, however, local service from utilities within easement areas to residences constructed upon any such Lots may tie into established easements without first obtaining separate consents therefor from Declarant.

Section 8.18. Emergency.

There is hereby reserved a general easement to all firemen, ambulance personnel, police and security guards and all similar persons to enter upon the Property or any portion thereof, in the performance of their respective duties. Neither the Association nor the Declarant shall be responsible for any damage caused to any Lots due to the use of this emergency personnel easement.

Section 8.19. Declarant's Consent to Sales Material.

Until all of the Lots have been conveyed by Declarant, all sales and advertising materials, and all forms of deeds, contracts for sale, and other closing documents for the sale of Lots by any Builder shall be subject to the prior approval of Declarant, which approval shall not be unreasonably withheld. If Declarant fails to notify a Builder of approval or disapproval within thirty days, Declarant shall be deemed to have approved the foregoing. Upon disapproval, Declarant shall provide Builder a list of required changes, and the above procedure shall be repeated until approval is obtained.

Section 8.20. Window Units.

No window air conditioning unit shall be installed in any window of any structure on any Lot nor shall be installed any air conditioner so that the same protrudes through any exterior wall of such structure on a Lot; provided, however, this Section shall not preclude the Declarant from owning structures with such window air conditioning units.

Section 8.21. Awnings.

No patio coverings or awnings on the front of any Dwelling shall be permitted except as approved by the Declarant or the Board.

Section 8.22. Recreational Equipment & Outside Furniture.

All recreational equipment and personal property other than automobiles must be stored in such a manner as not to be visible from any street in front of the Dwelling. All swing sets and similar recreational and exercise equipment must be located within the rear yard of each Lot and not be visible from any street in front of the Dwelling and comply with rules promulgated by the Board. No upholstered furniture or other similar fabric or material covered furniture and no blinds or similar blocking devices are permitted on any porch, stoop or outside area of any portion of any Lot, provided, however, exterior furniture designed for outside areas may be placed in the outside areas of any Lot.

Section 8.23. Storm Doors, Screen Doors.

No screen or storm doors shall be permitted on the front entrance to any Dwelling. Doors on the front entrance to any Dwelling must be made of glass or plexiglass which are transparent and have been approved by the Board.

Section 8.24. Pumps, Tanks.

No heat pump, propane tank, solar device, or other similarly exposed mechanical equipment other than those originally installed by the Declarant or a Builder approved by it, shall be placed on any Lot, unless screened from view from the street in front of the Building, and from other Owners, and approved by the Board.

Section 8.25. Firearms.

No BB guns, pellet guns, paint ball guns or any other type of firearms are permitted on any Lot.

Section 8.26. Enforcement.

If any owner shall violate or attempt to violate any of these restrictions, it shall be grounds for an action to recover sums due, damages or injunctive relief, or both, maintainable by Declarant, the Association, or, in proper case, by an aggrieved Owner. Failure by Declarant or any other Owner to enforce any of the foregoing restrictions or other provisions shall not be deemed a waiver of their right to do so. The Association may file lawsuits for purposes of enforcing this Declaration as provided in this Declaration.

Section 8.27. Declarant's Right to Repurchase.

If at any time Declarant sells any Lot to a person or persons, firm or corporation, and such person or persons, firm or corporation shall intend to sell such Lot before any residence is constructed

on said Lot, Declarant reserves and shall have the right and option, but not the obligation, to purchase the Lot at a price not to exceed the original selling price with the option expiring thirty (30) days after the Owner notifies the Declarant in writing of his, her or their intentions, said notice to be by certified mail with return receipt, and said notice shall contain the name and address of the intended purchaser and the price and all other terms of the intended sale.

Section 8.28. General.

Each Lot now or hereafter subjected to this Declaration shall be subject to all Easements. No structure of any type shall be erected upon a Lot which will interfere with the rights and use of any Easement.

Section 8.29. Waiver.

Declarant may, but need not, waive in writing any violation of the designated and approved building location lines on either side lot line, horizontal measurement only, provided that such violation does not exceed 10% of the applicable requirements and provided such violation does not violate any local ordinance or zoning.

Section 8.30. Parking.

No motor vehicle shall be parked or allowed to remain on any portion of the Property except on paved driveways, parking areas and streets. No vehicle or any kind may be kept, stored or parked on any non-paved area of the Property.

Section 8.31. Inoperable Motor Vehicles.

No inoperable, including, without limitation, motor vehicles without current tags, inspection or insurance, or junked, dismantled or wrecked motor vehicles, or parts thereof, shall be allowed to remain on the Property.

Section 8.32. Bulky Items.

Any item that cannot be disposed of properly in a closed container shall be placed at the street and the Owner shall make appropriate arrangements with the City of Charlotte for the pick-up of such item within one week.

Section 8.33. Intentionally Deleted.

ARTICLE IX

INTENTIONALLY DELETED

ARTICLE X

INSURANCE

Section 10.1. Insurance Coverage to be Maintained, Use and Distribution of Insurance Proceeds.

(a) The Association shall maintain in full force and effect fidelity insurance coverage protecting against dishonest acts by Association officers, directors, trustees, and employees and all others who are responsible for handling funds of the Association in the amount of one year's operating budget, plus projected reserve balances during the budget year. If professional management is obtained by the Association that has this coverage and handles the funds, then this requirement will be satisfied.

(b) If the Board of Directors so elects, officers and directors liability insurance covering the officers and directors of the Association may be obtained in such amount as the Board of Directors shall determine.

(c) The Association shall obtain and maintain at all times insurance on all buildings and other improvements to any other part of the Property, in an amount, after application of deductibles, not less than eighty percent (80%) of the actual cash value of the Property covered at the time such insurance is purchased and at the time of each renewal thereof, without deduction for depreciation, and exclusive of the cost of any real property, excavation, foundations, streets and parking facilities. Provided, however, that such insurance may be written on a co-insurance basis of not less than ninety percent (90%) of the policies evidencing such coverage shall insure against all risks of direct physical loss including fire and extended coverage perils. Such policies shall also contain clauses providing for a waiver of subrogation against any Owner and members of Owners household. They shall also contain the standard endorsements and shall provide that such policies may not be canceled or substantially modified without at least thirty (30) days prior written notice to all the insureds, including all mortgagees. Such policies shall further provide that no act or omission by any Owner, unless acting within the scope of his authority on behalf of the Association will preclude recovery upon such policy. All such policies shall provide that adjustment of loss shall be made by the Association as insurance trustee. Each insurance policy shall provide for the issuance of certificates or mortgage endorsements to mortgagees.

(d) The Association shall have the further right to purchase and maintain comprehensive general liability insurance coverage and such other insurance coverage as the Board of Directors may deem necessary and appropriate.

(e) Premiums upon insurance policies purchased by the Association shall be paid by the Association as common expenses to be assessed and collected from all of the Owners.

(f) All insurance policies purchased by the Association shall be for the benefit of the Association.

ARTICLE XI

SPECIAL LIMITATIONS ON RENTAL PROPERTY

There are special restrictions on the rental of Dwellings within the Property. Acceptance of the deed to any Lot indicates an acceptance of the following limitations to the fullest extent permitted by North Carolina or federal law.

The Declarant has determined, based upon its experience in the homebuilding and land development industries, that having a high percentage of rental properties (i.e. non-owner-occupied) ("Rental Properties") is detrimental to the long-term health, and financial value, of a community. Furthermore, the Declarant desires for the Subdivision to comply at all times with the regulations promulgated by HUD/VA/FNMA/FHLMC which limit the number and/or percentage of Rental Properties in the Subdivision. Towards that end, the Declarant hereby places the following special limitations on Rental Properties within the Subdivision:

1. No Dwelling upon a Lot may be offered for rent or for lease without the express written approval of the Board of Directors (and the Declarant, for so long as the Declarant owns any Lot). Owners desiring to rent or lease their Dwelling(s) shall submit a summary of the proposed rent terms and a copy of the proposed lease, at least sixty (60) days prior to the proposed commencement date of such lease. Failure by the Board (and the Declarant, as appropriate) to approve or deny such lease within thirty (30) days of receipt shall constitute an approval of said Lease.
2. No lease shall exceed twelve months duration, and any proposed extension thereto shall be considered a new lease, subject to the same notice and approval requirements set forth herein.
3. Approval or denial of any proposed leases may be made by the Board of Directors (and the Declarant, as appropriate) in its absolute discretion. The foregoing notwithstanding, all leases shall be denied in the event they would contribute to any of the following:
 - A. Having the total number of Rental Properties exceed 20% of the combined number of Dwellings in the Subdivision be non-owner-occupied;
 - B. Having the total number of Rental Properties within any product type (Single Family Lots, Courtyard Lots, or Condominium Units) exceed 20% of the total number of that particular product type;

- C. Having the total number of Rental Properties exceed any limitation established by HUD/VA/FNMA/FHLMC.
4. Each Owner, by taking title to his Lot, acknowledges that the foregoing limitation on alienability of real property is reasonable under the circumstances, and serves to benefit the common scheme of the Subdivision, and the common well being of the Owners.

ARTICLE XII

GENERAL PROVISIONS

Section 12.1. Enforcement.

The Declarant, the Board, the Association, CHA, any Owner or any other person, firm or corporation owning any interest in a Lot shall have the right to enforce by any proceedings at law or equity all conditions, covenants, restrictions, reservations, liens and charges now or hereinafter imposed by the provisions of this Declaration. Failure by such party to enforce any such covenant, condition or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Declarant or Board shall have the right to request that law enforcement, public safety and animal control officers come on the Property to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.

In the event any Owner of any Lot fails or refuses to keep his property free from any such unsightly items, weeds, or underbrush or fails or refuses to correct any unclean, unsightly or unkempt conditions, or is in violation of any restrictions set forth herein or any rules promulgated hereunder, the Board shall demand that the offending Owner comply with and remedy the same by mailing a notice or friendly reminder to the Owner at his Lot address requesting the Owner to comply with the requirements of this Declaration or rules of the Association.

If the Owner has not complied with the friendly reminder within the time frame set forth therein after the mailing or posting of such friendly reminder, the Declarant or Association shall issue a written notice to the Owner. Such written notice may include any of the following information as applicable: (i) the specific violation of this Declaration or of any rule of the Association, (ii) a description of the violation, (iii) any previous contact or correspondence to the Owner regarding the violation, (iv) the time and method for curing the Owner's noncompliance, (v) any potential penalties and hearing procedure information, (vi) contact names and phone numbers of the Association and (vii) a reminder of the purpose of this Declaration and the rules of the Association.

If the Owner has not complied with the written notice within the time frame set forth therein after the mailing or posting of such written notice, a hearing shall be held before the Board or an adjudicatory panel appointed by the Board to determine if the Owner should be fined or if planned community privileges or services should be suspended. Any adjudicatory panel shall be composed of members of the Association who are not officers of the Association or members of

the Board. The written notice when issued shall set forth the date, time and place of hearing. The hearing may be held on the same day as any Association meeting or at such other time as determined by the Board. The Owner shall be given the opportunity to present his or her case, setting forth all relevant factors, including, but not limited to, reasons for noncompliance with this Declaration and/or the rules of the Association and time frame for remedying the violation. The hearing panel shall issue a written decision which shall be given promptly to the Owner and which may impose reasonable fines (not to exceed \$100.00 for the violation and without further hearing for each day more than five (5) days after the decision that the violation occurs) including reasonable attorneys' fees or suspend privileges or services provided by the Association (except access to Lots) without further hearing until the violation or delinquency is cured. Such fines shall be assessments secured by liens under the Act. The Owner may appeal the decision of any adjudicatory panel to the full Board by delivering written notice of appeal to the Board within fifteen (15) days after the date of the decision. The Board may affirm, vacate, or modify the prior decision of the adjudicatory panel.

If the Owner refuses to participate in the hearing or to comply with the decision rendered at the hearing, the Declarant or its agent may avail itself of any remedy, at law or in equity, and may enter and remove all such unsightly items or growth or correct such violation or noncompliance at the Owner's expense or obtain injunctive relief by order of a court of competent jurisdiction, in which event the offending Owner shall be responsible for the costs and expenses of correcting such violation or noncompliance, including attorneys' fees, associated with obtaining such injunctive relief. The Owner, by acquiring property subject to these restrictions, agrees (i) to pay such cost promptly upon demand by the Declarant and (ii) that until such time and such cost and expenses are paid, the Declarant shall be entitled to have a permanent charge and lien upon the offending Owner's Lot and shall be enforceable in accordance with the North Carolina General Statutes Section 47F-3-116. No such entry as provided herein shall be deemed a trespass.

Section 12.2. Severability.

Invalidation of any one of the covenants, conditions or restrictions of this Declaration, or any part thereof, by judgment or court order shall in no way affect any of the other provisions not expressly held to be void and such remaining provisions shall remain in full force and effect.

Section 12.3. Effective Period.

The covenants, conditions, and restrictions of this Declaration shall run with the land and bind the Association and the Owners of Lots for a period of twenty-five (25) years from the date this Declaration is recorded, after which time such covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years until amended or terminated as herein provided. The reserved easements shall run permanently with each Lot.

Section 12.4. Amendment and Termination.

This Declaration may not be materially altered, amended, modified, canceled or changed at any time during the first twenty (20) year period, except by a written document executed by the Declarant, so long as the Declarant owns any Lot, together with the Owner or Owners of two-

thirds (2/3) of the Lots then owned by persons other than the Declarant, and thereafter by a written document signed by the Owners representing two-thirds (2/3) of the votes entitled to vote. Any such Amendment must be recorded in the Mecklenburg County Public Registry and shall not be effective until so recorded.

The foregoing notwithstanding, the Declarant may amend this Declaration at any time to correct scrivener's errors, patent or latent ambiguities, or to make any other modifications whatsoever that do not materially adversely affect the rights or responsibilities of any Owner.

Section 12.5. Enforcement of Expenses as a Lien Upon Property.

All costs incurred by the Declarant or the Board in the enforcement of the terms and conditions hereof, including court costs, fines levied, costs of correcting deficiencies by any Owner of a Lot or Lots, and reasonable attorneys' fees in the enforcement hereof, shall be a personal liability of the Owner or Owners of such Lot or Lots subject to the enforcement or collection hereunder, and furthermore such costs and fees shall be a lien upon the Lot of the Owner, and each Owner agrees to accept such personal liability and the lien enforcement rights of the Declarant and the Association by acceptance of a deed to any Lot or Lots in the subdivision; provided, however, said lien shall be subject to the limitations contained in Article V hereof.

Section 12.6. Amendment to Conform to Requirements of FHA/VA/FHMA/FHLMC.

Declarant, without consent or joinder of the Association or any other Owner of Lot or Lots, may amend this Declaration to conform to the requirements of the FHA/VA/FHMA/FHLMC at any time during which Declarant owns any of the Property.

Section 12.7. FHA /VA Approval.

In the event the Declarant has arranged for and provided purchasers of Lots with FHA/VA insured mortgage loans, then as long as any Class B Lot exists and HUD/VA approvals are necessary to obtain financing for the Property, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, other than as provided in Article II hereof, and amendment of this Declaration.

In the event the necessary HUD/FHA/VA or other governmental approval is not obtained for any action as called for in this Declaration, such failure shall not void said action, but shall merely make such action subject to subsequent disapproval or modification by the appropriate governmental agency.

Section 12.8. Headings.

Article and section headings are inserted for convenient reference and are not to be construed as substantive parts of the paragraphs to which they refer, except to the extent they differentiate between different classes of Lots, Members, or dues and Assessments.

Section 12.9. Assignment and Delegation.

The Declarant reserves and shall have the right and option at any time and from time to time to assign and delegate any or all of its rights and its duties under this Declaration.

Section 12.10. Lender Consent.

Housing Authority of the City of Charlotte, N.C., and Robert H. Sheppard, as Beneficiary and Trustee, respectively under that Deed of Trust and Security Agreement executed on July 15, 2004 and recorded in Book 17496 at Page 476 of the Mecklenburg County Public Registry, as corrected by that certain Correction of Deed of Trust and Security Agreement and Option to Repurchase dated July 28, 2004 and recorded in Book 17643 at Page 651 of the aforesaid Registry, and which may have been or may be modified from time to time, which encumbers the Property, approve this Declaration and agree to abide by its terms, and further recognize that they are not a Declarant hereunder, nor do they assert any rights, or accept any responsibilities of the Declarant. Their execution hereof is made only to express consent to be bound by said Declaration and to subordinate the aforementioned Deed of Trust to this Declaration.

Section 12.11. Planned Community Act.

It is the intent of Declarant that the provisions of this Declaration comply with the requirements set forth in the Act. To the extent any provision contained herein does not comply with the Act, the provisions of the Act shall control.

(Signatures appear on following page)

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed as of the day and year first above written.

DECLARANT:

**FAIRVIEW SINGLE FAMILY HOUSING
LLC**, a North Carolina limited liability company

By: CMHP Development, LLC, Its Managing
Member

By: Charlotte-Mecklenburg Housing
Partnership, Inc., Its Managing Member

By: _____
Name: Patricia G. Garrett
Title: President

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, _____, a Notary Public for the County and State aforesaid, do hereby certify that Patricia G. Garrett personally came before me this day and acknowledged that she is President of Charlotte-Mecklenburg Housing Partnership, Inc., Managing Member of CMHP Development, LLC, the Managing Member of Fairview Single Family Housing, LLC, a North Carolina limited liability company, and that by authority duly given, and as the act of the corporation and that she as President, being authorized to do so, executed the foregoing on behalf of the said limited liability company.

WITNESS my hand and official seal, this the _____ day of _____, 2005.

Notary Public

My commission expires: _____

[NOTARIAL SEAL]

EXECUTION BY BENEFICIARY AND TRUSTEE

Housing Authority of the City of Charlotte, N.C., and Robert H. Sheppard, as Beneficiary and Trustee, under that Deed of Trust described in Section 12.10 hereof, execute this Declaration solely to evidence their agreement to the terms and provisions of Section 12.10, including without limitation the subordination of the Deed of Trust to this Declaration.

BENEFICIARY:

**HOUSING AUTHORITY OF THE CITY OF
CHARLOTTE, N.C.**

By: _____

President

TRUSTEE:

Robert H. Sheppard

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, _____, a Notary Public in and for the County and State aforesaid, do hereby certify that _____ personally came before me this day and acknowledged that he/she is the _____ President of HOUSING AUTHORITY OF THE CITY OF CHARLOTTE, N.C., a North Carolina body corporate and politic, and that he/she, as _____ President, being authorized to do so, executed the foregoing on behalf of said HOUSING AUTHORITY OF THE CITY OF CHARLOTTE, N.C.

WITNESS my hand and notarial stamp or seal, this _____ day of _____, 2005.

Notary Public

My Commission Expires:

(Notarial Stamp or Seal)

STATE OF NORTH CAROLINA

COUNTY OF _____

I, _____, a Notary Public in and for the County and State aforesaid, do hereby certify that Robert H. Sheppard personally came before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and notarial stamp or seal, this _____ day of _____, 2005.

Notary Public

My Commission Expires:

(Notarial Stamp or Seal)

EXHIBIT A

Being all of Lots 2 through 11, inclusive, Lots 20 through 44, inclusive, Lots 48 through 55, inclusive, and Lots 101 through 128, inclusive, of THE PARK AT OAKLAWN, as shown on the plats thereof recorded in Map Book 39 at Page 429, and in Map Book 41 at Page 903 in the Office of the Register of Deeds for Mecklenburg County, North Carolina.



NORTH CAROLINA

Department of The Secretary of State

To all whom these presents shall come, Greetings:

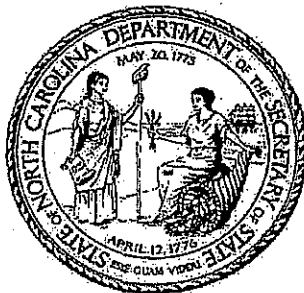
I, **ELAINE F. MARSHALL**, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION

OF

THE PARK AT OAKLAWN HOMEOWNERS ASSOCIATION, INC.

the original of which was filed in this office on the 10th day of October, 2005.



IN WITNESS WHEREOF, I have hereunto
set my hand and affixed my official seal at the
City of Raleigh, this 10th day of October, 2005

Elaine F. Marshall
Secretary of State

SOSID: 807065
Date Filed: 10/10/2005 4:30:00 PM
Elaine F. Marshall
North Carolina Secretary of State
C200528300258

ARTICLES OF INCORPORATION
OF
THE PARK AT OAKLAWN HOMEOWNERS ASSOCIATION, INC.
A NONPROFIT CORPORATION

The undersigned natural person of the age of 18 years or more does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a nonprofit corporation under and by virtue of the laws of the State of North Carolina, as contained in Chapter 55A of the General Statutes of North Carolina, entitled "Nonprofit Corporation Act," and the several amendments thereto, and to that end does hereby set forth:

1. The name of the Corporation is The Park at Oaklawn Homeowners Association, Inc. (hereinafter referred to as the "Association").
2. The period of duration of the Association shall be perpetual.
3. The purposes for which the Association is organized are:
 - (a) To enforce the covenants, restrictions, easements, charges and liens that are to be enforced by the Association as provided in the Declaration of Covenants, Conditions and Restrictions for The Park at Oaklawn by Fairview Single Family Housing, LLC, a North Carolina limited liability company (the "Declarant"), which said Declaration is recorded in the Office of the Register of Deeds for Mecklenburg County, North Carolina (such Declaration, as the same may be amended, modified, supplemented or restated from time to time being hereinafter referred to as the "Declaration"); to own, operate, maintain, manage, repair, replace, improve and care for property as provided in the Declaration; to fix, levy, assess, collect, enforce and disburse the charges and assessments created under the Declaration, all in the manner set forth in and subject to the provisions of the Declaration; and to exercise all power and privileges and to perform all duties and obligations of the Association under the Declaration; and
 - (b) To engage in any lawful act or activity for which corporations may be organized under Chapter 55A of the General Statutes of North Carolina.
4. The Association is not organized for pecuniary profit, nor shall it have any power to issue certificates of stock or pay dividends. No part of the net assets or earnings of the Association shall inure to the benefit of any private individual, firm or corporation.
5. The Association shall have members which may be divided into such classes as shall be provided in the bylaws. All members shall be accepted, appointed, elected or designated in the manner provided in the bylaws.
6. The address of the initial registered office and the principal office of the Association is Charlotte-Mecklenburg Housing Partnership, Inc., 1201 Greenwood Cliff, Suite 300, Charlotte, Mecklenburg County, North Carolina 28204 and the initial registered agent of the Association at such address is Patricia G. Garrett.

7. The incorporator of this Association is Mary Lindsay Weatherly, and her address is Mary Lindsay Weatherly, Esq., Helms Mulliss & Wicker, PLLC, 201 North Tryon Street, Suite 3000, Charlotte, Mecklenburg County, North Carolina 28202.

8. In the event of a dissolution and/or liquidation of the Association, all of the residual assets of the Association shall be distributed to such organizations as shall, in the judgment of the Board of Directors, be most likely to fulfill the purposes of the Association and that are organized under Chapter 55A of the North Carolina General Statutes or corresponding chapters of subsequent North Carolina General Statutes or that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding sections of any future Internal Revenue Code.

9. To the fullest extent permitted by the North Carolina Nonprofit Corporation Act, as the same exists or may hereafter be amended, no person who is serving or has served as a director of the Association shall be personally liable to the Association, its members or otherwise for monetary damages for breach of duty as a director, whether an action is brought by or in the right of the Association or otherwise. No amendment or repeal of this Article, nor the adoption of any provision to these Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the protection granted herein with respect to any matter that occurred prior to such amendment, repeal or adoption.

10. These articles will be effective upon filing.

This is the 7th day of October, 2005.

Mary Lindsay Weatherly (SEAL)
Mary Lindsay Weatherly INCORPORATOR

**BYLAWS
OF
THE PARK AT OAKLAWN HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

Definitions

Section 1. Definitions. In these Bylaws, unless otherwise specifically provided, the following capitalized terms shall have the following meanings:

- (a) "Act" shall mean the North Carolina Nonprofit Corporation Act, as contained in Chapter 55A of the North Carolina General Statutes, as the same now exists or may hereafter be amended.
- (b) "Architectural Review Committee" shall mean that certain committee appointed by the Board of Directors with such powers and rights as may be delegated by the Board of Directors to such committee from time to time.
- (c) "Architectural Guidelines" shall mean those rules, regulations, restrictions, permitted uses, policy resolutions and architectural guidelines that may be determined from time to time by the Architectural Review Committee.
- (d) "Articles of Incorporation" means the Articles of Incorporation of the Association and includes amended and restated Articles of Incorporation.
- (e) "Association" shall mean The Park at Oaklawn Homeowners Association, Inc., a North Carolina non-profit corporation, and any successor thereto.
- (f) "Community Act" shall mean the North Carolina Planned Community Act, as contained in Chapter 47F of the North Carolina General Statutes, as the same now exists or may hereafter be amended.
- (g) "Declarant" shall mean Fairview Single Family Housing, LLC, a North Carolina limited liability company, and shall include any successor or assign of Fairview Single Family Housing, LLC who shall acquire an interest in the Property which was owned by the immediate predecessor-in-title of such successor or assign and who shall stand in the same relation to the Property as his immediate predecessor-in-title.
- (h) "Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions dated July 15, 2004 entered into by the Declarant and recorded in Deed Book 17496 at Page 502 of the Mecklenburg County Public Registry, as such Declaration may be amended, modified, supplemented or restated from time to time. Except as otherwise herein defined, the capitalized terms used herein shall have the meaning set forth in the Declaration.
- (i) "Lot" shall mean and refer to any plot of land designated for separate ownership or occupancy and shown upon any recorded subdivision map of the Property.

- (j) "Owner" shall mean and refer to the record owner (and any respective successor or assign), whether one or more persons or entities, of fee simple title to any Lot which is part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- (k) "Person" shall mean a natural person, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.
- (l) "Property" shall mean and refer to that certain real property described in the Declaration and such additions thereto as may subsequently be subjected to the provisions of the Declaration.

ARTICLE II

Offices

Section 1. Principal Office. The principal office of the Association shall be located in Mecklenburg County, North Carolina or at such other place as the Board of Directors shall determine from time to time.

Section 2. Registered Office. The registered office of the Association may be, but need not be, identical with the principal office.

Section 3. Other Offices. The Association may have any number of additional offices, at such other places as the Board of Directors may determine from time to time, or as the affairs of the Corporation may require.

ARTICLE III

Purposes

The purposes for which the Association is organized are to enforce all covenants and restrictions as provided in the Declaration; to own, maintain and manage the Property as provided in the Declaration; to assess and enforce all charges and assessments created under the Declaration; to exercise all powers and privileges and to perform all duties and obligations of the Association as provided in the Declaration; and to engage in any other lawful act or activity.

ARTICLE IV

Meetings of Members

Section 1. Annual Meetings. The annual meeting of the Members shall be held on the third Tuesday of March of each year. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held on the next business day.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority of the Board of Directors or upon written request by Members having 25% of all votes entitled to be cast at such meeting.

Section 3. Place of Meetings. All meetings of the Members shall be held at such place as shall be determined by the Board of Directors of the Association. If no designation is made, or if a special meeting of Members is otherwise called, the place of meeting shall be the principal office of the Association in the State of North Carolina.

Section 4. 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. Any written notice shall be provided by mailing a copy of such notice, postage prepaid, not less than 10 days nor more than 60 days before the date of 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 written 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 5. Waiver of Notice. A Member may waive any notice required by the Act, the Community Act, the Articles of Incorporation or these Bylaws before or after the date and time stated in the notice. The waiver must be in writing, be signed by the Member entitled to the notice and be delivered to the Association for inclusion in the minutes or for filing with the corporate records. A Member's attendance at a meeting:

- (a) waives objection to lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and
- (b) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter before it is voted upon.

Section 6. Fixing of Record Date. For the purposes of determining Members entitled to notice of or to vote at any meeting of members or any adjournment thereof, the Board of Directors may fix in advance a date for any such determination of Members, such date in any case not be not more than 60 days nor less than 10 days prior to the date on which the particular action, requiring such determination of Members is to be taken. If no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, the close of business on the day before the first notice is delivered to Members shall be the record date for such determination. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof unless the Board of Directors fixes a new record date.

Section 7. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, 10% of the votes appurtenant to the Lots shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half of the required quorum applicable to the meeting adjourned for lack of a quorum. The quorum requirement shall continue to be reduced by 50% from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 8. Proxies. At all meetings of Members, each Member may vote in person or by proxy dated and executed in writing, by the Member or by the Member's duly authorized attorney-in-fact. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable by actual notice of revocation to the person presiding over the meeting and shall automatically cease upon conveyance by

the Member of his Lot. A proxy is void if it is not dated. A proxy terminates 11 months after its date, unless it specifies a shorter term.

Section 9. Membership in the Association. Each Owner of a Lot subject to the jurisdiction of the Association shall be a Member of the Association. In addition, for so long as Declarant owns any part of the Property, Declarant shall be a Member.

Section 10. Voting Rights.

(a) **Class A Members.** Class A Members shall be every Person who is a record owner of a fee or undivided fee interest in any Lot which is subject to the Declaration, except for Declarant or any affiliated entity of Declarant. Class A Members shall be entitled to one vote for each Lot owned. The vote for any one Lot owned by more than one person or entity shall be exercised as a majority among themselves shall determine, but in no event shall the vote or votes with respect to any jointly owned Lot be cast separately. Majority agreement shall be conclusively presumed if any one of the multiple Owners casts the vote allocated to the Lot without objection being made promptly to the person presiding over the meeting by any of the other Owners of such Lot.

(b) **Class B Members.** The Class B Member shall be the Declarant. Each Class B Member shall be entitled to 4 votes for each Lot owned or each Lot to be developed that has not been conveyed by Developer to a Class A Member.

Section 11. Cessation of Class B Membership. Notwithstanding anything contained herein to the contrary, the Class B Membership shall cease and be converted to Class A Membership on the earlier to occur of: (a) the date that 75% of the Lots are conveyed to Class A Members other than any Builder; (b) seven years from the date the Declaration was first recorded in the Office of the Register of Deeds, Mecklenburg County, North Carolina; and (c) when the Declarant voluntarily relinquishes majority control of the Association by a duly recorded instrument.

Section 12. Action by Members. Except as provided otherwise in the Articles of Incorporation, the Declaration or these Bylaws, the vote of a majority of the votes entitled to be cast by the Members present or represented by proxy at a duly held meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the Members. Notwithstanding the above, the affirmative vote of no less than two-thirds of all votes entitled to be cast by the Members shall be required in order for the Association to (a) file a complaint, on account of an act or omission of Declarant, with any governmental agency or judicial authority over the Property or any part thereof; or (b) assert a claim against or sue Declarant.

Section 13. Informal Action by Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if an agreement in writing, setting forth the action so taken, shall be signed by all of the Members who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association's minute book, whether done before or after the action so taken.

ARTICLE V

Board of Directors

Section 1. Number. The business and affairs of the Association shall be managed by a Board of Directors appointed by Declarant so long as Declarant owns any Lot or other portion of the Property. The number of directors of the Association shall be at least three, but not more than five. The actual number to serve in each year shall be fixed by the Board of Directors prior to the annual meeting. Notwithstanding the foregoing, the Declarant may choose, in its sole discretion, to relinquish its right to appoint members of the Board of Directors prior to the time that it owns no portion of the Property, whereupon the Members shall thereafter elect the members of the Board of Directors in accordance with these Bylaws.

The directors shall be divided into three classes, as nearly equal in number as may be, to serve in the first instance for terms of one, two and three years, respectively, and thereafter the successors in each class of directors shall be elected to serve for terms of three years. In the event of any increase or decrease in the number of directors, the additional or eliminated directorships shall be so classified or chosen that all classes of directors shall remain or become as nearly equal in number as may be.

Section 2. Initial Directors. The initial directors shall be selected by the Declarant. Such initial directors shall serve at the election of the Declarant from the date of their election until such time as their successors are duly elected and qualified.

Section 3. Election. Except as otherwise provided in this Article, the directors shall be elected at each annual meeting of the Members. 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 deemed to have been elected. Cumulative voting is not permitted. If any Member so demands, election of directors shall be by ballot.

Section 4. Term of Office. Each director shall hold office for the term for which he was appointed or elected, or until his death, resignation, retirement, removal, disqualification or until his successor is appointed or elected and qualified. The terms of all other directors shall be for the number of years set forth in Section 1 of this Article. A decrease in the number of directors does not shorten an incumbent director's term. The term of a director elected to fill a vacancy shall expire at the next Members' meeting at which directors are elected. Despite the expiration of a director's term, however, such director shall continue to serve until the director's successor is elected and qualified or until there is a decrease in the number of directors.

Section 5. Removal. Until such time as either of the events set forth in Section 1 of this Article occur, a director may only be removed by the Declarant by notice to the Board of Directors. Thereafter, a director may only be removed, for cause, by a majority vote of the Members of the Association that are entitled to vote. A director may not be removed by the Members at a meeting unless the notice of the meeting states or provides that the purpose or one of the purposes of the meeting is removal of the directors; provided, however, that a director may be removed by the unanimous written consent of the Members.

Section 6. Vacancy. Unless the Articles of Incorporation provide otherwise, if a vacancy occurs on the Board of Directors, including, without limitation, a vacancy resulting from an increase in the number of directors or from the failure by the Declarant or the Members, as applicable, to elect the full authorized number of directors, then the vacancy shall be filled as provided herein. So long as Declarant owns any portion of the Property and has not relinquished its power to appoint directors as provided in

this Article, then Declarant shall appoint a person to fill the vacancy. If the Declarant does not own any portion of the Property or has relinquished its power to appoint directors as provided in this Article, then his successor shall be selected by (a) the Members; (b) the remaining members of the Board; or (c) if the directors remaining in office constitute fewer than a quorum of the Board, they may fill the vacancy by the affirmative vote of a majority of all the directors, or by the sole director, remaining in office. A vacancy that will occur at a specific later date (by reason of a resignation effective at a later date or otherwise) may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

Section 7. 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 8. Architectural Review Committee. The Declarant, so long as Declarant owns any Lot or other portion of the Property, and thereafter the Board of Directors, may appoint persons to the Architectural Review Committee to oversee the development and enforcement of architectural control standards and restrictions, including those set forth in the Declaration, with respect to the Property. The members of the Architectural Review Committee shall be appointed annually and will be composed of at least three (3) and no more than five (5) individuals, the exact number to be designated from time to time by the body having the authority to appoint such members. The members of the Architectural Review Committee need not be Owners of any of the Property. In the event of the death or resignation of any members of the Architectural Review Committee, the party or body then having the authority to appoint members to the Architectural Review Committee shall have full authority to designate and appoint a successor. Members of the Architectural Review Committee may be removed and replaced at any time, with or without cause, and without prior notice, by the party or body then having the power to appoint such members.

The Architectural Review Committee may from time to time promulgate Architectural Guidelines. The Architectural Guidelines shall be explanatory and illustrative of the general intent of the development of the Property and are intended as a guide to assist the Architectural Review Committee in reviewing plans and specifications for improvements. In any event, the Architectural Guidelines shall not be binding upon the Architectural Review Committee, may be revised and amended at any time by the Architectural Review Committee, in its sole discretion, and shall not constitute, in every event, the basis for approval or disapproval of plans, specifications and other materials submitted to the Architectural Review Committee for approval as provided below.

ARTICLE VI

Meetings of Directors

Section 1. Regular Meetings. Meetings of the Board of Directors shall be held on a regular basis as often as the Board sees fit, but no less often than annually, on such days and at such place and hour as may be fixed from time to time by the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next business day which is not a legal holiday. Regular meetings of the Board of Directors may be held without notice.

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 directors. The person or persons calling a special

meeting of the Board of Directors shall, at least two days before the meeting, give notice thereof by any usual means of communication (including oral notice).

Section 3. Quorum. A majority of the number of directors fixed by or pursuant to these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by the Articles of Incorporation, the Declaration, these Bylaws or by law. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by an affirmative vote of a majority of those present in person or by proxy. At any such subsequent meeting held as a result of such adjournment, the quorum shall be reduced by 50% from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.

Section 4. Informal Action by Directors. Action taken by a majority of the directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 5. Chairman. A Chairman of the Board of Directors shall be elected by the directors and shall preside over all Board meetings. The Chairman shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the Bylaws.

Section 6. Committees. The Board of Directors may, by resolution adopted by a majority of the number of directors then in office, designate one or more committees each of which shall consist of two or more directors, which committees, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the Association.

Section 7. Participation by Telephone Conference. Any one or more directors may participate in a meeting of the Board of Directors by means of a telephone conference or similar communications device that allows all directors participating in the meeting to simultaneously hear each other during the meeting and such participation in a meeting shall be deemed presence in person at such meeting.

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 Property and facilities and amenities thereon, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Enter into contracts, maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Association;
- (c) Levy assessments in accordance with 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, without the consent of the Board of Directors, from three consecutive regular meetings of the Board of Directors;

(e) Employ a person to manage the affairs and property of the Association, to employ independent contractors or such other employees as it shall deem necessary and prescribe their duties and to set their compensation;

(f) Employ attorneys to represent the Association when deemed necessary;

(g) Grant easements for the installation and maintenance of sewer or water lines and other utilities or drainage facilities upon, over, under and across the Property without the assent of the membership when such easements are requisite for the convenient use and enjoyment of the Property;

(h) Appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient; and

(i) Subject to Declarant's right to appoint the Architectural Review Committee, to appoint the members of the Architectural Review Committee;

(j) Exercise for the Association all powers, duties and authority vested or delegated by the Declaration, the Articles of Incorporation or these Bylaws and not reserved to the Members or Declarant by other provisions of the Declaration, the Articles of Incorporation or these Bylaws; and

(k) Do anything necessary or desirable to carry out the purposes of the Association as set forth herein, in the Articles of Incorporation, the Declaration or as permitted by law.

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 Members entitled to at least 10% of the votes appurtenant to the Lots;

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

(c) As more fully provided in the Declaration:

(1) Fix the amount of the Annual Assessments, General Special Assessments and Specific Special Assessments, and send written notice of each assessment to every Owner subject thereto;

(2) Cause to be maintained a record of all Lots and assessments applicable thereto, such record to be open to inspection by any Owner;

(d) Issue, or to cause an appropriate officer to issue, to any Owner upon demand, a certificate in writing setting forth whether the assessments against the Owner's Lot have been

paid and, if not, the amount due and owing. (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.); and

(e) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE VIII

Officers and Their Duties

Section 1. Officers. The officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The officers of the Association shall be elected by the Board of Directors. Such elections may be held at any regular or special meeting of the Board.

Section 3. Term. Each officer of the Association shall be elected annually by the Board and each shall hold office for one year or until his death, resignation, retirement, removal, disqualification or his successor is elected and qualifies.

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 and shall have such authority, and perform such duties as the Board may determine from time to time.

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 by 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. Any two or more offices may be held by the same person, but no individual may act in more than one capacity where action of two or more officers is required.

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

(a) **President.** The President shall be the principal executive officer of the Association, and subject to the control of the Board, shall supervise and control the management of the Association. The President shall preside at meetings of the Board of Directors. The President shall see that orders and resolutions of the Board are carried out, may sign all leases, mortgages, deeds, checks, promissory notes, amendments to the Declaration on behalf of the Association and other written instruments and shall perform such other duties as may be required of him by the Board.

(b) **Vice-President.** The Vice-President shall act in the place and stead of the President in the event of his absence or his inability or refusal to act, and he shall exercise and discharge such other duties as may be required of him by the Board.

(c) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, shall keep the corporate seal of the Association and affix it to all papers requiring said seal, shall serve notice of meetings of the Board and of the Members, shall keep appropriate current records showing the Members of the Association together with their addresses, shall record any amendments to the Declaration and shall perform such other duties as required by the Board.

(d) **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. The Treasurer may sign all checks and promissory notes of the Association, shall keep proper books of account, shall 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

Assessments

Section 1. Payment of Assessments. As more fully provided in the Declaration, each Member is obligated to pay to the Association Annual Assessments and special assessments. Any assessments shall be due and payable in full within 30 days after billed to an Owner by the Association. If any assessment is not paid by its due date, as set forth in the Declaration, such assessment shall be delinquent and shall accrue interest thereon at the lower of the rate of 18% or the highest rate permitted by law.

Section 2. Liens for Assessments. If any assessment is not paid within 30 days after the date due and payable, then the entire amount of such assessment, including the portion thereof which would otherwise be payable in installments, may be declared due and payable in full by the Board of Directors and shall constitute a lien upon the offending Owner's Lot. The Association may bring an action at law or in equity against the Owner personally and/or avail itself of any remedy provided under the Community Act. There shall be added to the amount of any such assessment all reasonable attorneys' fees and costs incurred by the Association in such action. In the event a judgment is obtained, such judgment shall include interest on the assessments as indicated above.

ARTICLE X

Amendments

Subject to the limitations hereinafter contained, the Articles of Incorporation and these Bylaws may be amended or modified at any time by a vote of no less than 51% of all votes entitled to be cast by the Members, which vote is taken at a duly held meeting of the Members at which a quorum is present, all in accordance with these Bylaws. Provided, however, if 51% of all votes entitled to be cast by the Members cannot be obtained at such a meeting, then the Articles of Incorporation and these Bylaws may be amended by obtaining the vote of 51% of all votes present at a duly held meeting of the Members at which a quorum is present and by obtaining, within 90 days of such vote, written consent to such amendment by the Members holding a sufficient number of votes to comprise, along with such voting Members a total of 51% of all votes entitled to be cast by the Members. An amendment or modification, in lieu of being executed by the Members voting for such amendment or modification, may contain a certification of the Secretary of the Association stating that the amendment or modification has been

voted on and approved by the requisite number of votes of the Members as provided in this Article and when, with respect to the Articles of Incorporation, any amendment or modification is filed of record in the office of the North Carolina Secretary of State. Further provided, that any amendment or modification to the Articles of Incorporation or these Bylaws must be consented to by Declarant so long as Declarant is the Owner of any Lot or other portion of the Property, which consent Declarant may grant or withhold in its sole discretion.

In addition, Declarant, without obtaining the approval of any other Member or any other Owner other than Declarant, may make amendments or modification to the Articles of Incorporation and these Bylaws which either (a) are correctional in nature only and do not involve a change which materially adversely affects the rights, duties or obligations specified herein or therein or (b) apply only to the portions of the Property then owned by Declarant. In addition to the foregoing rights, Declarant may, at Declarant's option, amend and modify the Articles of Incorporation and these Bylaws without obtaining the consent or approval of any other Person if such amendment or modification is necessary to cause the Articles of Incorporation and these Bylaws to comply with the requirements of law or any governmental agency.

ARTICLE XI

Indemnification of Directors and Officers

Section 1. Indemnification. The Association shall indemnify any director or officer, or former director or officer, of the Association or any person who may have served at the request of the Association as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit, against liabilities and reasonable litigation expenses (including attorneys' fees) incurred by him in connection with any action, suit or proceeding (whether civil or criminal) in which he is made or threatened to be made a party by reason of being or having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to have acted in bad faith or to have been liable or guilty by reason of willful misconduct in the performance of duty.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, bylaw, agreement, vote of Members or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Association's indemnity of any person who is or was a director or officer of the Association, or is or was serving at the request of the Association as a director or officer of the Association, or is or was serving at the request of the Association as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his behalf by the Association or (ii) from such other corporation, partnership, joint venture, trust or other enterprise.

Expenses incurred by a director or officer in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall be ultimately determined that he

is entitled to be indemnified by the Association against such expenses as authorized by any bylaw, agreement, vote of the Board of Directors or Members, or by law.

Nothing contained in this Article or elsewhere in these Bylaws, shall operate to indemnify any director or officer if such indemnification is for any reason contrary to any applicable state or federal law.

Section 2. Insurance. The Association may purchase and maintain insurance on behalf of its directors, officers, employees and agents and those persons who were serving at the request of the Association in any capacity in another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against or incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify such person against such liability under the provisions of this Article or otherwise. Any full or partial payment made by an insurance company under any insurance policy covering any director, officer, employee or agent made to or on behalf of a person entitled to indemnification under this Article shall relieve the Association of its liability provided for in this Article or otherwise to the extent of such payment, and no insurer shall have a right of subrogation against the Association with respect to such payment.

ARTICLE XII

Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall end on the 31st day of December of each year.

Section 2. 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 Bylaws 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.

Section 3. Corporate Seal. The Association shall have a seal in circular form having within its circumference the name of the Association, the state of its incorporation, the year of its incorporation and the word "Seal".

Section 4. Construction; The Declaration. These Bylaws shall be construed, to the extent possible, so as to be consistent with the Declaration and in the event that these Bylaws conflict with the Declaration, the provisions of the Declaration shall control, except to the extent they are inconsistent with the Community Act.

Parliamentary Motions Guide

Based on *Robert's Rules of Order Newly Revised (10th Edition)*

The motions below are listed in order of precedence. Any motion can be introduced if it is higher on the chart than the pending motion.

YOU WANT TO:	YOU SAY:	INTERRUPT?	2ND?	DEBATE?	AMEND?	VOTE?
§21 Close meeting	I move to adjourn	No	Yes	No	No	Majority
§20 Take break	I move to recess for	No	Yes	No	Yes	Majority
§19 Register complaint	I rise to a question of privilege	Yes	No	No	No	None
§18 Make follow agenda	I call for the orders of the day	Yes	No	No	No	None
§17 Lay aside temporarily	I move to lay the question on the table	No	Yes	No	No	Majority
§16 Close debate	I move the previous question	No	Yes	No	No	2/3
§15 Limit or extend debate	I move that debate be limited to ...	No	Yes	No	Yes	2/3
§14 Postpone to a certain time	I move to postpone the motion to ...	No	Yes	Yes	Yes	Majority
§13 Refer to committee	I move to refer the motion to ...	No	Yes	Yes	Yes	Majority
§12 Modify wording of motion	I move to amend the motion by ...	No	Yes	Yes	Yes	Majority
§11 Kill main motion	I move that the motion be postponed indefinitely	No	Yes	Yes	No	Majority
§10 Bring business before assembly (a main motion)	I move that [or "to"] ...	No	Yes	Yes	Yes	Majority

Parliamentary Motions Guide

Based on *Robert's Rules of Order Newly Revised (10th Edition)*

Incidental Motions - no order of precedence. Arise incidentally and decided immediately.

YOU WANT TO:	YOU SAY:	INTERRUPT	2 ND ?	DEBATE?	AMEND?	VOTE?
§23 Enforce rules	Point of order	Yes	No	No	No	None
§24 Submit matter to assembly	I appeal from the decision of the chair	Yes	Yes	Varies	No	Majority
§25 Suspend rules	I move to suspend the rules which ...	No	Yes	No	No	2/3
§26 Avoid main motion altogether	I object to the consideration of the question	Yes	No	No	No	2/3
§27 Divide motion	I move to divide the question	No	Yes	No	Yes	Majority
§29 Demand rising vote	I call for a division	Yes	No	No	No	None
§33 Parliamentary law question	Parliamentary inquiry	Yes	No	No	No	None
§33 Request for information	Point of information	Yes	No	No	No	None

Motions That Bring a Question Again Before the Assembly - no order of precedence. Introduce only when nothing else pending.

§34 Take matter from table	I move to take from the table ...	No	Yes	No	No	Majority
§35 Cancel previous action	I move to rescind ...	No	Yes	Yes	Yes	2/3 maj. w/ notice
§37 Reconsider motion	I move to reconsider the vote ...	No	Yes	Varies	No	Majority

The Park at Oaklawn

Guide to the Declaration of Covenants, Conditions, & Restrictions

The following is a quick reference guide to questions homeowners frequently have concerning the Declaration of Covenants, Conditions, & Restrictions (Declaration). The recorded Declaration will take precedent if there is a discrepancy between this document and the Declaration.

1. Annual Assessments Initially, the Annual Assessment (dues) shall be \$25.00 per year. The annual assessment shall be established by the Board of Directors each year. *Article V, Section 5.3*

-Due dates Annual Assessments (dues) shall be due on January 1st of each calendar year. A written notice will be sent to each Lot Owner thirty (30) days before January 1st. *Article V, Section 5.7*

-Nonpayment Annual Assessments which are not paid within thirty (30) days of the due date shall be subject to the accrual of interest at the highest rate allowed by law. The Homeowner will also have to pay late charges as established by the Board of Directors. Continued non-payment of assessments and subsequent finds could result in a lien being placed on the property. *Article V, Section 5.8*

2. Animals and Pets Only generally accepted household pets are allowed. Swine (pigs), goats, and cattle of any kind are not allowed. No more than three pets over the age of six months are permitted at any time. Birds shall be confined to cages. No pet shall be roped or tethered in open spaces. Pets are not allowed to remain outdoors while the owner is absent from the property. Household pets may not become a nuisance to others. No openly dangerous or vicious pets may be kept on the property at any time. *Article VIII, Section 8.3*

3. Architectural Control No homeowner may make any changes, alterations, or additions to the home and other buildings in existence when the property was purchased.

In the event that the homeowner would like to make a change to the exterior of the home or erect an improvement, the homeowner must submit a written request to the Architectural Review Committee. The written request must also include copies of the plans and specifications showing the nature, kind, shape, height, materials, and location of the improvements.

If the homeowner makes unauthorized changes the Homeowners Association has the right to make repairs or changes so that the violation no longer exists. The Homeowner will have to pay for the costs of these actions including: labor, materials, attorneys' fees and/or other costs incurred due to the enforcement of the Declaration *Article VI*

4. **Awnings** Awnings and patio coverings are not permitted on the front of any structure unless approved by the Homeowners' Association. *Article VIII, Section 8.21*
5. **Basketball Goals** Basketball goals shall be permitted if placed a minimum of ten (10) feet behind the concrete curb into a Single Family Lot, and placed outside of the public right-of-way. All goals and surrounding areas are to be maintained in a neat and orderly condition so as not to create a nuisance. *Article VIII, Section 8.13*
6. **Boats & Vehicles** No boats, motor homes, trailers, campers, mobile homes, school buses, commercial trucks of any size, recreational vehicles in excess of twelve (12) feet in length or motorized vans used for commercial purposes, shall be parked within the right of way of any public or private street within the subdivision or stored on the Lot, other than in an enclosed garage. *Article VIII, Section 8.11*
7. **Clotheslines** Must be kept from view from the road and be adequately screened by fences or hedges. *Article VIII, Section 8.6*
8. **Driveways & Parking Areas** Only driveways and parking areas constructed of concrete or brick shall be permitted. *Article VIII, Section 8.10*
9. **Emergency** There is a general easement to all firemen, ambulance personnel, police and security guards and all similar persons to enter onto a homeowners' property in the performance of their respective duties. The Homeowners' Association is not responsible for any damage caused to any Lots due to the use of this emergency personnel easement. *Article VIII, Section 8.18*
10. **Fences, Walls, & Hedges** The Park at Oaklawn Architectural Review Committee must approve all walls, fences, and hedges before being built. Privacy fencing higher than six feet is not allowed on any lot. Fencing is only permitted from the rear corners of the house around the back perimeter of the lot. *Article VIII, Section 8.8*
11. **Fines & Fees** Late fees may be levied by the Homeowners Association for late payments of annual assessments. Fines may be levied for violations of the Declaration. Please contact a member of the Board of Directors for the latest fee schedule.
- * A lien may be levied against the property for non-payment of dues, fees, and fines.
12. **Fire** In the event any home or structure is destroyed or partially destroyed, the damage must be repaired and the improvement reconstructed within twelve months. *Article VIII, Section 8.16*
13. **Firearms** BB guns, pellet guns, paint ball guns or any other type of firearms are not permitted. *Article VIII, Section 8.25*
14. **Flags** The American Flag & the North Carolina Flag no greater than four feet by six feet may be displayed in a manner consistent with patriotic customs. *NC House Bill 1541*

15. **Furniture** Only exterior furniture designed for outside areas may be placed in the outside areas of any Lot. Upholstered furniture or other similar fabric or material covered furniture is not allowed in the outside areas. Blinds or similar blocking devices are not permitted on any outside area of any portion of any Lot. *Article VIII, Section 8.22*

16. **Garages** A private two car garage may be erected subject to the approval by the Architectural Review Committee. *Article VIII, Section 8.1*

17. **Garbage Cans** *See Trash & Rubbish.*

18. **Inoperable Motor Vehicles** Inoperable vehicles, motor vehicles without current tags, inspection or insurance, junked, dismantled or wrecked motor vehicle, or parts thereof, are not permitted to remain on the Property. *Article VIII, Section 8.31*

19. **Mailboxes** If a replacement mailbox is necessary it should be identical to those originally installed by the Builder. All mailboxes are to be constructed of break-away materials as approved by the North Carolina Department of Transportation. Stone or masonry mailbox structures are not permitted. If identical mailboxes are no longer available, replacement mailboxes must be of a style and design substantially similar to the original mailboxes installed by the Builder, as approved by the Association. *Article VIII, Section 8.13*

20. **Meetings** Meetings shall be held at least once a year. Notices of upcoming meetings shall be sent out a minimum of fifteen days but not more than fifty* days prior to the meeting. *Article V, Section 5.8 & *NC House Bill 1541*

21. **Membership** Every owner of a lot is a member of the Park at Oaklawn Homeowners' Association. *Article III Section 3.1*

22. **Nuisances** Refrain from activities that are offensive, illegal acts that could reasonably cause discomfort, annoyance or embarrassment to any other resident of the community. No exterior sound devices including: speakers, horns, bells, whistles, or other sound devices except for security devices may be used or located on the property. Nothing shall be kept on the property that will admit a foul odor or will cause a noise that might disturb the peace. *Article VIII, Section 8.5*

23. **Parking** Parking is only permitted on paved driveways and on streets. Vehicles may not be parked on the grass. *Article VIII, Section 8.30*

24. **Pools** Underground pools are permitted provided they are located directly behind the home and screened from view by a six-foot privacy fence. No aboveground swimming pools, except for small wading pools, are permitted on any Lot unless otherwise approved in writing by the Homeowners' Association. *Article VIII, Section 8.9*

25. Property Maintenance All lots should be kept in a neat and attractive condition. Homeowners are responsible for the upkeep, repair, or replacement of all improvements and landscaping on his/her property. The homeowner must keep the **grass cut** and vegetation of any kind must be neatly kept and trimmed. Dead trees, vines, shrubs, or plants should be removed promptly. Trees and vegetation must be kept pruned so as not to obstruct the view at street intersections. All maintenance is subject to the regulations set forth in the Declarations of Covenants, Conditions and Restrictions. *Article VII, Section 7.2(b) & Article VIII, Section 8.5 & Article VIII, Section 8.6*

-Failure to maintain property The following steps will be taken by the Homeowners' Association if a homeowner fails to maintain the lots in a neat and attractive manner:

1. The Homeowners' Association will mail a letter to the homeowner stating that the Homeowner is not in compliance with the Declarations of Covenants, Conditions and Restrictions. The homeowner will have five (5) days to take the necessary steps to remedy the situation.

2. If the Homeowner has not complied within five (5) days, the Homeowners' Association shall have the right to have the necessary maintenance performed or repairs made at the Homeowner's expense. This will not be considered trespass.

3. A Homeowner will have fifteen days to pay the Homeowners' Association for the cost of the maintenance or repairs. If the payments are not made the Homeowners' Association has the right to levy fines, and to claim a lien against the property. *Article VII, Section 7.2 (c)*

26. Pumps, Tanks Heat pumps, propane tanks, solar devices, or other similarly exposed mechanical equipment other than those originally installed by the may not be placed on any Single Family Lot, unless screened from view from the street in front of the Building, and from other Owners, and approved by the Association. *Article VIII, Section 8.24*

27. Recreational Equipment All recreational equipment, exercise equipment and swing sets must be located in the backyard so that it is not visible from any street in front of the home. *Article VIII, Section 8.22*

28. Residential Use The lots are to be used for single family use only. Single family includes one or more related or unrelated adults and the children of those adults. **The homes may not be used as rental properties.** The lots may be used for a home business as long as no regular customer or client traffic is not created. Furthermore, no logo, sign, symbol, or name plate identifying such a business may be displayed on the lot. Advertising or displaying for any commercial business is not allowed. *Article VIII, Section 8.1*

29. Satellite Dishes, Antennas One satellite dish less than two feet in diameter is permitted provided that it is attached to the house and not visible from the street. If a dish can not be reasonably attached to the house, one unattached dish may be placed in the yard if it is no more than three feet from the house and screened from view by landscaping. The unattached dish must be approved by the Homeowners' Association.

Freestanding radio or television transmission towers, antennas or dishes are not allowed.
Article VIII, Section 8.7

30. Screen Doors & Storm Doors Doors on the front entrance to any home must be made of glass or Plexiglas which are transparent and have been approved by the Association. Screen or storm doors are not permitted on the front entrance to any home.
Article VIII, Section 8.23

31. Setbacks No Dwelling shall be located nearer to the front property line or any side street line than the building setback line as shown on the recorded maps of the Subdivision. No building shall be located closer to any side lot line than the applicable zoning ordinance shall allow. Deviations from building line requirements not in excess of ten percent (10%) thereof shall not be construed as a violation of the building line requirements as long as such deviation does not violate any local ordinance or zoning.
Article VIII, Section 8.2

32. Signs No signs are allowed except for a single "For Sale" sign. The sign may be no larger than two feet by three feet. *Article VIII, Section 8.4*

33. Subdivision of Lots Lots may not be subdivided. *Article VIII, Section 8.15*

34. Trash & Rubbish No property or right-of-way may be used for rubbish disposal or for the storage of items that may cause the area to appear unclean or unsightly. Nothing shall be kept on the property that will admit a foul odor. Trash and Rubbish may only be put out on the day of pick up. *Article VIII, Section 8.5* Garbage must be kept in cans or other sanitary containers. Garbage cans must not be visible from the street except when on the curb for pick up. Garbage cans may not be left at the street for pick up for more than twelve hours. Incinerators for garbage, trash, or rubbish are not allowed anywhere in the subdivision. *Article VIII, Section 8.6*

-Bulky Items Any item that cannot be disposed of properly in a closed container shall be placed at the street and the Owner shall make appropriate arrangements with the City of Charlotte for the pick-up of such item within one week. *Article VIII, Section 8.33*

35. Voting Each member of the Park at Oaklawn Homeowners' Association is entitled to one vote for each lot owned. *Article III Section 3.2, I*

36. Windows Colored blinds are not permitted on any lot. Windows may not be covered with non-standard window treatments such as towels, bed sheets, garbage bags, etc.
Article VIII, Section 8.6

37. Window Units It is not permitted to install air conditioning units in any window or exterior wall of any structure on any Lot. *Article VIII, Section 8.20*