

CARRIAGE PARK TOWNHOMES

ASSOCIATION INC.

BY-LAWS

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JOHNSTON COUNTY, N.C.
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BY-LAWS
Of
CARRIAGE PARK TOWNHOMES ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION. The name of the corporation is CARRIAGE PARK TOWNHOMES ASSOCIATION, INC., hereinafter referred to as the "Association". The principle office of the corporation shall be located at 717 Page Street, Clayton, NC, but meetings of members and directors may be held at such places within the State of North Carolina, County of Johnston, as may be designated by the Board of Directors

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to CARRIAGE PARK TOWNHOMES ASSOCIATION, INC., it's successors and assigns.

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

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

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

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

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the Properties recorded in the Office of the Johnston County Registry.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1. ANNUAL MEETINGS. The first annual meeting of the members shall be held within one year from the date of incorporation of the association, and each subsequent regular annual meeting of the members and shall be held in January of each year thereafter.

Section 2. SPECIAL MEETINGS.. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 3. NOTICE OF MEETINGS. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. QUORUM. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, $\frac{3}{4}$ of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these by-laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting, until a quorum as aforesaid shall be present or represented.

Constitutes a quorum

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

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. NUMBER. . The affairs of the Association shall be managed by a Board of three (3) Directors, who are members of the Association.

Section 2. TERM OF OFFICE. At the first annual meeting the members shall elect one director for a term of three years, one director for a term of two years and one

director for a term of one year; and at each annual meeting thereafter the members shall elect one director for a term of three years.

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

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

Section 5. ACTION TAKEN WITHOUT A MEETING.. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. NOMINATION. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting. There is no limit the number of nominations for the Board of Directors, however, there may not be less than the number of vacancies that there are to be filled. Such nominations will be made from the members of the Association.

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

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held monthly as determined by the Board.

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, after not less than three (3) days notice to each director.

Section 3. QUORUM. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority

of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guest thereon, establish and levy penalties/fines, for the infraction thereof, upon the approval of the Association;
- (b) suspend the voting rights and right to use the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; and
 - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action of law against the owner personally obligated to pay the same.
- (d) issue, or cause to an appropriate the officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been

paid. A reasonable charge may be made by the board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association.
 - (1) AUTHORITY TO PURCHASE. All insurance policies of the Association as provided herein (except title insurance and as hereinafter allowed) shall be purchased by the Association for the benefit of Unit Owners and their respective mortgagees, as their interest may appear, and shall provide for the insurance of certificate of mortgage endorsements to the holders of first mortgages on the Units. All insurance policies of the Common area and Facilities shall be purchased by and for the benefit of the Association and its mortgagee(s), as their interest may appear.
 - (2) UNIT OWNERS. Each Unit Owner may obtain Insurance, at his own expense, affording coverage upon his Unit (or those portions not insured by the Association), such as personal property and personal liability
 - (3) COVERAGE. The Association shall insure all Units in the amount equal to the maximum insurable replacement value—(AMOUNT LISTED IN THE COMMERCIAL POLICY) with detail coverage listed:
 - i. COMMERCIAL POLICY: Will cover building structure, roof, windows, doors, electrical, plumbing, water heater, heating/air condition, insulation, inside paint out, wallpaper, carpet/flooring, lights/ceiling fans, built in stove/microwave oven, dishwasher, sheetrock, sink, fixtures, and cabinets, interior trim, closet shelving, stairway and railings, fireplace and mantel, smoke detectors, interior doors and trim.
 - ii. PERSONAL PROPERTY: Owner shall be responsible for insurance coverage for, clothing, washer/dryer, refrigerator, tools, computer/equipment, drapes, TV /stereo/entertainment equipment, personal papers.
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Common Area to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. ENUMERATION OF OFFICERS. The officers of this Association shall be a president and vice president, a secretary, and a treasurer, and such other officers as the Board from time to time may by resolution create.

Section 2. ELECTION OF OFFICERS. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

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

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

Section 5. RESIGNATION AND REMOVAL. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. VACANCIES. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term or the officer he replaces.

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

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

President

- (a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes. The president shall not vote in a board meeting except to break a tie.

Vice-President

- (b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties, as may be required of him by the Board. The vice-president shall appoint two members of the Association, which shall not be members of the Board to conduct an

audit of the financial records of the Association at the end of each fiscal year.

Secretary

- (c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their address, and shall perform such other duties as required by the Board.

Treasurer

- (d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by two members of the Association which shall not be members of the Board of Directors at the end of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose. A member may serve on more than one committee at a time.

ARTICLE X

BOOKS AND RECORDS

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

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the Association may bring an action of law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waiver or otherwise escape liability for the assessment provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words CARRIAGE PARK TOWNHOMES ASSOCIATION, INC.

ARTICLE XIII

AMENDMENTS

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

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

ARTICLE XIV

MISCELLANEOUS

THE FISCAL YEAR OF THE Association shall begin on the first of January and end on the 31st day of December of every year, except that the first year shall begin on the date of Incorporation.

Adopted November 5, 1998
AMENDED MAY 2, 2005

IN WITNESS WHEREOF, we, being all of the directors of the CARRIAGE PARK TOWNHOMES ASSOCIATION, INC., have hereunto set our hands this the 5th day of May, 2005.

John Radford (SEAL)

Sarah S. Ridgeway (SEAL)

Katherine J. Oringer (SEAL)

NORTH CAROLINA
Johnston COUNTY

I, the undersigned, a Notary Public for said County and State, do hereby certify that John Radford personally appeared before me on this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, the 5th day of May, 2005.

Becky Swinson
Notary Public

My Commission Expires 10-14-07



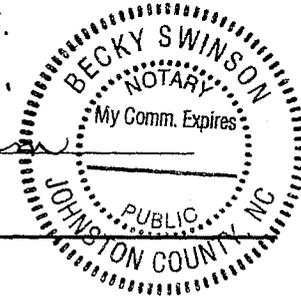
NORTH CAROLINA
Johnston COUNTY

I, the undersigned, a Notary Public for said County and State, do hereby certify that Sarah Ridgeway personally appeared before me on this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, the 5th day of May, 2005.

Becky Swinson
Notary Public

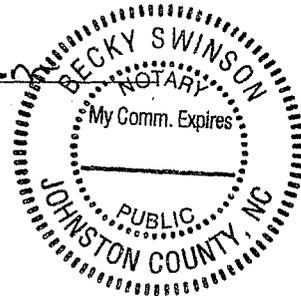
My Commission Expires 10-14-07



I, the undersigned, a Notary Public for said County and State, do hereby certify that Kathleen Y. Orringer personally appeared before me on this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, the 5th day of May, 2005.

Becky Swinson
Notary Public



My Commission expires 10-14-07.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am duly elected and acting secretary of the CARRIAGE PARK TOWNHOMES ASSOCIATION, INC., a North Carolina corporation, and

THAT the foregoing By-Laws constitute the revised By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof and the members of the CARRIAGE PARK TOWNHOMES ASSOCIATION, INC., held on the 2nd day of May, 2005.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 5th day of May, 2005.

Kathleen Y. Orringer
Secretary KATHLEEN Y. ORRINGER



CARRIAGE PARK HOMEOWNERS

ASSOCIATION

RULES AND REGULATIONS

September 14, 2004

CARRIAGE PARK TOWNHOMES ASSOCIATION

RULES AND REGULATIONS

I. ASSESSMENTS

Assessments (Homeowner Association dues) are due on the 1st of each month. Any assessment not paid by the 10th of each month will be subject to a \$10.00 late fee for each month the fee is not paid. Assessments can be paid in advance if desired.

II ARCHITECTURAL/GROUNDS CONTROL

No building, fence, wall or other structure shall be constructed, erected or maintained upon the Properties, nor shall any bush or tree be planted, nor shall any exterior addition or change or alteration thereon be made unless the written notification by owner showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to the Architectural Control Committee for review and approval. The Committee shall review and consider the proposed addition, change, or alteration for harmony of location and external design (such as style, shape, color, and size) in relation to surrounding structures and topography. Approval must be expressly granted in writing by the Board of Directors.

Any storm door for the front and rear shall be a "full view" door with a 12 inch or less bottom kick plate. The door shall have one pane of clear glass with no design and no crossbars or one full view screen that may have a single support bar across the center. The storm door must be white. Rear and side storm doors currently in use on the effective date of these rules shall be considered acceptable; however, any rear or side door erected after the effective date of these rules shall meet the same standard as the front storm door.

The Architectural Control Committee shall be appointed by the Board