

SUNSCAPE HOMEOWNERS ASSOCIATION

C/O HRW inc
3815 Barrett Drive
Raleigh, N.C. 27609
(919) 783-9530

RULES AND REGULATIONS

Owners are advised that they are responsible for the actions of their family, tenants, and guests. Any fine assessed by the Board of Directors is levied against the unit, not the tenant, and is considered a lien against the property.

Violations of the Rules should be reported to the management company of the Sunscape Homeowners Association.

ESSENTIAL DEFINITIONS:

“Lot” refers to any plot of land deeded to the owner of a townhome (i.e., individual yards and driveways), not including Common Areas.

“Common Areas” means all real property (and improvements on it) owned by the association for the common use of all the owners, including such areas as the streets, parking lots, yards, and wooded areas not deeded as part of an individual lot.

“Assessment” refers to the monthly dues amount paid to the Association and to any special assessments which might be properly approved by the Association.

If these definitions conflict with the definitions in the Declaration of Covenants, then definitions in the Declaration control.

STATEMENT OF PURPOSE:

Every homeowner is automatically a member of the Sunscape Homeowners Association, and is therefore protected by and bound by the restrictions and rights explained in the governing documents of the Association. The Board of Directors is charged with the responsibility of adopting and publishing rules covering the use of the Association members and their guests thereon, and to establish penalties for the infraction of the rules. The restrictions imposed by the Board are intended for the mutual benefit of all residents.

To make familiarity with the rules and restrictions easier for the Association members, the rules listed below also include summaries of many restrictions listed in the Declarations are included, and homeowners are cautioned to refer to the entire Declaration of Covenants, to the Articles of Incorporation, and to the By-Laws of the Association in order to insure a full understanding of their rights and responsibilities. Provisions in those documents, even though omitted from this list of rules, remain in force.

GENERAL RULES

POLICY STATEMENT: The rules passed by the Board of Directors are intended to help make Sunscape a pleasant home for all members of the Association. Although the rules carry the force of law, it is intended that the cooperation of members and their consideration for the rights of others will result both in voluntary compliance and in the creation of a harmonious community.

1. The discharge of firearms, BB Guns, Airguns, Firecrackers, and similar items is prohibited.
2. Toys, Bicycles, and similar items, when not in use, shall not be left in front of townhomes or in Common Areas.
3. Firewood must be neatly stacked so that there is no direct contact with any wood structure of the townhomes, their additions, or fences. It must not be visible from the front side of the townhome.
4. It is the responsibility of each owner or tenant to avoid making, or permitting to be made, any loud noise (stereos, televisions, parties, etc.) which may be disturbing to neighbors. Particular attention should be given to keeping the noise level down during late evening through early morning hours.
5. No garbage shall be discarded onto Common Areas or Lots.
6. No change or damage is allowed to any portion of the Common Areas. (i.e., no cutting down trees, removal of shrubs, etc.)
7. No nonresident solicitors are permitted at Sunscape.
8. No laundry shall be placed outdoors.
9. Each townhome shall be used as a single-family residence only. (except the developer's model home)
10. No industry, business, trade, occupation, or profession of any kind shall be conducted at Sunscape.
11. No alteration or construction in the Common Areas is permitted.
12. Nothing shall be kept and no activity carried on which will increase the rate of insurance for the property, which will result in the cancellation of insurance on any part of the property, of which will be in violation of any law, ordinance, or regulation.
13. No immoral, improper, offensive, or unlawful use shall be made of the Lots or Common Areas and all valid laws, ordinances, and regulations shall be complied with by the owner.
14. No obnoxious or offensive activity shall be carried on, nor shall anything be done which may become a nuisance or annoyance to residents.
15. No signs shall be displayed at Sunscape (except "For Sale" or "For Rent" signs, if they comply with Declaration Article X).
16. Each owner is responsible for having, for his townhome, fire and hazard insurance coverage on a replacement-cost basis (equal to the 100% insurable replacement cost value).
17. Each owner shall have comprehensive personal liability insurance coverage (for damage to persons or property on his Lot) in the amount of at least \$250,000.00 per occurrence.

ENFORCEMENT: Fines may be assessed in accordance with the attached "Schedule of Fines".

MOTOR VEHICLES AND PARKING

POLICY STATEMENT: Parking space at Sunscape is limited and it therefore is necessary to use the available space in the most efficient way possible, for the convenience of owners and their visitors. A special problem is created when parking spaces are used as storage spaces. Whenever possible, the parking lot areas should be left available for use by visitors, rather than by homeowners. Although individual parking spaces are not marked, vehicles should be parked in a manner which permits others to use remaining spaces efficiently. Owners should advise their visitors of Sunscape's parking rules. When parking lots become full, visitors should be encouraged to use the curbside of the main entrance circle for overflow parking. Parking on grassy areas is not permitted because of potential damage to the grounds. Owners are also encouraged to observe the speed limit and to be alert to the presence of children and other pedestrians on our streets.

1. All vehicles on Lots and Common Areas must be properly licensed and be in operating condition. Owners shall not park, nor authorize others to park cars or other vehicles for storage at Sunscape.
2. No boats, trailers, campers, motor homes, commercial vehicles (vehicles licensed, painted or signed for commercial purposes and all other types of commercial vehicles) and other such items, shall be parked on Lots or on the Common Areas, except that such items may be parked for no longer than seventy-two (72) hours while passing through Raleigh in actual transit; provided, however, for the convenience of residents, properly licensed in North Carolina and operating boats, campers and private vehicles of residents may be parked, at the sole responsibility of the owner, on a Lot specified by the Board of Directors, to the extent and only so long as space is available on a first come basis and the Lot continues to be available. Prior use of the Lot does not give the resident any vested rights and the unavailability of space in the Lot does not excuse the resident from complying with Sunscape's Rules and Regulations. Residents who make use of the Lot shall immediately advise the Management Company and provide a sufficient description of the vehicle or boat stored on the Lot to ensure that the Lot is exclusively used by the Sunscape residents. Improperly parked or unauthorized cars, boats and other vehicles may be towed at the owner's expense. (At such time as the undeveloped Lots are built upon, the Board will be unable to continue making parking available and the residents will have to make other arrangements consistent with Sunscape's Rules and Regulations).
3. No parking is permitted in the street median areas or on grassy areas of Lots or Common Areas.
4. No vehicle repairs, except emergency repairs, shall be performed on the Common Areas. Only repairs taking less than forty-eight (48) hours may be performed on any Lot (i.e., in driveways).

5. Parked vehicles shall not block streets and shall not impede driveway use.
6. The speed limit on Sunscape's streets is 15 mph.
7. A garage is considered as one parking space.

ENFORCEMENT: IF ANY VEHICLE OR ITEM IS IN VIOLATION OF THESE RULES, THE BOARD OR ITS AGENT MAY CAUSE THE VEHICLE OR ITEM TO BE TOWED AWAY AT THE OWNER'S SOLE RISK AND EXPENSE. Towing may occur directly after a warning for any violation of Rule #1 or Rule #2. For other violations, towing may occur after the fourth (4th) violation. Fines also may be assessed in accordance with the attached "Schedule of Fines".

PETS

POLICY STATEMENT: Pet restrictions are intended to avoid the creation of a nuisance or unreasonable disturbance by any pet.

1. No pet (including both dogs and cats) is allowed outside of its owners Lot, unless it is under sufficient physical restraint, such as a leash, to allow the animal to be controlled.
2. Pets shall not be permitted to urinate or defecate in grassy areas, and pet owners shall be responsible for removing any "accidental" violations of this rule.
3. No animal shelters are permitted without approval of the Architectural Control Committee.
4. Pets shall not be permitted to become obnoxious or offensive on account of noise, odor, unsanitary conditions, or other nuisance.
5. Two small household pets per Lot are allowed without the Board's permission.
6. Pets shall not be kept or bred for commercial purposes.
7. No savage or dangerous animals shall be kept or permitted.
8. Pet owners indemnify the Association for any loss, damage, or liability resulting from the presence of pets.

ENFORCEMENT: Fines may be assessed in accordance with the attached "Schedule of Fines".

ASSESSMENTS

POLICY STATEMENT: The prompt collection of assessments is necessary to ensure that the Association remains current in its payments to creditors and to ensure that the funds set aside for the reserve account earn as much interest as possible.

1. Monthly assessments are due on the **FIRST** of each month and are subject to a **\$10.00 late fee** if received after the last working day of the month. A late fee will also be charged for each subsequent month in which the owed assessment remains unpaid.

ENFORCEMENT: THE ASSOCIATION MAY FORECLOSE THE LIEN AGAINST ANY PROPERTY FOR WHICH ASSESSMENTS ARE NOT PAID or may bring an action against the owner to pay the amount due, interest, costs, late payment

charges, and reasonable attorney's fees. **LEGAL PROCEEDINGS** will begin whenever assessments are not paid within **NINETY DAYS AFTER THE DUE DATE**. Voting rights of any owner may be suspended during any period in which the owner is in default in the payment of any assessment.

ARCHITECTURAL CONTROLS

POLICY STATEMENT: Protection of the esthetic of the Sunscape community is essential to the maintenance of property values. To ensure conformity to the overall design of Sunscape, it is necessary that owners receive advance approval from the Architectural Control Committee before making any changes to the exteriors of their units. Because the Association is responsible financially for most exterior maintenance, the cost of the future upkeep of additions or modifications may also be a consideration of the Committee.

1. Written permission from the A.C.C. is required prior to the use on decks or balconies of any item whose weight or other characteristics present a substantial risk of damage to the structures. Any damage or unusual maintenance requirements resulting from either approved or unapproved item is the sole responsibility of the owner.
2. Outdoor antennas and satellite dishes are not permitted.
3. Owners are solely responsible for maintenance, repairs, and replacement of any solar panel systems on their townhomes.
4. The A.C.C. shall have the authority to set a reasonable deadline for the completion of any project it approves.
5. No site preparation or initial construction, erection or installation of **ANY IMPROVEMENTS**, including but not limited to residence, outbuilding, fences, walls, screens (whether by plants or structures) and other structures, shall be undertaken at Sunscape without **PRIOR WRITTEN APPROVAL** of the Architectural Control Committee. The same requirement applies to any **ALTERATION OR MODIFICATION** of any existing improvements or the construction, erection, or installation of additional improvements.
6. Requests for written approval shall include the plans and specifications showing the nature, shape, height, materials, and location of the proposed change or addition.
7. The Committee shall have the right to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plan and in a good workmanlike manner, utilizing approved methods and good quality materials.
8. Any request meeting the requirements will be approved or disapproved within thirty (30) days after its receipt.
9. These architectural restrictions apply to the painting or staining of exterior structures, as well as to the constructing of additions or other exterior modifications.

ENFORCEMENT: Any owner failing to comply with these provisions may be required by the Board to remove, at his own expense, any addition or modification, and to restore the premises to their original condition. Fines may also be assessed in accordance with the attached "Schedule of Fines".

LANDSCAPING AND RELATED USE OF GROUNDS

POLICY STATEMENT: To ensure conformity with the overall landscaping design, it is necessary that owners receive advance approval prior to adding any plants or making any changes to the grassy areas of Sunscape (including individual Lots and Common Areas). Approval is also necessary because the addition of plants may increase the cost of maintaining the grounds (e.g., by making mowing more difficult, by increasing the need for insect control and pruning, etc.). It is the policy of the Board to encourage prudent owner-added landscaping improvements, so long as there is compliance with approval requirements.

1. The planting of any vegetation (including bushes, trees, and flowers) is not permitted, except inside of mulched areas. Exceptions to this rule require prior written approval of the Grounds Committee.
2. Installation of rock gardens, landscaping timbers, and similar items requires prior written approval of the Grounds Committee.
3. No statues, artificial flowers or animals are permitted on lawns or Common Areas.

ENFORCEMENTS: Any owner failing to comply with these provisions may be required by the Board to remove any additions at his own expense and to restore the area to its original condition. Fines may also be assessed in accordance to the attached "Schedule of Fines".

SUNSCAPE HOMEOWNERS ASSOCIATION

EXTERIOR MAINTENANCE

THE ASSOCIATION IS RESPONSIBLE FOR:

Common Areas and Limited Common Area
Driveways on common property
Balconies, rails and steps (wood replacement only)
Exterior post lights
Gutters, downspouts, splashblocks
Exterior building surfaces (including wood, wood-like siding and trim, vents)
Streets
Door surfaces except door surfaces painted by the homeowner (including garage doors)
Fences, Gates
Paint/stain building exteriors
Retaining walls on common property
Roofs (excluding substructure)
Termite contract
Trees, shrubs and flowers that are planted by the Association
Grass-mowing, seeding, mulching, pruning
Concrete walks
Parking pads
Water lines from the main line to the meter
Exterior Water spigots-normal repair
Snow removal on streets

THE HOMEOWNER IS RESPONSIBLE FOR:

Added modifications to the exterior
Chimney cleaning
Air conditioner/heat pump/concrete pad
Garbage cans
Grounds beneath the deck
Cleaning/sealing/staining wood decks and balconies
Replacement of doors, buzzers, knobs, locks
All glass surfaces, skylights, windows
Exterior lights/fixtures attached to units
Interior damage of any nature, from any source
Retaining walls on homeowner's property
Any modification to the grounds made by homeowner
Door surfaces painted by the homeowner
Exhaust fans
Screens
Solar panels
Weatherstripping
Keeping balconies, decks leaf and debris free
Termite damage, interior or exterior
Trees, shrubs, and flowers planted by the homeowner
Watering lawn in dry spells
Water lines from meter in the house
Damage by frozen pipes
Snow removal on walks and driveways

SUNSCAPE HOMEOWNERS ASSOCIATION

RULES AND REGULATIONS REMINDER

Areas of continuing problems are itemized below with the notation of whether they come from the Covenants, the By-Laws or the Rules and Regulations and the penalties for violation.

The Leash Law: Raleigh has a leash law that requires all cats and dogs to be on a leash or under voice control whenever they are off the homeowner's property. Please observe this for the safety of your pet and in consideration of your neighbors. (Source: City Law) **Penalties:** First cited violation-a reminder letter. Every violation after the first, a fine of \$25.00 per instance and a call to animal control.

Speed Limits: Please consider the safety of the community and observe the 15-mile speed limit. If violations continue, speed bumps may be installed. (Source: Rules and Regulations, II, 6)

Parking: Ownership of each unit includes a driveway or parking area sufficient to park two automobiles. If you have a garage, that counts as one space. Vehicles must be parked in your driveway, in the entrance circle on Wooden Shoe, or in the paved parking pads provided for that purpose. They may not be parked on the grass, on the sides of the streets, or jutting out from your driveway so as to block traffic or cause a hazard. (Source: Covenants V, 4 and Rules and Regulations II, 3,5,7) **Penalties:** First violation-a reminder letter. Every violation after the first, a fine of \$25.00 per instance and a call to have the vehicle towed at owner's expense.

Because of the many complaints in the new section, units with parking pads instead of driveways are being assigned parking spaces according to the enclosed diagram.

Penalties: First violation-a reminder letter. Every violation after the first, a fine of \$25.00 per instance and a call to have the vehicle towed.

Noise: Raleigh has a noise ordinance. Our Covenants also insure that we have a right to "quiet enjoyment" of our homes. Please be considerate and keep loud noises at a level where they do not annoy your neighbors. If someone's noise is bothering you, please call that person first to try to take care of the problem. The persons making the noise may not know that it is loud enough to bother you. If instances recur, then call your Community Manager at HRW. (Source: City law and Covenants, X, 3). **Penalties:** First cited violation-a reminder letter. Every violation after the first, a fine of \$25.00 per instance and a call to the Raleigh Police Department.

Satellite Dishes: The FCC ruling, which would nullify this item of our Covenants, is now being challenged in court. We await further developments. Any satellite dish installed at this time may be retroactively subjected to future rules and regulations when this question is resolved.

All fines are assessed against the property. Therefore, a fine against a renter will be assessed against the property owner. Fines not paid within 60 days will be turned over for collection and will incur collection expenses. Non payment may result in a lien against your property.

If you have other concerns or suggestions, please call your Community Manager at HRW (919-783-9530). Working together we can keep Sunscape a desirable address and make it an even better community to call home.

SUNSCAPE HOMEOWNERS ASSOCIATION

c/o HRW inc.
3815 Barrett Drive
Raleigh, N.C. 27609
(919) 783-9530

SUNSCAPE ARCHITECTURAL REQUEST FORM

Please complete this form in its entirety and submit it to HRW inc. for consideration at the next architectural meeting.

Property Owner's Name: _____
(Please Print)

Property Owner's Address: _____ Lot #: _____

Home Number: _____ Work Number: _____

Request Date: _____ Completion Date of Project: _____

Property Owner's Signature: _____

1. Narrative description of the proposed home and or a landscape improvement change, or addition. Cite materials and color(s), to be used including similarity to exiting structures as appropriate. Use a separate sheet of paper if necessary.

2. In the case of an addition or alteration to the exterior of your property, please indicate sizes, height, description of materials, etc. Attach a copy of your plot plan and indicate the location of the proposed exterior design change on your lot in relation to the house and other existing structures. Also attach any sketches, specifications professionally prepared and sealed plans, pictures paint charts, or any other information that will assist in reviewing this application.

A. Plot Plan: Top down view should be drawn on a copy of your lot survey, showing the location of the item(s) to be replaced.

B. Dimensions: _____

C. Materials: _____

D. Colors: _____

3. A permit and inspection by the Town may be required.
4. Should the Architectural Committee deny your request, you may appeal to your Board of Directors in writing. Submit your appeal to HRW, so that the Board at their next scheduled meeting can review it.

ARCHITECTURAL COMMITTEE:

Approved: _____ Conditional Approval: _____

Disapproved: _____

Comments:

Signed: _____ Architectural Chairperson

Date: _____

MEMORANDUM

To: Prospective Bank Draft Customer

From: HRW, inc.

Re: Automatic Bank Draft for Assessments

Thank you for your interest in our Automatic Bank Draft program. We have implemented this program to make sure your homeowner assessment payment is received on time. Please complete the enclosed authorization agreement form and send it along with your voided check to:

Bank Drafts
c/o HRW, inc.
3815 Barrett Drive
Raleigh, NC 27609

Time Line:

Here is a quick run-down of our time line for the draft. Any draft form that is received by the end of the month will be drafted around the eighth (8th) of the next month.

You will need to make sure that your assessment account is current before your automatic draft begins.

Thank you again for your interest in our Automatic Draft program. Should you have any questions or concerns regarding this program, please call our accounting department at 919-783-9530.

HRW Inc.
3815 Barrett Lr
Raleigh NC 27609
919-783-9530
Fax: 783-9534

HRW Inc.

AUTHORIZATION AGREEMENT FOR PRE-AUTHORIZED PAYMENTS

I hereby authorize HRW inc. to initiate debit entries to my checking account indicated below and the bank named below to debit the same to such account.

Association Name: _____

Bank Name: _____

Bank Address: _____

City/State/Zip: _____

This authority is to remain in full force and effect until ASSOCIATION and BANK have received written notification from me of its termination in such time and in such manner as to afford ASSOCIATION and BANK a reasonable opportunity to act on it.

The amount and frequency of authorized debit is indicated below. I understand that as the association's assessment changes, the amount drafted from my account will change accordingly.

Assessment Amount: \$ _____ Monthly/Quarterly/Yearly

Name: _____

SS#: _____

Address: _____

City/State/Zip: _____

Signature: _____

ATTACH YOUR VOIDED CHECK HERE

THIS SECTION FOR INTERNAL USE ONLY:

RECEIVED DATE: _____

START DATE: _____

CANCELLATION DATE: _____

HRW Inc
3815 Barrett Dr
Raleigh NC 27609
919-783-9530
Fax: 783-9534

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