

**The
Governance
of
Trailwood Heights
Condominiums**

2006

THE GOVERNANCE OF TRAILWOOD HEIGHTS CONDOMINIUMS HOMEOWNERS ASSOCIATION

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I. THE GOVERNANCE OF TRAILWOOD HEIGHTS CONDOMINIUMS

THE GOVERNANCE OF TRAILWOOD HEIGHTS CONDOMINIUMS HOMEOWNERS ASSOCIATION

When you purchase or lease a home in Trailwood Heights Condominiums, you become part of a community that is governed in accordance with government, state and city laws and the three (3) official documents listed here, plus a set of Rules and Regulations that may from time to time be updated and altered by the Board of Directors:

- (1) The Declaration of Condominium and Covenants, Conditions and Restrictions of Trailwood Heights Condominium,
- (2) The Articles of Incorporation of the Trailwood Heights Condominiums Homeowners Association,
- (3) The Bylaws of the Trailwood Heights Condominiums Homeowners Association.

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

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

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

The Board is composed of between five (5) and seven (7) elected members who, by a custom, are homeowners. Terms on the Board are for two (2) years and are staggered so that either three or four expire each year. The Board meets as necessary at the home of one of the directors or at the offices of the management company. For information about meeting time, call the management company. All homeowners may attend the meetings of the Board, but voting and discussion participation is limited to its elected members.

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

Management. In view of the large number of tasks that arise in the day-to-day operation of the THC it has been necessary to employ the services of a professional management company. Among these services are the processing of monthly assessments, paying the bills of the THC, preparing reports on expenditures, keeping records, and undertaking routine repairs and maintenance. In addition it oversees the work of contractors for painting, repairs, maintenance, grounds keeping and landscaping.

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If a problem arises which may fall within the general responsibilities of the THC it is suggested that you first call or write the management company. If you are not satisfied with the response you receive, your next recourse is to contact a member of the Board. A duplicate copy of the letter should be forwarded to the President. Some questions and problems may also be addressed to the chairpersons of the standing committees.

II. GENERAL INFORMATION.

Community Defined. Trailwood Heights Condominiums is a community of individually owned homes and collectively owned common areas. Because of our shared environment, each homeowner and/or resident must help preserve the appearance and desirability of Trailwood Heights Condominiums for the mutual benefit and enjoyment of all residents. Courtesy, consideration for others, and common sense will allow all Trailwood Heights Condominiums owners/residents to enjoy our attractive community. In order to facilitate this goal, the following rules and policies have been established and adopted by the Trailwood Heights Condominiums Homeowner's Association (THC) Board of Directors.

Questions and Problem relating to Rules and Regulations. All questions and problems concerning rules and regulations should be in writing and directed to the management company of the THC. Items which are urgent and require immediate attention should be reported, by telephone, directly to the management company and then confirmed in writing.

III. RULES AND REGULATIONS

Use of Properties. No portion of the Properties shall be used except for single family residential purposes. Single family means and refers to a group related by blood, marriage, or adoption living together, or a group of not more than four (4) persons who need not be related, living together. The common grounds in the rear and sides of the buildings may be used for recreation so long as it does not destroy grass and plantings and is not so loud as to be a nuisance or annoyance to homeowners. Bicycles and skates should not be ridden on grass, natural areas or sidewalks. All motor vehicles, except those belonging to the landscaping service, are prohibited from driving behind the units, on sidewalks or on any non-paved areas. Damages to grass, trees, shrubs, fixtures or buildings will be assessed to the unit owner of the offending parties.

Leasing Units. Units may be leased if done so in a manner that does not violate the governing documents for the THC or the ordinances of the City of Raleigh for areas zoned R-4. Each unit should be used for a single family residence and for no other purposes. No owner may lease his unit for less than a thirty (30) day term or for purposes of occupancy by other than a single family as defined above. Renting individual rooms or a portion of a residence as a utility apartment is not permitted, nor are more than four (4) unrelated individuals permitted to reside in a unit.

Each lease shall be in writing on forms approved by the THC. Any owner who leases his unit shall, promptly following the execution of any such lease, forward a confirmed copy to the THC.

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Each such lease shall contain a provision to the effect that the rights of the tenant to use and occupy the unit shall be subject and subordinate in all respects to the provisions of the Declaration of Covenants, Conditions, and Restrictions for Trailwood Heights Condominiums, to the THC Bylaws, and to such rules and regulations relating to the use of the Common Area as the Board of Directors may establish. Every lease shall contain a provision that failure of the tenant(s) to comply with the terms of the Declaration of Covenants, Conditions, and Restrictions for Trailwood Heights Condominiums, to the THC Bylaws, and to such rules and regulations shall constitute an act of default under the lease.

It is the homeowners responsibility to correct, or have corrected, any violation within as specified) in written notifications. The homeowner is responsible for payment of the monthly assessment and for the fines levied for rules violations. Homeowners that rent their unit should secure a copy of the Board's Governance of Trailwood Heights Condominiums document from the management company for the use of their tenant. This may be obtained for the cost of photocopying.

Insurance.

Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept in any unit or in the Common Areas with the exception of household pets. Household pets may be kept in a unit as long as all governmental laws as well as all rules and regulations adopted by the THC concerning pets are observed.

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

Signs. Except for such signs as may be posted by the THC for safety, traffic control, and/or marketing and sale purposes and unit address or identification numbers, no signs of any kind shall be erected, posted, or displayed upon, in, from, or about any Lot, unit, or Common Area except as it is allowed by the Board of Directors. Prior approval is required.

Please see Appendix D for a complete set of rules and procedures pertaining to the Sign Rules policy.

Garbage and Trash. Trash must be put into the dumpsters. If one dumpster is full, it is the responsibility of the resident to find another one that is not full. Trash must NOT be left outside of the dumpster.

Recycling There is NO recycling available at Trailwood Heights Condominiums at this time.

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Termites. The homeowners Association has a blanket termite control and damage repair policy.

Outdoor Grills and Combustibles. The City of Raleigh requires all open fires to be operated at least ten (10) feet away from the unit structure. This ordinance applies to all charcoal and gas grills. Homeowners may not operate charcoal or gas grills on or under their decks or screened-in porches or inside their homes. Combustibles (propane gas, gasoline, kerosene) should not be stored in any unit or crawl space or on or under decks or screened-in porches. Homeowners must operate their grills on grassy areas so that smoke will not damage any unit exterior. If operating the grill is the cause of any damage, the homeowner will be charged.

Curtains/Drapes/Window Coverings. Window mullions, although on the interior of the glass of the windows, are required by THC, and are the responsibility of the homeowner to repair or replace. They must be the same style throughout the unit community and be installed and maintained by the homeowner. Blankets, sheets, towels, and other types of makeshift window coverings are considered only as temporary. They must be removed within three (3) weeks after an owner has take charge of the unit and replaced with drapes, curtains, blinds or shutters.

Lighting. Homeowners are responsible for replacing light bulbs in the light fixtures outside their unit and for the repair or replacement of damaged unit rear exterior light fixtures.

Large Items Outside. In order to maintain continuity of appearance, homeowners may not leave personal items in the front and side yards and on common grounds. Examples are gardening equipment, bicycles, toys, lawn furniture, grills, wading pools. Garden hoses should be coiled in a neat manner in the front or side yard natural area.

Outdoor Drying and Temporary Structures. Outdoor clothes-dryers or clothes-lines should not be maintained on the common grounds at any time. No laundry, clothing or the like should be hung outside from any part of the unit or from any porch or patio at any time. In addition, no trailer, tent, shack, barn or other outbuilding is permitted.

Assessments. Monthly assessments from each homeowner are due in full on the first of each calendar month. Checks payable to Trailwood Heights Condominiums should be mailed with the provided monthly coupon to the management company of the THC. A homeowner may authorize direct debit from their bank account by contacting the management company and sign an authorization form. The THC is authorized to charge interest on assessments not paid within 30 days after the due date. Please see Appendix E for a complete set of rules and procedures pertaining to the Delinquent Assessment Collection policy.

Unit Maintenance. The THC is responsible for the exterior maintenance of units after the expiration of the new construction builder warranty. Please see Appendix A for a complete set of rules and procedures pertaining to the Exterior Maintenance Policy.

Quiet Enjoyment. Courtesy and consideration should be the general rule. Excessive noise (stereo, loud talking in the parking lot, etc.) should be avoided after 11 PM. Violations should be reported to the City of Raleigh police department.

Recreational Vehicles etc. Vehicles larger than private passenger cars, vans, and pickup trucks are not allowed in the parking lot.

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Vehicular Requirements and Maintenance. All vehicles must display current registration license plates and inspection stickers. All motor vehicles must be registered with the Management company. All motor vehicles shall be maintained in proper operating condition so as not to be a hazard or nuisance by noise, exhaust, emission (loss of liquids such as fuel, oil, or coolant) or appearance junk, non-operating). If a motor vehicle deposits excessive fluids (fuel, oil or coolant) on any of the parking areas, the parking area will be cleaned by the THC and the homeowners will be charged for the work.

Only minor vehicle repairs, excluding fluid changes, may be made on the property. Vehicles may not be left on jacks or show other evidence of repairs in process for more than two hours in a day. Homeowners should exercise care not to spill oil, coolant or grease on the pavement, or common areas or leave any automotive parts or other debris. Protective pads are to be used under motorcycle kickstands. Vehicles may be washed in the parking lot as long as this is done in the homeowners designated parking spaces and the soaps are non-corrosive, biodegradable and rinsed into the drains.

Deliveries. To prevent damage to grass, landscaping and buried cables, all vehicles, except landscapers vehicles, are prohibited from driving behind the units or on any non-paved areas. Therefore, items such as repair materials etc. must be carried or pushed in a wheelbarrow to the rear of the unit. Violators will be held responsible for all damage to the property including lawns, trees, shrubbery, underground utilities, drains etc.

Antennas. No transmission-only antennas of any kind may be installed on the exterior of any unit except on individual patios. All antennas not covered by the FCC rule are prohibited.. Homeowners may install a DBS, MDS or standard reception antenna according to the THC and FCC guidelines, subject to prior submission of a Notice of Intent to Install an Antenna on Individual-Owned Areas form and Architectural Committee review.

Satellite Antennas. Installing a DBS or MDS satellite antenna is considered an architectural change and a Notice of Intent to Install an Antenna on Individual-Owned Areas form must be submitted to the Architectural Committee for review prior to the antenna installation. Satellite antennas currently installed in an incorrect manner are subject to Architectural Committee review and a change request letter may be sent to the homeowner so that a meeting may be set up to discuss the matter.

Architectural control. To maintain the desired uniformity of Trailwood Heights Condominiums, a homeowner desiring to make any exterior structural change must obtain prior written approval from the Architectural Committee. This rule also applies to storm doors, awnings, signs, birdhouses, feeders and birdbaths. Modifications that are not in compliance with the THC rules must be corrected at the expense of the homeowners. Please see Appendix B for a complete set of guidelines and procedures pertaining to the Architectural Change Policy.

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Landscaping and Grounds Care. One of the principal responsibilities of the THC is to maintain and improve the appearance of the grounds. The Board of Directors has contracted for the services of a professional landscaper and lawn service. To maintain the desired uniformity of Trailwood Heights Condominiums, a homeowner desiring to make any exterior landscaping change, except the planting of flowers, must obtain prior written approval from the Board of Directors. This rule applies to front, side and common grounds.

Rules Enforcement. Occasionally, it becomes necessary for the Board to take special action to enforce the rules of the THC such as those pertaining to the exterior and landscape maintenance. The Board is empowered to suspend voting rights in the case of those who disregard rules after a request for compliance has been made. As a final resort before the initiation of legal action, the Board may impose fines ranging from \$5.00 to \$50.00, which may be repeated monthly if violations continue. Homeowners are responsible for the actions of their dependents, guests and tenants.

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APPENDIX A

EXTERIOR MAINTENANCE POLICY

WHEREAS, in order to further define the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, the BOARD OF DIRECTORS wishes to establish an Exterior Maintenance policy:

NOW THEREFORE, BE IT RESOLVED THAT the following Exterior Maintenance policy be adopted by the BOARD:

Section 1. General Information

A. Exterior Maintenance Defined. Responsibilities relating to the Trailwood Heights Condominiums Homeowner's Association (hereafter referred to as THC) are confined to maintenance, repairs, and replacement resulting from normal aging and exposure. Maintenance, repairs, and replacements TO THE UNITS, resulting from accidents, termites, fire, flood, water, wind, other natural disaster, civil disturbances, vandalism, homeowner negligence, and other similar acts shall be repaired, replaced and maintained by the homeowner, except as detailed below under Insured Damage Repairs.

Any and all maintenance which is the responsibility of the THC will be provided under the direction of the Board of Directors after considering the specific circumstances and the most economical and appropriate method. The Board of Directors will decide when a situation requires remedy. Repairs which are non-emergency in nature may be delayed for budgetary reasons.

THC will not be responsible for interior damage resulting from unforeseeable exterior failure or for exterior damage caused by interior problems.

In no instance will the homeowner dictate the repair method to be used when THC is responsible for the repairs.

B. Responsibilities of the THC and Responsibilities of Homeowner. It is the responsibility of the THC to maintain and repair only specific portions of the originally constructed units which are described below. In addition, the homeowner's list of responsibilities indicated below contains certain other exterior improvements which are the responsibility of the homeowner.

When a homeowner replaces any exterior improvements which are their responsibility, these items require prior approval from THC with respect to color and type. THC is authorized to require each homeowner to maintain and repair all exterior improvements which are the responsibility of the homeowner.

When selling a unit, the homeowner has the responsibility to describe in detail any homeowner additions or improvements to the buyer.

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C. Routine Exterior Painting. It is the responsibility of the THC to paint the exterior surfaces as needed. Caulk, putty, and common area waterproofing shall be applied as the need occurs.

The Board or its representatives shall give written advance notice to owners indicating the planned painting schedule dates.

D. Questions and Problem Relating to Exterior Maintenance. All questions and problems concerning exterior maintenance should be in writing and directed to the management company of the THC. Items which are urgent and require immediate attention should be reported, by telephone, directly to the management company and then confirmed in writing.

E. Insured Damage Repairs. Occasionally there will be maintenance requirements that are covered under the THC insurance policy. If this is covered by insurance, THC will make all arrangements for repairs, and will pay all repair bills.

Section 2. Maintenance Responsibilities

A. THC Exterior Responsibilities

1. Exterior wood and siding trim.
2. Front brick and mortar steps or other structures.
3. Shutters and siding
4. Under eave vents and roof ridge vents
5. Lights and fixtures in the common area
6. Exterior handrails
7. Exterior water leaks below ground on Common Areas
8. Mailbox stands and mailboxes necessitated through normal use.
9. Exterior chimney surfaces.
10. Clean gutters and downspouts as necessary.
11. Gutter and downspout repair and replacement.
12. Paint exterior building surfaces, rear screened-in porch exterior trim and front handrails. The painting of rear porch wood lattice (if any) is the responsibility of the homeowner.
13. Maintenance of trees, shrubs, grass and natural areas.
14. Repair of roofs, including skylights.
15. Replacement of roofs to include any repair or replacement of sheathing and wood under the shingles..

B. Other THC responsibilities

1. Asphalt paving, .pavement sealing and painting.
2. Curbs, railroad ties and gutters.
3. Exterior storm drains on Common Areas.
4. Exterior water and exterior sanitation line on common areas.
5. Concrete sidewalks and concrete areas in front of units.
6. Common area landscaping.

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C. Homeowner Exterior Responsibilities

1. Window glass (broken window glass shall be replaced by homeowner).
Any damage to wood, putty, or paint due to window breakage or replacement shall be repaired by the homeowner also.
2. Window screens.
3. Exterior doors and frames, including storage closets.
4. Door buzzers, bells, knobs, locks, and fixtures.
6. Weather-stripping, storm doors and frames.
7. Window mullions, although on the interior of the glass of the windows, are required by THC, and are the responsibility of the homeowner to repair or replace. They must be the same style throughout the unit community.
8. Front door and rear door lights and fixtures. Also, exterior house numbers.
9. Exterior air conditioner/heat pump with concrete pad and any feeder lines to them.
10. All electrical fixtures and lines except lights paid for by THC on common areas.
11. Any interior damage caused by exterior leaks or failures.
12. Damage to landscape and common areas caused by improper parking by family, employees, guests, contractors, etc., by auto repairs, oil spill, negligence, pets, etc.
13. The extra cost for landscaping a unit due to owner negligence such as damaging or removing front foundation plantings.

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APPENDIX B

ARCHITECTURAL CHANGE and REVIEW POLICY AND PROCEDURES

WHEREAS, in order to further define the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, the BOARD OF DIRECTORS wishes to establish an Architectural Change and Review policy:

NOW THEREFORE, BE IT RESOLVED THAT the following Architectural Change policy be adopted by the BOARD:

Section 1. Guidelines for Exterior Modifications

A. Basis for Architectural Control. The basis for architectural control is outlined in the Declarations of Covenants, Conditions and Restrictions for Trailwood Heights Condominiums.

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

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

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

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1. Structural. Any exterior redesign, window, door, permanent overhang over the door or windows, shutters, skylight, chimney/fireplace, gutters, downspouts, and mullions require approval from the Committee. Storm doors, and screen doors on the front and rear of the units require approval from the Committee. Screens are allowed on the sides and rear windows of homes as long as they are the same as the type of screen that is already being used on the front of homes in Trailwood Heights Condominiums.
2. Adjacent Structures. Playhouses, tree houses, greenhouses, gazebos and other outbuildings are not allowed within Trailwood Heights Condominiums.
3. Landscape. Section to be added.
4. Miscellaneous. Modifications or additions in outside lighting, solar collectors, signs, and flagpoles need Committee approval. No items, such as birdbaths, bird feeders, birdhouses, lawn decorations, wind chimes, insect control bags or Christmas decorations may be placed on the common grounds or on front and side yards without prior written permission from the Committee. Antennas and awnings are not allowed within Trailwood Heights Condominiums.
5. Antenna Installation. Installing a DBS, MDS or standard reception antenna is considered an architectural change and a homeowner must submit a Request for Architectural Approval form prior to the reception antenna installation.

Section 2. Architectural Committee's Review Procedure

A. Forms. Architectural Change Request Forms may be obtained by contacting the management company that is listed in the front of this booklet or a sample is attached to the back of this booklet. The completed Architectural Change Request form, with all the supporting documents, must be returned to the management company no later than ten days before the next Committee meeting to have the request reviewed at that meeting. The Committee generally meets bimonthly or when required at the home of a committee member. It is not necessary for a homeowner to be present when the Committee reviews his/her request. However, homeowners are welcome to attend the meeting to ask questions and observe the process. Please call the management company to confirm the date, time and place of the meeting.

B. Request Review Process. When a request is reviewed by the Committee, the following process will take place.

1. The Committee will examine the written request, noting its completeness or areas of concern.
2. The Committee may contact the neighbors and/or property owners who would reasonably view the proposed modification from their property to make them aware of the proposed modification and to obtain their viewpoint on the matter. In addition, other THC members have the right to comment and present views about the proposed modification.
3. The Committee will discuss the request and determine any action to be taken, such as;
 - a. Approved as submitted
 - b. Approved subject to conditions

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- c. Disapproved because of an incomplete request
 - d. Disapproved
 - e. Disapproved pending a site visit.
4. The Committee has 30 days after the receipt of the written request to make a decision on the request. The requester will be informed of the Committee's decision in writing by the management company. If the Committee requests further information regarding the proposed modifications, it has 30 days to consider the request after the additional information is submitted. The additional information must be submitted at least 10 days before the next committee meeting. If the Committee does not approve or disapprove the request and inform the homeowner in writing within 30 days of receipt of the request, the request is assumed to be approved and the homeowner may proceed with the modification.
 5. The request and the supporting documents become the property of the THC and will be retained in the property files.
 6. Should the Committee deny the homeowner's request, he/she may appeal the decision in writing or in person to the Board of Directors.
 7. Any questions should be directed to the management company. They can arrange communications with the Committee or answer most questions during their business hours,

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APPENDIX C

PARKING POLICY AND PROCEDURES

WHEREAS, The DECLARATION OF CONDOMINIUM AND THE BYLAWS grants the BOARD OF DIRECTORS of the ASSOCIATION the power to formulate, amend, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Area; and

WHEREAS, It shall be the responsibility of the Association to maintain uninterrupted traffic flow along all private streets within the Properties. If it is necessary to erect 'no parking' signs, street lights or other necessary traffic aides or tow vehicles in order to accomplish this, this shall be done at the expense of the Association as a common expense; and

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

- (a) The right of the Association to limit the number of guests or members.
- (f) The right of the individual members to the EXCLUSIVE use of parking spaces as provided in this Policy; and

WHEREAS, Ownership of each Lot shall entitle the owner or owners thereof to the use of not more than two automobile parking spaces, which shall be near and convenient to said dwelling Unit as reasonably possible, together with the right of access, ingress and egress in and upon said parking areas. The Association shall regulate and may prohibit the parking of boats, campers, trailers, tractors, motor homes, commercial vehicles, and the like on the Common. Furthermore, the repair or extraordinary maintenance of automobiles or other vehicles on Common Area is prohibited.

WHEREAS, in order to assume equitable parking arrangements as well as safe and attractive parking areas, the BOARD OF DIRECTORS wishes to establish a Parking policy:

NOW THEREFORE, BE IT RESOLVED THAT the following Parking policy be adopted by the BOARD:

Section 1. Parking Rights. Ownership of each Dwelling Unit shall entitle the owner(s) thereof to the use of not more than two automobile parking spaces, as described in Section 3.b. below. Said spaces shall be as near and convenient to said Dwelling Unit as reasonably possible together with the right of ingress and egress in and upon said parking areas.

Section 2. Vehicle Requirements. All motor vehicles shall display current registration license plates and inspection sticker. All motor vehicles shall be maintained in proper operating condition so as not to be a hazard or nuisance by noise, exhaust, emission (loss of liquids such as fuel, oil or coolant) or appearance (junk, non-operating vehicle). Violators will be held responsible for all damage to the property including pavement, sidewalks etc.

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Section 3. Restrictions.

A. No junk vehicle, trailer, truck (other than a non-commercial 1/2 ton pickup), camper, recreational vehicle, house trailer, boat or the equivalent, commercial vehicle or other vehicle as may be prohibited by the Trailwood Heights Condominiums Homeowners Association Declaration of Condominium shall be parked in the parking areas without prior written permission of the Board of Directors through the Management Company.

B. Each Dwelling Unit shall be entitled to the use of not more than two parking spaces which **MAY** be assigned by the Association. **IF** that is done, a unit's assigned second space might not be adjacent or convenient to the unit. Parking spaces assigned as 'VISITOR' are to be used for guest parking only. In the event of a guest staying in a Unit Owner's assigned space for more than 72 hours, the occupier or Unit Owner must provide the license number of the vehicle to the managing agent of the Association within the 72 hour period. In the event of a guest staying in a VISITOR assigned space for more than 72 hours, the occupier must request approval of the managing agent for the Association (within the 72 hour period), and provide the license number and date of departure of the vehicle. Requests will be granted at the discretion of the managing agent of the Association.

C. The license plate numbers of the two vehicles for each unit authorized to use the unit owner's assigned parking spaces must be registered with the managing agent for the Association. It is the responsibility of the UNIT OWNER(S) to register the license numbers with the Management Company. Any vehicle that is parked in the Common Areas that is not registered with the Management Company, and is not a guest vehicle, shall be considered in violation of these regulations. It is the responsibility of the unit owner(s) to advise the Management Company immediately of any change that is made to their vehicle ownership and license plate number.

D. Vehicles must be parked in marked black-top parking spaces only and not in the right of way of any private street. Parking on the grass, pinestraw, or in any natural areas is prohibited as is parking next to mailboxes and railroad ties which are designated "NO PARKING" areas. Vehicles must not take more than one space each, must be parked inside the lines of the marked parking spaces and may not block in another vehicle. Unit Owners are to park only in their two assigned parking spaces and may not park additional vehicles behind their vehicles. Unit Owners may temporarily park in Visitor or unassigned parking areas only if their assigned parking spaces are occupied by an unknown visitor and they have notified the Management Company of the violation. At no time may one Unit Owner park in another Unit owner's assigned parking spaces without permission from that Unit Owner.

Each Unit Owner may monitor ONLY their two assigned parking spaces, the Visitor parking spaces and the "No Parking" spaces and may report any violations concerning such parking places to the managing agent for the Association.

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E. There shall be no driving or parking of motor vehicles upon the Common Areas of the Association that are not so designated for vehicular travel and/or parking except those vehicles used by the grounds contractor or other vehicles given expressed permission by the managing agent for the Association. Violators will be held responsible for all damage to the property including lawns, trees, shrubbery, underground utilities, drains etc.

F. Only minor vehicle repairs may be made on the property. Vehicles may not be left on jacks or show other evidence of repairs in process for more than two hours in a day. Homeowners should exercise care not to spill oil or grease on the pavement or common areas or leave any automotive parts or other debris. Violators will be held responsible for all damage to pavement, sidewalks, lawns, drains etc.

G. The speed limit on any street within Trailwood Heights Condominiums shall be fifteen (15) miles per hour. Special attention should be exercised when driving within the community to insure the safety of all residents.

Section 4. Penalties. Infractions of the above rules shall incur penalties as follows:

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

B. Any vehicle parked in an assigned space belonging to another unit, without the permission of that unit owner, will be subject to immediate removal by towing by the authorized agent for the Association. No notification of possible towing is required in this case. ALL towing and storage expenses will be the responsibility of the owner of the vehicle.

C. Towing may be authorized by ONLY the managing agent for the Association.

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APPENDIX D

SIGN RULES AND PROCEDURES

WHEREAS, in order to further define Article IX, Section 6. Signs of the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, the BOARD OF DIRECTORS wishes to establish a Signs policy:

NOW THEREFORE, BE IT RESOLVED THAT the following Sign policy be adopted by the BOARD:

Section 1. Sign Policy

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

A. "For Sale" or "For lease" Signs.

- (a) Only one (1) sign may be allowed and may only be put in the inside of a window.
- (b) No signs (including directional signs) may be placed along the streets or at the entrance(s) of Trailwood Heights Condominiums.
- (c) No signs may be attached directly to the outside wall of the unit or on the mailbox kiosks.

B. Political signal

- (a) Signs may be placed only in a window. Political signs may not be placed on the common grounds. Only one (1) sign not to exceed six (6) square feet is allowed per unit. The names of more than one candidate may appear on the sign.
- (b) The signs may be displayed no more than three (3) weeks before an election and must be removed the day following the election.

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APPENDIX E

DELINQUENT ASSESSMENT COLLECTION POLICY

WHEREAS, in order to further define Article V. Covenant For Assessments, Section 9. Effect of Nonpayment of assessments Remedies of the association of the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, the BOARD OF DIRECTORS wishes to establish a Delinquent Assessment Collection policy:

NOW THEREFORE, BE IT RESOLVED THAT the following Delinquent Assessment Collection policy be adopted by the BOARD:

Section 1. General Information

A. Delinquent Assessment and Collection policy.

1. At the end of each month, 8% per annum interest and/or late fees will be added to all accounts past due at the end of that month.
2. Once an account is 14 days late, a LATE NOTICE will be mailed to the owner.
3. Once an account is 42 days late (and at least \$ 100.00), a WARNING NOTICE will be sent to the owner.
4. Once an account is 72 days late (and at least \$100.00), management will send a 10 day demand letter, notifying the owner that they must pay in 10 days or the account will be turned over to an attorney for collection.
5. Once an account is 90 days (and at least \$100.00) past due, the account will be turned over to the attorney for collection and the costs will be billed to the owner. If the attorney is unsuccessful in collecting after having sent out a letter, he/she will automatically file a lien.
6. Once the account is 120 days past due, the attorney MAY be advised by management to file in small claims court OR to start foreclosure proceedings.
7. Once the attorney has received the right to foreclose from the Clerk of Court, the Board of Directors will decide whether to proceed with the foreclosure.