

BK8192PG1815

Record and Return: Clifton & Singer, Box 43

NORTH CAROLINA, WAKE COUNTY

DECLARATION OF COVENANTS
CONDITIONS AND
RESTRICTIONS FOR
CARPENTER PARK - SINGLE
FAMILY LOTS, BOOK OF MAPS
1998, PAGE 1224, WAKE
COUNTY REGISTRY

THIS DECLARATION, made on the date hereinafter set forth by
BILL CLARK HOMES OF RALEIGH, LLC., a North Carolina limited
liability corporation, Owner of property in Carpenter Park,
hereinafter referred to as "Declarant".

W I T N E S S E T H:

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

BEING all of Lots 28-52, 97 and 98, inclusive, Carpenter Park
Subdivision, Phase 1, as shown on plat thereof recorded in Book of
Maps 1998, Page 1214, Wake County Registry.

AND WHEREAS, Declarant will convey the said properties,
subject to certain protective covenants, conditions, restrictions,
reservations, liens and charge as hereinafter set forth;

NOW, THEREFORE, Declarant hereby declares that all of the
properties within the boundaries of property shown as lots, streets
and common area on a map of Carpenter Park, recorded in Book of
Maps #, Page #, Wake County Registry, shall be held, sold and
conveyed subject to the following easements, restrictions,
covenants, and conditions, all of which are for the purpose of
enhancing and protecting the value, desirability and attractiveness
of the real property. These easements, covenants, restrictions and
conditions shall run with the real property and shall be binding on
all parties having or acquiring any right, title or interest in the
described properties or any part thereof, and shall inure to the
benefit of each owner thereof.

ARTICLE I
DEFINITIONS

SECTION 1. "Association" shall mean and refer to Carpenter
Park, Inc., its successors and assigns.

SECTION 2. "Properties" shall mean and refer to that certain
real property hereinbefore described, and such additions thereto as
may hereafter be brought within the jurisdictions of the
Association.

PRESENTED
FOR
REGISTRATION
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WAKE COUNTY REGISTRY

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

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

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

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

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

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

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

ARTICLE II ANNEXATION OF ADDITIONAL PROPERTIES

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

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

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

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

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

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

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

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

ARTICLE III

MEMBERSHIP

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

ARTICLE IV

VOTING RIGHTS

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

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

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

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

(b) on September 1, 2005.

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

ARTICLE V
PROPERTY RIGHTS

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VI

COVENANT FOR ASSESSMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VII

USE RESTRICTIONS

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

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

ARTICLE VIII

EASEMENTS

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

ARTICLE IX

RIGHTS OF FIRST MORTGAGES AND INSURERS OF FIRST MORTGAGES

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

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

ARTICLE X

GENERAL PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BILL CLARK HOMES OF RALEIGH, LLC

BY:

Clyde McKinney
CLYDE MCKINNEY, Manager

BY:

Gertrud McKinney
GERTRUD MCKINNEY, Manager

North Carolina

Wake County

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

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

Barbara J. Ellington
Notary Public

My Commission Expires: 4-6-2001



NORTH CAROLINA — WAKE COUNTY

The foregoing certificate ___ of ___

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

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

LAURA M. RIDDICK, Register of Deeds

By *Sandra Almosce*
Asst Deputy Register of Deeds

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

ARTICLE I

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

ARTICLE II

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

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

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

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

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

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

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

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

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

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

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

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

(b) on September 1, 2005.

ARTICLE III

MEETING OF MEMBERS

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

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

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

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

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

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

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

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

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

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

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

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

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

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

ARTICLE VI

MEETINGS OF DIRECTORS

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

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

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

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VIII

OFFICERS AND THEIR DUTIES

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IX

COMMITTEES

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

ARTICLE X

BOOKS AND RECORDS

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

ARTICLE XI

ASSESSMENTS

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

ARTICLE XII

CORPORATE SEAL

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

ARTICLE XIII

AMENDMENTS

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

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

ARTICLE XIV

MISCELLANEOUS

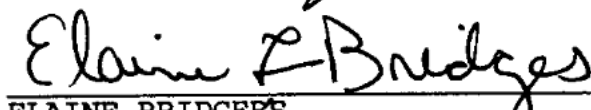
The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation, and end on December 31, 1995.

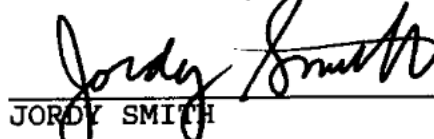
IN WITNESS WHEREOF, we, being all of the initial Board of Directors of Carpenter Park Single Family Homeowners Association, Inc. have hereunto set our hands this 18th day of November, 1998.


WILLIAM H. CLARK


CLYDE MCKINNEY


GERTRUD MCKINNEY


ELAINE BRIDGES


JORDY SMITH

NORTH CAROLINA
WAKE COUNTY

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

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

Elizabeth F. Hart
Notary Public

My Commission Expires: 06-18-02

ELIZABETH F. HART
Notary Public
Wake County, NC

CERTIFICATION

I, the undersigned, do hereby certify:

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

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

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

Robert J. Smith
SECRETARY