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LAURA M RIDDICK
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HOLD FOR: SMITH DEBNAM, BOX 182

NORTH CAROLINA	DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CARLTON POINTE
WAKE COUNTY	HOMEOWNERS ASSOCIATION, INC.

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is entered into this 15th day of November, 2007, between CARLTON GROUP OF NORTH CAROLINA, LLC, a North Carolina Limited Liability Company (hereinafter called "Declarant"), CARLTON POINTE HOMEOWNERS ASSOCIATION, INC., a non-profit, North Carolina Corporation (hereinafter "Association"), and all parties hereafter acquiring any of the described property.

WITNESSETH:

WHEREAS, Declarant is the owner of all lots within a subdivision in the Town of Rolesville, County of Wake, State of North Carolina, known as Carlton Pointe and being shown by map and survey recorded in Book of Maps 2008 Pages 5-10, Wake County Registry containing approximately 137 acres of improved land, open space and greenway areas; and

WHEREAS, it is in the best interest of the Declarant and to the benefit, interest and advantage of every party hereafter acquiring any of the described property that certain covenants, conditions, easements, assessments, liens and restrictions governing and regulating the use and occupancy of the property be established; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities and the desirability and attractiveness of the property in the Town of Rolesville, Wake County; and for the continued maintenance and operation of such recreational and common areas.

NOW, THEREFORE, in consideration of the premises, the Declarant agrees with all parties hereafter acquiring any of the Property hereinafter described, that it shall be and is hereby subject to the following restrictions, covenants, conditions, easements, assessments and liens relating to the use and occupancy thereof, which shall be construed as covenants running with the land which shall be binding on all parties acquiring any right, title or interest in any of the Properties and which shall inure to the benefit of each owner thereof.

ARTICLE I

Section 1. The Property which shall be held, used, transferred, mortgaged, sold, conveyed, leased and occupied subject to this Declaration is located in the Town of Rolesville, Wake County, North Carolina, and is more particularly described as Carlton Pointe Subdivision as shown on the maps and surveys recorded in Book of Maps 2008, Pages 5-10, Wake County Registry. The Declarant hereby subjects the Property, more particularly described on the aforesaid recorded maps to this Declaration and the jurisdiction of the Association and any additions thereto. The Property consists of a approximately 137 acres that the Town of Rolesville has approved to be subdivided into 300 single-family lots, open spaces and greenway easements.

The Declarant reserves the right to subject all of the Property described herein. This right shall run until December 31, 2013. Annexation of additional Properties shall be accomplished by recording in the Wake County Registry a Declaration of Annexation, duly executed by the Declarant. This Declaration of Annexation shall describe the lands annexed and incorporate the provisions of this Declaration. The additional lands shall be deemed annexed to the Properties on the date of recordation of the Declaration of Annexation, and in the case of an annexation by the Declarant, no action or consent on the part of the Association or any other person or entity shall be necessary to accomplish the annexation except the Town of Rolesville if required by its ordinances.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to Carlton Pointe Homeowners Association, Inc., its successors and assigns.

Section 2. "Common Areas" shall mean all property owned by the Association, or such other property which the Association may hold subject to the provisions of the Declaration. Common Areas shall be defined and bounded on the plat(s) as "Common Areas" "Open Space" "Permanently Protected Undisturbed Open Space" or "Common Open Space". Common Areas shall specifically include but shall not be limited to: (a) all water lines and sewer lines which serve the Properties and are located outside of any public street right-of-way or any utility easement (excluding those lines serving a single Lot); and (b) all Stormwater Control Measures which serve the Properties that are located outside of any public street right-of-way, (excluding those pipes serving a single Lot); and (c) Open Space, Common Open Space, Permanently Protected Undisturbed Open Space, or Common Areas identified on recording plats.

Section 3. "Common Expense" shall mean and include:

(a) All sums lawfully assessed by the Association against its members;

(b) Expenses of the Common Area and administration, maintenance, repair, or replacement of the Common Areas;

(c) Expenses declared to be Common Expenses by the provisions of this Declaration or the By-laws;

(d) Hazard, liability, or such other insurance premiums as the Declaration or the By-laws may require the Association to purchase;

(e) Ad valorem taxes and public assessment charges lawfully levied against Common Areas owned in fee simple;

(f) Expenses agreed by the Members to be Common Expenses of the Association.

(g) Utilities used in connection with the Common Areas.

(h) Unpaid assessment following the foreclosure of a mortgage or deed of trust.

(i) Fees for services engaged in by the Association.

Section 4. "Declarant" shall mean and refer to Carlton Group of North Carolina, LLC, a North Carolina limited liability company, 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 5. "Dwelling" shall mean an approved building constructed on a Lot for human habitation.

Section 6. "Family" shall mean an individual or two (2) or more natural persons related by blood to the third degree lineally, by marriage, adoption or guardianship living together in a Dwelling constructed on a Lot as a single housekeeping unit; or a group of not more than two (2)

natural persons not related to the other by blood as described above, nor by marriage, adoption, or guardianship living together as a single housekeeping unit in a Dwelling constructed on a Lot.

Section 7. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties, with the exception of the Common Area. Detached single family Lots shall be used to construct detached single Family Dwellings.

Section 8. "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 9. "Properties" shall mean and refer to that certain real property hereinbefore described in Article I, Section 1.

ARTICLE III
PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of use and enjoyment in and to the Common Area and over the Common Area for access, ingress and egress from and to public streets, walkways and parking areas and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association subject to the ordinances of the Town of Rolesville 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, following notice and opportunity to present evidence, to fine Owners for non-compliance with these Covenants, suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot

remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) 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 an instrument agreeing to such dedication or transfer signed by four-fifths (4/5) of each class of Members has been recorded.

(d) The right of the Association to limit the number of guests of Members;

(e) The right of the Association, with the assent of four-fifths (4/5) of all Class A Members and four-fifths (4/5) of all Class B Members, and in accordance with its Articles and By-laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, and the rights of such mortgagee in said Properties shall be subordinate to the rights of the Members and the Association hereunder;

(f) The right of the Association to adopt, publish and enforce rules and regulations as provided in Article III.

(g) The right of the Association to exchange Common Area in accordance with the Rolesville Town Code.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-laws, 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 when permitted by this Declaration, but such delegate shall be subject to the limitations of subsections (a) through (g) of Section 1 above. However, each Owner shall remain subject to the restrictions on renting and leasing as set forth in

Section 4 below and nothing permitted in this Section 2 shall be in conflict with such restrictions in Section 4 below.

Section 3. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area to the Association, free and clear of all encumbrances and liens, except utility, greenway, and storm drainage easements, prior to the conveyance of the first Lot of each phase of development.

Section 4. Occupancy. In the event an Owner of any Dwelling shall desire to lease or rent said Dwelling, he shall first obtain a written agreement executed by the lessee or tenant on a form stating that the lessee or tenant shall adhere to the restrictions and covenants as set forth herein and in the same manner as required by Owner. The form of such written agreement shall be developed and provided to the Owner from Association. The Owner shall obtain said form from the Association and submit the executed version of the same prior to any lease or rental period commencing. Furthermore, prior to the time of delivery of the Dwelling by the Owner to the lessee or tenant, the Owner shall deposit the sum of $500.00 with the Association as a refundable security deposit. Such sum, or portions thereof may be used by the Association, in it's discretion in the event lessee or tenant fails to comply with the covenants and restrictions set forth herein. Upon the Dwelling being vacated by the lessee or tenant, the Owner shall notify the Association of such event and the Association shall then return the remaining balance, if any, of said security deposit to Owner within 30 days. Any violation of this procedure by Owner shall result in a $250.00 fine to be levied by the Association.

Section 5. Parking. The Association may regulate the parking of boats, trailers and other such items on the Common Area and individual Lots. In particular, outdoor storage or parking of

any unlicenced vehicles, campers, boats, trailers or any vehicles that are not licenced automobiles, vans and sport utility vehicles is prohibited. No motor vehicles of the Owner, members of his family or tenants may be parked or stored on any Lot or any of the subdivision streets while on jacks or while being repaired. No motor vehicles of the Owner, members of his family, or tenants may be parked or kept on any street in the subdivision after 11:00pm. Motor vehicles left on a street after 11:00pm may be towed at Owner's expense. Parking or storage of motor vehicles on the grass area or sidewalk area of any Lot is prohibited. Boats, trailers and motor vehicles parked in violation of this paragraph or in violation of the rules and regulations promulgated by the Association from time to time shall be subject being towed or removed by the Association at the expense of the owner thereof.

Section 6. TV Antennas and Cablevision. Exterior equipment including, but not limited to, communications, telecommunications, microwave, television, cable television dishes, satellite dishes, and antennae, shall not be placed or installed by Owner, its agents, licensees, or representatives on the exterior front wall or on the exterior sidewalls of any structure erected or placed upon a Lot that is within twenty feet (20') from the front wall of the house or at any place on the premises that is parallel to said front wall or sidewalls. In a location where the rear wall or a sidewall faces a street, the same restriction shall apply to the entire rear wall or the entire sidewall that faces a street and the areas of the premises that are parallel to said rear wall or sidewall. Under no circumstances may installed exterior dishes or receivers have a circumference larger that eighteen inches (18"). The Association may further regulate or prohibit the erection of television antennas and satellite dishes on individual Lots.

ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. Membership in the Association as defined hereinabove shall be mandatory for each original Lot Owner and each successive Owner of a Lot.

Section 2. 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 provided that, when Class B membership terminates as set forth below, the Declarant shall be a Class A member for each Lot it then owns. 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 determine by majority, but in no event shall more than one vote be cast with respect to any Lot, and

in no event shall fractional votes be allowed.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) 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 the Class A membership equal the total votes outstanding in Class B membership or:

(b) on December 31, 2015; or

(c) Upon the surrender of all Class B membership by the holder thereof.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Subdivision and in particular for the acquisition, improvement and maintenance of the Common Areas, driveways, walks and parking areas situated on the Common Area, the cutting and removal of weeds and grass, the removal of trash and rubbish or any other maintenance of Common Areas and maintenance and landscaping of the of the Common Areas, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes and public assessments levied against the Common Area, the payment of Common Expenses, the procurement and maintenance of insurance in accordance with

this Declaration or bylaws, the employment of attorneys to represent the Association when necessary, the provision of adequate reserves for the replacement of capital improvements including, without limiting the generality of the foregoing, paving and any other expense for which the Association is responsible, and such other needs as may arise.

Section 3. Reserves. The Association shall establish and maintain an adequate reserve fund or funds for the periodic maintenance, repair and replacement of improvements to the Common Area and those other portions of the properties which the Association may be obligated to maintain. Such reserve fund is to be established out of regular or special assessments for Common Expense for the Owners of the kind of Lots that require the reserve fund or funds.

Section 4. Budget Ratification. Within thirty (30) days after adoption of any proposed budget for the planned community, the executive board of the Association shall provide to all the Lot Owners a summary of the budget and a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The board shall set a date for the meeting of the Lot Owners to consider ratification of the budget, said meeting to be held not less than 10 nor more than 60 days after mailing of the summary and notice. There is no requirement that a quorum be present. The budget is considered ratified unless at that meeting the super-majority of all the Lot Owners in the Association rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Lot Owners shall be continued until such time as the Lot Owners ratify a subsequent budget proposed by the board.

Section 5. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment for detached single Family Lots shall be Four Hundred And Twenty Dollars ($420.00) per Lot. In the event that a pool and/or clubhouse is constructed, the maximum annual assessment for detached single Family Lots shall be One Thousand And Eighty Dollars ($1,080.00) per Lot. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessments may be increased effective January 1 of each year by less than 10% of the previous year's assessment, unless the Owners of 90% of the Lots reject the budget.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment for Lots may be increased above the increase permitted in Section 5(a) above unless Owners of Lots representing 67% or more of the Lots reject the increase.

Section 6. Special Assessments for Capital Improvements. In addition to the assessment 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 construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, and in connection with exterior maintenance, including fixtures and personal property related thereto,

provided that any such assessment shall have assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 7. Emergency Special Assessments. In the event of an Emergency (as hereafter defined), the Board, on behalf of the Association, in the Board's sole discretion, may levy an Emergency Assessment for the purpose of taking preventative, protective, stabilizing, or remedial actions to protect the Common Areas, streets or any improvements located thereon, and to further reconstruct, repair or replace any portion of the property, streets or improvements following such Emergency. For purposes of this Section, Emergency includes, but is not limited to, hurricanes, tornadoes, flooding, fires, acts of God or other naturally occurring phenomena. An Emergency assessment shall be due and payable as established by the Board of Directors.

Section 8. Notice and Quorum for any Action authorized under Sections 5 and 6. Unless specifically provided otherwise, written notice of any meeting called for the purpose of taking any action authorized under Section 5 or 6 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. Unless specifically provided otherwise, at the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall

be one-half (½) of the required quorum at the preceding meeting. This provision shall continue to reduce the quorum by one-half (½) from that required by the previous meeting , as previously reduced, until such time as a quorum is present and business can be conducted. No such subsequent meeting shall be more than 60 days following the preceding meeting.

Section 9. Uniform Rate of Assessment. Both annual and special assessments shall, except as herein otherwise specifically provided, be fixed at a uniform rate for all Lots and may be collected on an annual, semi-annual, quarterly or monthly basis as determined by the Board of Directors. Provided, however, that the assessment for Lots owned by Declarant for which no certificate of occupancy has been issued shall be twenty-five percent (25%) of the regular assessments for other Lots.

Section 10. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following recordation of the map wherein such Lot is shown. Said annual assessments shall be paid ratably on an annual, semi-annual, quarterly or monthly basis as determined by the Board of Directors. 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. The Due dates shall be established by the Board of Directors. Within ten (10) business days after receipt of a request, the Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment on a specified Lot has been paid. Any certificate so given shall be conclusive evidence of payment of the assessment stated therein and is binding on the Association, the executive board and every Lot Owner.

Section 11. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid for a period of thirty (30) days or longer after the due date shall bear interest of 1.5% (percent) or the highest percentage permitted by North Carolina law, whichever is the lower percentage, per month, from the due date. Such unpaid assessment and any accrued interest shall

constitute a lien on that Lot when a claim of lien is filed of record in the office of the Wake County Clerk of Superior Court in the manner provided in N.C.G.S. 47F-3-116(g). The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property and in either event interest, costs and reasonable attorney's fees of any such action shall be added to the assessment. Foreclosure is to be in the same manner as that of Deeds of Trust, foreclosed under Article 2A of Chapter 45 of the North Carolina General Statutes. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. Should any deficiency remain after the foreclosure, the Association may also bring an action against the Owner for said deficiency.

Section 12. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to such mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 13. Exempt property. All Properties dedicated to, and accepted by, a local public authority and all Properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 14. Working capital Fund. At the time of closing of the sale of each Lot by the Declarant, a sum equal to at least four (4) months assessment for each Lot shall be collected from

the builder/original purchaser and transferred to the Association to be held as a working capital fund. In addition, at the time of closing of the sale of each Lot by the builder/original purchaser, a sum equal to at least four (4) months assessment for each Lot shall be collected from the home buyer/purchaser and transferred to the Association to be held as a working capital fund. Thus, the builder/original purchaser and the home buyer/purchaser shall each pay a sum equal to at least four (4) months assessment at the time of the closing of their purchases. The purpose of said fund is to insure that the Association Board will have adequate cash available to meet unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund shall not be considered advance payment of regular assessments.

Section 15. Dues Paid In Advance. The annual assessments provided for herein shall commence as to Lots being purchased at the time of recordation of a deed from the Declarant to a new owner, pro rated to the first day of the month following said recordation. An amount equivalent to one annual assessment (prorated to the end of the Association's fiscal year), plus any working capital collections, shall be collected at the time of closing to the ultimate consumer referred to in this Section. Such annual assessments shall be paid ratably on an annual basis and shall be collected at the time of purchase by the ultimate consumer, also referred to as the home buyer/purchaser.

ARTICLE VI
ARCHITECTURAL CONTROL

Section 1. No dwelling building, fence, wall or other structure of any kind shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration therein be made (including, but not limited to, changes or alterations in the color exterior paint, vinyl siding, roof-shingles, masonry or shutters) until the plans and specifications

showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within sixty (60) days after said completed plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

Section 2. No trailer, tent, shack, barn or other building shall be erected or placed on any Lot covered by these covenants. No attached or detached garage shall at any time be used for human habitation temporarily or permanently. Temporary structures are prohibited.

Section 3. No additional driveways or sidewalks may be installed on any Lot without the prior written approval of the Architectural Committee of the Association.

Section 4. Mailboxes shall not be altered in any way, with the exception of repairs to restore these items to their original appearance if damaged or discolored. In the event a mailbox must be replaced, it shall be replaced only by an exact replica of the original mailbox.

Section 5. Grass and flowerbeds shall be maintained in a neat and orderly manner to appear as the grass has been mowed on a weekly basis and the weeds in the flowerbeds removed on a weekly basis. In the event this work is not done, the Association shall have the authority, but not the obligation, to perform this work in lieu of the Owner and assess the cost to the Owner through the Association, including any legal fees and administrative costs incurred by the Association. In addition, any alteration (including altering the grade of the Lot) of the landscaping of the front and/or

side yards and/or in any landscape easement must be approved by the Architectural Committee of the Association.

Section 6. No yard art, including plastic flowers, which is visible from the street may be displayed on any Lot without the prior written approval of the Architectural Committee of the Association.

Section 7. No household furniture intended for interior use may be kept or stored on porches or yards.

Section 8. Unless otherwise required by the Town of Rolesville, all garbage or refuse shall be kept in the rear yard of all Lots; not in the front or side yards and may not be visible from the public street.

Section 9. Clothes lines, including temporary or retractable lines, are prohibited on any Lot.

Section 10. Upon the recordation of a deed from the Declarant to a builder, said builder shall be responsible for upkeep and cleanliness (including mowing of any grass on the Lot) of Lots for which no structure has been commenced. During the construction phase, the builder shall keep the Lot clean and maintain a dumpster or fenced area for the construction debris, so that the Lot is free from debris other than that contained in those areas. The fenced area must be cleaned at least once a week. Upon completion of the construction of a house, the builder shall establish a seeded or sodded lawn area and shall maintain that area in keeping with the requirements under this Article herein. At the commencement of construction at a Lot, the builder shall install such silt fencing and all other such Lot protection devices as may be required by any governmental agency and a gravel driveway the full width of the driveway from the front of the garage area to the street.

Section 11. No noxious or offensive trade, activity, or language shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No trade materials or inventories may be stored upon the premises and no trucks or tractors may be stored on the premises. No business activity or trade of any kind whatsoever, which shall include but not be limited to the use of any residence as a doctor's office or professional office of any kind, a fraternity house, a rooming house, a boarding house, an antique shop or gift shop shall be carried on upon any Lot. Any business activity or trade that causes undue traffic, noise, outward signs of non-residential use or has any employee shall be prohibited, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. Noise levels must be maintained in accordance with the Town of Rolesville Code requirements at all times.

Section 12. Except for unit identification numbers required by the Town of Rolesville, no signs or billboards shall be erected or maintained on the premises. No sign of any kind shall be displayed to the public view on any portion of Properties, except for signs which are approved in a notarized writing by the Declarant and, if applicable the Architectural Review Committee. Anything hereinabove to the contrary, "For Sale" or "For Rent" signs or the like shall not be permitted for a period of five (5) years beginning from the date of the first closing with a individual homeowner (non-builder or non-Declarant Owner), or at such time as all 300 Lots with completed Dwellings located thereon shall have been sold by the builders of the subdivision, whichever is later.

Section 13. Trespassing on any Lot is strictly prohibited.

Section 14. The residences of for Type I Lots shall be erected with a minimum of 1,350 square feet, exclusive of porches and garages. The residences of for Type II Lots shall be erected with a minimum of 1,900 square feet, exclusive of porches and garages.

Section 15. Prior to the submission of any building permit each home elevation shall be reviewed by the Architectural Review Committee. The Architectural Review Committee shall review the proposed plans to ensure the following design guidelines are met. Dwellings constructed on the Property shall adhere to the following design criteria:

(a) Entries. All dwellings shall have front porches and/or covered stoops at the front entry. Porches and stoops shall be covered with pitched roof elements and provide a minimum depth of four (4) feet.

(b) Building Materials. Front facades for each dwelling shall be a mix of stone or brick and Hardie Plank or vinyl shake or vinyl siding.

(c) Garages. All garages must contain window elements for garage doors and be wide enough to accommodate two (2) cars inside the garage and two (2) cars in the driveway.

(d) Colors. Primary colors used on the exterior of all Dwellings shall consist of natural earthen tones. Exterior accents and details may consist of white, off-white or light colors. The color of the front door and shutters of the Dwelling shall match.

(e) Placement. Entries and front facades for each Dwelling shall be located on Lots so they create visual interest, variety and appeal from the street. Varied setbacks and protrusions of the front facade may be provided to give variety along the streetscape. Identical home elevations shall not be permitted to be adjacent to one another.

(f) Roofs. The primary roof materials shall consist of gray and black shingles. Secondary roof materials shall consist of either identical shingles to the primary roof or a standing seam metal/aluminum material with copper, gray, black, tan, brown, or green finish.

(g) Facades and Detailing. At least four (4) of the following elements shall be provided

with each front facade: (i) differentiated materials and colors; (ii) varied roof lines and pitches; (iii) dormers; (iv) window mullions; (v) bay windows; (vi) patterned stone or brick work; (vii) planted foundation beds; (viii) pre-cast quoins; (ix) keystones; (x) pre-cast accents; (xi) standing seam roofs; (xii) decorative arches; and (xiii) shutters.

Section 16. Each Dwelling Lot where sidewalks or bike paths run adjacent to its front shall be required to have front walkways from such Dwelling which connect to the sidewalks or driveways. The sidewalks at the front entry of the Dwelling may be built parallel or slightly angled to the front of the Dwelling and may connect to the driveway.

ARTICLE VII
INSURANCE

Section 1. Insurance coverage on the Property shall be governed by the following provisions:

(a) Ownership of Policies. All insurance policies covering the Common Areas shall be purchased by the Association for the benefit of the Association and the Members. All insurance policies covering detached Family Dwelling Lots shall be owned by the individual Owners thereof and shall be fully paid by such Owners. All policies shall be written with a company authorized to do business in North Carolina.

(b) Coverage. All buildings and improvements upon the Common Areas and all personal property included in the Common Areas shall be insured in an amount equal to one hundred percent (100%) insurable replacement value as determined annually by the Association with the assistance of the insurance company providing coverage. Such coverage shall provide protection against:

(i) Loss or damage by fire and other hazards covered by the standard extended coverage endorsement,

(ii) Such other risks as from time to time shall be customarily covered with respect to buildings on the land, and

(iii) Such policies shall contain clauses providing for waiver of subrogation.

(c) Liability. Commencing no later than the time of the first conveyance of a Lot to a Person other than the Declarant, the Association shall procure and maintain (i) hazard insurance on the Common Areas, insuring against all risk of loss commonly insured against, including fire and extended coverage of peril, and (ii) liability insurance, in an amount of not less than one million dollars ($1,000,000.00), covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use ownership or maintenance of Common Areas. The Association shall obtain and maintain such other insurance as required in this Declaration or such other forms of insurance, and in such coverage amounts, as determined by the Board to be required or beneficial for the protection or preservation of the Common Area and other property of the Association or otherwise is in the best interests of the Association. The premiums for such insurance shall be a Common Expense paid from the annual assessments as established pursuant to this Declaration.

(d) Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association as a Common Expense and charged to the Owners as an assessment according to the provisions above.

(e) Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Members. The sole duty of the Association shall be to receive such proceeds as are paid and to hold the same for the purposes stated herein or stated in the By-laws.

(g) Repair and Reconstruction. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on the Lot(s) and structures constructed thereon. Each Owner further covenants and agrees that in the event of a partial loss or damage (defined as cost of repair less than 50% of the current tax value), resulting in less than total destruction (defined as cost of repair valued at greater than or equal to 50% of the current tax value) of structures comprising his Lot, the Owner shall proceed, within 60 days of the casualty, to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with this Declaration. The Owner shall pay any costs of repair or reconstruction which are not covered by insurance proceeds. In the event that the structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner, within 45 days of the casualty, shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Lot in a neat and attractive condition consistent with the community-wide standard. In the event that the Owner does not comply with any or all requirements hereunder, the Declarant and/or the Association may act to accomplish such Owner's duties and requirements and, thereafter, charge the Owner for the cost of fulfilling said requirements. In such event, Owner shall be required to repay the Declarant and/or the Association, as the case may be, within thirty (30) days after receiving a written bill for said work performed.

ARTICLE VIII
USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, amend, publish, and endorse reasonable rules and regulations concerning the use and enjoyment of the Common Areas, streets and individual Lots. Such rules and regulations may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration.

Section 2. Use of Properties. No portion of the Properties (except for temporary office of the Declarant and/or model used by Declarant) shall be used expect for single Family residential purposes and for purposes incidental or accessory thereto.

Section 3. Occupancy Restrictions. No portion of any Lot or any Dwelling constructed on a Lot shall be occupied by more than one Family as defined in Article II of this Declaration.

Section 4. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood.

Section 5. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling. Household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes as defined by the Declarant or the Association in their sole discretion. Pitt Bulls, Rottweilers and breeds with similar characteristics are not permitted. All pets must be kept under the direct control of the owner by fence, leash or harness and may not run freely at any time. Pet owners are required to clean up after their animals at all times in the Common

Areas, Streets and Lots, both at their own Lots and at Lots not their own. Violations will be subject to a fine and/or legal action. No more than two (2) pets per residence are permitted.

Section 6. Sight Triangles or Sight Distance Easement. Within sight triangles or sight distance easement shown on maps of the Properties recorded with the Wake County Registry, no obstructions between two (2) and eight (8) feet in height above the curb line elevation shall be located in whole or in part. For the purposes of this section obstructions include, but are not limited to any berm, foliage, fence, wall, sign, or parked vehicle.

Section 7. Permanently Protected Undisturbed Open Space. Within any Permanently Protected Undisturbed Open Space shown on maps of the Properties recorded with the Wake County Registry, no land disturbing activity, any development, placement of impervious surface nor any new use, construction, or encroachment shall take place without the prior issuance of a required permit from the Town of Rolesville.

ARTICLE IX
EASEMENTS

Section 1. All of the Properties, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, sidewalks, bicycle pathways, greenway easements, parking area, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines and other public utilities as shall be established by the Declarant or by his predecessors in title, prior to the conveyance of the individual lots to Owners and the 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 Areas conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Properties. In addition, there is hereby reserved in the Declarant,

contractors, and its agents and employees an easement and right of ingress, egress and regress across all Common Areas, now or hereafter owned by the Association, for the purpose of construction of improvements and development of the Properties until such time as Class B membership terminates; provided, that all the Common Areas shall be restored to as near the condition as that which prevailed prior to the use of the easement as is reasonably practicable.

Section 2. All Lots shall be subject to easements for the encroachments constructed on adjacent Lots and Common Areas to the extent that such initial improvements actually encroach including, but not limited to, such items as overhanging eaves, gutters and downspouts and walls.

Section 3. An easement is hereby established over the Common Areas and facilities for the benefit of applicable governmental agencies, public utility companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water and sewer facilities, electrical telephone, gas and cable antenna lines, fire fighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities.

Section 4. If any dwelling is located closer than five (5) feet from its lot line, the Owner thereof shall have a perpetual access easement over the adjoining lot to the extent reasonably necessary to perform repair, maintenance or reconstruction of his dwelling. Such repair, maintenance or reconstruction shall be done expeditiously and, upon completion of the work, the owner shall restore the adjoining Lot to as near the same condition as that which prevailed prior to the commencement of the work as is reasonably practicable. No fence, wall or landscaping shall be installed in said easement which will interfere with the rights of the adjoining Lot Owner.

Section 5. Greenway- Town of Rolesville Approval. Notwithstanding any other provisions of these Declarations, the Association, Owners, Members, Tenants of Members, Members' guests

or invitees, or families of Members shall not, within any portion of the Open Space which is greenway area dedicated to the Town of Rolesville, without the prior written consent of the Town of Rolesville:

(a) Grant easements of any nature whatsoever;

(b) Remove any trees or vegetation;

(c) Erect gates, fences or other structures;

(d) Place any garbage receptacles;

(e) Fill or excavate;

(f) Plant vegetation or otherwise restrict or interfere with the use, maintenance and preservation of said greenway in its natural state, including without limitation, recreational pursuits such as walking, bicycling and other similar activities by the general public.

It is understood and agreed that within any greenway area, the Town of Rolesville may erect trails, trail markers, place litter receptacles, and other convenience facilities and adopt and amend regulations concerning the use of the greenway (including without limitation hours of operation), which shall be equally applicable to the general public and the Owners. The Association shall be responsible for insuring the maintenance and upkeep of the greenway in its natural state, free of litter and unsightly debris. The Association may not adopt any such other regulations governing the use of the greenway which would be inconsistent with those mandated or prescribed by the Town of Rolesville.

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 one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended in accordance with the North Carolina Planned Community Act, as amended.

Section 4. These covenants, conditions, restrictions and allocations cannot be amended or changed without the prior written consent of the Town of Rolesville, such approval not to be unreasonably withheld, said amended covenants, conditions and restrictions to be in writing and signed by the Town of Rolesville as approving the same. If any amendment to these covenants, conditions, and restrictions is executed, each such amendment shall be delivered to the Board of

Directors of this Association. Thereupon, the Board of Directors shall, within 30 days do the following:

(a) Reasonably assure itself that the amendment has been executed by the Owners of the required number of Lots. (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:

CERTIFICATION OF VALIDITY OF AMENDMENT TO

CONDITIONS AND RESTRICTIONS OF CARLTON POINTE HOMEOWNERS

ASSOCIATION, INC.

CARLTON POINTE HOMEOWNERS ASSOCIATION, INC.

By: _____
President

Section 5. Management and Contract Rights of Association. Declarant shall enter into a contract with a management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance and management of the property. However, no such contract shall be binding upon the Association except through express adoption, or ratification of the terms and conditions of such contract. Any contract or lease entered into by Declarant or by the Association while Declarant is in control thereof shall contain a provision allowing the Association to terminate such contract at any time after providing 60 days written notice without justification or penalty after transfer of management by Declarant to the Association.

Section 6. Rights of Noteholders. Any institutional holder of a first mortgage on a Lot will, upon written request, be entitled to (a) upon being given an appointment, inspect the books and records of the Association during normal business hours, (b) receive an annual audited financial statement of the Association within one hundred eighty (180) days following the end of its fiscal year, (c) receive written notice of all meetings of the Association and the right to designate a representative to attend all such meetings, (d) receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the note securing its mortgage, (e) receive written notice of any sixty-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage, (f) receive written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Owners' Association, (g) receive written notice of any proposed action that requires the consent of a specified percentage of mortgage holders, and (h) be furnished with a copy of the master insurance policy, all the above upon request of mortgage holder.

Section 7. Minimum and Average Lot Size. Type I Lots shall have a minimum Lot size of 6,600 square feet with an average size of all Type I Lots of no less than 7,200 square feet. Type II Lots shall have a minimum Lot size of 8,400 square feet with an average size of all Type II Lots of no less than 10,000 square feet.

Section 8. Warning. Town of Rolesville zoning regulations–ordinances for this property require certain natural protective yards wherein tree removal is prohibited and is a violation of the Rolesville Town Code. Violators will be subject to significant financial consequences. The Rolesville Town Code prohibits the removal of trees from Conservation Management zoning district, and violators of this prohibition will be subject to significant financial consequences.

ARTICLE XI
ELECTRICAL SERVICE

Declarant reserves the right to subject the above described Property to a contract with an electrical utilities company for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to an electrical utilities company by either the Association, the Owners or both within said Property.

IN WITNESS WHEREOF, the undersigned, being the Declarant and Association herein, have caused this Declaration to be executed by its Managers as of the day and year first above written.

CARLTON GROUP OF NORTH CAROLINA, LLC

By: Marshall Davis

MARSHALL DAVIS, Manager

CARLTON POINTE HOMEOWNERS ASSOCIATION, INC.

By: Marshall Davis

MARSHALL DAVIS, President

STATE OF NORTH CAROLINA
COUNTY OF Wake

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purposes stated therein and in the capacity indicated: Marshall Davis, Manager of Carlton Group of North Carolina, LLC, a North Carolina limited liability company.

Date: 11-15-07

Colleen E. Hines
By: Colleen E. Hines, Notary Public

(Official Seal)

My commission expires: 06-06-2012

COLLEEN E. HINES NOTARY PUBLIC WAKE COUNTY, NC

STATE OF NORTH CAROLINA
COUNTY OF Wake

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purposes stated therein and in the capacity indicated: Marshall Davis President of Carlton Pointe Homeowners Association, Inc., a non-profit, North Carolina Corporation.

Date: 11-15-07

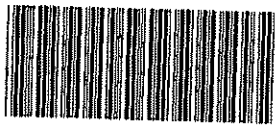
Colleen E. Hines
By: Colleen E. Hines, Notary Public

(Official Seal)

My commission expires: 06-06-2012

COLLEEN E. HINES NOTARY PUBLIC WAKE COUNTY, NC

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Yellow probate sheet is a vital part of your recorded document.
Please retain with original document and submit for rerecording.

Wake County Register of Deeds
Laura M. Riddick
Register of Deeds

This Customer Group
1 # of Time Stamps Needed

This Document
____ New Time Stamp
33 # of Pages

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