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CARALEIGH MILLS HOMEOWNERS' ASSOCIATION POLICIES

These policies apply to all owners and their families, tenants, and guests. These policies should not be interpreted as superseding any clause contained within the Declaration or By Laws. The HOA Board reserves the right to make policy changes at any time.

Reporting Violations. Please direct any complaints or policy violations to a Board member or the Association's management company.

Reporting Repairs. If a common area is in need of repair, you are requested to contact the Association's management company immediately.

1. Parking and Parking Lots

Overview: The parking policies are intended to promote a pleasant property appearance and the safety of residents. Additionally, some policies are aimed at ensuring that residents and their guests continue to have ample and conveniently located parking on a regular basis.

1.1 Parking Spaces. Motor vehicles, including motorcycles, must be parked in parking spaces, except during loading or unloading. Handicap parking signs must be honored. Only one vehicle per parking space is permitted.

1.2 Speed Limit. The speed limit within the Caraleigh Mills property is 10 miles per hour.

1.3 Vehicle Repair. Vehicle repair is not allowed on Mill property. Minor vehicle maintenance such as changing wiper blades and tires is generally permitted. Otherwise, vehicles must be repaired or serviced off the property. Major vehicle repairs may not be done in the parking lot. Owners are responsible for cleaning or costs associated with cleaning any leaked, spilled fluids, or damage to the parking lot. Residents must take measures to protect parking lot surfaces prior to performing any vehicle maintenance.

1.4 Prohibited Vehicles. Vehicles which have expired license plates, flat tires, appear inoperable, or are otherwise deemed a nuisance by the Board are prohibited and may be removed from the property at the Owner's expense. Nonresident homeowners may not store vehicles on the property. No owner or resident may regularly keep on the property any large commercial-type vehicle or trailer, any recreational vehicle (including, but not limited to, campers, boats, motor homes, trailers, and jet skis), or any other vehicle which is not street legal or otherwise deemed inappropriate by the Board.

1.5 Extra Vehicles. Households with extra vehicles should park those vehicles in the rear of the building and not in spaces directly in front of the curb. Generally, extra vehicles are defined as the greater of two per unit or the number of licensed drivers residing in a unit.

1.6 Anti-Theft Alarms. Residents who have vehicles with anti-theft systems shall not allow the alarms or horns to go off and disturb other residents for more than three minutes. Any vehicle violating the three-minute rule shall be deemed illegally

parked and is subject to immediate towing without prior notice to the vehicle owner or operator.

1.7 Registering with Management. All residents must provide the Association's management with the current license plate number of all vehicles regularly kept on the property.

1.8 Bicycles. Bicycles must be stored only in places explicitly designated by the Board for the storage of bicycles or in the owner's/resident's unit or storage unit.

2. Pets

Overview: Caraleigh Mills is a pet-friendly community; however, residents must ensure that their pets do not disturb or create a nuisance for others.

2.1 Control. Pets must be leashed and held by a person capable of controlling the animal while in any common element of the property, except when confined within the dog park. Unsupervised pets may not be restrained by leashing or chaining to an object. Dogs may not be left unsupervised within the dog parks. Unleashed pets, including cats, are not allowed outside of units, except dogs in the dog park.

2.2 Prohibited Areas. Pets are not permitted in the community center, pool area, volleyball court, playground and garden areas and the putting green.

2.3 Pet Waste and Waste Disposal. Pets shall not be curbed in the courtyards, the grassy area in front of the main Mill building, the shrubbery and other planted areas, the playground, garden, volleyball court, putting green area, and other areas designated as "No Pet Zones". Pet owners should use the outer boundaries of the Mill property whenever possible for curbing your pet. Pet owners are responsible for immediately cleaning up after their pets defecate in any portion of the Common Area including the dog park. Owners are responsible for ensuring that their pets do not urinate or defecate inside the main building. If such happens, the owner is responsible for immediately cleaning up the floor, carpet, or elevator. The Board may require permanent removal of any pet that repeatedly soils the floors or carpet.

2.4 Outdoor Feeding. Feeding bowls for pets or wild animals may not be left outside.

2.5 Pet Services. Residents may not operate pet boarding, breeding, pet adoption services, or other commercial pet services from their individual units or elsewhere on the property.

2.6 Nuisance. Loud and persistent pet noises, offensive pet odors, or insects (such as fleas and ticks) emanating from a unit must be avoided and are subject to fines or removal of pet(s) from the property. The Board may require permanent removal of any pet when the pet or its owner has repeatedly violated the policies or, in the opinion of the Board, the pet has become objectionable or constitutes an unreasonable nuisance to any other owner or resident.

2.7 Owner Liability. The unit owner is liable for any unreasonable noise or damage to person or property caused by

any animals brought or kept upon the property by any resident, family member, tenant, or guest.

2.8 Local Ordinances. Pet owners must comply with all City of Raleigh ordinances regarding pets. Raleigh city ordinances require pets to be licensed, to wear a license tag, and to be vaccinated against rabies.

2.9 Prohibited Animals. No farm animals or poisonous animals are allowed within Caraleigh Mills.

3. Noise

Overview: The buildings of Caraleigh Mills are very old, and thus, are difficult to completely soundproof. Residents are asked to limit noise that may disturb others' enjoyment of their property. Please be considerate when adjusting television or audio system volumes, moving objects along the floors, and engaging in other activities that may be heard in adjacent units.

3.1 Appliances. Loud appliances including but not limited to washers, dryers, and vacuums are not to be operated between midnight and 6:00am.

3.2 Home Projects or Construction. Construction or other home projects which are noisy or otherwise disturbing to neighbors may be conducted only during the following hours: Monday-Friday 8:00am to 8:00pm; Saturday and Sunday 11:00am to 6:00pm.

3.3 Noise. Residents and homeowners are responsible for maintaining a reasonable noise level in their units and in the common areas. Quiet hours are 11:00pm to 8:00am.

4. Common Areas

Overview: Common areas are generally defined as all areas of the property except the interior of units or other elements specifically defined in the By Laws as a limited common element. Residents share the use of common areas. Thus, the collective needs of the community must outweigh the individual desires of a particular resident or owner.

4.1 Tampering. Tampering with common area water, lighting, sprinklers, pool equipment, fire safety equipment, thermostats, or other common area equipment or devices is not allowed

4.2 Modification. No owner or tenant may construct, alter, modify, remove, plant, landscape, trim, or otherwise perform any work upon any Common Area without prior written approval of the Board.

4.2.1 Community Garden. Plants may be placed in the community garden only with approval of the Garden Committee.

4.3 Outdoor Decoration. Personal yard ornaments such as statues, bird baths, decorative flags, etc. are not permitted on common area lawns or within common area planting beds without the permission of the Board. Nothing may be attached to the building or other building structures, including but not limited to exterior wall art, flag poles, plaques, and lights without permission of the Board.

4.4 Smoking – Common Areas. Smoking is not permitted in interior common areas or in proximity to any of the entrances to the main building. Smoking is also prohibited in the pool area. Cigarette butts must be disposed of in proper receptacles, not on the ground. Dirty ashtrays may not be left outside.

4.4a Smoking – Units. Residents may smoke within Units; however, Unit Owners are responsible for ensuring that all cigarette/cigar odors and/or smoke are contained within their Units. Unit Owners are required to take measures inside of their Units, such as the installation of additional caulking or air cleaners, to prevent smoke and/or odors from entering the common areas or other units.

4.5 Common Area Furnishing. Furniture may not be placed in interior or exterior common areas without prior approval of the Board. Such furniture must be constructed of wood or metal, comply with any other HOA guidelines, and be available for use by all residents. Common area furnishing and equipment may not be rearranged or relocated to other areas of the property without the permission of the Board.

4.6 Grills. The Board must approve the placement of any grill on the property. Grills approved for common areas, whether owned by the HOA or by a resident, must be available for use by all residents. Grills may not be kept or used near any entrance to the building. Grills are prohibited within 10 feet of combustible materials in accordance with North Carolina Fire Prevention Code, Section 307.5. No grills are allowed on the second floor of any building. All grills must be cleaned and covered with an appropriate black cover when not in use. Grills that are not authorized by the Board or not in compliance with policies may be removed by the Board without notice.

4.7 Pool. Caraleigh Mills HOA and the Board are not responsible for injuries or accidents to residents or guests resulting from using the pool and pool area. There is no lifeguard on duty. Residents and guests swim at their own risk.

4.7.1 Hours of Operation/Passes. The pool will remain open from approximately Memorial Day through Labor Day. The pool may be used from sunrise to 11:00 pm during the pool season as designated by the Board. A pool pass is required for each person in the pool area. Pool passes can be obtained from the property manager. Each unit may obtain a maximum of four (4) pool passes. If under Section 8.1(a) of the Declaration and applicable law, the number of permanent occupants of a unit exceeds four (4), additional pool passes will be made available.

4.7.2 Guests. No more than four people (residents and guests) per unit are allowed at the pool area. Guests may use the pool only if a resident of the unit the guest is visiting is present. All residents and guests must have a pool pass.

4.7.3 Pool Parties. Pool parties are not permitted, unless as an organized HOA party for all residents. No organized activity or group interfering with any resident's use of the pool is permitted.

4.7.4 Children. Children under the age of 16 must be accompanied by an adult. Children wearing diapers are not permitted in the pool. Children who are not completely toilet trained are required to wear leak proof swim wear. An adult accompanying children using floating devices of any kind must be in the water or at the water's edge supervising their children.

4.7.5 Proper Attire. Proper swim attire is required at all times. Cut off jeans or frayed clothing are not allowed in the pool. Swimmers must remove all loose objects such as earrings, bobby pins, clips, etc.

4.7.6 Health and Hygiene. Showers are required before swimming. Any person having an apparent skin disease, including open sores, inflamed eyes, cough, cold, nasal discharge, etc. is prohibited from using the pool.

4.7.7 Appropriate Behavior. Diving, running, pushing, wrestling, or causing a disturbance in or out of the pool is not permitted. Radios and other music devices may only be used with earphones and should not interfere with others' enjoyment of the pool area.

4.7.8 Prohibited Items. No glass containers of any kind are allowed within the perimeter of the pool fence. Any resident who brings glass, or allows a guest to bring glass, into the pool area after being warned will be assessed a fine of \$100 and will lose the use of the pool for the rest of the pool season. Any cost associated with clean-up of broken glass, including pool cleaning, will be assessed to the resident responsible. Food, cigarettes, cans, and similar items are not permitted within 6 feet of the pool. Use trash containers for disposal.

4.7.9 Smoking. Smoking is prohibited within the pool area.

4.7.10 Animals. No pets or animals are allowed within the perimeter of the pool fence.

4.7.11 Pool Telephone. The pool telephone is for 911 emergency use only.

4.7.12. Instructors. Residents may hire personal trainers. Residents may be hired by other residents as personal trainers/class instructors.

4.7.13. Pool Equipment. Pool equipment, such as toys and floats, may be left at the pool but must be made available for use by all residents. All such pool equipment must be stored to the right side of the pool house. Broken pool equipment left at the pool may be discarded by the Board or its agents without prior notice.

4.8 Volleyball Court. The Volleyball court is for the exclusive use of residents and their guests. No glass containers are allowed within the perimeter of the volleyball court. Residents and guests are required to immediately clean up after using the volleyball court.

4.9 Putting Green. The putting green is for the exclusive use of residents and their guests. Residents and guests are required to immediately clean up after using the putting green.

4.10 Community Center. The Community Center is defined as the kitchen, television seating area, and conference room. The Community Center is under surveillance. Any vandalism or damage will be assessed to the resident responsible. There is no smoking in the Community Center.

4.10.1 Private Functions. Any resident wishing to use the Community Center for a private function must reserve the space according to a procedure established by the Board. Residents requesting a reservation must provide the Board with the date, time, and purpose of the function as well as the number of outside guests expected. Unit owners will be responsible for any damages or cleaning charges resulting from their own or their tenants use the space.. Residents may not reserve the Fitness Center or Game Room for private functions. The Community Center may not be used for regularly recurring events, e.g. occurring once per month or more, other than HOA-related meetings.

4.11 Fitness Center. The fitness center is for the exclusive use of residents and guests. Only equipment owned by the HOA may be kept in the Fitness Center. The use of any fitness equipment is at user's own risk. The Fitness Center is under surveillance. Any costs of damage resulting from vandalism or improper use of the Fitness Center or equipment will be assessed to the resident responsible. Contact property management if any of the equipment is broken or not working properly. Residents may hire personal trainers. Residents may be hired by other residents as personal trainers/class instructors.

4.11.1 Maintenance of Equipment. Equipment must be wiped down after each use. All Fitness Center items must be returned to their proper storage area after use.

4.11.2 Music Devices. Music devices must not interfere with others' enjoyment of the Fitness Center. Any requests to turn down or turn off music devices without earphones must be honored.

4.11.3 Children. Children under 16 years of age must be accompanied by an adult.

4.11.4 Alcohol and Smoking. Residents and guests may not use equipment while under the influence of alcohol or any controlled substance. Smoking is not permitted in the Fitness Center.

4.12 Game Room. The Game Room is for the exclusive use of residents and their guests. Smoking is not permitted in the Game Room. Drinks and food are not allowed on any gaming equipment. Children under the age of 16 must be accompanied by an adult. The game room is under surveillance. Any the costs of damage resulting from vandalism or improper use of the Game Room or equipment will be assessed to the resident responsible. Contact property management if any games are not functioning correctly or equipment is missing.

4.13 Non-Resident Use of Common Facilities Unit occupants are responsible for their non-resident guests and their behavior. Unit Owners are responsible for all damage caused by non-residents they or their lessees allow onto the property. Non-residents may be asked to leave and gatherings disbanded if nuisance conditions arise. The Board reserves the right to ask anyone at anytime to cease use of common facilities for safety or nuisance reasons.

4.13.1 Temporary Gate Code. A temporary gate code must be obtained for gatherings involving 10 or more guests.

4.13.2 Noise. Residents are responsible for insuring that their guests obey the quiet hours. Residents are reminded that the courtyards, parking lots, and Community Center all border units and even "normal" social activity may be too noisy for quiet hours.

4.14 Roof. Residents are prohibited from accessing the roof of any building without Board approval. Contractors and service personnel must contact the Property Manager to arrange for roof access.

4.15 Elevators. The freight elevator must be used for all moves and large deliveries. The passenger elevator is not to be used for moves or large deliveries unless the freight elevator is inoperable.

4.16 Logos and Other Intellectual Properties. Official logos and other intellectual properties of the HOA may not be used by owners, residents, or anyone else without the written permission of the HOA Board.

5. Exterior Appearance

Overview: These policies are intended to promote a pleasant community appearance and preserve property values. The exterior should present a uniform and upscale appearance consistent with the historic nature of the property.

5.1 Signs. No sign, poster, display, or other advertising device of any kind shall be displayed to the public view on doors, in windows, or on any portion of the property. Sale and leasing information may be placed in the designated for sale sign bins located near the front gate. Realtor signs may only be placed on the edge of the property in front of the dog park.

5.2 Trash. Garbage, discarded items, or other waste material must be placed in designated containers and may not be placed in the common corridor outside a unit, on sidewalks, on exterior landings, or in other common or limited common areas. Do not place household trash in common area waste cans intended only for incidental use.

5.3 Doormats. Doormats, other than those owned and provided by the HOA, are not permitted in the interior common corridors of the building. Doormats outside of exterior unit entry doors may not be placed on sidewalks.

5.4 Door Decoration. Unit entry doors are permitted to have door decorations at any time so long as they comply with the following standards:

1. Door decorations shall be made of high grade materials and shall not be offensive to others. Lewd, obscene, or suggestive door decorations are not permitted.
2. No plastic flowers, flashing lights, or fluorescent-colored decorations will be permitted.
3. Decorations shall be appropriate for the season and no political or athletic team regalia shall be permitted.
4. Decorations shall span no more than 24 x 24 inches in area or its equivalent and shall not project from the door more than 5 inches.
5. Decorations shall be kept in good and attractive condition. Decorations that start to show wear shall be removed promptly by the Unit Owner.

If door decorations meet the criteria outlined above, Unit Owners do not need Board approval. If decorations do not meet these criteria, Unit Owners must submit a request for approval to the Board which shall indicate the size, materials, and a photograph of the proposed decorations. A written complaint made to the Board may be sufficient cause for removal of any door decoration. Hardware used to display decorations must be removable without damaging the door surface. The cost of repairing and repainting a door will be assessed to the Unit Owner.

5.5 Realtor Lock Boxes. Realtor lock boxes, or similar items, may not be placed on doors or in spaces exterior to a Unit. Lock boxes are allowed only in the space provided in the Mail Room.

5.6 Hanging Laundry. No laundry, including towels and bathing suits, or other household items, including mops, brooms and rugs, shall be hung, dried or aired in any common or limited common area such as exterior landings, parking lots, fencing, or from windows.

5.7 Storage. Personal property of any kind may not be stored temporarily or permanently on exterior landings, sidewalks, in parking lots, on or under porches, in corridors, or in other common areas, general or limited. All personal property must be kept inside units or basement storage rooms unless other policy provisions explicitly make allowances, e.g. approved porch furniture. Do not leave personal property in the corridors of the main building. If you plan to be out of town, please make arrangements for a neighbor to pick up newspapers and deliveries.

5.8 Toys. No toys may be left on sidewalks, porches, parking lots, playgrounds, or in other exterior common areas.

5.9 Windows. All homes are required to have shades comparable to the white Lutron shades originally installed in each unit. Any additional window coverings must be white on the side facing out, e.g. white liners if necessary, and must be installed in such a way that draperies are not visible from the

exterior of the unit when shades are open. Nothing may be placed between the window and the plane of the white Lutron (or equivalent) shade. Window appearance may not be altered by installing adhesive "films", tinted or frosted glass, foils, decorative screens or any other method that disrupts the uniform appearance of the windows without the express approval of the Board. No screens are allowed on unit windows. Window hardware may not be visible from the outside. Requests for approval to alter a window to allow it to open must be authorized by the Board via the Architectural Review Application.

5.10 Unit Entry Doors. All unit entry doors must be painted a uniform color as determined by the Board. Replacement doors must match all other units' entry doors. Residents are responsible for cleaning and maintaining their doors and thresholds. All entry door hardware including, but not limited to, doorknobs, knockers, peepholes, and doorbells, must be as uniform as possible. All door knockers must conform to the design approved by the Board. All door hardware finish must be brushed nickel and conform to the original hardware. Any deviations in door hardware must be approved by the Board. Retractable door screens with white housing are permitted on exterior doors with approval of the Board.

5.11 Security Bars. Burglar bars on doors or windows are not permitted.

5.12 Plants. Plants are permitted on units with porches or balconies as long as the plants are healthy, regularly maintained, in decorative containers (i.e. no plastic nursery pots), and do not pose a nuisance or hazard to other residents. Empty pots, planters, or gardening supplies may not be kept on, under, or adjacent to porches.

5.13 Maintenance. Residents are responsible for keeping entry areas, walkways, steps, and landings to individual units clean, neat, and generally uncluttered.

5.14 Insect Traps. Electronic and chemical insect traps are not permitted in common areas, limited or general, without the permission of the Board.

5.15 Porches and Balconies. Permanent outdoor furniture is permitted on limited common area porches if it is constructed of wood or metal, is appropriately sized, is kept in good repair and conforms to any other HOA guidelines. Furniture intended for indoor use is not permitted on porches. Outdoor furniture or other items may not be located in a manner that impedes entry or exit to main entrances, fire escapes, or individual units.

5.16 Exterior Lighting. Porch lights must use white bulbs. Holiday lighting is permitted from Thanksgiving week through January 15th. Any such holiday lighting must use white non-blinking bulbs.

6. Maintenance and Use of Individual Units

Overview: Residents share structural elements, e.g. walls, floors, etc., with at least one other neighboring unit. Poor maintenance and inappropriate use of a unit can damage other units and interfere with residents' enjoyment of their home.

6.1 Plumbing Repairs. Each Unit Owner is responsible for promptly fixing leaks in all plumbing lines, plumbing fixtures, lavatories, sinks, tubs, shower stalls, water heaters, or other plumbing fixtures inside a unit.

6.2 Electrical Interference. No equipment may be operated from a unit in such a way that electrical or audio interference is created in adjacent units.

6.3 Business and Commercial Activity. Each unit is restricted to residential use as a single-family resident pursuant to the Declaration. This provision does not preclude professional or administrative occupations merely incidental to the use of the unit as a residential home without external evidence thereof and that do not significantly increase traffic into the property or affect parking of residents. It is the intent of this section to permit "home occupations" as defined in the Raleigh Unified Development Ordinance as of October 16, 2014 (see Appendix B). Common areas may not be used for commercial activity.

6.4. Move-In Fee. A non-refundable move-in fee will be charged to a Unit Owner buying or leasing a unit. The move-in fee shall be one half of the monthly dues at the time of move-in or a minimum of \$150.00, whichever is greater. The fee shall be paid to Caraleigh Mills HOA and is due to the management company within 30 days of an ownership or lease change. Unit Owners who purchase a unit or who rent and/or lease will be billed as soon as the property manager is made aware of a change in ownership or lease agreement. It is the responsibility of the Unit Owner to make property management aware of any ownership or lease change and arrange for payment of this fee. Invoiced fees are due within 30 days and are subject to late fees thereafter.

7. Leasing of Units

Overview: Some units within Caraleigh Mills are leased to residents. We welcome these neighbors to our community. The following policies are needed to protect the community against the occasional inconsiderate renter or landlord.

7.1 Application of Policies. The HOA Policies are automatically a part of each lease (even if they are not attached). Unit Owners are responsible for making sure that their tenants have a copy of and follow the policies.

7.2 Notification. Unit Owners must provide the property management with a copy of the lease prior to the tenant moving in. It is the Unit Owner's responsibility to notify the Board of tenant changes via the New Resident form. A new gate code will be provided each time a tenant vacates or moves into the premises.

7.3 Liability. The Unit Owner is liable for all damage caused by tenants, their guests, or pets to any Common Area, limited or general, of the property.

7.4 Eviction of Tenants. With prior notice to the Unit Owner, the Association has the right to evict a Unit Owner's tenant who has substantially or repeatedly violated the Association's policies.

7.5 Other. Unit Owners must adhere to the requirements regarding the leasing of units found in the Declaration and with any applicable state and local laws and ordinances.

8. Home Improvement or Renovation

Overview: The interior of units offer many possibilities for home improvement, upgrades, and unique interior designs. The individual design and upgraded features of units is one of the unique characteristics of Caraleigh Mills. *The following policies are not intended to discourage improvement of units. Rather, upgrades in a neighbor's unit can improve property values for all the owners and are generally encouraged.* The following policies ensure that such work does not unnecessarily interfere with other units, create liability for the community, compromise the structure of the buildings, or violate requirements related to the historic nature of the property.

8.1 Architectural Review. No owner or resident may make any structural addition or alteration, alter or change mechanical systems, perform significant electrical or plumbing work, alter the appearance of any common element, alter the exterior appearance of a unit, or breach unit floors, ceilings, exterior walls, or building roofs without written permission of the Board. Owners seeking to perform renovation within their unit must submit to the Board the "Architectural Review Application" found in Appendix A of this document.

8.2 Board Inspection. The Board, its management agent, or other authorized agent must be permitted to inspect any modification requiring Board approval before, during, and/or after completion of the project.

8.3 Exterior Modifications. No exterior alteration is allowed unless expressly permitted by the Board.

8.4 Antennas/Satellite Dishes. No radio station or shortwave operator of any kind shall operate from the property or any individual unit. So as not to jeopardize the historic designation of the property, no exterior radio antenna, C.B. antenna, television antenna, satellite dish, or other exterior antenna of any type shall be erected without Board approval.

8.5 Other. The Board cannot anticipate every potential alteration and must have a mechanism to address instances in which the Declaration or policies are ignored or an application process was bypassed. Thus, the Board reserves the right to require the removal of alterations and/or restoration of property in instances where the Board finds a violation of covenants or HOA policies or for which there was no advance Board approval.

9. Enforcement of Policies

Overview: There may be an occasional resident or owner whose actions violate HOA policies or otherwise interfere with others' enjoyment of the property. Thus, the Board and/or its authorized agents must have mechanisms for enforcing policies.

9.1 Strict Enforcement. These policies will be strictly enforced. If the policies are violated by any owner, tenant, or guest of a

resident, the owner will be responsible for corrective action, damages, and/or fines.

9.2 Fines. The Board may assess fines against an Owner for violations of policies contained in the Declaration, Policies, or other relevant documents committed by an owner, the owner's tenant, or the owner or occupant's family, guests, employees, contractors, agents, tenants, or invitees. Each day of violation may be considered a separate violation if the violation continues after written notice following hearing. No fine shall exceed \$100.00 per day. The Board may from time to time adopt a schedule of fines for minor or recurring violations, but the Board may vary any fine depending on the special circumstances of each case.

9.3 Payment of Fines. Fines and/or damage charges are due to property management within 30 days of assessment. The charge for a returned check is \$25.00 plus bank charges incurred by the Association.

9.4 Pecuniary Loss. In addition to fines, the Board may assess damage charges against an Owner for pecuniary loss to the Association from property damage or destruction of common areas or facilities by the Owner or the Owner's family, guests, agents, occupants, tenants, or tenant's guests.

9.5 Property Removal. All property stored or displayed in common areas in violation of HOA policies may be removed and disposed of by any Board member or management company representative at any time without notice.

9.6 Vehicle Removal. Prohibited vehicles may be removed from the property. If necessary, vehicles parked in violation of HOA policies may be removed and/or stored without the permission of the vehicle's owner or operator. Notice and removal will be in accordance with state and/or city statutes. A Unit Owner is liable for all costs of towing vehicles parked illegally or in violation of HOA policies whether that vehicle is owned by the Unit Owner, his/her family, guests, the owner's tenants, or tenant's guests.

9.7 Exceptions. The Board will grant an exception to a policy only under unusual circumstances and to the extent that the exception does not violate the Declaration or By Laws.

10. General Nuisance. No unsafe, noxious, offensive, or illegal activity or odor is permitted on any portion of the property. No activity shall be conducted on the property which in the judgment of the Board might reasonably be considered annoying to neighbors of ordinary sensibilities, or might be reasonably calculated to reduce the desirability of the property for quality living. No person may do anything that will increase insurance rates for common area improvements without prior written consent of the Board or which may cause common area improvements to be uninsurable or which may cause any policy to be canceled, or suspended or materially modified by the issuing company. The Board shall have the right to determine if any noise, odor, interference, or activity constitutes a nuisance or unreasonably affects insurance or liability.

APPENDIX A

CARALEIGH MILLS ARCHITECTURAL REVIEW APPLICATION

Please submit a copy of the completed form to the Caraleigh Mills HOA Board and property management. One copy reflecting the action taken by the Board will be returned to you for your records. All owners of a unit must be listed and must sign this request. The Board will make every effort to respond to a request within 45 days. Modifications may not commence without approval of the Board.

NAME OF OWNER(S): _____

CARALEIGH ADDRESS: _____

CURRENT ADDRESS:
(If different from above) _____

TELEPHONE NUMBERS: (H) _____ (W) _____ (C) _____

EMAIL ADDRESS: _____

DATE MODIFICATION IS TO COMMENCE: _____

DATE MODIFICATION WILL BE COMPLETE: _____

Please answer *yes* or *no* to each of the following items:

Will the modification involve HVAC or any other mechanical system? Yes No

Will the modification involve plumbing? Yes No

Will the modification involve electrical work? Yes No

Will the modification affect any structural element of the building? Yes No

Will the modification in any way alter the exterior appearance of the unit? Yes No

Will the modification alter the operation or appearance of a window? Yes No

Will the modification in any way breach the roof of the building? Yes No

- Will the modification breach the unit's floor? Yes No
- Will the modification breach the wall of an adjoining unit? Yes No
- Will the modification in any way affect adjacent units? Yes No

DESCRIPTION OF PROPOSED MODIFICATION:

Please describe the proposed modification. If necessary, attach additional pages, diagrams, or supporting documents. If you answered *yes* to any of the previous questions, please include an explanation within your description of the proposed modification.

OWNER'S ACKNOWLEDGMENT: I/we understand that:

1. Material herein contained will represent alterations that comply with the zoning and building codes of the City of Raleigh and Wake County to which the property is subject. Further, nothing herein contained will be construed as a waiver or modification of such ordinances. The owner is responsible for obtaining the necessary permits prior to the commencement of modifications.
2. No work will commence until written approval from the Board has been received by the owner. Any construction or alteration before the approval of this application is not allowed, and if alterations are made, I/we may be required to pay all legal expenses incurred.
3. Members of the Board or management may make routine inspections. Approval, if granted, is solely meant as a waiver from the restrictions in the Declaration or HOA Rules and is not meant to comment or advise on the fitness or safety of any proposed alteration or modification.
4. This request is subject to restrictions by the Declaration, HOA Policies, and the review process established by the Board. Any variation from the original application must be resubmitted for approval. A copy of this request will be returned to me/us after review by the Board.
5. I/we acknowledge and agree that I/we will be solely liable for any claims, including without limitation, claims for property damage or personal injury which result from the requested addition or modification. I/we hereby indemnify the Association, the Board, and the management company from and against any and all such claims.

Signature of Owner

Signature of Owner

(All owners of the unit must sign the application).

DATE RECEIVED BY THE BOARD: _____

ACTION BY THE BOARD:

- Approved as submitted
- Denied
- Approved subject to the following conditions:

Signature of Authorized Board Member

Date

Appendix B: Home Occupation Definition and Regulation per Raleigh Unified Development Ordinance
(Article 6.7.3.D.) as of October 16, 2014

Home Occupation

An occupation that provides a service or product that is conducted wholly within a residential dwelling in a Residential District.

1. No nonresident employees are allowed. Clients, customers, patients and visitors are not allowed to visit the premises.
2. No display of goods, products, or services shall be visible from outside the dwelling.
3. The home occupation shall not exceed 25% of the livable portion of the dwelling.
4. No business storage or warehousing of material, supplies or equipment is permitted outdoors. Storage is permitted in the principal dwelling unit or in a fully-enclosed accessory structure only.
5. There must be no change in the outside appearance of the building or premises, or other visible evidence of the conduct of a home occupation.
6. No equipment, vehicle or process may be used that creates excessive noise, vibration, glare, fumes, odors, or electrical interference.
7. Only 1 vehicle used in connection with the home occupation shall be parked or stored on the premises; provided, however, the vehicle must not be a bus, truck, van, trailer or other vehicle over 6,000 lbs., as listed on the vehicle registration form, and no advertising or reference to the home occupation may be displayed on the vehicle in any manner.
8. The requirements for shipping and receiving of materials in connection with the business does (sic) not create excessive noise or traffic.