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Harnett County, NC

Electronically Recorded

07/22/2022 09:27:22 AM

NC Rev Stamp: \$0.00

Book: 4159 Page: 2530 - 2569 (40) Fee: \$126.00

Instrument Number: 2022105614

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
RALEIGH STREET TOWNHOMES, PHASE 2

**HARNETT COUNTY REGISTER OF DEEDS**

Recording requested by and  
return to:

Pope & Pope, Attorneys at Law, P.A.  
4590 Old Buies Creek Road  
Post Office Box 790  
Angier, North Carolina 27501

STATE OF NORTH CAROLINA  
COUNTY OF HARNETT

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS**

for

**RALEIGH STREET TOWNHOMES, PHASE 2**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made this 5<sup>th</sup> day of May, 2022, by R.L. Properties, LLC, a North Carolina limited liability company and RMS Investments, LLC a North Carolina limited liability company (hereinafter collectively referred to in the neuter singular as the "Declarant").

**RECITALS:**

Declarant is the owner and developer of certain properties located in Town of Angier, Black River Township, Harnett County, State of North Carolina, known as Raleigh Street Townhomes, Phase 2 (hereinafter the "Development") which are more particularly described as follows:

**BEING ALL of Lots 1-10 and Common Areas, Raleigh Street Townhomes, Phase 2, as shown on a map entitled "Phase 2, Raleigh Street Townhomes, Owned by and Surveyed for R.L. Properties, LLC" dated November 3rd, 2021 and recorded in Map Book 2021, Page 566, Harnett County Registry.**

Declarant intends to sell and convey all of the properties within the Development and, before doing so, desires to impose upon them mutual and beneficial restrictions, covenants, equitable servitudes, and charges under the general plan or scheme of improvements for the benefit of all properties described herein and for the benefit of the Owners and future Owners thereof.

NOW, THEREFORE, the Declarant declares that all of the lots and parcels in the Development are held and shall be held, conveyed, encumbered, leased, rented, used, occupied, and improved subject to the provisions of this Declaration, all of which are declared by the Declarant, and agreed by Declarant's successors in title, to be in furtherance of a plan of development established for the purpose of enhancing and protecting the value, desirability, and attractiveness thereof.

The provisions of this Declaration are intended to create mutual and equitable servitudes upon each of said Lots and parcels in favor of each and all other lots and parcels; to create reciprocal rights between their respective Owners of all such Lots and parcels; to create privity of contract and estate between the Grantors of such Lots, their heirs, successors and assigns; and to operate as covenants running with the land for the benefit of each and all other such lots and parcels in the Development and their respective Owners present and future.

## ARTICLE I DEFINITIONS

The following terms used in the Governing Documents shall generally be given their naturally, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as follows:

“Association”: Raleigh Street Townhomes Phase 2 Property Owners Association, a North Carolina Non-Profit Corporation with its principal place of business in Harnett County, North Carolina, which association is operated pursuant to the Articles of Incorporation thereof filed May 5, 2022 by the North Carolina Secretary of State.

“Board”: Means the Board of Directors which is the body responsible for administration of the Association, selected as provided in the Bylaws and generally serving the same role as the board of directors of a nonprofit corporation under North Carolina corporate law.

“Bylaws”: The Bylaws of Raleigh Street Townhomes Phase 2 Property Owners Association, Inc. as they may be amended. A copy of the initial Bylaws is attached to this Declaration as **Exhibit A**.

“Common Areas”: Any private street or travelway, private parking area, easements for public and private utilities, pedestrian and recreation easements, and any other easements or property (real or personal or mixed) or interest therein which are to be devoted and intended for the common use and benefit of the Owners, their occupants, or which the Declarant designates as Common Area and/or property which the Association owns, leases, or otherwise holds possessory interest or use rights in for the common use and enjoyment of the Owners and accepts as such.

“Common Expenses”: means the actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve in furtherance of its rights and responsibilities, as the Board may find necessary and appropriate pursuant to the Governing Documents, Harnett County Code, Town of Angier Code, and North Carolina Planned Community Act.

“Community Rules & Design Guidelines” or “Guidelines”: The established rules of the Association and architectural, design, and construction standards and review procedures adopted pursuant to Article IV, as they may be amended.

“Governing Documents”: A collective term referring to this Declaration and any applicable Supplemental Declaration, the Articles of Incorporation, Bylaws, Guidelines, and the Residential Use Restrictions and Rules, as they may be amended.

“Improvements”: All buildings, out-buildings, streets, roads, driveways, parking areas, fences, retaining and other walls, hedges, poles, antenna, any other structure of any type or kind, and any land clearing or development whatsoever.

“Lot”: Defined as any numbered portion of the Development, together with any improvements thereon, which is shown and designated on the plat recorded in Map Book 2021, Page 566, Harnett County Registry, or any subsequently-recorded plat referenced as "Raleigh Street Townhomes, Phase 2" with the exception of the Common Area.

“Owner”:

- (a) Any person, whether one or more, firm, corporation, or legal entity who holds fee simple title to any Lot.
- (b) Any person, firm, corporation, or other legal entity who has contracted to purchase fee simple title to any Lot pursuant to a written agreement, in which case under said agreement the former owner shall cease to be the "Owner" of said lot for the purposes of this Declaration for so long as the said agreement is in effect.

“Parking Rights”: Ownership of each Lot shall entitle the Owner or Owners thereof the use of not more than two (2) automobile parking spaces, which shall be as near and convenient to said Lot as reasonably possible, together with the right of ingress and egress in and upon said parking areas and over any private streets leading to and from such areas. The Association shall have the right to permanently assign one (1) vehicular parking space for each Single-Family Dwelling, such space to be as near the dwelling to which it is assigned as is reasonably possible. The Association will regulate the parking of boats, trailers, and other such items on the Common Area, permission to park these items will be subject to review through the Declarant during declarant control, then once Declarant control ends, responsibility will be passed to an Architectural Review Committee. No boats or trailers of Owners, occupants, Members, or their guests shall be parked within the right of way of any public street in or adjacent to the Development.

“Single-Family Dwelling Unit”: Any residential structure constructed on a Lot and intended for use and occupancy as an attached residence for one or more persons, each related to the other by blood, marriage, or legal adoption, or alternately, a group of not more than four (4) adult persons not so related who shall maintain a common household in such dwelling.

“Supplemental Declaration”: An instrument recorded by the Declarant which incorporates the provisions of this Declaration therein by reference and which shall apply to additional property being annexed to the Development by the Declarant according to the terms and provisions contained hereafter.

## ARTICLE II

### RESIDENTIAL USE RESTRICTIONS AND RULES

The following shall be applicable to all Lots within the Development and each Owner, as to Lot, covenants to observe and perform the same.

1. All Lots shall be used for residential purposes only, except for so long as the Declarant shall retain ownership of any Lot(s). For so long as the Declarant retains ownership of any Lot(s) in the Development, it may utilize any such Lot for sales offices, models, or other usage for the purpose of selling Lots within the Development including the right to place “For Sale” signs on such Lot(s). The Declarant may assign this limited commercial usage right to any other person or entity as it may choose; provided, however, that when all Lots have been sold, this right of commercial usage by the Declarant, its successors and/or assigns shall immediately cease.

2. Parking or storing inoperable vehicles or vehicles without current registration, current state inspection stickers, current license plates, and current insurance is prohibited and shall not be permitted anywhere within the Development. Parking or storing any commercial vehicles, equipment, recreational vehicles, tractor trailers anywhere in the Development is prohibited; *provided, however*, construction, service, and delivery vehicles shall be exempt from this provision for a period of time that is reasonably necessary to provide service or make a delivery to a Lot or the Common Area. The Association shall have the right to have all such vehicles towed away at the vehicle owner's expense.

3 All structures must be built in conformity to the Town of Angier zoning ordinance and shall require prior written approval from Declarant.

4. No improvement shall be made to any Lot without the express written approval of the Architectural Review Committee as defined and described in Article IV herein.

5. All Lots, whether occupied or unoccupied, and all improvements placed thereon, shall at all times be maintained in such a manner as to prevent their becoming unsightly, unsanitary, or a hazard to health. If not so maintained, the Association, after giving the owner ten (10) days

written notice, shall have the right, through its agents and/or employees, to rectify such offensive situations and the cost of such undertakings shall be added to and become a part of the Annual Reserve Assessment to which a Lot is subject and shall not be deemed a trespass. Neither the Association nor any of its agents, employees, or contractors shall be liable for any damage which may result from the performance of any services herein authorized and a lien shall arise and be created in favor of the Association for the full amount of the cost thereof chargeable to such Lot, including collection costs, and such amounts shall be due and payable within ten (10) days after the Owner is billed therefor. Such lien shall be enforceable by Court proceedings as provided by law for enforcement of liens.

6. Except for signs placed by the Declarant, or with the express written permission of the Declarant or the Board (after control of the Association is turned over to the Owners pursuant to this Declaration), no "For Sale" signs, or any other sign shall be allowed on any of the Common Areas.

7. Fences and all property lines shall be kept free and clear, and open; no fences, partitions, hedges, or walls shall be permitted without the prior approval of the Architectural Review Committee.

8. No noxious or offensive activities or nuisances shall be permitted on any Lot or Common Area in the Development.

9. No person, except the Declarant, shall erect or maintain upon any Lot or improvement any sign or advertisement; this prohibition, however, shall not apply to a small property identification sign placed upon the Lot which gives the family name of the Owner and/or the name of the Dwelling which name has been designated by the Owner.

10. No animals shall be kept or maintained on any Lot except usual household pets, provided the same shall be kept reasonably confined on said Lot so as not to become a nuisance. All pets must be leashed unless confined within the Dwelling. The pet owner must remove and clean any pet debris left by their pet upon any of the Lots or Common Area. Any costs incurred by the other Owner or the Association as herein after set out, for the removal of pet debris left by the pet of any Owner, occupant, or their guests upon any Lot or upon any part of Common Area shall be a charge against the Owner's Lot and shall be assessed against that individual Lot Owner as a Special Assessment and subject to the regulations regarding liens and Assessments as hereinafter set forth.

11. No Owner shall burn trash, garbage, or other like household refuse without a permit and prior written approval from the Architectural Review Committee; nor shall any Owner accumulate on his Lot any form of junk, inoperable vehicles, litter, refuse, or garbage (except in receptacles provided for such purposes).

12. No travel trailers, mobile homes, relocatable dwelling, tent, lean-to, or other temporary shelter may be placed or erected on Common Area or any Lot, nor shall the Owner of any Lot permit any overnight camping thereon at any time.

13. No tree over twenty-four (24) inches in circumference measured at any point within twelve (12) inches of its base may be removed from any Lot without prior written consent of the Architectural Review Committee.

14. There shall be no access to any Lot on the perimeter of the Development except from designated streets and roads shown on the Plat. There shall be no access from any Lot on the perimeter of the Development to any lands adjacent to such perimeter Lot and no Owner may grant a right-of-way through their Lot for the purpose of affording access to property not within the Development. This provision shall not apply to the Declarant or their successors and assigns.

15. Each Owner shall keep drainage ditches and swales located on his Lot free and unobstructed and in good repair and shall provide for the installation of such culverts upon his Lot as may be reasonably required for proper drainage.

### ARTICLE III

#### COMMON AREAS

1. Extent: All Lots, parcels, or reserved easements in the Development designated herein as "Common Area" are and shall remain private property and the Declarant's recordation of the Plat shall not be construed as a dedication to the public of any such Common Area.

2. Ownership: By a Deed(s) of even date herewith, the Declarant has conveyed to the Association all Common Areas located within the Development as described in the plat thereof.

3. Use: The use and enjoyment of Common Areas and improvements thereon shall be subject to the powers of the Association as set forth in its Articles and Bylaws and the rules and regulations governing the use of such property and improvement as may from time to time be adopted by the Association. Provided, however, Declarant reserves the right to reasonable use in connection with its sale and development programs.

4. Maintenance: Maintenance of Common Area property and repairs to any improvements thereon shall be the sole obligation and responsibility of the Association.

5. Subsequent Dedication: The Association may, upon the affirmative vote of two-thirds (2/3) of its members entitled to vote, offer any such property for dedication to public use. Such offer shall be subject to acceptance by the appropriate governmental authority pursuant to its then applicable standards.

6. Improvements: All improvements made by the Association upon the Common Areas must be approved by the Architectural Review Committee as hereinafter provided.

7. Insurance Coverage:

- (a) All insurance policies upon the Common Areas shall be purchased by the Association for the benefit of all the Association and the Owners. All buildings, if any, and improvements and all personal property included in the Common Areas and facilities 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 coverage endorsement; and
  - (ii) Such other risks as from time to time shall be customarily covered with respect to buildings on the land, if any.
- (b) Public liability insurance shall be secured by the Association with limits of liability of no less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to a single Owner. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be desirable and necessary.
- (c) Premiums for insurance policies purchased by the Association shall be paid by the Association and charged to the Owners as an assessment according to the provisions of Article VIII.
- (d) All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees as their interest may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. The sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein or stated in the Bylaws and for the benefit of the Owners and their mortgagees in the following shares.
  - (i) Proceeds on account of damage to Common Areas and facilities shall be held for the Association.
  - (ii) In the event a mortgagee endorsement has been issued for any Lot, the share of the Owner shall be held in trust for the mortgagee and the Owner as their interests may appear.



- (e) Proceeds of insurance policies received by the Association as insurance trustee shall be distributed to or for the benefit of the beneficial Owners in the following manner:
  - (i) All expenses of the insurance trustee shall be first paid or provisions made therefore.
  - (ii) The remaining proceeds shall be paid to defray the cost of repairs. Any proceeds remaining after defraying such cost shall be distributed to the beneficial Owners as provided above.

#### ARTICLE IV

##### ARCHITECTURAL REVIEW COMMITTEE

1. General Powers: All improvements constructed or placed on any Lot must first have the prior written approval of the Declarant or its designee and then as appointed by the Board, the Architectural Review Committee (hereinafter referred to as the "Committee"). Such approval shall be granted only after the Owner's written application has been made to the Committee in the manner and form prescribed by it. The application, to be accompanied by a set of plans and specifications, shall show the location of all improvements, if any, existing upon said Lot, the location of the improvements proposed to be constructed, the color and composition of all exterior materials to be used, proposed landscaping, and any other information which the Committee may require, including soil, engineering, and geologic reports and recommendations. All proposed plans must adhere to the Design Guidelines.

2. Committee Membership: The Committee shall be composed of three (3) members, to be appointed by Declarant or Board of Directors. In the event a committee is not appointed, the Board of Directors will serve as the Architectural Review Committee. Committee members shall be subject to removal by Declarant or Board of Directors and any vacancies from time to time existing shall be filled by appointment of Declarant, or in the event of Declarant's failure to do so within two (2) months after any such vacancy, then by the Association through action of the Board. The power to appoint or remove Committee members shall be transferred to the Association when One Hundred Percent (100%) of all Lots in the Development have been sold by Declarant.

3. Grounds For Disapproval. The Committee may disapprove any application:

- (a) If such application does not comply with this Declaration;
- (b) Because of the reasonable dissatisfaction of the Committee, with grading plans, location of the proposed improvements on a Lot, finished ground elevation, color scheme, finish, design proportions, architecture, shape,

height, or style of the proposed improvements, the materials used therein, the kind, pitch, or type of roof proposed to be placed thereon; or

- (c) If, in the judgment of a majority of the Committee reasonably exercised, the proposed improvements will be inharmonious with the Development, or with the improvements erected on other Lots.

4. Rules and Regulations: The Committee shall, from time to time, adopt written rules and regulations of general application governing its procedures which shall include, among other things, provisions for the form and content of applications; required number of copies of plans and specifications; provisions for notice of approval or disapproval, including a reasonable time period for approval by reason of failure to disapprove, etc.

5. Variances: The Committee may grant reasonable variances or adjustments from the provisions in this Declaration where literal application thereof results in unnecessary hardship and if the granting thereof will not be materially detrimental or injurious to Owners of other Lots.

6. Certification of Compliance: At any time prior to completion of construction of an improvement, the Committee may require a certification, upon such forms as it shall furnish, from the contractor, Owner, or a licensed surveyor that such improvement does not violate any set-back, ordinance, or statute nor encroach upon any easement or right-of-way of record.

7. Administrative Fees: As a means of defraying its expenses, the Committee may institute and require a reasonable filing fee to accompany the submission of plans and specifications.

8. Liability: Notwithstanding the approval by the Committee of plans and specifications or its inspection of the work in progress, neither it, Declarant, the Association nor any person acting in behalf of any of them shall be responsible in any way for any defects in any plans or specifications or other material submitted to the Committee, nor for any defects in any work done pursuant thereto. Each person submitting such plans or specifications shall be solely responsible for the sufficiency thereof and the adequacy of improvements constructed pursuant thereto.

9. Appeals: Any applicant shall have the right to appeal to the Association from any decision of the Committee within thirty (30) days after entry of such decision.

10. Default by Committee to take timely action: In the event the Committee fails to approve or disapprove such design and location within sixty (60) days after said 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.

## ARTICLE V THE ASSOCIATION

1. General: The Association is a North Carolina Non-Profit corporation organized to further and promote the common interests of property Owners in the Development. The Association shall have such powers in the furtherance of its purposes as are set forth in its Articles and Bylaws.

2. Membership: Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

3. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such a Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be RMS Investments, LLC, and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted into Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership

4. Rights, Privileges, and Obligations: The rights, duties, privileges, and obligations of membership in the Association are as set in its Articles and Bylaws.

## ARTICLE VI

### REPAIR AND MAINTENANCE RESPONSIBILITIES

1. Maintenance, as defined below, shall either be the responsibility of the Association or the Owner. In the event that the need for maintenance or repair of a Lot or the improvements thereon is caused through the willful or negligent acts of the Owner or the Owner's family, tenants, contract purchasers, guests or invitees, or is caused by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, or smoke, as the foregoing are defined and explained in North Carolina standard fire and extended coverage insurance policies, the cost of such maintenance, replacement, or repairs shall be added to and become a part of the assessment to which such Lot is subject. (See Article II, Paragraph 5 above for further explanation.)

2. Limited Common & Common Area Boundaries & Maintenance: These areas include:

- (a) Any chute, flue, duct, wire, conduit, bearing wall, bearing column or any other fixture that lies partially within and partially outside the designated boundaries of a Dwelling Unit, any portion thereof serving only that Dwelling Unit is an Element allocated solely to that Dwelling Unit and shall be Owner responsibility to repair or maintain, and any portion thereof serving more than one (1) Dwelling Unit or any portion of the Common Area is a part of the Common Area and shall be the Association's responsibility to repair and maintain;
- (b) Any doorsteps, stoops, balconies, exterior lighting fixtures;
- (c) Walkways;
- (d) Parking spaces and parking lot area;

Common areas also include, but are not limited to: painting the exterior of townhomes, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walls, mailboxes (if any); exterior post lights, exterior light fixtures and outlets attached to the units, and any other such exterior improvements.

3. Residential Unit Boundaries & Maintenance: Boundaries of each Dwelling Unit created by this Declaration are shown or to be shown on the Survey and Plans as numbered Units with their identifying number. Maintenance of these areas are the responsibility of the Owner. These areas are described as follows:

- (a) The unfinished surfaces of the walls, floors, windows, exterior doors, and ceilings are designated as boundaries of a Dwelling Unit. All finished surfaces, including paint, wallpaper, tile, paneling, finished flooring (including vinyl flooring, floor tiles, carpets and carpet pads) any other materials constituting any part of the finished surfaces of the walls, floors, windows and window screens, exterior doors and frames, and ceilings are a part of the Dwelling Units;
- (b) Inclusions: Each Dwelling Unit shall include the spaces and improvements lying within the boundaries described in Subsection (a) above, and shall also contain any pipes, wires, ducts and conduits situated in the perimeter walls of the Residential Unit serving only that Dwelling Unit. These inclusions also include all HVAC units and water heaters.
- (c) Exclusions: Except when specifically included by other provisions of Subsection (b), the following are excluded from each Dwelling Unit. The spaces and improvements lying outside of the boundaries described in Subsection (a) above, and all chutes, pipes, flues, ducts, wires, conduits, and other facilities running through any interior wall or partition for the purpose

of furnishing utility and similar services to other Dwelling Units or Common Areas or both;

- (d) Inconsistency with Survey and Plan: If this definition of the Dwelling Units is inconsistent with the Survey and Plans, then this definition shall control.

4. Party Walls:

- (a) Each wall which is built as a part of the original construction of the townhomes upon the property and placed on the dividing line between the lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.
- (b) Cost of reasonable repair or maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.
- (c) If a party wall is destroyed by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.
- (d) Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.
- (e) The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.
- (f) Every Owner shall have an easement and right of entry upon the Lot of any other Owner to the extent reasonably necessary to perform repair, maintenance, or reconstruction, which shall be done expeditiously, and upon completion of the work, the Owner shall restore the adjoining Lot or Lots to as near the same condition as that which prevailed prior to commencement of the work as is reasonably practicable.
- (g) If any Owner desires to sell his Lot, he may, in order to assure a prospective purchaser that no adjoining owner has a right of contribution as provided in this Article request of the adjoining Owner or Owners a certification that no right of contribution exists, whereupon it shall be the duty of each adjoining

Owner to make such certification immediately upon request without charge. If the adjoining Owner claims the right of contribution, the certification shall contain a recital of the amount claimed and the basis therefor.

- (h) In the event of any dispute arising concerning a party wall, or under the provisions of this Article, such dispute shall be settled by arbitration as provided under the laws of the State of North Carolina as they are now or hereafter amended.

## ARTICLE VIII ASSESSMENTS

1. General: Pursuant to the powers granted to it in its Articles and Bylaws, the Association is hereby expressly authorized and empowered to levy annual assessments against all Lots in the Development. Any Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

2. Creation of the Lien and Personal Obligation of Assessments: The Declarant, for each Lot owned within the Development properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, 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, or other such special assessments as set forth in these covenants, 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.

3. Insurance: Each townhouse Owner shall provide proof of insurance upon the closing of each townhouse unit and fifteen (15) days before each anniversary thereafter. Should a townhouse Owner cancel his homeowner's insurance, allow the insurance to lapse on his unit and Lot or fail to provide proof of insurance (as provided above) to the Association, the Association has the right to purchase a policy covering the unit and Lot and assess the unit and Lot for the amount of the unpaid premium plus interest at the rate of 8.0% from date thereof.

4. Maximum Monthly Assessment: Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be One

Thousand Seven Hundred Forty and 00/100 Dollars (\$1,740.00) per lot, which shall be paid monthly in the sum of One Hundred Forty-Five and 00/100 Dollars (\$145.00) per Lot per month.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than 5% above the maximum assessment for the previous year without a vote of the membership.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased by more than 5% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.
- (d) No Lot shall be subject to annual assessments until such Lot is sold or leased by the Declarant or Developer to an Owner or tenant.

5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the 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.

6. Annual Reserve and Capital Contribution Fees: In addition to the annual assessments authorized above, upon the conveyance of the first Lot to an Owner, the Association shall collect an annual reserve fee in the sum of Two Hundred Fifty and 00/100 Dollars (\$250.00) per year per Lot. The Association shall also collect a Capital Contribution Fee in the sum of Two Hundred Fifty and 00/100 Dollars (\$250.00) upon any sale of a Lot.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual reserve and Capital Contribution Fee may be increased each year not more than 5% above the maximum assessment for the previous year without a vote of the membership.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual reserve and Capital Contribution Fee may be increased by more than 5% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

- (c) The Board of Directors may fix the annual reserve and Capital Contribution Fee at an amount not in excess of the maximum.
- (d) No Lot shall be subject to the annual reserve and Capital Contribution Fee until such Lot is sold or leased by the Declarant or Developer to an Owner or tenant.

7. Notice and Quorum for Any Action Authorized Under Sections 2, 3, 4, 5, and 6. Written notice of any meeting called for the purpose of taking any action authorized under Section 2, 3, 4, 5, or 6 shall be sent to all members not less than ten (10) days not more than thirty (30) days in advance of the meeting. 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 requirements and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

8. Uniform Rate of Assessment: Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

9. Collection and Lien: The amount of the assessment levied by the Association shall be paid to it on or before the date or dates fixed by resolution of the Board. If any assessment is not paid within thirty (30) days of the due date thereof, the amount of such assessment (together with interest computed at the simple rate of eight (8%) percent per annum from and after the due date thereof) and any cost of collection (including reasonable attorney's fees, if any) shall, at the option of the Board, constitute and become a lien upon said lot as of the due date thereof upon the filing of notice thereof with the Harnett County Clerk of Superior Court (which notice shall be filed within one hundred twenty (120) days from the due date of the assessment). In such instance, the services rendered by the Association for the benefit of such lot and for which an assessment is levied shall be deemed to have been performed on the due date of such assessment and to "improve" the subject lands and/or create an "improvement" thereon as defined in Chapter 44A, Article II, Part I of the General Statutes of North Carolina; the lien arising therefrom shall constitute a "lien of mechanics, laborers, and materialmen dealing with Owner", and such lien may be perfected and enforced pursuant to the provisions of said Part I. The lien created hereby shall not, however, be superior to any mortgage or Deed of Trust recorded prior to the filing of the Notice of Claim of Lien or any other statutory lien having priority or otherwise provided by law. Any action to enforce said lien may, at the Association's option, include a prayer for collection of assessments levied against the Lot since the filing date of the Notice of Claim of Lien. The Association may purchase the property at any sale thereof contemplated under Section 44A- 14 of the General Statutes of North Carolina.

10. Proof of Payment: Upon request, the Association shall furnish a statement certifying that all assessments then due have been paid or indicating the amount then due.



11. Suspension: The Association shall not be required to transfer memberships on its books or to allow the exercise of any rights or privileges of membership on account thereof to any Owner or to any persons claiming under them unless or until all assessments and charges to which they are subject have been paid in full.

## ARTICLE IX

### EASEMENTS

All of the Development Property, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines and other public utilities as shall be established by the Declarant or by its predecessors in title, prior to the subjecting of the Property to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under and across the Common Area conveyed to it, such further easements as are requisite for the convenience, use and enjoyment of the Properties. In addition, there is hereby reserved in the Declarant 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 within the Properties. All Lots shall be subject to easements for the encroachments constructed on adjacent lots by Declarant to the extent that such initial improvements actually encroach including, but not limited to, such items as overhanging eaves, gutters and downspouts and walls.

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

The areas of any lots affected by the easements reserved herein shall be maintained continuously by the Owner of such lot, but no structures, plantings, or other material shall be placed or permitted to remain or other activities undertaken thereon which may damage or interfere with the use of said easements for the purpose herein set forth. Improvements within such areas shall be maintained by the Owner except those for which a public authority or utility company is responsible.

No Owner shall have any claim or cause of action against Declarant or its licensees arising out of the exercise or non-exercise of any easement reserved hereunder or shown on the Plat, except in cases of willful or wanton misconduct.

**ARTICLE X**  
**ANNEXATION**

1. Property to be Annexed: Declarant may, from time to time and in its sole discretion annex to the Development any other real property owned by Declarant which is contiguous or adjacent to or in the immediate vicinity of the Development.

2. Manner of Annexation: Declarant shall effect such annexation by recording a Plat of the real property to be annexed and by recording a Supplemental Declaration which shall:

- (a) Describe the real property being annexed and designate the permissible uses thereof;
- (b) Set forth any new or modified restrictions or covenants which may be applicable to such annexed property, including limited or restrictive uses of Common Areas; and
- (c) Declare that such annexed property is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the provisions of this Declaration.

Upon the recording of such Plat and Supplemental Declaration the annexed area shall become a part of the Development, as fully as if such area were part of the Development on the date of recording of this Declaration.

**ARTICLE XI**  
**REMEDIES**

1. Enforcement: Declarant and each person to whose benefit this Declaration inures, including the Association, may proceed at law or in equity to prevent the occurrence, continuance, or violation of any provisions of this Declaration, and the Court in such action may award the successful party reasonable expenses in prosecuting such action, including attorneys' fees.

2. Suspension of Privileges: The Board may suspend all voting rights, and all rights to use the Association's Common Areas of any Owner for any period during which any Association assessment against such Owner remains unpaid, or during the period of any continuing violation of the provisions of this Declaration by such Owner after the existence thereof has been declared by the Board.

3. Cumulative Rights: Remedies specified herein are cumulative and any enumerations herein of them shall not be taken to preclude an aggrieved party's resort to any other

remedy at law or in equity. No delay or failure on the part of an aggrieved party to invoke an available remedy in respect of a violation of any provisions of this Declaration shall be held to be a waiver by that party of any right available to him upon the recurrence or continuance of said violations or the occurrence of a different violation.

## **ARTICLE XII GRANTEE'S ACCEPTANCE**

Each Grantee or Purchaser of any Lot or parcel shall, by acceptance of a Deed or other instrument conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent Owner of such lot or parcel, accept such Deed or contract upon and subject to each and all of the provisions of this Declaration and to the jurisdiction, rights, powers, privileges, and immunities of Declarant and of the Association. By such acceptance such Grantee or Purchaser shall for himself, his heirs, assigns, devisees, personal representatives, grantees, successors, lessees, and/or lessors, covenant, consent, and agree to and with the Declarant and the Grantee or Purchaser of each other lot to keep, observe, comply, and perform the covenants, conditions, and restrictions contained in this Declaration.

## **ARTICLE XIII SEVERABILITY**

Each provision of this Declaration is hereby declared to be independent of and severable from every other provision hereof. If any provision hereof shall be held by a Court of competent jurisdiction to be invalid, or unenforceable, all remaining provisions shall continue unimpaired and in full force and effect.

## **ARTICLE XIV CAPTIONS**

Paragraph captions in this Declaration are for convenience only and do not in any way limit or amplify the terms or provisions hereof.

**ARTICLE XV****TERM AND AMENDMENT**

The provisions of this Declaration shall affect and run with the land and shall exist and be binding upon all parties claiming an interest in the Development 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 during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five (75%) of the Lot Owners. Any amendment to be enforceable in equity or law must be recorded.

*[signature pages follow]*

IN WITNESS WHEREOF, the Declarant has executed this Declaration on the day and year first above written.

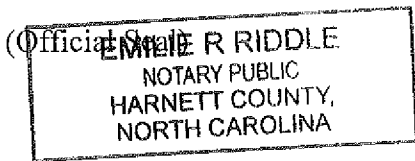
DECLARANT: R.L. Properties, LLC

By: *Deval Dess Langdon* (Seal)  
Deval Dess Langdon  
Manager

STATE OF NORTH CAROLINA  
COUNTY OF HARNETT

I certify that the Devaul Dess Langdon, Member/Manager of R.L. Properties, LLC personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated.

Date: July 21 2022



*Emilie Riddle*  
Notary Public

Emilie R. Riddle  
Notary Public Printed Name

My commission expires: 08/28/2023

IN WITNESS WHEREOF, the Declarant has executed this Declaration on the day and year first above written.

DECLARANT: RMS Investments, LLC

By: [Signature] (al)  
Reid Smith  
Manager

STATE OF NORTH CAROLINA  
COUNTY OF JOHNSTON

I certify that Reid Smith, Manager of RMS Investments, LLC personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated.

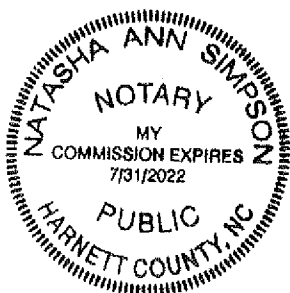
Date: May 5<sup>th</sup>, 2022

(Official Seal)

[Signature]  
Notary Public

NATASHA ANN SIMPSON  
Notary Public Printed Name

My commission expires: 7-31-2022



**EXHIBIT A****BYLAWS****OF****RALEIGH STREET TOWNHOMES PHASE 2****PROPERTY OWNERS ASSOCIATION****ARTICLE I****Definitions**

The words, phrases and terms used in these Bylaws shall have the meanings as set forth in the Declaration of Protective Covenants of Raleigh Street Townhomes – Phase 2, recorded in the Office of the Register of Deeds for Harnett County, North Carolina (the “Declaration”).

**ARTICLE II****Administration**

2.1 **Authority and Responsibility:** Except as otherwise specifically provided in the Declaration, the Association shall be responsible for administering, operating and managing the Common Area.

2.2 **Official Action:** Unless specifically required in the Declaration, all actions taken or to be taken by the Association shall be valid when such are approved by the Board of Directors as hereinafter set forth or when taken by the committee, person or entity to whom such authority has been duly delegated by the Board of Directors as set forth in the Declaration or these Bylaws. The Association, its Board of Directors, officers and members shall at all times act in conformity with the Nonprofit Corporation Act of the State of North Carolina and the Declaration.

**ARTICLE III****Offices - Seal - Fiscal Year**

3.1 **Principal Office and Registered Office:** The initial principal office and registered office of the Association shall be located at 104 N. Fayetteville Street, Clayton, NC 27520.

3.2 Other Offices: The Association may have other offices at such other places within the State of North Carolina as the Board of Directors may from time to time determine or as the affairs of the Association may require.

3.3 Seal: The seal of the Association shall contain the name of the Association and such other words and figures as desired by the Board of Directors.

3.4 Fiscal Year: The fiscal year of the Association shall be January 1 to December 31.

#### **ARTICLE IV** **Membership**

4.1 Qualification: Membership in the Association shall be limited to the Owners as that term is defined in the Declaration of Covenants, Conditions, and Restrictions and every Owner of a Lot shall automatically be a member of the Association. Membership in the Association shall be appurtenant to and may not be separated from Lot ownership.

Membership in the Association shall inure automatically to Owners upon acquisition of the fee simple title (whether encumbered or not) to any one or more Lots. The date of recordation in the Office of the Register of Deeds of Harnett County of the conveyance of the Lot in question shall govern the date of ownership of each particular Lot. However, in the case of death, the transfer of ownership shall occur on date of death in the case of intestacy or date of probate of the will in the case of testacy. Until a decedent's will is probated, the Association may rely on the presumption that a deceased Owner died intestate.

4.2 Place of Meetings: All meetings of the membership shall be held at a place designated by the Board of Directors. These meetings can also be held virtually if that best serves the Board of Directors.

4.3 Annual Meetings: A meeting of the Association shall be held at least once each year. The first Annual Meeting of the Association shall be held on the date and hour designated by Declarant. Thereafter, the Annual Meeting of the Association shall be held before the end of January of that fiscal year. At such meetings, the Board of Directors shall be elected in accordance with Section 5.3 of these Bylaws, and the Members shall transact such other business as may properly come before them.

4.4 Substitute Annual Meeting: If an Annual Meeting shall not be held on the day designated by these Bylaws, a Substitute Annual Meeting may be called in accordance with the provisions of Sections 4.5 and 4.6. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.



4.5 Special Meeting: After the first Annual Meeting of the Members, special Meetings of the Members may be called at any time by the President; by not less than twenty percent (20%) of all Owners; or by not less than sixty percent (60%) of the Board of Directors members. Business to be acted upon at all Special Meetings shall be confined to the subjects stated in the Notice of such meeting.

4.6 Notice and Notice(s) of Meeting: The delivery of any item and the giving of Notice in compliance with these Bylaws shall be accomplished in writing by personal delivery, facsimile/fax or email with evidence of recipient receipt, or by first class mail addressed to each Lot ("Notice"). Such notice shall state the time and place of the membership meeting, including Annual Meetings, and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, and any proposal to remove a director or officer, and shall be delivered not less than ten (10) nor more than thirty (30) days before the date of any such membership meeting. Any Notice given in accordance with the provisions of this Section 4.6 shall be deemed to be effective, if personally delivered or faxed or emailed, on the date of such delivery, or if mailed by first class mail, on the date upon which the item is deposited in a United States Postal receptacle with proper postage, as the case may be.

Notice given to any one tenant in common, tenant by entirety or other joint Owner of a Lot shall be deemed Notice to all joint Owners of the subject Lot.

The Notice of meeting shall specifically state the purpose or purposes for which the meeting is called.

4.7 Quorum: Except as otherwise provided in these Bylaws, the presence in person or by proxy of Members entitled to cast sixty percent (60%) of the votes which may be cast for election of the Board of Directors shall, constitute a quorum at all meetings of the Members. If a quorum is not present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without Notice other than the announcement at the meeting, until a quorum is present or is represented. The Members at any meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

4.8 Voting Right: The Association shall have two (2) classes of voting membership:

(a) Class A. Class A members shall be all owners, with the exception of the RMS Investments, LLC, and shall be entitled to one vote for each lot owned. If fee simple title to a Lot is owned of record by more than one person or entity, all such persons or entities shall be Members of the Association, but the vote with respect to any such jointly owned Lot shall be cast as hereinafter provided.

(b) Class B. Class B member(s) shall be RMS Investments, LLC, who shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted into Class A membership on the happening of either of the following events, whichever occurs earlier:

- i. when the total votes outstanding in Class A membership equal the total votes outstanding in the Class B membership; or
- ii. at such time as Declarant no longer owns any lots.

If the fee simple title to any Lot is owned of record by two or more persons or entities (whether individually or in a fiduciary capacity), the vote with respect to any such jointly owned Lot may be cast by any one of the joint Owners in person or by proxy, except that the holder or holders of a life estate in a Lot shall have the sole right to cast the votes allocated to the Lot. If more than one of the joint Owners vote or more than one life estate holder in a Lot vote, the unanimous action of all joint Owners or joint life estate holders voting shall be necessary to effectively cast the votes allocated to the particular Lot.

Such unanimous action shall be conclusively presumed if any one of such multiple Owners casts the votes allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other of such joint Owners.

In no event may the vote which may cast with respect to any Lot be divided among joint Owners of the Lot or cast in any manner other than as a whole, it being the intention of this Section 4.8 that there be no "splitting" of votes that may be cast by any Member or Members.

4.9 Proxies: Members may vote either in person or by agents duly authorized by written proxy executed by the subject Member or by his duly authorized attorney-in-fact. A proxy is not valid after the earlier of the term stated therein or the expiration of twelve (12) months from the date of its execution. Unless a proxy otherwise provides, any proxy holder may appoint in writing a substitute to act in his place. In order to be effective, all proxies must be filed with the Secretary or duly acting Secretary either during or prior to the meeting in question. A member may not revoke a proxy given pursuant to this Section 4.9 except by written Notice of revocation delivered to the person presiding over a meeting of the Association.

All of the above provisions concerning voting by joint Owners shall apply to the vote cast for any one Lot by two or more proxy holders.

4.10 Majority Vote: The casting of a majority of the votes represented at a meeting at which a quorum is present, in person or by proxy, shall be binding for all purposes except where a different percentage vote is stipulated by these Bylaws, the Declaration, or the Articles of Incorporation.

4.11 Actions Without Meeting: Any action which may be taken at a meeting of the membership may be taken without a meeting if consent or ratification, in writing, setting forth the action so taken or to be taken shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and such consent is filed with the Secretary of the Association and inserted in the minute book of the Association.

## **ARTICLE V**

### **Board of Directors**

5.1 General Powers: The business and affairs of the Association shall be managed by the Board of Directors or by such committees as the Board of Directors may establish pursuant to Section 6 of these Bylaws. Provided, however, the Board of Directors may not act on behalf of the Association to amend the Declaration, to terminate the Declaration, to elect members of the Board of Directors, or to determine the qualifications, powers and duties, or terms of office of Board of Directors members. The Board of Directors may, however, fill vacancies in its membership for the unexpired portion of any term.

5.2 Number, Term and Qualification: During the Declarant Control Period, the Board of Directors shall have one (1) member, Declarant. Following the expiration of the Declarant Control Period, the Members of the Association shall elect no less than three (3) and no more than five (5) Board members. Board members may succeed themselves in office, but in no event shall an officer serve for a term exceeding three (3) years. After a one (1) year absence from the Board, a person is eligible for reelection.

5.3 Election of Board Members: The election of all Board members shall be by ballot. Persons receiving the highest number of votes shall be elected. Cumulative voting is not permitted.

5.4 Removal: Any Board member may be removed from the Board, with or without cause, by a vote of at least seventy percent (70%) of the votes entitled to be cast by all Members present and entitled to vote at any meeting of the Membership at which a quorum is present. Provided, the Notice of the meeting must state that the question of such removal will be acted upon at the subject meeting. If any Board members are so removed, their successors as Board members may be elected by the membership at the same meeting to fill the unexpired terms of the Board members so removed.

5.5 Vacancies: Subject to Section 5.4 above, vacancy occurring in the Board of Directors may only be filled by a majority of the remaining Board members, though less than a quorum, or by the sole remaining Board member; but a vacancy created by an increase in the authorized number of Board members shall be filled only by election at an Annual or substitute Annual Meeting or at a Special Meeting of Members called for that purpose or by unanimous

consent of the Members without meeting. The Members may elect a Board member at any time to fill any vacancy not filled by the Board members. As indicated in Section 5.4, the Membership shall have the first right to fill any vacancy created by the Membership's removal of a Board member.

5.6 Chairman: A member of the Board of Directors shall be elected as Chairman of the Board of Directors by the Board members at the first meeting of the Board. The Chairman shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board Prior to election of a Chairman and/or in the event that the Chairman is not present at any meeting of the Board of Directors, the President shall preside.

5.7 Compensation: No Member of the Board of Directors shall receive any compensation from the Association for acting as such. Provided, however, each Board member shall be reimbursed for reasonable out-of-pocket expenses incurred and paid by him on behalf of the Association, and nothing herein shall prohibit the Board from compensating a Board member for unusual and extraordinary services rendered on the basis of *quantum meruit*. Further provided, each Board member, by assuming office, waives his right to institute suit against or make claim upon the Association for compensation based upon *quantum meruit*.

5.8 Loans to Board Members and Officers: No loans shall be made by the Association to its Board members or officers. The Board members who vote for or assent to the making of a loan to a Board member or officer of the Association, and any officer or officers participating in the making of such loan, shall be jointly and severally liable to the Association for the amount of such loan until the repayment thereof

5.9 Liability of Board Members: To the extent permitted by the provisions of the North Carolina Nonprofit Corporation Act in effect at the applicable time, each Board member is hereby indemnified by the Association with respect to any liability and expense of litigation arising out of his activities as a Board member. Such indemnity shall be subject to approval by the Members only when such approval is required by said Act.

5.10 Meetings of the Board of Directors:

(a) Meetings: Meetings of the Board of Directors shall be held at such date, hour and address as decided upon by the Board. Should any such meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. The only meeting required is the Annual Meeting, however the Board may meet as often as they would like.

(b) Special Meetings: Special Meetings shall be held when called by the President of the Association, or by any Board member, after not less than three (3) or more than thirty (30) days written Notice to each Board member.

(c) Notices of Special Meetings: The Notice provided for herein may be waived by written instrument signed by those Board members who do not receive said Notice. Except to the extent otherwise required by law, the purpose of a Board members' special meeting need not be stated in the Notice. Notices shall be deemed received upon that date the Notice is personally delivered or faxed or emailed, or if mailed by registered or certified mail, on the date upon which the return receipt is signed or delivery is refused or the Notice is designated by the postal authorities as not deliverable, as the case may be. Attendance by a Board member at a meeting shall constitute a waiver of Notice of such meeting unless the subject Board member gives a written statement at the meeting to the person presiding objecting to the transaction of any business because the meeting is not lawfully called and gives such Notice prior to the vote on any resolution.

(d) Approved Meeting Place: All meetings of the membership shall be held at a place designated by the Board of Directors. These meetings can also be held virtually if that best serves the Board of Directors.

(e) Quorum: A majority of the Board members then holding office shall constitute a quorum for the transaction of business and every act or decision done or made by a majority of the Board members present at a duly held meeting at which a quorum is present shall be regarded as the act or decision of the Board.

5.11 Action Without Meeting: The Board members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the unanimous written approval of all the Board members. Such written approval shall be valid if obtained via facsimile or electronic mail. Any action so approved shall have the same effect as though taken at a meeting of the Board. Said written approval shall be filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

5.12 Presumption of Assent: A Board member who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Board member who voted in favor of such action.

5.13 Powers and Duties: The Board of Directors shall have the authority to exercise all powers and duties of the Association necessary for the administration of the affairs of the Association, except such powers and duties as by law may not be delegated by the Owners to the Board. The powers and duties to be exercised by the Board shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep and maintenance of the Lot, or any improvement thereon, and the Common Area, to the extent such operation, care, upkeep, and maintenance is not the obligation of the Owners;
- (b) Determination of the funds required for operation, administration, maintenance and other affairs of the subdivision and collection of the Annual Assessments and Special Assessments (if any) from the Owners, as provided in the Declaration;
- (c) Employment and dismissal of personnel (including without limitation the Independent Manager, as defined in Section 5.18 below) necessary for the efficient operation, maintenance, repair, and replacement of the Common Area;
- (d) Adoption of rules and regulations covering the details of the operation, maintenance, repair, replacement, use and modification of the Common Area;
- (e) Opening of bank accounts on behalf of the Association and designating the signatories required therefor,
- (f) Obtaining insurance as required or permitted under the terms of the applicable provisions of the Declaration;
- (g) Keeping detailed, accurate records of the receipts and expenditures of the Association; obtaining annual reviews certified by the Association's public accountant of the financial records of the Association; furnishing the annual reports; and furnishing current budgets. All books and records shall be kept in accordance with good and accepted accounting practices and the same shall be available for examination by all Owners or their duly authorized agents or attorneys, at convenient hours on working days;
- (h) Keeping a complete record of the minutes of all meetings of the Board and Membership in which minute book shall be inserted actions taken by the Board and/or Members by consent without meeting;
- (i) Supervising all officers, agents and employees of the Association and insuring that their duties are properly performed;

- (j) Making of repairs, additions, and improvements to or alterations or restoration of the Property in accordance with the other provisions of these Bylaws and the Declaration, after damage or destruction by fire or other casualty, or as a result of a condemnation or eminent domain proceeding;
- (k) Maintaining and repairing any Lot, if such maintenance or repair is required by the Declaration or is necessary in the discretion of the Board to protect the Common Area or any other Lot or if the Owner of such Lot has failed or refused to perform such maintenance or repair within a reasonable time after written Notice of the necessity of said maintenance or repair has been delivered or mailed by the Board to said Owner, provided that the Board shall levy a special assessment against such Owner for the costs of said maintenance or repair;
- (l) Entering any Lot when necessary in connection with any maintenance or construction for which the Board is responsible; provided, such entry shall be made during reasonable hours with as little inconvenience to the Owner as practicable, and any damage caused thereby shall be repaired by the Board; and entering any Lot for the purpose of correcting or abating any condition or situation deemed by the Board of Directors to be an emergency;
- (m) Signing all agreements, contracts, deeds and vouchers for payment of expenditures and other instruments in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by either the Treasurer or the Assistant Treasurer of the Association, and countersigned by any Board member;
- (n) Furnishing certificates setting forth the amounts of unpaid assessments that have been levied upon a Lot to the Owner or Mortgagee of such Lot, or a proposed purchaser or Mortgagee of such Lot, and imposing and collecting reasonable charges therefor;
- (o) Enforcing, on behalf of the Association, the obligations and assessments provided in the Declaration, including, but not limited to, the institution of civil actions to enforce payment of the assessments as provided in the Declaration, the institution of actions to foreclose liens for such assessments, the imposition of charges for late payment of assessments, and after Notice and an opportunity to be heard, levying reasonable fines not to exceed One Hundred Fifty and No/100 Dollars (\$150.00), or the highest amount permitted by law, for violations of the Declaration, Bylaws and rules and regulations of the Association;

- (p) Enforcing by any legal means or proceeding the provisions of the Articles of Incorporation of the Association, these Bylaws, the Declaration or the rules and regulations hereinafter promulgated governing use of the Common Area;
- (q) Paying all taxes and assessments which are or may become liens against any part of the Common Area, other than the Lots, and to assess the same against the Owners in the manner herein provided;
- (r) Hiring attorneys and other professionals; and
- (s) Exercising any other powers and duties reserved to the Association exercisable by the Board of Directors in the Declaration, the Articles of Incorporation, or these Bylaws.

5.14 Independent Manager: Prior to expiration of the Declarant Control Period, the Board of Directors may employ or enter into a management contract with any individual, firm or entity it deems appropriate and in the best interest of the Association concerning the routine management of the subdivision. After expiration of the Declarant Control Period, the Board of Directors may delegate to such person, firm or entity (referred to in these Bylaws as "Independent Manager") such duties and responsibilities in the management of the Property as the Board of Directors deems appropriate. Provided, the Board of Directors may not delegate to the Independent Manager the complete and total responsibilities and duties of the Association in violation of the Nonprofit Corporation Act of North Carolina or the North Carolina Planned Community Act. The Independent Manager's contract shall be for a term not to exceed three (3) years, renewable by agreement between the Board of Directors and such Independent Manager for successive one-year terms; provided, however, that any such contract shall provide that it is terminable by the Association, with or without cause, upon not more than ninety (90) days' prior written Notice and without payment of any penalty, and any such contract entered into during the Declarant Control Period also shall be terminable as required by N.C. Gen. Stat. §47F-3-105. The Board of Directors shall have authority to fix the reasonable compensation for the Independent Manager. The Independent Manager shall at all times be answerable to the Board of Directors and subject to its direction.

## **ARTICLE VI**

### **Committees**

6.1 Creation: The Board of Directors, by resolutions adopted by a majority of the number of Board members then holding office, may create such committees as they deem necessary and appropriate in aiding the Board of Directors to carry out its duties and responsibilities with respect to the management of the Condominium. Each committee so created shall have such authorities and responsibilities as the Board members deem appropriate and as set forth in the resolutions creating such committee. The Board of Directors shall elect the members



of each such committee. Provided, each committee shall have in its membership at least one (1) member of the Board of Directors.

6.2 Vacancy: Any vacancy occurring on a committee shall be filled by a majority of the number of Board members then holding office at a regular or special meeting of the Board of Directors.

6.3 Removal: Any member of a committee may be removed at any time with or without cause by a majority of the number of Board members then holding office.

6.4 Minutes: Each committee shall keep regular minutes of its proceedings and report the same to the Board when required.

6.5 Responsibility of Board Members: The designation of committees and the delegation thereto of authority shall not operate to relieve the Board of Directors or any member thereof of any responsibility or liability imposed upon it or him by law.

If action taken by a committee is not thereafter formally considered by the Board, a Board member may dissent from such action by filing his written objection with the Secretary with reasonable promptness after learning of such action.

## **ARTICLE VII**

### **Officers**

7.1 Enumeration of Officers: The officers of the Association shall consist of a President, a Vice President, and a Secretary, all of whom shall be members of the Board of Director. If the Board has more than three (3) members, a Treasurer should also be appointed.

7.2 Election and Term: The officers of the Association shall be elected annually by the Board of Directors. Such elections shall be held at the first meeting of the Board next following the Annual or Substitute Annual Meeting of the Members. Each officer shall hold office until his death, resignation, removal or until his successor is elected and qualified. These Bylaws contemplate the Vice President shall be the subsequent year's President, unless so otherwise voted by the Board of Directors.

7.3 Removal: Any officer elected or appointed by the Board of Directors may be removed by a majority vote of the Board whenever in its judgment the best interest of the Association will be served thereby.

7.4 Vacancy: A vacancy in any office may be filled by the election by the Board of Directors of a successor to such office. Such election may be held at any meeting of the Board. The officer elected to such vacancy shall serve for the remaining term of the officer he replaces.

7.5 Multiple Offices: The person holding the office of President shall not also hold the office of Secretary or Treasurer at the same time. Any other offices may be simultaneously held by one person. Any officer may also be a member of the Board of Directors.

7.6 President: The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members. They shall also preside at all meetings of the Board of Directors. They shall see that the orders and resolutions of the Board of Directors are carried out; they shall sign all written instruments regarding the Common Elements, and they shall have all of the general powers and duties which are incident to the office of President of a corporation organized under Chapter 55A of the North Carolina General Statutes in the supervision and control of the management of the Association in accordance with these Bylaws.

7.7 Vice President: The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of that office. In addition, the Vice President shall perform such other duties and have such other powers as the Board of Directors shall prescribe.

7.8 Secretary: The Secretary shall keep the minutes of all meetings of Members and of the Board of Directors; they shall have charge of such books and papers as the Board of Directors may direct; and they shall, in general, perform all duties incident to the Office of Secretary of a corporation organized under Chapter 55A of the General Statutes of North Carolina.

7.9 Treasurer: The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financials. The treasurer shall assist with the preparation of a proposed annual budget (to be approved by the Board). He shall perform all duties incident to the office of Treasurer of a corporation organized under Chapter 55A of the General Statutes of North Carolina.

7.10 Compensation: Officers shall not be compensated on a regular basis for the usual and ordinary services rendered to the Association incident to the offices held by such officers. The Board of Directors may, however, compensate any officer or officers who render unusual and extraordinary services to the Association beyond that called for to be rendered by such person or persons on a regular basis. Each officer, by assuming office, waives his right to institute suit against or make claim upon the Association for compensation based upon *quantum meruit*.

7.11 Indemnification: To the extent permitted by the provisions of the North Carolina Nonprofit Corporation Act in effect at the applicable times, each officer is hereby indemnified by the Association with respect to any liability and expense of litigation arising out of his activities as an officer. Such indemnity shall be subject to approval by the Members only when such approval is required by said Act.

## **ARTICLE VIII**

### **Operation of the Property**

8.1 Determination of Common Expenses and Fixing of the Assessments: The Board of Directors shall from time to time, and at least annually, prepare and adopt a proposed budget for the subdivision, determine the amount of the Assessments payable by the Owners to meet the proposed budget of the subdivision, and allocate and assess such proposed Assessments among the Owners in equal shares (based upon the total number of Lots in the subdivision), all in accordance with the procedure set forth in Article VIII of the Declaration. The Assessments shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Directors pursuant to the provisions of the Declaration. The Assessments shall also include such amounts as the Board of Directors deems necessary for the operation and maintenance of the Property, including without limitation, an amount for working capital of the subdivision; an amount for a general operating reserve; an amount for a reserve fund for losses due to insurance deductibles; an amount for a reserve fund for repair and replacement of the Common Area; and such amounts as may be necessary to make up any deficit in the Common Area for any prior year. Within thirty (30) days after adoption of any proposed budget for the subdivision, the Board of Directors shall provide a summary of the budget to all the Owners, and shall set a date for a meeting of the Owners to consider ratification of the budget no less than fourteen (14) nor more than thirty (30) days after mailing of the summary. Notwithstanding any other provisions of these Bylaws, there shall be no requirement that a quorum be present at such meeting. Notwithstanding any other provision of these Bylaws, the proposed budget shall be deemed ratified unless at that Meeting a majority of all the Owners present and entitled to cast a vote reject the budget. In the event the proposed budget is rejected, the periodic budget last ratified shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board of Directors.

The Association, acting through the Board of Directors, may levy a special assessment during any calendar year for the purpose of defraying, in whole or in part, the cost of any construction, repair or replacement of any capital improvement comprising or to comprise a portion of the Common Area, including fixtures and personal property; provided, however, that any such special assessment must be approved by 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. In the event that any Owner fails to maintain its Lot and the Association takes actions to do so as set forth in Section 5.13 hereof, or any Owner defaults under its obligations under the Declaration or these Bylaws and the

Association incurs any additional costs and expenses as a result of such default, the Association shall have the right to levy a special assessment against such Owner for the purposes of defraying, in whole or in part, such costs or expenses.

8.2 Payment of Assessments: All Owners shall be obligated to pay the Assessments assessed by the Board of Directors pursuant to the provisions of Section 8.1 hereof at such time or times as the Board shall determine.

No Owner shall be liable for the payment of any part of the Assessments assessed against his Lot subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of the Declaration and applicable restrictions of record) of such Lot. A purchaser of a Lot shall be jointly and severally liable with the seller for the payment of Assessments assessed against such Lot prior to the acquisition by the purchaser of such Lot without prejudice to the purchaser's rights to recover from the seller the amounts paid by the purchaser therefor.

8.3 Collection of Assessments: The Board of Directors shall levy Assessments against the Lots from time to time and at least annually in accordance with the allocations set forth in the Declaration. The Board of Directors shall take prompt action to collect any Assessments which remain unpaid for more than thirty (30) days from the due date for payment thereof

The Board of Directors shall notify the holder of the Mortgage on any Lot (of which it has Notice) for which any Assessments levied pursuant to these Bylaws remain unpaid for more than thirty (30) days from the due date for payment thereof and in any other case where the Owner of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of thirty (30) days.

8.4 Default in Payment of Assessments, Remedies: In the event of default by any Owner in paying to the Board of Directors the Assessments as determined by the Board, such Owner shall be obligated to pay interest on such Assessments from the due date thereof at the rate of eight percent (8%) per annum, together with all expenses, including reasonable attorney's fees (if permitted by law), incurred by the Board of Directors in any proceeding brought to collect such unpaid Assessments.

The Board of Directors shall have the right and duty to attempt to recover such Assessments, together with interest thereon, and the expenses of the proceedings, including reasonable attorneys' fees (if permitted by law), in an action to recover a money judgment for the same brought against such Owner, or by foreclosure of the lien on such Lot in like manner as a deed of trust or mortgage of real property. The Board of Directors shall also have the right to impose uniform late payment charges for delinquent Assessments, which charges shall be recoverable by the proceedings specified above.

8.5 Lien and Personal Obligations: All Assessments and Special Assessments provided for in this Article, together with the interest and expenses, including reasonable attorneys' fees (if permitted by law), as provided for herein, shall be a charge on and a continuing lien upon the Lot against which the Assessment is made, which such lien shall be prior to all other liens excepting only (i) assessments, liens and charges for real estate taxes due and unpaid on the Lot and (ii) all sums unpaid on Mortgages and other liens and encumbrances duly recorded against the Lot prior to the docketing of such lien. Such lien shall become effective when a Notice thereof has been filed in the office of the Clerk of Superior Court for Wake County, North Carolina in conformity with Article VI, Section G. of the Declaration.

The lien for unpaid assessments shall not be affected by the sale or transfer of the Lot, except in the case of a foreclosure of a Mortgage, in which event the purchaser at foreclosure shall not be liable for any assessments against such Lot that became due prior to the date of acquisition of title by such purchaser. Such unpaid assessments shall be deemed Assessments collectible from all Owners of Lots, including the purchaser at foreclosure. In addition, each Owner shall be personally liable for any assessment against his Lot. No Owner may exempt himself from such liability by nonuse or enjoyment of any portion of the Common Area or by the abandonment or sale of his Lot.

8.6 Foreclosure of Liens for Unpaid Assessments: In any action brought by the Board of Directors to foreclose on a Lot because of unpaid Assessments or Special Assessments, the Owner shall be required to pay a reasonable rental for the use of his Lot and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same.

8.7 Abatement and Enjoyment of Violations by Owners: The violation of any rule or regulation adopted by the Board of Directors or the breach of any Bylaw contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to any other rights set forth in the Declaration, these Bylaws or at law or in equity: (a) to enter the Lot in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach at the expense of the defaulting Owner, and/or (c) after Notice and opportunity to be heard, to levy reasonable fines not to exceed One Hundred Fifty and No/100 Dollars (\$150.00) per day, or the highest amount permitted by law, for continuing violations.

8.8 Maintenance and Repair: (a) Except as is specifically provided in the Declaration, all maintenance and any repairs to any Lot, whether ordinary or extraordinary, shall be made by the Owner of such Lot. Each Owner shall be responsible for all damages to any and all other Lots

and/or to the Common Area that his failure to do so may engender; and (b) except as is specifically provided in the Declaration, all maintenance, repairs and replacements to the Common Area (unless necessitated by the negligence, misuse or neglect of an Owner, in which case such expense shall be charged to and paid by such Owner), shall be made by the Board; provided, however, there is excluded from the provisions contained in this section any repairs necessitated by casualty insured against by the Board of Directors to the extent the Board of Directors receives insurance proceeds for such repairs.

8.9 Additions, Alterations or Improvements by Owners: No Owner shall make any improvements or alterations in or to his Lot, or any change in the exterior appearance thereof, except in accordance with the terms of the Declaration.

8.10 Use of Common Area: An Owner shall not interfere with the use of the Common Area by the remaining Owners and their invitees.

8.11 Right of Access: An Owner shall grant a right of access to his Lot to the Independent Manager and/or any other person authorized by the Board of Directors or the Independent Manager for the purpose of making inspections; provided, however, such requests for entry (except in the case of emergencies where no request shall be required) are made in advance and any such entry is at a time reasonably convenient to the Owner. In the case of an emergency, such right of entry shall be immediate whether the Owner is present at the time or not.

8.12 Rules of Conduct: Rules and regulations concerning the use of the Lots and the Common Areas shall be promulgated and amended by the Board with the approval of a majority of Owners. Copies of such rules and regulations shall be furnished by the Board to each Owner prior to the time when the same shall become effective.

8.13 Approval of Membership Required for Certain Transactions. The Association shall not, without the prior written approval of a Supermajority in Interest of the Members, institute any legal action in the name of the Association, other than lawsuits for the payment of Assessments, Special Assessments or other Assessments or for the enforcement of any rules and regulations or breach of any provision in the Declaration, all of which are expressly permitted under these Bylaws. For the purposes of this section 8.13, "Supermajority in Interest" shall mean a combination of any Members who, in the aggregate, own eighty percent (80%) or more of the Lots.

## **ARTICLE IX**

### **Amendments**

These Bylaws may be amended at any time by an instrument in writing signed and acknowledged by Owners holding at least seventy percent (70%) of the votes in the Association. All persons or entities who own or hereafter acquire any interest in the Property shall be bound to abide by any amendment to these Bylaws which is duly passed, signed, acknowledged and recorded as provided herein. No amendment to these Bylaws shall be adopted or passed which shall impair or prejudice the rights and priorities of any Mortgagee without the consent of such Mortgagee.

**ARTICLE X**  
**Miscellaneous**

10.1 Severability: Invalidation of any covenant, condition, restriction or other provisions of the Declaration or these Bylaws shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

10.2 Successors Bound: The rights, privileges, duties and responsibilities set forth in the Condominium Documents, as amended from time to time, shall run with the ownership of the Property and shall be binding upon all persons who own or hereafter acquire any interest in the Property.

10.3 Gender, Singular, Plural: Whenever the context so permits, the use of the singular or plural shall be interchangeable in meaning and the use of any gender shall be deemed to include all genders.

10.4 Nonprofit Corporation: No part of the Association's assets or net income shall inure to the benefit of any of the Members, the officers of the Association, or the members of the Board of Directors, or any other private individual either during its existence or upon dissolution except as reasonable compensation paid or distributions made in carrying out its declared nonprofit purposes as set forth in the Articles of Incorporation of the Association and these Bylaws.

The undersigned certifies that the foregoing bylaws have been adopted as the by-laws of the Corporation, in accordance with the requirements of the North Carolina Non-Profit Corporation Act.

[END OF PAGE – SIGNATURE(S) ON FOLLOWING PAGE]

This the \_\_\_\_ day of May, 2022.

RMS Investments, LLC

By: \_\_\_\_\_ (seal)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Secretary