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PREPARED BY AND RETURN TO: WHITAKER & HAMER, PLLC
121 E. MAIN STREET
CLAYTON, NC 27520

DECLARATION

OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR

MASON LANDING SUBDIVISION

(A PLANNED COMMUNITY)

THIS DECLARATION is made on the 21 day of April, 2023, by RMS Investments, LLC., a North Carolina Corporation, with its principal office located at 114 W. Main Street, Suite 102, Clayton, NC 27520 herein after referred to as "Declarant";

WITNESSETH:

WHEREAS, Declarant is the owner of certain Properties located in Harnett County, North Carolina which are more particularly described on **Exhibit "A"** attached hereto; and

WHEREAS, it is the desire and intention of Declarant (as defined herein) to impose on the Properties described on **Exhibit "A"** attached hereto restrictions, conditions, easements, covenants and agreements under a general plan or scheme of improvement for the benefit of all Properties herein described and the future owners thereof;

NOW, THEREFORE, Declarant hereby declares that all of the Properties described on **Exhibit "A"** shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the title to the Properties and be binding on all parties having any right, title or interest in the described Properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. Definitions. As used in this Article, the following words and terms have the following definitions, unless the context in which they are used clearly indicates otherwise (when any of these and other defined words or terms in this Article have an initial capital letter, however, it is not required that their use have initial capital letters in order to have the defined meaning). Some or all of the following words and terms may have the same definitions in other portions of this Declaration; if so, they are being repeated here for convenience; if not, as used in this Article, they have the definitions contained in this Article. Words and terms defined in other portions of this Declaration and not defined in this Article but used in this Article have the definition defined for them in such other portions of this Declaration, unless those definitions are superseded or modified as a result of the conflict rules set forth in this Article (for example, words and terms defined by the Code and used in this Declaration have the definitions contained in the Code, notwithstanding that they may be defined differently in this Article or other portions of this Declaration; however, to the extent that a word or term is defined in this Article or other portions of this Declaration differently from how it is defined in the Code, and the definitions do not conflict, then both definitions are applicable). With respect to words and terms used herein, the singular shall include the plural, the plural shall include the singular, and one gender shall include all.

- (a) "Act" is defined as the North Carolina Planned Community Act, as contained in Chapter 47F of the North Carolina General Statutes (or as contained in any successor portion of the North Carolina General Statutes), as the same exists from time to time. The Act is referred to herein from time to time as G.S.47F, with the particular section number following the G.S.47F reference (for example, G.S.47F-1-101). Words and terms used in this Article that are defined in the Act but not defined in the Code (for example, the term special declarant rights), have the definition contained in the Act
- (b) "Annexation Declaration" is defined as a document, by whatever name denominated, that is recorded for the purposes of annexing Annexed Property to this Declaration and causing such Annexed Property to be subject to the scheme of covenants, charges, conditions and restrictions contained in this Declaration and including any additional covenants, charges, conditions and restrictions contained in the Annexation Declaration.
- (c) "Annexed Property" is defined as all real property annexed or subjected (those two terms being used interchangeably herein) to any part or all of the terms of this Declaration following the initial recording of this Declaration in the Registry.
- (d) "Association" is defined as the nonprofit corporation organized and operated under the laws of the State of North Carolina as the property Owners association for the Properties. Sub Association (if applicable) is defined as a nonprofit corporation organized and operated under the laws of the State of North Carolina as the property Owners association for a portion of, but not all of, the Properties. There may be one or more Sub-Associations (if applicable) with respect to the Properties. An example of a Sub-Association is a property Owners association

for a townhouse development that is part of a cluster unit development which has an Association for the cluster unit development. All references herein to an Association that is, in fact, a Sub-Association, are deemed corrected accordingly.

- (e) "Board" is defined as the board of directors of the Association, and is the Executive board as defined in the Act. The Board is responsible for the management and administration of the Association as provided for in this Declaration and in the Act.
- (f) "County" or "Harnett County" is defined as Harnett County, North Carolina, a North Carolina County.
- (g) "Code" is defined as the Harnett County Land Development Code as it exists from time to time, and includes all duly adopted regulations, rules, directives, and policies of the County pursuant to or in furtherance of the Code.
- (h) "Common Area" is defined as real property, together with any improvements situated thereon, intended for the common use and benefit of Owners and occupants of the Properties, however such real property is described on a plat or document recorded in the Registry. Common Area may be owned or leased by the Association or it may be owned by another Person with the Association having a right or easement therein. Common Areas for which the Association is assigned or assumes responsibility pursuant to this Declaration, any Supplemental Declaration, or any agreement with another Person include all of the following:
 - (1) any private street and private walkways in the Properties (but excluding private walkways on and solely for the benefit of an individual Lot);
 - (2) Stormwater control measures, including the drainage facilities located outside of the proposed NCDOT right-of-way, as shown on any recorded plat or map of the Properties;
 - (3) any water or sewer utility line that serves more than one (1) Lot and which is either located outside public street rights-of-way or outside any County Public utility easement;
 - (4) any site or facility designated a common area, common property open space, open space common area, amenity area, or other similar designation on any recorded plat or map of the Properties, or in this Declaration, including but not limited to, entrance features and monument signs, street yard buffers, street lighting, mail box kiosks, and all associated landscaping;
 - (5) any Code-required shared facility or Open Space for the Properties;
 - (6) any public road right-of-way dedicated to the public on plats and maps of the Properties recorded in the Registry but not accepted for public Maintenance by the appropriate

Governmental Entity. Provided, however, that the fact that a street or road has not been accepted by the applicable Governmental Entity shall not relieve the Declarant of the obligation to take such action as is necessary to have it accepted. The Association has the right to enforce this Declarant obligation, and the Declarant shall be liable to the Association for all costs and expenses, including court costs and reasonable attorney's fees, incurred by the Association in connection with such unaccepted street improvements and enforcement of its rights against Declarant hereunder; and

- (7) any object or improvement located on, under, in or over public property or public right-of-way which object or improvement is subject to an encroachment agreement with a Governmental Entity that is recorded in the Registry, and may include: signs, landscaping, irrigation facilities, drain pipes, decorative surfaces, and retaining walls.
- (i) "Common Expense" is defined as all of the expenses incurred by the Association in furtherance of its rights and responsibilities under the Act, the Code, and the Governing Documents and including specifically, but without limitation, all of the following (Expenses for the Maintenance of Limited Common Area are Limited Common Expenses, which is a subcategory of Common Expense):
- (1) All sums lawfully assessed by the Association against its Members;
 - (2) Expenses of the Common Area and administration, inspection and Maintenance of the Common Area;
 - (3) Expenses classified as Common Expenses under the Act, the Code, or under the provisions of this Declaration or other Governing Documents;
 - (4) Expenses for acquisition, Maintenance, repair, restoration, replacement, use and operation of personal property owned or leased by the Association for the benefit of the Members;
 - (5) Premiums for property, liability or such other insurance premiums as this Declaration or other Governing Documents may require the Association to purchase;
 - (6) Ad valorem taxes and public assessment and charges lawfully levied against any Common Area owned in fee simple by the Association;
 - (7) Fees or charges for utilities used in connection with the Common Area;
 - (8) Any unpaid Association assessment following the foreclosure of a first mortgage or first deed of trust or an assessment lien;
 - (9) Allocations to reserve funds;

- (10) Payments owed to a Governmental Entity pursuant to any stormwater agreement, except for payments in such stormwater agreement owed to the Governmental Entity by the Declarant;
 - (11) Fees for services engaged by the Association;
 - (12) Costs and expenses for which the Association is obligated under any encroachment agreement or other agreement with any Governmental Entity;
 - (13) Financial obligations of the Association or financial obligations of Members with respect to which the Association has responsibility for collection and payment;
 - (14) Expenses incurred by the Association in performing its functions and providing services, including operating, maintenance, management, enforcement, and administrative expenses; and
 - (15) Expenses agreed by the Members to be Common Expenses of the Association.
- (j) "Community-Wide Standard" The standard of conduct, maintenance, or other activity generally prevailing throughout the Mason Landing Subdivision. Such standards shall be initially established by the Declarant and may be further defined in the Use Restrictions, Design & Community Guidelines, Architectural Standards, Board resolutions, and by example, whichever is a higher standard. Such standard may contain both objective and subjective elements and may evolve as development progresses and as the needs and demands within Mason Landing change.
- (k) "Declarant" is defined as RMS Investments, LLC, its successors and assigns.
- (l) "Declarant Annexation Date" is defined as the last date and time on which the Declarant has the right to annex real property to this Declaration without the consent or joinder of any Person other than the County, which date is 5:00 p.m. on January 1, 2033. The timeliness of an Annexation Declaration is determined by the date of its recordation as stamped by the Registry notwithstanding its date of execution.
- (m) "Declarant Control Period" is defined as any period of Declarant control of the Association, as provided in 47F-3-103(d) of the Act and established in this Declaration (which may include a vote allocation that gives Declarant, by itself, sufficient voting power to elect members of the Board).
- (n) "Declaration" is defined as the document, however denominated, which contains this Article, together with all exhibits and amendments to the document.

- (o) "Design & Community Guidelines" Mason Landing's architectural, design, and construction standards, specifications, rules, and review procedures adopted and established pursuant to this Declaration, as they may be amended.
- (p) "Fiscal Year" is defined as the calendar year until such time as the Board, by appropriate resolution, establishes a different Fiscal Year for the Association.
- (q) "Governing Documents" is defined as all of the following: this Declaration; the Articles of Incorporation and Bylaws of the Association; architectural guidelines and bulletins and rules and regulations of the Association; Annexation Declarations; and other declarations of restrictive or protective covenants applicable to the Properties; and all Sub-Association documents (with respect to those portions of the Properties subject to such Sub-Association documents), as the same may be amended, restated or supplemented from time to time.
- (r) "Governmental Entity" is defined as the County, the County of Harnett, North Carolina, the State of North Carolina, the United States of America and all other governmental entities and quasi-governmental entities that have jurisdiction over the Properties or any part thereof, and all applicable departments and agencies of any of them, whichever Governmental Entity or entities is/are applicable.
- (s) "Include" or "Including" is defined as being inclusive of, but not limited to, the particular matter described, unless otherwise clearly obvious from the context.
- (t) "Living Unit" is defined as any Lot on which a dwelling unit has been fully constructed and made ready for occupancy as a residence, including without limitation, completion of the final floor covering, interior paint, and all appliances, for which a Certificate of Occupancy or Compliance has been issued, and owned by anyone other than the original builder thereof, unless occupied as a residence by the original builder thereof or his tenant.
- (u) "Lot" is defined as any numbered or lettered portion of the Properties, together with any improvements thereon, which is shown upon any recorded plat of any part or all of the Properties, and which is not any of the following: dedicated street rights-of-way; Common Area; Open Space owned in fee simple by the Association; greenway or park lands owned in fee simple by the County.
- (v) "Maintain", "Maintenance", "Maintaining", or any similar term used herein is defined to include any one or more of the following, as the context requires: acquisition, purchase, construction, re-construction, installation, maintenance, inspection, examination, upkeep, cleaning, renewal, alteration, repair, replacement, repainting, remodeling, restoration, removal, improvement, administration, operation, use, planting, mowing, cutting, trimming, pruning, fertilizing, watering, and preservation.
- (w) "Member" is defined as each Person who or which holds membership in the Association.

- (x) "Mortgagee" is defined as the beneficiary or payee under any mortgage or deed of trust, and the terms mortgage and deed of trust are deemed to refer to both mortgages and deeds of trust.
- (y) "Open Space" is defined as common open space or recreation areas suitable for the residents' common passive recreational use as designated on a final plat duly recorded with the Registry or as required by the Code or by the conditional use zoning of the Properties for the perpetual benefit of the Owners. Open Space areas required under the Code are required as compensation for the flexible lot dimensions allowed on part or all of the Properties and Open Space areas in Conditional Use Zoning Districts may be required as consideration for such conditional use zoning. Accordingly, Open Space may not be conveyed except in strict compliance with the Code. Under the Code, Open Space may be owned by an appropriate public body, land trust, non-profit or for-profit organization established for the purpose of land conservation or recreational purposes, or may be provided or dedicated for the continuing Maintenance and control of a homeowners' association, or held by the owner subject to the recording of a permanent conservation easement or similar open space or recreational land dedication.
- (z) "Operating Deficit" is defined as the difference between the total amount of the annual assessments for a Fiscal Year levied on all Lots and the amount of actual expenditures by the Association during the Fiscal Year for Common Expenses, including funding of reserves, but excluding (i) amounts levied against a Lot, but which are not paid, and (ii) special assessments for capital improvements.
- (aa) "Owner" is defined as the record Owner, whether one or more Persons, of fee simple title to any Lot and shall include Declarant as to any Lot owned by Declarant. "Owner" shall not include any Person who holds an interest in a Lot merely as security for the performance of an obligation or as a tenant.
- (bb) "Person" is defined to include any natural person, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, Governmental Entity (including the County), or other entity.
- (cc) "Properties" is defined as all of the real property subject to any part or all of the terms of this Declaration. A Survey of the Properties entitled "**Survey of Mason Landing Subdivision,**" is recorded in **Plat Book 2022, Pages 573-574,** of the Harnett County Registry.
- (dd) "Registry" is defined as the office of the Register of Deeds (or any successor office under applicable law) for the North Carolina County or Counties in which deeds, plats, easements, mortgages and deeds of trust for the Properties are recorded. All references herein to recording or to any requirement to record a document or plat refer to recording in the Registry of the County or Counties in which the applicable portion of the Properties is situated.

ARTICLE II

ASSESSMENTS

Section 1. Obligation for Assessments. Each Owner, by execution of this Declaration or by acceptance of a deed or other instrument conveying title to a Lot, whether or not it shall be so expressed therein, is deemed to consent and agree to pay to the Association (or to any Person who may be designated by the Association to collect such monies) all assessments and other charges required by this Declaration, including the following: (1) annual assessments; (2) working capital assessments; (3) stormwater assessments created and established pursuant to this Article; (4) special assessments; (5) fines for violations of the provisions of this Declaration or other Governing Documents or assessments levied against Owners for misuse and damage to the Common Areas by the Owners or their family members, tenants, agents, contractors and guests; (6) individual assessments for any expense under the Code or this Declaration which the Association becomes obligated to pay and pays on behalf of an Owner, (7) late payment charges, interest on unpaid assessments, costs of collection, including without limitation, court costs, service charges, and attorney's fees as provided in the Act, and charges for dishonored checks; all as established by the Board from time to time; and (8) all other assessments and charges imposed or allowed to be imposed by this Declaration. The Association at all times has the right to include as part of the assessments or other charges applicable to the Properties and the Owners thereof such amounts as are required to pay all Common Expenses and all financial obligations of the Association imposed by the Code either (i) directly on the Association, or (ii) indirectly on the Association by imposition of the financial obligation on some or all of the Owners, with the Association having responsibility for collection and payment to the County.

Section 2. Purpose of Assessments. The annual assessment primarily is for the purpose of funding the Common Expenses of the Association, including monies allocated for reserve funds, for the Fiscal Year to which it applies and in accordance with the budget for that Fiscal Year adopted by the Association, although such assessments may be used for payment of any Common Expenses as determined by the Board. All budgets of the Association shall be proposed in good faith and with the intent to cover all reasonably necessary Common Expenses incurred or anticipated to be incurred by the Association in performing its responsibilities and obligations the applicable Fiscal Year of the Association, including monies allocated for reserve funds and to fund other expenses as the Board deems necessary or desirable to keep the Properties in good, clean, and attractive condition, and to maintain and enhance property values and marketability. Such assessments shall commence and at the time and in the manner set forth in this Article.

Section 3. Budgets: Amount of Assessments. The Association is at all times empowered to levy assessments against the Lots and Living Units and the Owners of Lots and Living Units within the Properties for the payment of Common Expenses. Notwithstanding the foregoing, for calendar year 2023, the maximum annual assessment per Lot is \$600.00. The "Maximum Annual Assessment" for each subsequent Fiscal Year for purposes of voting percentages to ratify the budget is 110% of the amount of the annual assessment for the immediately preceding Fiscal Year. Both annual and special assessments must be fixed at a uniform rate for all Lots and Living Units, on a per Lot and per Living Unit basis, and may be collected on a monthly basis or other periodic basis.

The Board of Directors shall adopt a proposed budget for the Association at least annually. Within thirty (30) days after the adoption of the proposed budget, the Board of Directors shall send a copy of the proposed budget to the Members and shall give written notice to the Members of a meeting of the Members to consider ratification of the budget, such meeting to be held not sooner than ten (10) days nor more than sixty (60) days after the mailing of such notice. Such meeting may, but need not be, combined with the annual meeting of the Members. There shall be no requirement that a quorum be present to vote on ratification of the budget (although a quorum must be present to vote on other matters). The budget shall be deemed ratified unless at that meeting Members having a majority of the votes of the entire membership vote to reject the budget provided, however, if the budget provides for an annual assessment per Lot not in excess of the Maximum Annual Assessment in effect for that Fiscal Year of the Association, such budget shall be deemed ratified unless Members having at least eighty percent (80%) of the votes of the entire membership vote to reject the budget. If any proposed budget is rejected by the Members, the budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board. The provisions of this subsection shall not apply to, nor shall they be a limitation upon, any change in the annual assessment or the Maximum Annual Assessment incident to a merger or consolidation as provided in §47F-2-121 of the Act.

Section 4. Effect of Non-Payment: Remedies. No Owner shall be exempt from liability for any assessment provided for herein for reason of non-use of the Common Area or such Owner's Lot or Living Unit, or abandonment or leasing of such Owner's Lot or Living Unit, or unavailability of the use or enjoyment of the Common Areas.

All assessments and other charges shall be established and collected as provided in this Declaration. All assessments and other charges remaining unpaid for thirty days (30) days or longer, together with late charges, interest, and the costs of collection thereof, including attorney's fees, shall be charge on the Owner's Lot as provided in G.S.47F-3-116 of the Act and, upon filing of a claim of lien in the office of the clerk of superior court of the county in which the Lot is located in the manner provided in G.S.47F-3-H6(g), shall be a continuing lien upon the Lot against which such assessment is made until paid in full. The lien may be foreclosed by the Association in any manner permitted under the Act or by law. When the holder of a first mortgage or first deed of trust of record or other purchaser of a Lot who obtains title to the Lot as a result of a foreclosure of a first mortgage or first deed of trust, such purchaser and its heirs, successors, and assigns shall not be liable for the assessments and other charges against such Lot which became due prior to the acquisition of title to such Lot by such purchaser. Each assessment and other charges due hereunder, together with late charges, interest, the costs of collection thereof, including attorney's fees, shall also be the personal obligation or corporate obligation of each Person who was Owner of the Lot at the time when the assessment or other charge first became due and payable and may be collected by appropriate action at law. If more than one Person held an ownership interest in the Lot at the time the assessment or other charge first became due, then each Person shall be both jointly and severally liable. An Owner's personal obligation for payment of such assessments and other charges shall not become the personal obligation of a subsequent Owner unless expressly assumed by the subsequent Owner, although the lien shall continue against the Lot until the amounts due are paid.

Section 5. Classes of Membership. This Declaration may allow different classes of membership in the Association and may allow different levels of annual assessments and other assessments to be imposed for different classes of membership.

Section 6. Declarant's Obligation to Fund Deficits; Assessment Credit. During the Declarant Control Period, Declarant shall be obligated to fund any Operating Deficit. Declarant, at its option, may fund the Operating Deficit by any one or more of the following means: (i) payment to the Association; (ii) payment directly to a person or entity providing the services or materials to the Association, or (iii) providing, directly or indirectly, to or for the Association, services or materials related to Common Expenses (the value of which shall be determined by the Board in its reasonable discretion, giving due consideration to what the fair market value of such services or materials would be if they had been furnished by a Person other than Declarant). Declarant's obligation to fund Operating Deficits may be enforced against the Declarant and collected by the Association in the same manner as enforcement and collection of assessments applicable to other Owners.

After the end of the Declarant Control Period, the Declarant, at its sole option, may receive an assessment credit toward payment of annual assessments due and payable by Declarant thereafter for Lots owned by Declarant, in an amount equal to aggregate of the Operating Deficits paid by Declarant as provided herein. Declarant may not charge or collect interest or any other charge or fee on any monies paid by the Declarant, for Operating Deficits. As determined by Declarant, the assessment credit may be applied to payment of all annual assessments due from Declarant after the end of the Declarant Control Period until it has been credited in full.

Section 7. Working Capital Fund. At the time of closing of the sale of each Living Unit from the builder to the Owner, a contribution in the amount of \$300.00 shall be collected from the Owner and transferred to the Association to be held as a working capital fund. The purpose of said fund is to ensure that the Board of Directors of the Association will have adequate cash available to meet unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the working capital fund shall be in addition to the annual assessment and not be considered advance payment of regular assessments.

Section 8. Date of Commencement of Annual Assessment; Due Dates. The annual assessments for any Living Unit shall commence on the day of the conveyance of record title to a Living Unit other than the Declarant or original builder. Each Owner shall pay assessments on an annual basis or in such a manner and on such dates established by the Board.

Section 9. 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, restoration, repair or replacement of a capital improvement upon the Common Areas, any extraordinary maintenance, including fixtures and personal property related thereto and any property for which the Association is responsible, 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. Provided, however, that the Board of Directors, in its sole discretion, may declare that a special

assessment be levied against all Lots or Living Units, unless ninety percent (90%) of the total vote of each class of Members vote to reject it Any such special assessment shall be in an amount not to exceed Five Hundred and No/100 Dollars (\$500.00) per Lot or Living Unit and may be levied no more than once every five (5) years from the date of recording by Declarant of a deed to the Association or the County for the Common Areas.

Section 10. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any institutional first mortgage and ad valorem taxes on said Lot Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or tax foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, but shall not abate the personal obligation of the prior owner. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. Any portion of the Property dedicated to, and accepted by, a local public authority and any portion of the Property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 12. Certificate of Payment. The Association shall, upon written request from an Owner or the Owner's authorized agent, and for such reasonable processing fee as the Board may determine, furnish a certificate signed by an officer of the Association, or by a Person whom the Association has delegated the authority to issue such certificates, setting forth whether the assessments and other charges against a specified Lot or Living Unit have been paid. If such certificate states that an assessment has been paid, such certificate shall be conclusive evidence of payment and is binding on the Association, the Board, and every Owner.

ARTICLE III

MEMBERSHIP AND GOVERNANCE

Section 1. Function of the Association. The Association, as a non-profit civic organization for the sole purpose of performing certain functions for the common good and general welfare of the Properties in accordance with the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of North Carolina. Its responsibilities include, but are not limited to:

- (a) Management, maintenance, modification, operation, and control of the Area of Common Responsibility and common elements shared by the Owners of the Properties;
- (b) Interpretation and enforcement of the Governing Documents; and

- (c) Upon delegation or termination of the Declarant's authority under this Declaration, administering the design review process for the Properties.

Section 2. Membership. The Declarant and every Owner within the Properties shall be a Member of the Association, and by execution of this Declaration or by acceptance of a deed conveying to such Owner title to any Lot and Living Unit, each Owner consents to be a Member of the Association, subject to the terms of the Governing Documents. Membership shall be appurtenant to and may not be separated from ownership of any Lot and Living Unit which is subject to assessment. The foregoing is not intended to include any Person that holds an interest merely as security for the performance of an obligation. Upon termination of ownership, an Owner's membership with respect to the transferred Lot and Living Unit shall automatically terminate and be automatically transferred to the new Owner of the Lot and Living Unit.

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

- (a) **Class A.** Class A Members shall be all Owners with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be Members; however, the vote for such Lot shall be exercised as they among themselves determine, or as set forth in the Bylaws, but in no event shall more than one (1) vote be cast with respect to any Lot. Fractional voting is prohibited.
- (b) **Class B.** The Class "B" Member shall be the Declarant. The Class B Member may appoint a majority of the members of the Board of Directors during the Declarant Control Period. Additional rights of the Class "B" Member, including the right to approve, or withhold approval of, actions proposed under and specified in the Governing Documents, as they may be amended from time to time. The Class "B" Membership shall terminate, when, in its sole discretion, Declarant so determines; or the date upon which the Declarant no longer owns any part of the Properties. Upon termination of the Class "B" Membership, Declarant shall be a Class "A" Member entitled to one (1) Class "A" vote for each Living Unit or Lot it owns.

Section 4. Members' Rights of Use. Each Member and lawful occupant in the Properties shall have a nonexclusive right of use and enjoyment and easement in the Common Areas, including the rights of ingress and egress to and from all Common Areas throughout the Properties, subject to such rules and regulations as are allowed under the Governing Documents to be imposed by the Association and subject to suspension of use rights allowed in the Governing Documents; provided that no suspension of rights shall occur without first providing notice of the charge, opportunity to be heard and to present evidence, and notice of the decision as required by G.S. 47F-3-107.1 of the Act, but, the right of access and support, the right to drain stormwater and the right to use stormwater control measures, private streets, private utility services provided to the Lot through easements in Common Area, and any assigned parking areas shall not be suspended for violation of the Association's rules and regulations.

Section 5. Voting Rights. Each Member shall have those voting rights established in this Declaration, which may be different for different classes of membership. If a Lot is owned by multiple Owners, the votes allocated to that Lot shall be cast only in accordance with the agreement of a majority in interest of the multiple Owners unless otherwise provided in the Governing Documents. A majority

agreement is conclusively presumed if only one (1) of the multiple Owners casts the votes allocated to that Lot, unless any of the other Owners of the Lot protest such co-Owner's vote promptly to the Person presiding at the meeting.

Section 6. Proxies. Votes may be cast in person or by proxy. All proxies must be dated, duly executed by the Owner, and delivered to the Secretary of the Association or to the property management company authorized by the Board to receive proxies prior to the opening of the meeting for which it is first intended to be used. No proxy shall exceed a term of eleven (11) months from its date except as otherwise provided in the Act. Revocation of a proxy shall be made by actual notice to the Person presiding over the Association meeting.

Section 7. Quorum. Except as otherwise provided in the Governing Documents, a quorum is present throughout any meeting of the Association whenever Persons entitled to cast ten percent (10%) of the votes are present in person or by proxy at the beginning of the meeting. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy. Notwithstanding any provision to the contrary in the Governing Documents, the quorum requirements at the next meeting shall be one-half (1/2) of the quorum requirement applicable to the meeting adjourned for lack of a quorum.

This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.

Section 8. Management. Declarant and then the Association, through its Board, may employ a professional management agent or management company at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policymaking authority.

ARTICLE IV

ANNEXATION

Section 1. Annexed Property. Real property which was not part of the County-approved development, or real property that was part of the County-approved development but which was not subjected to this Declaration at the time of its initial recording, may be annexed to this Declaration and made part of the Properties as Annexed Property, provided that all of the following conditions are met with respect to the real property to be annexed:

- (a) the Annexed Property is contiguous to the Properties or directly across a street from the Properties;
- (b) annexation of such Annexed Property meets any other applicable requirements of this Declaration; and

- (c) contemporaneously with either the development of the Annexed Property or the recording of the plat of the Annexed Property, whichever first occurs, an Annexation Declaration shall be recorded in the Registry.

An Annexation Declaration may contain such complementary additions and modifications to the terms of this Declaration as may be necessary or desirable to reflect the different character, if any, of the Annexed Property and as are not inconsistent with the general scheme of this Declaration. Common Area and Open Space in the Annexed Property is subject to all Code and Declaration provisions relating to Common Area and Open Space.

Annexation of the Annexed Property shall be effective upon the later of the recording of the Annexation Declaration in the Registry or such later date as specified in the Annexation Declaration, and the Annexed Property described therein shall be subject to all of the provisions of this Declaration to the extent made applicable by the Annexation Declaration, and to the jurisdiction of the Association pursuant to the terms of this Declaration and other Governing Documents of the Association. Each Owner of a Lot in Annexed Property shall be a Member of the Association, and the Annexed Property and each Owner of any portion thereof shall be subject to assessment by the Association in accordance with the terms of this Declaration, the Annexation Declaration, other Governing Documents, and the Code, as applicable. The Association shall have the duties, responsibilities and powers set forth in this Declaration and other Governing Documents with respect to Annexed Property. Except as may otherwise be expressly provided in this Declaration or any Annexation Declaration, the Properties, including the Annexed Property, shall be managed and governed by the Association as an entirety. Assessments for Common Expenses collected from Owners in the Annexed Property may be expended by the Association for Common Expenses anywhere in the Properties without regard to the particular phase, area or subdivision from which such assessments came.

ARTICLE V

ADDITIONAL RIGHTS RESERVED TO DECLARANT

Section 1. Withdrawal of Property. Declarant reserves the right to amend this Declaration, so long as it has a right to expand or annex additional property into the Properties pursuant to this Declaration, for the purpose of removing any portion of the property from coverage of this Declaration, provided such withdrawal is not unequally contrary to the general plan of development. Such an amendment shall not require prior notice nor consent of the Association, any Person other than the Owner of the property, for the purpose of removing certain portions of the Properties then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for the Properties desired to be affected by the Declarant.

Section 2. Marketing and Sales Activities. Declarant and builders authorized by Declarant may maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of Lots or Living Units, including, but not limited to, construction facilities, business offices, and signs. Declarant and authorized builders shall have easements for access and use of such facilities.

Section 3. Right to Develop. Declarant and its employees, agents, and designees shall have a right of access and use and easement over and upon the Properties for the purpose of making, constructing, and installing such improvements as it deems appropriate in its sole discretion and to complete any and all improvements indicated on the plats and construction drawings. For so long as Declarant owns any portion of the Properties, Declarant may designate sites for which it owns within the Properties for public or quasi-public sites and neither the Association nor any Owner shall have a right to object such designation. Declarant may also designate such sites on property, which it does not own, provided the Owner consents to such use. Every Person that acquires any interest in the Properties acknowledges that Mason Landing is a new development, and may extend over several years, and agrees not to protest, challenge, or otherwise object to changes necessary and required to develop the Properties.

Section 4. Right to Approve Additional Covenants. No person shall record any declaration of covenants, conditions, and restrictions, or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by the written consent signed by Declarant and recorded in the Public Records. No amendment or modification of any Governing Documents or Design & Community Guidelines shall be effective without prior notice to and written approval of Declarant so long as the Declarant owns property subject to this Declaration or which may become subject to this Declaration.

Section 5. Exclusive Rights to Use Name of Development. No person shall use the name "Mason Landing" or any derivative of such name in any printed, electronic, or promotional material without Declarant's prior written consent. However, Owners may use the name "Mason Landing" in printed, electronic, or promotional matter where such term is used solely to specify that particular property is located within Mason Landing and the Association shall be entitled to use the word "Mason Landing" in its name.

Section 6. Termination of Rights. The rights set forth in this Article shall terminate upon the earlier of (a) forty (40) years from the date of this Declaration is recorded in the Public Records, or (b) recording by Declarant of a written statement that all sales activity has ceased.

ARTICLE VI

MAINTENANCE AND REPAIR

Section 1. Owner Responsibility. Each Owner shall maintain their Lot, Living Unit and all structures, parking areas, landscaping, grounds, septic systems and septic repair areas, and improvements comprising their Lot and Living Unit in a neat and attractive manner and landscaped condition consistent with the Community-Wide Standard and all applicable covenants. This shall include, but not be limited to, the obligation to maintain all easement areas, drainage, and swales, upon such Owner's Lot up to the edge of any pavement, property line, Common Area, or open space; provided, there shall be no right to remove trees, shrubs, or similar vegetation without prior approval from the Board.

Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include the responsibility for repair and replacement, as necessary to maintain the property to a level consistent with the Community-Wide Standard. By virtue of taking title to a Lot and Living Unit, each Owner covenants

and agrees with all other Owners and with the Association to carry property insurance for the replacement cost of all insurable improvements on their Lot and Living Unit, less a reasonable deductible. If the Association assumes responsibility for obtaining insurance coverage on behalf of Owners, the premiums for such insurance shall be levied as a specific assessment against the benefited Owners.

Section 2. Association Responsibility. Except as noted herein, the Association shall accept conveyance of all Common Area, including those improvements installed thereon by Declarant, to maintain and keep in good repair Common Areas and such portions of any additional property as may dictated by this Declaration as a Common Expense. The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, stormwater control measures, property dedicated to it on any recorded plat of the Properties or other recorded document in the Public Record, and property or facilities owned by Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members.

ARTICLE VII

ARCHITECTURE & LANDSCAPING

Section 1. General. The primary purpose of these Covenants, Conditions, and Restrictions and the foremost consideration in the origin of the same has been the creation of a community which is aesthetically pleasing and functionally convenient. The establishment of certain objective standards relating to design, size, and location of dwellings and other structures makes it impossible to take full advantage of the individual characteristics of each Lot and Living Unit comprising the Properties and of technological advances and environmental values.

Each Owner, by accepting a deed or other instrument conveying any interest in any portion of the Properties, acknowledges that, as the developer of the Properties, Declarant has a substantial interest in ensuring that the improvements within the Properties preserve and promote the desirability of the Properties and do not impair the Declarant's ability to market, sell, or lease the Properties. Therefore, each Owner agrees that no activity within the scope of this Article (the "Work") shall be commenced on such Owner's Lot or Living Unit unless and until the Declarant or its designee has given its prior approval for such Work, which approval may be granted or withheld in the sole discretion of Declarant or its designee.

No structure or thing shall be placed, erected, installed, or posted on the Properties and no improvements or other work (including staking, clearing, excavation, grading, and other site work, exterior alterations of existing improvements, or removal of landscaping) shall take place within the Properties, except in compliance with this Article and Governing Documents.

No approval shall be required to repaint or replace the exterior of a Living Unit or structure in accordance with the originally approved color scheme or to rebuild in accordance with the original approved plans and specifications.

Such architectural and landscaping standards within the Design & Community Guidelines shall be administered by the Declarant or its designee(s) until such time as Units have been constructed upon 100% of the Property and the Lots and conveyed to Owners other than home builders, or until such time as the Declarant or its designee shall delegate such responsibility to an architectural standards committee

(hereinafter referred to as the “Architectural Review Committee” or “ARC”) composed of not less than three (3) Members of the Association (“Reviewer”). Unless and until such time as Declarant delegates all or a portion of its reserved rights to the ARC or the Declarant’s rights under this Article terminate, the Association shall have no jurisdiction over architectural matters.

Any amendments to the Design & Community Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction, improvement, or modification has commenced. There shall be no limitation on the scope of amendments to the Design & Community Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Design & Community Guidelines less restrictive.

Section 2. Procedures. Prior to commencing any Work within the Scope of this Article, an Owner shall submit the appropriate application for approval of the proposed Work in such form as the Design & Community Guidelines, Declarant, or Declarant’s designee may specify. Such application shall include plans and specifications (“Plans”) with plot plan (showing the proposed location of such building or structure, drives, and parking areas, exterior shape, size and height), structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, windows, fixtures, and other features of proposed construction, as applicable. The Design & Community Guidelines and Reviewer, may require the submission of such additional information as reasonably necessary to consider any application for architectural and landscaping changes.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements or modifications.

The Reviewer shall, within sixty (60) days after receipt of a completed application, all required information, and Plans, respond in writing to the applicant as specified on the application form. The response may (i) approve the application, with or without conditions; (ii) approve a portion of the application and disprove other portions; or (iii) disapprove the application. In the event approval of the application and Plans is neither granted nor denied within sixty (60) days following receipt by the entity having review responsibility of a written request for approval, the requested Plans shall be deemed to have been approved.

If the Work does not commence on the project for which the applications and Plans have been approved within one (1) year after the date of approval, such approval shall be deemed withdrawn and it shall be necessary for the Owner to reapply for approval before commencing the proposed Work. Once construction has commenced, it shall be diligently pursued to completion.

Section 3. No Waiver of Future Approvals. Each Owner acknowledges that that the persons reviewing the application under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Design & Community Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features of proposed Work until the Work is completed, in which case it may be unreasonable to require changes to the improvements involved, but the Reviewer may refuse to approve similar proposals

in the future. Approval of applications or Plans for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar applications, Plans, or other matters subsequently or additionally submitted for approval.

Section 4. Variances. The Reviewer may authorize variances from compliance with any of its guidelines and procedures when circumstances require, in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) contrary to this Declaration; or (c) estop the Reviewer from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 5. Limitation of Liability. The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Properties but shall not create any duty to any person. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the Reviewer shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction, or modifications, nor for insuring compliance with building codes and other governmental requirements, nor for ensuring that all improvements and structures are of comparable quality, value, or size, or of similar design. Neither the Declarant, the Association, the Board, any committee, or member of any of the foregoing shall be held liable for soil conditions, drainage, or other general site work, permits, nor for any defects in plans revised or approved hereunder, nor for any injury, damages, or loss arising out of the manner or quality of construction, improvements, or modifications to any Living Unit or Lot. In all matters, the ARC and all persons comprising the ARC shall be defended and indemnified by the Association as provided in this Declaration.

Section 6. Fees. For the purposes of this Article, the entity having jurisdiction in a particular case shall be referred to as the "Reviewer." The Reviewer may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred for having any application reviewed by architects, engineers, or other professionals. The Declarant and the Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons in the Association's annual operating budget as a Common Expense.

ARTICLE VIII

USE RESTRICTIONS & CONDUCT

Section 1. Framework for Regulation. The Governing Documents establish, as part of the general plan of the development for the Properties, a framework of covenants (i.e. binding obligations), conditions and restrictions that govern the Properties. However, within that framework, the Board and Members must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires, trends, and technology which inevitably will affect Mason Landing, its Owners and residents. Every Owner, resident, their guests, and invitees, shall comply with all laws, statutes, ordinances and rules of federal, state, and municipal governments applicable to the Properties and any violation thereof may be considered

a violation of this Declaration; provided, the Board shall have no obligation to take action to enforce such laws, statutes, ordinances, and rules.

Section 2. Protection and Rights of Owners. Except as may be specifically set forth in this Declaration (either initially or by amendment), neither the Board nor the Members may adopt any Use Restrictions in violation of the following provisions:

- (a) Similar Treatment. Similarly situated Owners shall be treated similarly.
- (b) Abridging Existing Rights. If any Use Restriction would otherwise require Owners or occupants in the Properties to dispose of personal property which they properly maintained in or on the Lot or Living Unit prior to the effective date of such Use Restriction, or to vacate the Living Unit in which they lawfully resided prior to the effective date of such Use Restriction, such Use Restriction shall not apply to any such Owners without their written consent.
- (c) Activities Within Living Units. No Use Restriction shall interfere with the activities inside of Living Units, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Units, that generate excessive noise or traffic, that create an unreasonable source of annoyance or nuisance to the community, or that create any noxious or offensive activity.
- (d) Alienation. No Use Restriction shall prohibit the sale of any Lot and Living Unit, or require consents of the Association or Board for the sale of a Lot and Living Unit.
- (e) Occupants Bound. The Governing Documents and any rules and regulations or use restrictions promulgated pursuant thereto which govern the Properties shall apply to all Owners, occupants, guests, and invitees of any Living Unit. Every Owner shall cause all occupants of their Living Unit to comply with the Governing Documents and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Living Unit are fully liable and may be sanctioned for any violation of the Governing Documents and rules and regulations adopted pursuant thereto.
- (f) Quiet Enjoyment. No noxious, illegal, or offensive activity shall be conducted upon any portion of the Properties in the Subdivision, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the Community. Nor shall any portion of the Properties be used, in whole or in part, for long-term storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or become an annoyance or nuisance to the community. No substance, thing, or material shall be kept upon any portion of the Properties that will emit foul or obnoxious odors or that will cause any noise or other condition that is dangerous, unsightly, unpleasant, or of a nature as may diminish the enjoyment of the Properties.

Section 3. Use Restrictions & Rules.

- (a) Land Use & Building Type. The Properties shall be used only for single-family residential purposes. No structures shall be erected or allowed to remain on any Lot except one (1) detached single-family dwelling not to exceed two and one-half stories in height. No Lot shall be subdivided or its boundary lines changed except with the prior written approval of Declarant or the Board of Directors. Declarant or any builder approved by Declarant, however, hereby expressly reserves the right to replat any Lot owned by Declarant.
- (b) Living Unit, Building, Structure Specifications. Any Living Unit, structure, or other approved building constructed on any Lot shall be constructed in accordance with the requirements set forth by Harnett County Regulations in effect at the time said Living Unit, building, or other approved structure is constructed on a Lot.
- (c) Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside or interior of their dwelling shall not be abridged, except that the Association may adopt time, place, and manner restrictions on the extent of such displays that are visible from outside the dwelling and of the kind that are not normally displayed in dwellings located in single-family residential neighborhoods for the purpose of minimizing damage and disturbance to other Owners and occupants. Declarant or the Board, where applicable, shall have the authority to provide rules and regulations of the display of political signs;
- (d) Swimming Pools. All swimming pools must be located in the rear yards of any Lot, not impede any septic system or repair areas, consistent with the Design & Community Guidelines, and approved in writing by the Declarant or Architectural Review Committee after obtaining the requisite permitting from the appropriate governing agencies. No swimming pools of any type or kind shall be allowed without express approval by the Declarant or Architectural Review Committee.
- (e) Mobile Homes, Manufactured Homes, etc. No mobile home, manufactured home, modular home, trailer, or other like structure shall be located or installed on any Lot. As used in this Section, mobile home, manufactured home, or modular home shall mean a structure, assembled in whole or in part in a location other than on the Lot itself, transportable in one (1) or more sections, any section of which, during transport, is four feet (4') or more in width and ten feet (10') or more in length, which may or may not be built on a permanent chassis and which is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities. Notwithstanding the preceding, a temporary sales trailer without foundation may be used on any Lot during the development and marketing of the Properties by a builder with prior approval from Declarant;
- (f) Accessory Buildings & Structures. No accessory building or structure (including, but not limited to, detached garages, sheds, barns, storage buildings, and greenhouses) shall be placed or constructed on any Lot without the prior written approval of the Declarant or the Architectural Review Committee, either of which shall have sole discretion relating to the location and type of accessory building and structures which shall be permitted on any Lot. Approved accessory buildings and structures shall have an exterior finish of siding material

that matches the dwelling, or similar material and color, as may be approved in writing by the Declarant or the Architectural Review Committee, as the case may be.

- (g) Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner and occupant to prevent the development of any unclean, unhealthy, hazardous, or unkempt condition on their Lot. Any activity that creates noise, emits foul or obnoxious odors outside of the Living Unit, or other conditions that frequently disturb the peace or threaten the safety of the occupants within the Properties.
- (h) Garbage, Trash, and Yard Waste. Storage and accumulation of garbage, trash, rubbish, yard waste, refuse, and unsightly materials of the like is prohibited, except when stored in approved containers and must be collected at the next regular garbage pick-up. Dumping of garbage, trash, yard waste (including grass clippings, fertilizers, leaves or other debris in any drainage ditch, stream, pond, or elsewhere within the Properties, except those fertilizers may be applied to landscaping on a Lot, provided care is taken to minimize runoff.
- (i) Parking.
- a. The parking or storing of large commercial tractor-trailers, heavy equipment or machinery, mobile homes, recreational vehicles, all-terrain vehicles, trailers (with or without wheels), boats or watercraft, campers, or similar vehicles may only be parked or stored on a Lot with prior written approval of Declarant or the Board of Directors and may be subject to adequate screening from neighboring Living Units.
 - b. Stored vehicles that are wrecked or obviously inoperable shall not be permitted to remain on the Properties, except within enclosed garages without prior written approval from Declarant or the Board; and
 - c. No automobile, truck, or vehicle of any kind shall be parked on any street abutting the Properties after receiving written notification from the Declarant, Board, or governmental agency to remove the automobile, truck or vehicle;
- (j) Off-Road Vehicles. Off-road vehicles, including without limitation, golf-carts, all-terrain vehicles, side-by-sides, dirt bikes, go-carts, or similar vehicles shall be stored in the garage when not in use;
- (k) Animals and Pets. No animal, livestock, or poultry of any kind shall be raised, bred, kept, or allowed to remain on any portion of the Properties other than the usual and common household pets with the following exceptions, unless prior written approval is obtained by the ARC.
- a. No pets shall be kept, bred, or maintained for any commercial purposes on any portion of the Properties;
 - b. No pets may run freely at any time and must be kept under the direct control of the pet owner/handler by leash or harness or contained within the boundaries of a Lot by an approved fence enclosure, to be approved in writing by the Declarant or Architectural Review Committee;

- c. No animals shall be kept, caged, chained or tied to a stake, tree, or similar outdoor confinement of any kind on any portion of the Properties;
- (l) Tree Removal. No tree shall be removed, except for diseased or dead trees, or trees needing to be removed to promote the growth of other trees or for safety reasons, unless prior written approval is obtained in accordance with this Declaration. In the event of an intentional or unintentional violation of this Section, the violator may be required to replace the removed tree as determined by the Board.
- (m) Wildlife. Capturing, trapping, or killing of wildlife within the Properties, unless authorized by Declarant or the Association shall be prohibited.
- (n) Any condition or thing which will result in the cancellation, increase in premium, or reduction in coverage of insurance maintained by the Association or which would be in violation of any law or other applicable requirement of governmental authorities;

Section 4. Stormwater Management Restrictions. In accordance with the Harnett County Stormwater plan approval, the following restrictions and conditions shall apply:

- (a) No Owner shall amend, alter, modify, impede, remove, or change the stormwater control measures or stormwater facilities, drainage channels or culverts which are located on such Owner's Lot without prior approval from Declarant or the Board, and/or the proper government agency, if applicable.
- (b) Each Lot Owner shall bear the costs and be responsible for all stormwater control measures or other drainage flow or stormwater facilities, which are located on such Owner's Lot. Declarant, the Board, and/or proper government agency, if applicable must first approve any proposed or necessary corrective actions which are necessary or required.

Section 5. Reasonable Rights to Develop. No Use Restriction or action by the Association, Members, or Board shall unreasonably impede Declarant's rights to develop the Properties.

ARTICLE IX

EASEMENTS

In addition to any easements described in any recorded plat applicable to the Properties, Declarant grants the following easements:

Section 1. Easements in Common Area. Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Area, which is appurtenant to the Unit, subject to:

- (a) The Governing Documents and any other applicable covenants;

- (b) Any restrictions or limitations contained in any deed conveying such property to the Association;
- (c) The right of the Board to adopt rules regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;

Section 2. Easements of Encroachment. Declarant grants reciprocal appurtenant easements of encroachment, and for the maintenance and use of any permitted encroachment, between each Lot and such portion or portions of the Common Areas due to the unintentional placement, settling, or shifting of the improvements constructed, reconstructed, or altered thereon, and maintenance and use of any encroaching structure or improvement, except that no easement for encroachment shall exist:

- (a) for any structure, modification, or improvement constructed in violation of the Governing Documents;
- (b) beyond a distance of five feet (5'), as measured from any point on the common boundary along a line perpendicular to such boundary;

Section 3. Easements for Utilities, etc.

- (a) Declarant hereby creates and reserves for itself and such other Persons as it may designate, all utility providers, all governmental agencies having jurisdiction over the Properties, and upon the expiration of the Declarant Control Period, grants to the Association perpetual non-exclusive easements throughout the Properties (but not through a Living Unit) to the extent reasonably necessary for the purposes of:
 - a. installing, replacing, repairing, and maintaining utilities, infrastructure, and other improvements serving the Properties, including, as applicable, water, power, gas, cable and other systems for sending and receiving data and/or other electronic signals, security and similar systems, walkways, drainage systems, street lights, signage, garbage collection, postal delivery, emergency and rescue services, public roads and right of ways, and septic systems; and
 - b. accessing to inspect, read, maintain, and replace utility meters.
- (b) Any damage to a Lot or Living Unit resulting from the exercise of the easements described in this Article shall promptly be repaired by, and at the expense of, the Person exercising the easement shall restore the area to near the same condition as reasonably practicable, prior to the exercise of the easement. The exercise of these easements shall not extend to permitting entry into the dwelling or structures on any Lot, nor shall it unreasonably interfere with the use of any dwelling and, except in an emergency, entry into any Living Unit shall be made only after reasonable.
- (c) Declarant also reserves for itself the non-exclusive right and power to grant and record in the Public Records such specific easements as may be necessary, in the sole discretion of

Declarant, in connection with the orderly development of any real property described in the Exhibits attached hereto.

- (d) Declarant reserves the right (i) to release all or any portion of the Properties from the burden, effect, encumbrance of any easements granted or reserved under this Section, or (ii) to define the limits of any such easements; provided, Declarant shall relocate at its own expense, any utilities or similar infrastructure located on or under that portion of the property being released.

Section 4. Easements Shown on Recorded Maps. There are hereby reserved easements in addition to those shown on the recorded Subdivision Plats. In the event of a conflict in the width of any easement reserved herein or on the recorded plat, the wider easement shall prevail. Within any such easements, no structure, planting, or other material shall be placed or permitted to remain which may interfere with the installation of stormwater facilities, drainage systems, and utilities, or which may change the direction or flow of such facilities or systems. Notwithstanding the foregoing, no governing entity having jurisdiction over the Properties shall be required to obtain the consent of the Association or an Owner when working within utility easements.

Section 5. Priority of Easements. Each of the easements referred to in this Article shall be deemed to be established upon the recordation of this Declaration and shall henceforth be deemed to be covenants running with the land for the use and benefit of the Lots, and the Common Areas, as the case may be, superior to all other encumbrances which may hereafter be applied against or in favor of the property or any portion thereof.

Section 6. Declarant Easement. If any encroachment shall occur subsequent to subjecting the Properties to this Declaration, there is hereby created and shall be a valid easement for such encroachment and for the maintenance of the same. All Common Area and every Lot shall be subject to an easement for entry and encroachment by the Declarant until the expiration of the Declarant Control Period for the purpose of refining, installing, or altering any utilities, grading, erosion control, stormwater, or drainage areas to complete any and all improvements indicated on approved construction plans or as deemed necessary by Declarant; provided the exercise of this easement shall not unreasonably interfere with the use of the dwelling and, except in an emergency, entry into any Lot shall be made only after reasonable notice to the Owner and/or occupant thereof.

Section 7. Landscape Easements. The Association shall be responsible for Maintaining and replanting any shrub, tree, or re-establishing groundcover located within any area designated on a recorded map of the Properties as a landscape easement, vegetative buffer, or similar designation. Association expenses for Maintaining a landscape easement or similar designation are Common Expenses. Whenever a slope easement co-exists, in whole or in part, within a designated landscape easement, and any future public improvement adjacent to the slope easement removes or causes any of the groundcover, shrubs, or trees within the slope easement to die or become unhealthy, it shall be the responsibility of the Association to replace the groundcover, shrubs, and trees in accordance with the minimum applicable type, quantity, size, and spacing requirements of the Code within one-hundred and eighty (180) days of completion of the public improvement. Within any area designated on recorded maps of the Properties as a landscape easement or similar designation, no vegetation shall be removed without the prior written consent of the Association.

Section 8. Sight Triangles. An easement for sight triangles is reserved as shown on the subdivision plats recorded in the Public Record. Within these easements, no structure, planting, or other material shall be placed or permitted to remain which may obstruct safe sight for traffic at street intersections.

Section 9. Right of Entry; Maintenance, Emergency, and Enforcement. Declarant grants to the Association easements over the Properties as necessary to enable the Association to fulfill its responsibilities that are assigned in this Declaration. The Association shall have the right, but not the obligation to enter upon any Living Unit for emergency, security, and safety reasons. Except in an emergency situation, entry shall only be during reasonable hours and after reasonable notice to the Owner. This right of entry shall not authorize entry into any single-family dwelling without the permission of the Owner, except by emergency personnel acting in their official capacities.

ARTICLE X

ASSOCIATION RIGHTS, OBLIGATIONS, AND RESPONSIBILITIES

Section 1. Acceptance and Control of Common Area.

- (a) The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon, including, without limitation.
- (b) Declarant and its designees may convey to the Association personal property, fee title, leasehold, or other property interests in any real property, improved or unimproved, described on Exhibit A. The Association shall accept and maintain such property at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association. Upon written request of Declarant, the Association shall reconvey to Declarant any unimproved portions of the Properties originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments of property lines or to accommodate public or quasi-public facilities.

Section 2. Management. The Association, through its Board, may employ a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize.

ARTICLE XI

INSURANCE

Section 1. Insurance to be Maintained by the Association. Commencing not later than the time of the first conveyance of a Lot to a Person other than the Declarant, the Association shall procure and maintain (i) hazard insurance on the Common Area(s), insuring against all risk of loss commonly insured against, including fire and extended coverage of peril, and (ii) liability insurance, in an amount of not less

than one million dollars (\$1,000,000.00), covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use of Common Area and on other portions of the Area of Common Responsibility to the extent that it has assumed responsibility for Maintenance, repair, and/or replacement in the event of a casualty, regardless of ownership; The Association shall obtain and maintain such other insurance as required in this Declaration or such other forms of insurance, and in such coverage amounts, as determined by the Board to be required or beneficial for the protection or preservation of the Common Area and other property of the Association or otherwise is in the best interests of the Association.

Section 2. Insurance to be Maintained by Owners. Every Owner shall maintain in full force and effect at all times fire and hazard insurance in an amount equal to the full insurable value of his or her Property except that the amount shall not be required to exceed the replacement cost of the Unit. An Owner shall exhibit to the Board, upon request, evidence that such insurance is in effect. If any Owner shall fail to maintain such insurance, the Board is authorized to obtain such insurance in the name of the Owner from an insurer selected by the Board, and the cost of such insurance shall be included in the annual assessment of the Owner and shall constitute a lien against his or her Lot until paid as a result of enforcement by the Association or otherwise.

ARTICLE XII

RIGHTS OF INSTITUTIONAL LENDERS

Section 1. Rights Reserved to Institutional Lenders. “Institutional Lender” or “Institutional Lenders”, as the terms are used herein, shall mean and refer to banks, savings and loan associations, savings banks, insurance companies, Veterans Administration, Federal Housing Administration, Federal National Mortgage Association, and other reputable mortgage lenders and guarantors and insurers of first mortgages. So long as any Institutional Lender or Institutional Lenders shall hold any Mortgage upon any Lot, or shall be the Owner of any Lot, such Institutional Lender or Institutional Lenders shall have the following rights:

- (a) To be furnished with at least one (1) copy of the Annual Financial Statement and Report of the Association, including a detailed statement of annual carrying charges or income collected and operating expenses, such Financial Statement and Report to be furnished by April 15 of each calendar year.
- (b) To be given notice by the Association of the call of any meeting of the Membership to be held for the purpose of considering any proposed Amendment to the Declaration, or the Articles of Incorporation and Bylaws of the Association, which notice shall state the nature of the amendment being proposed, and to be given permission to designate a representative to attend all such meetings.
- (c) To be given notice of default in the payment of assessments by any Owner of a Lot encumbered by a mortgage held by the Institutional Lender or Institutional Lenders, such notice to be given in writing and to be sent to the principal office of such Institutional Lender or Institutional Lenders, or to the place for which it or they may designate in writing to the Association.

- (d) To inspect the books and records of the Association and the Declaration, Bylaws, and any Rules and Regulations during normal business hours, and to obtain copies thereof.
- (e) To be given notice by the Association of any substantial damage to any part of the Common Areas.
- (f) To be given notice by the Association if any portion of the Common Areas, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority. Whenever any Institutional Lender, guarantor or insurer desires the benefits of the provisions of this section requiring notice to be given or to be furnished a financial statement, such Institutional Lender shall serve written notice of such fact upon the Association by Registered Mail or Certified Mail addressed to the Association and sent to its address stated herein, or to the address of the Property, identifying the Lot upon which any such Institutional Lender or Institutional Lenders hold any mortgage or mortgages, or identifying any Lot owned by them, or any of them, together with sufficient pertinent facts to identify any mortgage or mortgages which may be held by it or them, and which notice shall designate the place to which notices are to be given by the Association to such Institutional Lender.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Applicability. The Properties, this Declaration, and other Governing Documents are subject to the ordinances, regulations, and rules of the County, and shall be construed in accordance with all of the applicable provisions of the Code, whether or not such Code provisions are specifically referenced in this Declaration. There may be certain provisions of the Code that apply to all of the Properties and certain provisions of the Code that apply only to certain portions of the Properties (for example, provisions of the Code relating to private streets apply only to those portions of the Properties that contain private streets). It shall be the responsibility of the Association and each Owner of each portion of the Properties to comply with all provisions of the Code applicable to such portion of the Properties, whether or not any approval, disapproval, waiver or variance of the terms of this Declaration with respect to such portion of the Properties has been given by the Declarant or its authorized agent, the Board, any committee of the Board, or any other Person who has the authority to give such approval, disapproval, waiver or variance.

Section 2. Conflicts.

- (a) Some or all of the Properties may be subject to the provisions of the Act. To the extent that Properties are subject to the Act, the provisions of the Act control over any inconsistent provisions of this Declaration, any Annexation Declaration, or any other Governing Documents.
- (b) The provisions of the Code control over any inconsistent provisions of this Declaration, any Annexation Declaration, or any other Governing Documents. As applicable provisions of the

Code are amended, modified, revised, deleted, or moved to different sections, this Declaration and all Annexation Declarations are deemed to be revised so as to conform to the provisions of the Code as they exist from time to time and are applicable to the Properties or any part thereof. Provided, however, any provision of this Declaration or any Annexation Declaration that is more restrictive than an applicable provision of the Code (for example, a building setback distance required by this Declaration or an Annexation Declaration that is greater than that required by the Code) is not an inconsistent provision of this Declaration unless the Code specifically provides otherwise and is not deemed revised to conform to the Code.

- (c) The provisions of this Article control over any inconsistent provisions of any other portion of this Declaration, any Annexation Declaration, or any other Governing Documents.
- (d) The provisions of this Declaration control over any inconsistent provisions of any other Governing Documents, except as to matters of compliance with the North Carolina Nonprofit Corporation Act, in which event the Articles shall control.

Section 3. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any Covenant or Restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Severability. Invalidation of any one of these Covenants or Restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 5. Duration of Declaration. The Covenants and Restrictions of this Declaration shall run with and bind the land, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years.

Section 6. Amendment of Declaration. This Declaration may be amended by Declarant with no other consent, until such time as Declarant no longer owns Property or at least (1) Lot within the Properties. After Declarant has sold its last Lot or conveys property by Deed to the Association, this Declaration may only be amended by the written agreement or vote of not less than sixty-seven percent (67%) of the Lot Owners. Amendments to this Declaration are valid from the later of the time of recording in the Registry or such later date specified in the amendment. When County approval of an amendment is required by the Code or by a provision of this Declaration (including this Article), County approval shall be evidenced by the signature of the County Attorney or his/her Deputy on the recorded original or copy of the amendment. Any amendment of this Article or any other provision of this Declaration that requires County approval is void ab initio if recorded without the required County signature.

Section 7. Amendments Permitted Without Membership Approval. The following amendments may be affected by the Declarant, or the Board without consent of the Members:

- (a) Amendments, if necessary for the exercise of any development right, including, but not limited to, amendments to qualify the Association or the Properties, or any portion thereof, for tax exempt status, or to reflect any plat change to the Properties as permitted herein, or

amendments, so long as the Class "B" Membership exists, that would allow the Declarant to change any provision of the Declaration or the Bylaws, which, in the sole judgment of the Declarant, tends to impair the development or marketing rights of the Declarant or builders under the Declaration or the Bylaws, or interferes with the development of or construction on any portion of the Properties.

- (b) Amendments to correct any obvious error or inconsistency in drafting, typing or reproduction.
- (c) Amendments to conform to the requirements of any law or Governmental Entity having legal jurisdiction over the Properties or to qualify the Properties or any Lots and improvements thereon for mortgage or improvement loans made, insured or guaranteed by a governmental agency or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by, or under the substantial control of, the United States Government or the State of North Carolina, regarding purchase or sale in such Lots and improvements, or mortgage interests therein, as well as any other law or regulation relating to the control of Properties, including, without limitation, ecological controls, construction standards, aesthetics, and matters affecting the public health, safety and general welfare. A letter from an official of any such corporation or agency, including, without limitation, the Veterans Administration, U.S. Department of Housing and Urban Development, the Federal Home Loan Mortgage Corporation, Government National Mortgage Corporation, or the Federal National Mortgage Association, requesting or suggesting an amendment is necessary to comply with the requirements of such corporation or agency shall be sufficient evidence of the approval of such corporation or agency, provided that the changes made substantially conform to such request or suggestion.

Section 8. Indemnification. No immunity, exculpation or indemnification provision of this Declaration shall relieve one (1) or more Owners from its liabilities as an Owner under this Declaration and other Governing Documents.

Section 9. FHA/VA Approval. As long as there is a Class "B" Membership, and if Declarant determines to qualify this Property for Federal Housing Administration or Veterans Administration approval the following actions will require the prior written approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional property, dedication of Common Areas, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 10. Recordation. No Amendment shall be effective until recorded in the County in which the Property is situated.

[Signature Page Follows]

IN WITNESS WHEREOF, Declarant has hereunto set their hands and seals, this the 21 day of April, 2023.

RMS INVESTMENTS, LLC
a North Carolina Limited Liability Company

By: [Signature]
Reid Smith, Member

STATE OF NORTH CAROLINA

COUNTY OF JOHNSTON

I, the undersigned notary public, in and for the County and State aforesaid, do hereby certify that **Reid Smith** personally appeared before me, and acknowledged that he is a member of **RMS Investments, LLC**, and that by authority duly given and as an act of the corporation the foregoing instrument was signed in its name by its duly authorized member. Witness my hand and notarial stamp or seal on this the 21 day of April, 2023.

[Signature]
NOTARY PUBLIC

My commission expires: 8/16/2025

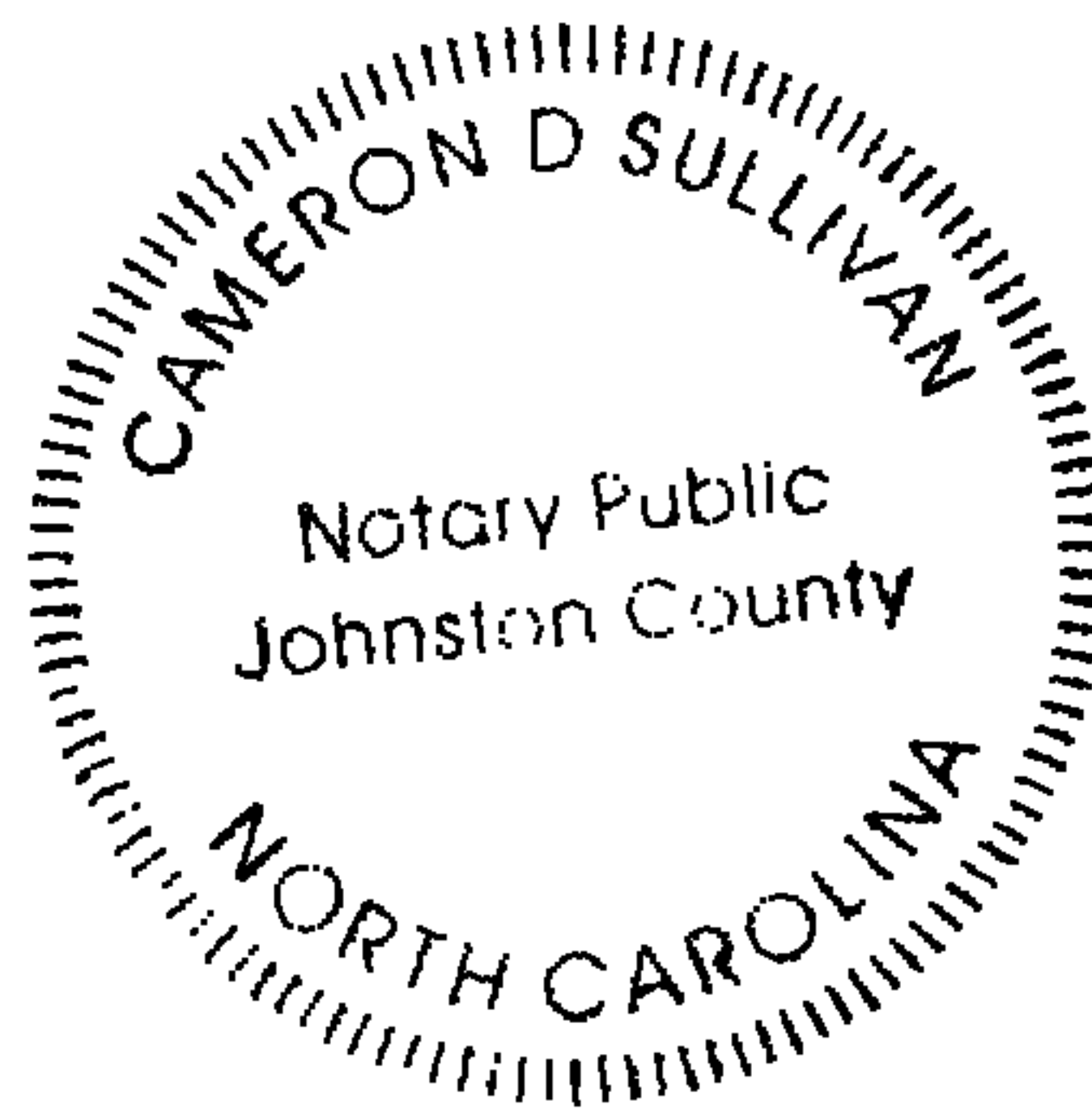


EXHIBIT "A"

BEING ALL of Lots 1-21 and area reserved by owner, containing 41,639 square feet, more or less, as depicted on that map entitled "Survey of Mason Landing Subdivision," and recorded in Plat Book 2022, Pages 573-574, Harnett County Registry.