



NORTH CAROLINA REAL ESTATE COMMISSION

Residential Property And Owners' Association Disclosure Statement

Protecting the Public Interest in Real Estate Brokerage Transactions

Property Address/Description: 255 Grey Hawk Dr, Garner, NC 27529

Owner's Name(s): Deanna Marie Breen and Timothy Leo Breen

North Carolina law [N.C.G.S. 47E](#) requires residential property owners to complete this Disclosure Statement and provide it to the buyer prior to any offer to purchase. There are limited exemptions for completing the form, such as new home construction that has never been occupied. Owners are advised to seek legal advice if they believe they are entitled to one of the limited exemptions contained in N.C.G.S. 47E-2.

An owner is required to provide a response to every question by selecting Yes (Y), No (N), No Representation (NR), or Not Applicable (NA). An owner is not required to disclose any of the material facts that have a NR option, even if they have knowledge of them. However, failure to disclose latent (hidden) defects may result in civil liability. The disclosures made in this Disclosure Statement are those of the owner(s), not the owner's broker.

- If an owner selects Y or N, the owner is only obligated to disclose information about which they have actual knowledge. If an owner selects Y in response to any question about a problem, the owner must provide a written explanation or attach a report from an attorney, engineer, contractor, pest control operator, or other expert or public agency describing it.
- If an owner selects N, the owner has no actual knowledge of the topic of the question, including any problem. If the owner selects N and the owner knows there is a problem or that the owner's answer is not correct, the owner may be liable for making an intentional misstatement.
- If an owner selects NR, it could mean that the owner (1) has knowledge of an issue and chooses not to disclose it; or (2) simply does not know.
- If an owner selects NA, it means the property does not contain a particular item or feature.

For purposes of completing this Disclosure Statement: **"Dwelling"** means any structure intended for human habitation, **"Property"** means any structure intended for human habitation and the tract of land, and **"Not Applicable"** means the item does not apply to the property or exist on the property.

OWNERS: The owner must give a completed and signed Disclosure Statement to the buyer no later than the time the buyer makes an offer to purchase property. If the owner does not, the buyer can, under certain conditions, cancel any resulting contract. An owner is responsible for completing and delivering the Disclosure Statement to the buyer even if the owner is represented in the sale of the property by a licensed real estate broker and the broker must disclose any material facts about the property that the broker knows or reasonably should know, regardless of the owner's response.

The owner should keep a copy signed by the buyer for their records. If something happens to make the Disclosure Statement incorrect or inaccurate (for example, the roof begins to leak), the owner must promptly give the buyer an updated Disclosure Statement or correct the problem. Note that some issues, even if repaired, such as structural issues and fire damage, remain material facts and must be disclosed by a broker even after repairs are made.

BUYERS: The owner's responses contained in this Disclosure Statement are not a warranty and should not be a substitute for conducting a careful and independent evaluation of the property. **Buyers are strongly encouraged to:**

- Carefully review the entire Disclosure Statement.
- Obtain their own inspections from a licensed home inspector and/or other professional.

DO NOT assume that an answer of N or NR is a guarantee of no defect. If an owner selects N, that means the owner has no actual knowledge of any defects. It does not mean that a defect does not exist. If an owner selects NR, it could mean the owner (1) has knowledge of an issue and chooses not to disclose it, or (2) simply does not know.

BROKERS: A licensed real estate broker shall furnish their seller-client with a Disclosure Statement for the seller to complete in connection with the transaction. A broker shall obtain a completed copy of the Disclosure Statement and provide it to their buyer-client to review and sign. All brokers shall (1) review the completed Disclosure Statement to ensure the seller responded to all questions, (2) take reasonable steps to disclose material facts about the property that the broker knows or reasonably should know regardless of the owner's responses or representations, and (3) explain to the buyer that this Disclosure Statement does not replace an inspection and encourage the buyer to protect their interests by having the property fully examined to the buyer's satisfaction.

- **Brokers are NOT permitted to complete this Disclosure Statement on behalf of their seller-clients.**
- Brokers who own the property may select NR in this Disclosure Statement but are obligated to disclose material facts they know or reasonably should know about the property.

Buyer Initials
Buyer Initials

Owner Initials  
Owner Initials
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SECTION A. STRUCTURE/FLOORS/WALLS/CEILING/WINDOW/ROOF

| | Yes | No | NR | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| A1. Is the property currently owner-occupied? Date owner acquired the property: <u>Dec 2018</u> If not owner-occupied, how long has it been since the owner occupied the property? <u>N/a</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A2. In what year was the dwelling constructed? <u>2018</u> | | | <input checked="" type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A3. Have there been any structural additions or other structural or mechanical changes to the dwelling(s)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A4. The dwelling's exterior walls are made of what type of material? (Check all that apply) <input checked="" type="checkbox"/> Brick Veneer <input checked="" type="checkbox"/> Vinyl <input type="checkbox"/> Stone <input type="checkbox"/> Fiber Cement <input type="checkbox"/> Synthetic Stucco <input type="checkbox"/> Composition/Hardboard <input checked="" type="checkbox"/> Concrete <input type="checkbox"/> Aluminum <input type="checkbox"/> Wood <input type="checkbox"/> Asbestos <input type="checkbox"/> Other: <u>N/a</u> | | | <input checked="" type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A5. In what year was the dwelling's roof covering installed? <u>2018</u> | | | <input checked="" type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A6. Is there a leakage or other problem with the dwelling's roof or related existing damage? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A7. Is there water seepage, leakage, dampness, or standing water in the dwelling's basement, crawl space, or slab? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A8. Is there an infestation present in the dwelling or damage from past infestations of wood destroying insects or organisms that has not been repaired? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A9. Is there a problem, malfunction, or defect with the dwelling's: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;"></th> <th style="width: 5%;">NA</th> <th style="width: 5%;">Yes</th> <th style="width: 5%;">No</th> <th style="width: 5%;">NR</th> <th style="width: 25%;"></th> <th style="width: 5%;">NA</th> <th style="width: 5%;">Yes</th> <th style="width: 5%;">No</th> <th style="width: 5%;">NR</th> <th style="width: 25%;"></th> <th style="width: 5%;">NA</th> <th style="width: 5%;">Yes</th> <th style="width: 5%;">No</th> <th style="width: 5%;">NR</th> </tr> </thead> <tbody> <tr> <td>Foundation</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Windows</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Attached Garage</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Slab</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Doors</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Fireplace/Chimney</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Patio</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Ceilings</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Interior/Exterior Walls</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Floors</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Deck</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Other: <u>N/a</u></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table> | | NA | Yes | No | NR | | NA | Yes | No | NR | | NA | Yes | No | NR | Foundation | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Windows | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Attached Garage | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Slab | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Doors | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Fireplace/Chimney | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Patio | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ceilings | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Interior/Exterior Walls | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Floors | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Deck | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Other: <u>N/a</u> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | | |
| | NA | Yes | No | NR | | NA | Yes | No | NR | | NA | Yes | No | NR | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Foundation | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Windows | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Attached Garage | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Slab | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Doors | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Fireplace/Chimney | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Patio | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ceilings | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Interior/Exterior Walls | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Floors | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Deck | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Other: <u>N/a</u> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Explanations for questions in Section A (identify the specific question for each explanation):

N/a

SECTION B. HVAC/ELECTRICAL

| | Yes | No | NR |
|---|--------------------------|-------------------------------------|-------------------------------------|
| B1. Is there a problem, malfunction, or defect with the dwelling's electrical system (outlets, wiring, panels, switches, fixtures, generator, etc.)? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| B2. Is there a problem, malfunction, or defect with the dwelling's heating and/or air conditioning? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| B3. What is the dwelling's heat source? (Check all that apply; indicate the year of each system manufacture) | | | <input checked="" type="checkbox"/> |
| <input checked="" type="checkbox"/> Furnace [<u>1</u> # of units] Year: <u>2018</u> <input type="checkbox"/> Heat Pump [<u> </u> # of units] Year: <u> </u> <input type="checkbox"/> Baseboard [<u> </u> # of bedrooms with units] Year: <u>N/a</u> <input type="checkbox"/> Other: <u>N/a</u> Year: <u> </u> | | | |

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Yes No NR

B4. What is the dwelling's cooling source? (Check all that apply; indicate the year of each system manufacture)

Central Forced Air: 2018 Year: N/a Wall/Windows Unit(s): N/a Year: N/a

Other: N/a Year: N/a

B5. What is the dwelling's fuel source? (Check all that apply)

Electricity Natural Gas Solar Propane Oil Other: N/a

Explanations for questions in Section B (identify the specific question for each explanation):

N/a

SECTION C. PLUMBING/WATER SUPPLY/SEWER/SEPTIC

Yes No NR

C1. What is the dwelling's water supply source? (Check all that apply)

City/County Shared well Community System Private well Other: _____

If the dwelling's water supply source is supplied by a private well, identify whether the private well has been tested for: (Check all that apply).

Quality Pressure Quantity

If the dwelling's water source is supplied by a private well, what was the date of the last water quality/quantity test? N/a

C2. The dwelling's water pipes are made of what type of material? (Check all that apply)

Copper Galvanized Plastic Polybutylene Other: N/a

C3. What is the dwelling's water heater fuel source? (Check all that apply; indicate the year of each system manufacture)

Gas: _____ Electric: 2018 Solar: N/a Other: N/a

C4. What is the dwelling's sewage disposal system? (Check all that apply)

Septic tank with pump Community system Septic tank Drip system

Connected to City/County System City/County system available Other: N/a

Straight pipe (wastewater does not go into a septic or other sewer system) *Note: Use of this type of system violates State Law.

If the dwelling is serviced by a septic system, how many bedrooms are allowed by the septic system permit? N/a No Records Available

Date the septic system was last pumped: N/a

C5. Is there a problem, malfunction, or defect with the dwelling's:

| | NA | Yes | No | NR | | NA | Yes | No | NR |
|---------------|--------------------------|--------------------------|-------------------------------------|--------------------------|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| Septic system | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Plumbing system (pipes, fixtures, water heater, etc.) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Sewer system | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Water supply (water quality, quantity, or pressure) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Explanations for questions in Section C (identify the specific question for each explanation):

N/a

Buyer Initials

Buyer Initials

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Owner Initials  

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SECTION D. FIXTURES/APPLIANCES

Yes No NR

D1. Is the dwelling equipped with an elevator system?

If yes, when was it last inspected? N/a

Date of last maintenance service: N/a

D2. Is there a problem, malfunction, or defect with the dwelling's:

| | NA | Yes | No | NR | | NA | Yes | No | NR | | NA | Yes | No | NR |
|-------------------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|-----------------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|--------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|
| Attic fan, exhaust fan, ceiling fan | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Irrigation system | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Sump pump | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Elevator system or component | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Pool/hot tub /spa | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Gas logs | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Appliances to be conveyed | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | TV cable wiring or satellite dish | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Central vacuum | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | | | | | | | | | | Garage door system | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | | | | | | | | | | Security system | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | | | | | | | | | | Other: | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Explanations for questions in Section D (identify the specific question for each explanation):

N/a

SECTION E. LAND/ZONING

Yes No NR

E1. Is there a problem, malfunction, or defect with the drainage, grading, or soil stability of the property?

E2. Is the property in violation of any local zoning ordinances, restrictive covenants, or local land-use restrictions (including setback requirements?)

E3. Is the property in violation of any building codes (including the failure to obtain required permits for room additions or other changes/improvements?)

E4. Is the property subject to any utility or other easements, shared driveways, party walls, encroachments from or on adjacent property, or other land use restrictions?

E5. Does the property abut or adjoin any private road(s) or street(s)?

E6. If there is a private road or street adjoining the property, are there any owners' association or maintenance agreements dealing with the maintenance of the road or street? NA

Explanations for questions in Section E (identify the specific question for each explanation):

N/a

SECTION F. ENVIRONMENTAL/FLOODING

Yes No NR

F1. Is there hazardous or toxic substance, material, or product (such as asbestos, formaldehyde, radon gas, methane gas, lead-based paint) that exceed government safety standards located on or which otherwise affect the property?

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Owner Initials


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| | Yes | No | NR |
|--|--------------------------|-------------------------------------|--------------------------|
| F2. Is there an environmental monitoring or mitigation device or system located on the property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| F3. Is there debris (whether buried or covered), an underground storage tank, or an environmentally hazardous condition (such as contaminated soil or water or other environmental contamination) located on or which otherwise affect the property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| F4. Is there any noise, odor, smoke, etc., from commercial, industrial, or military sources that affects the property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| F5. Is the property located in a federal or other designated flood hazard zone? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| F6. Has the property experienced damage due to flooding, water seepage, or pooled water attributable to a natural event such as heavy rainfall, coastal storm surge, tidal inundation, or river overflow? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| F7. Have you ever filed a claim for flood damage to the property with any insurance provider, including the National Flood Insurance Program? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| F8. Is there a current flood insurance policy covering the property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| F9. Have you received assistance from FEMA, U.S. Small Business Administration, or any other federal disaster flood assistance for flood damage to the property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| F10. Is there a flood or FEMA elevation certificate for the property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

NOTE: An existing flood insurance policy may be assignable to a buyer at a lesser premium than a new policy. For properties that have received disaster assistance, the requirement to obtain flood insurance passes down to all future owners. Failure to obtain flood insurance can result in an owner being ineligible for future assistance.

Explanations for questions in Section F (identify the specific question for each explanation):

N/a



**SECTION G.
MISCELLANEOUS**

| | Yes | No | NR |
|--|--------------------------|-------------------------------------|--------------------------|
| G1. Is the property subject to any lawsuits, foreclosures, bankruptcy, judgments, tax liens, proposed assessments, mechanics' liens, materialmens' liens, or notices from any governmental agency that could affect title to the property? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| G2. Is the property subject to a lease or rental agreement? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| G3. Is the property subject to covenants, conditions, or restrictions or to governing documents separate from an owners' association that impose various mandatory covenants, conditions, and or restrictions upon the lot or unit? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Explanations for question in Section G (identify the specific question for each explanation):

N/a

Buyer Initials

Owner Initials  

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SECTION H. OWNERS' ASSOCIATION DISCLOSURE

If you answer 'Yes' to question H1, you must complete the remaining questions in Section H. If you answered 'No' or 'No Representation' to question H1, you do not need to answer the remaining questions in Section H.

Yes No NR

H1. Is the property subject to regulation by one or more owners' association(s) including, but not limited to, obligations to pay regular assessments or dues and special assessments?

If "yes," please provide the information requested below as to each owners' association to which the property is subject [insert N/A into any blank that does not apply]:

a. (specify name) HRW Mana whose regular assessments ("dues") are \$ 48 per Month.

The name, address, telephone number, and website of the president of the owners' association or the association manager are: Drew Honeycutt 4700 Homewood Ct Raleigh NC

b. (specify name) N/A whose regular assessments ("dues") are \$ N/A per N/A.

The name, address, telephone number, and website of the president of the owners' association or the association manager are: N/a

c. Are there any changes to dues, fees, or special assessment which have been duly approved and to which the lot is subject?

If "yes," state the nature and amount of the dues, fees, or special assessments to which the property is subject: N/A

H2. Is there any fee charged by the association or by the association's management company in connection with the conveyance or transfer of the lot or property to a new owner?

If "yes," state the amount of the fees: N/A

H3. Is there any unsatisfied judgment against, pending lawsuit, or existing or alleged violation of the association's governing documents involving the property?

If "yes," state the nature of each pending lawsuit, unsatisfied judgment, or existing or alleged violation: n/a

H4. Is there any unsatisfied judgment or pending lawsuits against the association?

If "yes," state the nature of each unsatisfied judgment or pending lawsuit:

Explanations for questions in Section H (identify the specific question for each explanation):

N/a

Owner(s) acknowledge(s) having reviewed this Disclosure Statement before signing and that all information is true and correct to the best of their knowledge as of the date signed.

Owner Signature: Deanna Marie Breen dotloop verified
09/24/24 1:06 PM EDT
ZDSP-6CMU-1W1W-35LH Date 9/25/2024

Owner Signature: Timothy Leo Breen dotloop verified
09/26/24 9:07 PM EDT
NTMK-FORN-IKDV-THXY Date 9/25/2024

Buyer(s) acknowledge(s) receipt of a copy of this Disclosure Statement and that they have reviewed it before signing.

Buyer Signature: Date _____

Buyer Signature: Date _____

WHAT'S NEARBY?



Schools

- POLENTA ELEMENTARY - 0.9 MI
- SWIFT CREEK MIDDLE - 3.7 MI
- CLEVELAND HIGH - 2.2 MI

Shopping & Entertainment

- FOOD LION - 1.9 MI
- WALMART, LOWE'S, , ALDI, ETC - 5.9 MI
- CLAYTON COMMUNITY PARK - 7.7 MI
- THE CLAYTON CENTER - 8.1 MI

Downtown Clayton

- CONCERT SERIES IN TOWN SQUARE
- MOVIE NIGHT AT MUNICIPAL PARK
- INDEPENDENCE DAY STREET FESTIVAL
- FARM & COMMUNITY MARKET
- EASTER BUNNY & EGG HUNT AT CLAYTON HS
- DOWNTOWN TRICK OR TREAT
- HARVEST FESTIVAL
- CHRISTMAS VILLAGE & TREE LIGHTING
- CHRISTMAS PARADE
- SMALL BUSINESS SATURDAY
- LAST FRIDAY DTOWN CLAYTON
- JUNETEENTH CELEBRATION
- VETERANS DAY CEREMONY
- CHECK THE CLAYTON CENTER CALENDAR!

Local Food/Drink

- GUAJILLO'S MEXICAN GRILL - 1.6 MI
- GREAT CHINA - 1.9 MI
- 3 OLIVES PIZZA & DELI - 3.2 MI
- PANERA, RUBY TUESDAY - 5.9 MI
- SUSHI IWA, CLEVELAND DRAFT HOUSE, CRAB SEAFOOD HOUSE + MORE - 7.7 MI

Explore NC

- DOWNTOWN RALEIGH - 19 MI / 24 MINS
- WILMINGTON, NC - 112 MI / 1 HR 41 MINS
- PINEHURST, NC - 80.2 MI / 1 HR 23 MINS
- ASHEBORO, NC (NC ZOO) - 85.3 MI / 1 HR 31 MINS
- RAVEN ROCK - 35.4 MI / 51 MINS
- PISGAH FOREST - 318 MI / 5 HR 07 MINS
- CHARLOTTE, NC - 188 MI / 2 HR 51 MINS
- OUTER BANKS, NC - 224 MI / 3 HR 41 MINS



This instrument drafted by: Jonathan W. Anderson
After recording mail to: Po Box 6356
Raleigh NC 27628

STATE OF NORTH CAROLINA

COUNTY OF JOHNSTON

DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS

MASON PARK HOMEOWNERS' ASSOCIATION, INC.

THE FOLLOWING STATEMENTS ARE REQUIRED BY THE NORTH CAROLINA PLANNED
COMMUNITY ACT:

THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF THE FLAG OF THE UNITED
STATES OF AMERICA OR STATE OF NORTH CAROLINA.

THE DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is entered into this
25 day of August, 2017, between CAPITAL PROPERTIES OF RALEIGH II LLC, a
North Carolina Limited Liability Company (hereinafter "Declarant"), and MASON PARK
HOMEOWNERS' ASSOCIATION, INC., (hereinafter "Association") and all parties hereafter acquiring
any of the described property.

WITNESSETH:

WHEREAS, Declarant is the owner of all lots within a subdivision in the County of JOHNSTON, State of North Carolina, known as MASON PARK, and being that approximately thirty-four (34) acre tract or parcel of land more particularly described as Tract 2 by map and survey recorded in Plat Book 67, Page 52, JOHNSTON County Registry; and

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

WHEREAS, Declarant desires to provide for the preservation of the values and the desirability and attractiveness of said property; and for the continued maintenance and operation of any recreational and/or common area.

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

ARTICLE I

PROPERTIES SUBJECT TO THIS DECLARATION

The property which shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the County of JOHNSTON, State of North Carolina, and is more particularly described as being all of that property shown and described as Tract 2 on map and survey recorded in Plat Book 67, Page 52, JOHNSTON County Registry, plus all the utility and access easements as shown on the aforesaid map. The Declarant hereby subjects the heretofore described property to this Declaration and the jurisdiction of the

Association. Additional properties may be subjected to these Declarations within ten (10) years from the date of this instrument.

ARTICLE II

DEFINITIONS

Section 1. “Association” shall mean and refer to MASON PARK HOMEOWNERS’ ASSOCIATION, INC., its successors and assigns.

Section 2. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. “Properties” shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. “Permanent Common Open Space” shall consist of those areas designated on recorded plats of MASON PARK Homeowners’ Association as such. Such areas shall be dedicated in perpetuity to the common use and enjoyment of the owners. The Declarant will convey all Permanent Common Open Space shown on the various plats of the subdivision to the Association. The Association shall be responsible for the repair, maintenance and repaving as set forth in this Declaration.

Section 5. “Lot” shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Permanent Common Open Space.

Section 6. “Declarant” shall mean and refer to Capital Properties of Raleigh II, LLC, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. “Common Expense” shall mean and include:

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

- (b) Expenses of the common area and administration, maintenance, repair, or replacement of the Permanent Common Open Space;
- (c) Expenses declared to be common expenses by the provisions of this Declaration or the By-Laws;
- (d) Hazard, liability, or such other insurance premiums as the Declaration or the By-Laws may require the Association to purchase;
- (e) Ad valorem taxes and public assessment charges lawfully levied against common areas;
- (f) Expenses agreed by the members to be common expenses of the Association.

Section 8. "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 and other assessments allowed in the Declaration that are not annual assessments.

ARTICLE III

PROPERTY RIGHTS

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

- (a) the right of the Association to suspend the voting rights of an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(b) the right of the Association to dedicate or transfer all or any part of the Permanent Common Open Space to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members;

No such dedication or transfer shall be effective unless an instrument agreement to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded;

(c) the right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Permanent Common Open Space and facilities and in aid thereof to mortgage said property, and the rights of such mortgagee in said Properties shall be subordinate to the rights of the homeowners hereunder; and

(d) the right of the Association to adopt, publish and enforce rules and regulations as provided in Article IX.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Permanent Common Open Space and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

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

Section 4. Parking Rights. The Association may regulate the parking of boats, trailers and other such items on the Permanent Common Open Space.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association.

Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

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

Class B. The Declarant shall be a Class B member and shall be entitled to majority voting rights until the happening of either of the following events, whichever occurs earlier:

- (a) when the Declarant conveys all of the Lots it owns to Class A members; or
- (b) on December 31, 2027; or
- (c) upon the surrender of all Class B membership by the holder thereof or cancellation by the Association.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed 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, 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. All assessments relating to common open spaces shall be shared equally by the owners of each Lot. Notwithstanding anything herein to the contrary, Declarant may satisfy its obligation for payment of annual assessments on Lots it owns either by paying annual assessments in the amount per Lot assessed for that fiscal year or by paying the Operating Deficit.

With respect to any Lot that is conveyed by Declarant to any other Owner during a fiscal year for which Declarant has elected to fund the Operating Deficit instead of paying annual assessments, for that fiscal year the annual assessment for such Lot due and payable by such Owner is determined by multiplying the applicable annual assessment amount by a fraction whose numerator is the number of days remaining in that fiscal year from and after the day on which the conveyance occurs and whose denominator is the total number of days in that fiscal year. Such annual assessment is due and payable by the Owner at the time of the conveyance by the Declarant to such Owner.

For any fiscal year of the Association during the Development Period, Declarant may satisfy its obligation for payment of annual assessments on Lots it owns either by paying annual assessments in the amount per Lot assessed for that fiscal year or by paying the Operating Deficit. Unless Declarant otherwise notifies the Board prior to the Board's adoption of a proposed annual operating budget for the next fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as during the current fiscal year. Declarant has elected to pay the Operating Deficit for the first fiscal year of the Association. Payment of the Operating Deficit 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. At Declarant's option, the Operating Deficit for any fiscal year may not be assessed against Declarant unless the maximum annual assessment for that fiscal year has been assessed.

Declarant's obligations with respect to payment of annual assessments or payment of the Operating Deficit may be satisfied by Declarant by any combination of the provision of services or materials toward

satisfaction of Common Expenses, including (i) payment for such services or materials directly to the providers thereof, or (ii) payment of money 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).

Section 2. Purpose of Assessments. The assessment levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and in particular for the acquisition, improvement and maintenance of the Permanent Common Open Space, including the maintenance, repair and reconstruction of private streets, driveways, walks and parking areas situated on the Permanent Common Open Space, such maintenance to include the cutting and removal of weeds and grass and the removal of trash and rubbish or any other maintenance or for the use and enjoyment of the Permanent Common Open Space, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes and public assessments assessed against the Permanent Common Open Space, the procurement and maintenance of insurance in accordance with this Declaration, the employment of attorneys to represent the Association when necessary, the provision of adequate reserves for the replacement of capital improvements including, without limiting, the generality of the foregoing, signs, paving, grading, landscaping and any other major expense for which the Association is responsible, and such other needs as may arise.

Section 3. Reserves. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the common area and those other portions of the Properties which the Association may be obligated to maintain. Such reserve fund is to be established out of regular assessments for common expense.

Section 4. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$660 per lot.

(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 effective January 1 of each year without a vote of membership by up to ten percent (10%) of the previous year's assessment.

(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 above the increase permitted in Section 3(a) above by a vote of two-thirds ($\frac{2}{3}$) of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 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 Permanent Common Open Space, and in connection with stormwater maintenance, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds ($\frac{2}{3}$) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The Board of Directors may levy in any fiscal year of the Association, a Special Assessment payable over not more than the next three (3) succeeding years for the purpose of defraying, in whole or in part, operating deficits or the cost of any construction, reconstruction, repair or replacement of the community facilities, including fixtures and personal property related thereto or upon public lands within the property; provided, however that nothing contained herein shall require the Declarant to become liable for any Special Assessment levied pursuant to this Section.

Section 6. Notice and Quorum for Any Action Authorized Under Sections 4 and 5. Written Notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) 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 requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both annual and special assessments shall, except as herein otherwise specifically provided, be fixed at a uniform rate for all Lots and shall be collected on a monthly basis, provided, however, that the assessment for Lots owned by Declarant which are not occupied as a residence, may be a lesser amount as fixed by the Board of Directors of the Association.

Section 8. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Permanent Common Open Space. Such annual assessments shall be paid ratably on a monthly basis. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth the assessments on a specified Lot have been paid. Any certificate so given shall be conclusive evidence of payment of the assessments stated therein.

Section 9. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a rate set in the discretion of the Board not to exceed the greater of twenty (\$20.00 per month or ten percent (10%) of any assessment installment unpaid. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property in the same manner in which Deeds of Trust may be foreclosed under Power of Sale pursuant to Chapter 45 of the N.C. General Statutes, or its successors, and

in either event interest, costs and reasonable attorney's fees of any such action shall be added to the assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Permanent Common Open Space or abandonment of his Lot. Should any deficiency remain after the foreclosure, the Association may also bring an action against the owner for said deficiency.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

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

Section 12. Working Capital Fund. At the time of closing of the sale of each unit a sum equal to two hundred dollars (\$200.00) for each unit shall be collected and transferred to the Association to be held as a working capital fund. The purpose of said fund is to insure that the Association Board will have adequate cash available to meet unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund shall not be considered advance payment of regular assessments. The working capital fund will continue to be charged in the discretion of the Board and new construction sales and re-sales until such time as the Board determines that the Association is adequately capitalized.

ARTICLE VI

ARCHITECTURAL

CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the

Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, color, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within sixty (60) days after said plans and specifications have been submitted to it and such request falls within the architectural guidelines set by the Association, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VII

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Annexation of additional property shall require approval from the Declarant, and shall be required to occur within ten (10) years from the date of this instrument, provided, however, that all annexations of additional properties to the original development described in Article I hereof must contain a minimum of five (5) acres, be contiguous to the property described in Article I hereof or property previously annexed. Provided further, that no annexation of additional property shall have the effect of placing the original development in violation of the Town Zoning Ordinances.

Section 2. Annexation of additional Properties shall be accomplished by recording in the County Registry a Declaration of Annexation, duly executed, describing the lands annexed and incorporating the provisions of this Declaration, either by reference or by fully setting out said provisions of this Declaration. The additional lands shall be deemed annexed to the Properties on the date of recordation of the Declaration of Annexation, and in the case of an annexation by the Declarant, no action or consent on the part of the Association or any other person or entity shall be necessary to accomplish the annexation.

Section 3. Prior to the completion of the development, the Declarant shall deliver to the Association one or more deeds conveying fee simple title to any Permanent Common Open Space within the lands annexed free and clear of all encumbrances and liens except utility, storm drainage and greenway easements.

ARTICLE VIII

INSURANCE

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

(a) *Ownership of Policies.* All insurance policies upon the common area shall be purchased by the Association for the benefit of all the Association and the Owners.

(b) *Coverage.* All buildings and improvements and all personal property included in the Permanent Common Open Space 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.

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

(c) *Liability.* Public liability insurance shall be secured by the Association with limits of liability of no less than One Million and No/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. Directors and officers' liability insurance shall be secured by the Association with limits of liability no less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be desirable and necessary.

(d) *Premiums.* 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 V above.

(e) *Proceeds.* 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 trustees under this Declaration. The sole duty of the

Association as insurance trustees 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 By-Laws and for the benefit of the Owners and their mortgagees in the following shares:

(i) Proceeds on account of damage to Permanent Common Open Space and facilities 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.

Section 2. Distribution of Insurance Proceeds. 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:

(a) *Expense of the Trust.* All expenses of the insurance trustees shall be first paid or provisions made therefor.

(b) *Reconstruction or Repair.* 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 above provided.

Section 3. Fidelity Insurance or Bond. All persons responsible for or authorized to expend funds, or otherwise deal in the assets of the Association or those held in trust, shall first be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties in an amount equal to six (6) months' assessments plus reserves accumulated.

ARTICLE IX

USE RESTRICTIONS

Section 1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, amend, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the front and back yard space of each Lot and the Permanent Common Open Space. Such rules and regulations may provide for imposition of fines or penalties for the violation thereof, or for the violation of any of the covenants and conditions contained in this Declaration.

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

Section 3. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Properties, nor shall anything be done which may be or may become a nuisance or annoyance to the neighborhood.

Section 4. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes.

Section 5. Dwelling Specifications. No dwelling shall be constructed or permitted to remain on any lot having an area of the main structure, heated and finished, exclusive of open porches and decks, of less than two thousand (2000) square feet. All yard and setback requirements shall comply with the Town setback regulations.

No building shall be erected, altered, placed or permitted to remain on any lot other than one (1) detached single-family dwelling not to exceed two and one-half (2 ½) stories in height or thirty-six (36) feet and a private garage for not more than three (3) cars, but not less than two (2), and (with the approval of the Board of Directors of MASON PARK Homeowners' Association or its Architectural Control Committee) an accessory building or structure for storage or other appropriate use, not in excess of two hundred fifty (250) square feet in area (with the approval of the Board of Directors of MASON PARK Homeowners' Association or its Architectural Control Committee). Private garages, as provided herein, *shall* be required. In addition, each lot shall contain sufficient off-street parking space for at least two full-sized automobiles. No automobiles shall be parked on any street abutting any of the lots. No lot shall be subdivided without the express consent of the MASON PARK Homeowners' Association. An owner may let or rent his entire dwelling unit, but no portion of any dwelling unit shall be leased separately from the rest of the unit. No 'for rent' signs of any nature may be posted.

Section 6. Temporary Structures. Except as hereinbefore set forth, no trailer, tent, shack, barn or other out building, except a private garage for not more than three (3) cars, shall be erected or placed on any lot

covered by these covenants. No detached garage shall at any time be used for human habitation, either temporarily or permanently.

Section 7. Fences, Signs, and Pools. No fence or fencing-type barrier of any kind shall be placed, erected, allowed or maintained upon any portion of the community, including any lot, without the prior written consent of the MASON PARK Homeowners' Association or its designated Architectural Control Committee. The committee may issue guidelines detailing acceptable fence styles or specifications, but in no event shall hogwire or chainlink fencing be approved; provided however, that chainlink fencing may be allowed where it is not exposed view from any public street and is coated black in color. No signs, except for sale signs when a house is listed for sale, shall be erected or allowed to remain on any lot except with the written consent of the Board of Directors. The installation of a swimming pool on any Lot is prohibited. The foregoing does not apply to in-ground pools, indoor or outdoor Jacuzzis and hot-tubs included within a deck, screened from view from neighboring Lots and installed with the prior approval of the Architectural Reviewer in accordance with this Declaration. Owner shall warrant to the Architectural Reviewer that all necessary entitlements from the governing jurisdictions are in place, including but not limited to impervious surface restrictions.

Section 8. Accessory Buildings and Other Outdoor Structures. No accessory building of any nature whatsoever (including, but not limited to, detached garages, storage buildings, doghouses, and greenhouses) shall be placed on any lot without the prior written approval of the Architectural Control Committee, with said committee to have the sole discretion relating to the location and type of accessory building which shall be permitted on any lot. Under no circumstances shall metal storage buildings be permitted. All accessory buildings must conform to the same architectural style as the residence located on the same lot. No outside clothes lines, tree houses, playhouses, motorcycles, supplies, tractors, boats, trucks (other than one pick-up truck rated one-half ton or less), trailers, vans (other than one noncommercial van owned and operated on a regular daily basis by the owner-occupant of the lot), other equipment or vehicles, except for operative licensed automobiles with a gross vehicle weight of less than 26,001 lbs., shall be regularly parked or stored in any area on a lot except inside an enclosed building, behind screening on a parking pad constructed by the homeowner or as otherwise approved by the MASON PARK Homeowners' Association or its designated Architectural Control Committee. Garbage and refuse containers, transformers, air conditioning and other

mechanical equipment, including solar and other alternative energy devices shall either be concealed behind screening or integrated into the building design so as to be inconspicuous. All outdoor equipment and accessories on a lot, such as play structures, benches, sculptures, etc., shall be concealed by approved screening or approved in writing by the Board or Architectural Control Committee as compatible and harmonious with the surroundings. In no event, shall any approval be granted for outside storage except on an approved concrete surface that is contiguous to the driveway and in no event shall any storage be permanent in nature.

Section 9. Appearance. Communication towers are expressly prohibited. Stick-built are expressly required; that is, no prefabricated or manufactured homes are permitted on any lot. Flat roofs are prohibited, unless approval in writing is obtained from the Board or Architectural Control Committee. All primary fuel storage tanks must be placed underground. Home curtain foundation walls are expressly prohibited unless approval for same is first obtained, in writing, from the Board or Architectural Control Committee. No inoperable motor vehicles may be parked on any lot if visible from any road within the subdivision, such vehicles must remain within an enclosed garage. Mail shall be delivered to central kiosks. No detached garages are allowed. All driveways and walks must be paved with concrete or brick. All lots on which a dwelling unit is approved and built shall be landscaped in accordance with Town specifications. Landscaping must be finished upon completion of the dwelling unit for occupancy. Total construction time, from the date of final approval of Plans by the Board or Architectural Control Committee to the completion of the dwelling unit for occupancy, shall not exceed nine (9) months. All buffer areas are to be according to the Town requirements.

ARTICLE X

EASEMENTS

Section 1. All of the Properties, including Lots and Permanent Common Open Space, 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 Properties to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under, and across the

Permanent Common Open Space 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 Permanent Common Open Space, now or hereafter owned by the Association, for the purpose of construction of improvements within the Properties.

Section 2. 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.

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

Section 4. If any dwelling is located closer than five (5) feet from its lot line, so long as such setback complies with the Town applicable Zoning Ordinances, the owner thereof shall have a perpetual access easement over the adjoining lot to the extent reasonably necessary to perform repair, maintenance or reconstruction of his dwelling. Such repair, maintenance or reconstruction shall be done expeditiously and, upon completion of the work, the owner shall restore the adjoining lot to as near the same condition as that which prevailed prior to the commencement of the work as is reasonably practicable.

Section 5. Water and Sewer. All lot owners shall be subject to monthly charges as approved by the proper public authorities for water and sewer for domestic usage.

Section 6. Storm water Management Facilities. Any storm water drainage system component that serves more than one Lot and which is located outside of any public right-of-way shall be owned and maintained by the Association as Common Area. Any storm water drainage system component that serves more than one Lot and which is located inside of any public right-of-way shall be owned by the Association as Common Area unless and until such public right-of-way shall be dedicated and accepted by the North Carolina Department of Transportation (“DOT”), at which time the DOT shall assume responsibility, and the Association shall be released from responsibility for maintenance of the storm water drainage system.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter

imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended 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 percent (75%) of the Lot owners.

Section 4. If any amendment to these covenants, conditions, and restrictions is executed, each such amendment shall be delivered to the Board of Directors of this Association. Thereupon, the Board of Directors shall, within thirty (30) days, do the following:

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

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

CERTIFICATION OF VALIDITY OF AMENDMENT TO
COVENANTS, CONDITIONS AND RESTRICTIONS OF
MASON PARK HOMEOWNERS' ASSOCIATION, INC.

MASON PARK HOMEOWNERS' ASSOCIATION, INC.

BY: 

President

(CORPORATE SEAL)

ATTEST:



Secretary

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

Section 6. Rights of Noteholders. Any institutional holder of a first mortgage on a Lot will, upon request, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive an annual audited financial statement of the Association within ninety (90) days following the end of its fiscal year, (c) receive written notice of all meetings of the Association and right to designate a representative to attend all such meetings, (d) receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage, (e) receive written notice of any sixty-day (60) delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage, (f) receive written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Owners' Association, (g) receive written notice of any proposed action that requires the content of a specified percentage of mortgage holders, and (h) be furnished with a copy of the master insurance policy.

ARTICLE XII

ELECTRICAL SERVICE

Declarants reserve the right to subject the above-described Property to a contract with Duke Energy for the installation of underground electric cables and/or the installation of street lighting, either or both of which

may require an initial payment and/or a continuing monthly payment to Duke Energy by the Owner of each Lot within said Property.

ARTICLE XIII

EMERGENCY ACCESS

In no case shall the Town be responsible for failing to provide any emergency or regular fire, police, or other public service to such developments or their occupants when such failure is due to the lack of access to such areas due to inadequate design or construction, blocking of access routes, or any other factor within the control of the developer, homeowners' association, or occupants.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed, by authority of its Board of Directors, this 25 day of August, 2017.

[Signature Page Follows:]

MASON PARK HOMEOWNERS' ASSOCIATION, INC.:

By: *[Signature]* (SEAL)

Name: MARK WARD

Its: PRESIDENT

State of North Carolina - County of Franklin

I, the undersigned Notary Public of the County and State aforesaid, certify that Mark Ward personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal this 25 day of August, 2017.

My Commission Expires: 4/7/21

[Signature]
Notary Public



CAPITAL PROPERTIES OF RALEIGH II, LLC:

By: [Signature] (SEAL)
Name: David Stallings
Its: Pres. Lts.

State of North Carolina - County of Franklin

I, the undersigned Notary Public of the County and State aforesaid, certify that David Stallings personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal this 25 day of August, 2017.

My Commission Expires: 4/7/21

[Signature]

Notary Public

Chianne Capel
Notary Public
Franklin County
North Carolina
My Commission Expires 4/7/2021

BY-LAWS
OF
MASON PARK HOMEOWNERS' ASSOCIATION, INC.

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**BY-LAWS
OF
MASON PARK HOMEOWNERS' ASSOCIATION, INC.**

ARTICLE I. NAME, MEMBERSHIP, APPLICABILITY, AND DEFINITIONS

1.1. Name. The name of the Association shall be ANNANDALE HOMEOWNERS' ASSOCIATION, INC. ("Association").

1.2. Membership. The Association shall have two classes of membership, as is more fully set forth in that Declaration of Covenants, Conditions, Restrictions and Easements for MASON PARK, recorded or to be recorded in the Office of the Register of Deeds of Johnston County, North Carolina, as amended from time to time ("Declaration"), the terms of which pertaining to membership are specifically incorporated by reference herein. Unless otherwise herein defined, or the context otherwise requires, all capitalized terms will have the meaning set forth in the Declaration.

1.3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in the Declaration, unless the context shall prohibit.

ARTICLE II. ASSOCIATION: MEETINGS, QUORUM, VOTING, PROXIES

2.1. Place of Meetings. Meetings of the Association shall be held at the Association's principal office or at such other suitable place convenient to the members as may be designated by the Board, either in the Community or as convenient thereto as possible and practical.

2.2. First Meeting and Annual Meetings. An annual or special meeting shall be held within one year from the date the Declaration is recorded. Annual meetings shall be set by the Board.

2.3. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Board or upon a petition signed by the members entitled to cast at least 10% of the votes of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting, except as stated in the notice.

2.4. Notice of Meetings. It shall be the duty of the Secretary to mail or to cause to be delivered to the Owner of each Lot (as shown in the records of the Association) a notice of each annual or special meeting of the Association stating the time and place where it is to be held, the agenda for such meeting, and in the notice of a special meeting, the purpose thereof. If an Owner wishes notice to be given at an address other than the Lot, the Owner shall designate by notice in writing to the Secretary such other address. The mailing or delivery of a notice of meeting in the manner provided in this Section shall be considered service of notice. Notices shall be served not less than 10 or more than 60 days before a meeting.

2.5. Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of notice of the time, date, and place thereof, unless such member specifically objects to lack of proper notice at the time the meeting is called to order.

2.6. Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five nor more than 30 days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.7. Voting. The voting rights of the members shall be as set forth in the Articles of Incorporation and the Declaration, and such voting rights are specifically incorporated herein.

2.8. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing, dated, and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of such member's Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a member, or of written revocation, or upon the expiration of 11 months from the date of the proxy.

2.9. Quorum. Unless otherwise expressly provided, the presence, in person or by proxy, of 10% of the total eligible Association vote shall constitute a quorum at all meetings of the Association, which is the lowest amount allowed by N.C.G.S. 55A-7-22. The members present at a duly called or held 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.

2.10. Action Without a Formal Meeting. Any action to be taken at a meeting of the members, or which may be taken at a meeting of the members, may be taken without a meeting if one or more written consents setting forth the action so taken shall be signed by members entitled to cast at least 80% of the votes of the Association; provided, however, that during Declarant's Development Period, such action is also consented to by Declarant. Action taken without a meeting shall be effective on the date that the last consent is executed, and consented to by the Declarant, if required, unless a later effective date is specified therein. Each signed consent shall be delivered to the Association and shall be included in the minutes of meetings of members filed in the Association's permanent records.

2.11. Action by Written Ballot. As an alternative to the provisions of Section 2.10 above, any action to be taken at any annual, regular, or special meeting of members may be taken without a meeting if approved by written ballot as provided herein. The Association shall deliver a written ballot to each member entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot of an action shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting held to authorize such action and the

number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall indicate the number of responses needed to meet the quorum requirements; state the percentage of approvals necessary to approve each matter other than election of directors; and specify the time by which a ballot must be received by the Association in order to be counted. A timely written ballot received by the Association may not be revoked without the consent of the Board. The results of each action by written ballot shall be certified by the Secretary and shall be included in the minutes of meetings of members filed in the Association's permanent records.

2.12. Members List. The record date for determining members entitled to notice shall be the close of business of the day preceding the date notices are given. The record date for determining members entitled to vote at a meeting shall be the close of business of the business day preceding the date of the meeting. The Association shall prepare an alphabetical list of the names of all its members who are entitled to notice of the meeting. The list must show the address and number of votes each member is entitled to vote at the meeting. Additionally, the Association shall prepare on a current basis through the time of the membership meeting a list of members who are entitled to vote but not entitled to notice. This list shall be made available for any member for the purpose of communication concerning the meeting and shall make the list available at the meeting and any member, member's agent, or member's attorney is entitled to inspect the list at any time during the meeting.

ARTICLE III. BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

A. Composition and Selection.

3.1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors.

3.2. Directors Appointed by Declarant. During the Period of Declarant Control, Declarant shall have the right to appoint or remove certain members of the Board Association, the terms of which are specifically incorporated herein by reference. Jeff Palmer, Mark Ward, and _____, shall be the initial Directors of the Board Association.

3.3. Number of Directors. The initial Board shall consist of three members. After the Declarant's right to appoint directors terminates, the number of directors on the Board shall expand to five members, which shall be filled by a vote of the members in accordance with Section 3.5(b). If one or more Neighborhoods have been designated, at least two members of the Board shall be elected from each Neighborhood.

3.4. Nomination of Directors. Candidates may be nominated from the floor and may also be nominated by a nominating committee, if such a committee is established by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

3.5. Election and Term of Office. Owner-elected directors shall be elected and hold office as follows:

(a) After the Declarant's right to appoint directors terminates, the Association shall call a special meeting to be held at which Owners shall elect three directors.

(b) Thereafter, directors shall be elected at the Association's annual meeting. All eligible members of the Association shall vote on all directors to be elected, and the candidate(s) receiving the most votes shall be elected.

At the special meeting in which the Owners initially elect directors, two directors shall be elected to two-year terms and one director shall be elected to a one-year term. At the expiration of the initial term of office of each respective Owner-elected director, a successor shall be elected to serve for a term of two years. The directors shall hold office until their respective successors shall have been elected by the Association.

3.6. Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed, with or without cause, by a vote of a majority of the members and a successor may then and there be elected to fill the vacancy thus created. A director whose removal has been proposed by the Owners shall be given at least ten days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Additionally, any director who has three consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment for more than 30 days may be removed by a majority vote of the remaining directors at a meeting. This Section and the provisions of Section 3.7 below shall not apply to directors appointed by Declarant. Only Declarant can remove a director appointed by Declarant or fill any vacancy caused by the removal, resignation, or death of any director appointed by Declarant during any Declarant Control Period.

3.7. Vacancies. Vacancies in the Board caused by any reason, excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board. Each person so selected shall serve the unexpired portion of the term.

B. Meetings.

3.8. Organization Meetings. The first Board meeting following each annual meeting of the membership shall be held at such time and place as shall be fixed by the Board.

3.9. Regular Meetings. Regular Board meetings may be held at such time and place as shall be determined from time to time by a majority of the directors. Notice of the regular schedule shall constitute sufficient notice of such meetings.

3.10. Special Meetings. Special meetings of the Board shall be held when requested by the President, Vice President, or by any two directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's home or office who would reasonably be expected to communicate such notice promptly to the director; (d) electronic message, fiber optic, or telecommunication to the director; or (e) by commercial delivery service to such director's home or office. All such

notices shall be given or sent to the director's address, telephone number, or other place of delivery as shown on the Association's records. Notices sent by first class mail shall be deposited into a United States mailbox at least four days before the time set for the meeting. Notices given by personal delivery, telephone, or telecommunication shall be given at least 48 hours before the time set for the meeting.

3.11. Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.12. Quorum of Board of Directors. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board. For any matter that specifically affects a Neighborhood, the votes of a majority of the Directors from that Neighborhood shall be required to ratify a decision on such matter.

3.13. Compensation. No director shall receive any compensation from the Association for acting as such.

3.14. Open Meetings. All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board.

3.15. Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

3.16. Action Without a Formal Meeting. Unless prohibited by North Carolina law, any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if one or more consents, in writing, setting forth the action so taken, shall be signed by a majority of the directors and delivered to the Association for inclusion in the minutes for filing in the corporate records.

3.17. Telephonic Participation. One or more directors may participate in and vote during any regular or special meeting of the Board by telephone conference call or similar communication equipment by means of which all persons participating in the meeting can hear each other at the same time, and those directors so participating shall be present at such meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Board.

C. Powers and Duties.

3.18. Powers. The Board shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and,

as provided by law, may do all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the members. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board shall have the power to and be responsible for the following, in way of explanation, but not limitation:

- (a) preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the common expenses;
- (b) making assessments to defray the common expenses and establishing the means and methods of collecting such assessments;
- (c) providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association;
- (d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;
- (f) making and amending use restrictions and rules and regulations;
- (g) opening of bank accounts on behalf of the Association and designating the signatories required;
- (h) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it, and bring any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- (i) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- (j) paying the cost of all services rendered to the Association or its members which are not directly chargeable to Owners;
- (k) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, and specifying the maintenance and repair expenses and any other expenses incurred; and
- (l) contracting with any Person for the performance of various duties and functions.

3.19. Management Agent. The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Declarant or an affiliate of the Declarant may be

employed as managing agent or Manager. The term of any management agreement shall not exceed one year and shall be subject to termination by either party, without cause and without penalty, upon not more than 90 days' written notice.

3.20. Finning or Suspension Procedure. The Board shall not impose a fine (a late charge shall not constitute a fine) or suspend a member's right to use any part of the Common Property unless and until the following procedure is followed:

(a) Notice. Written notice shall be served upon the violator by first-class or certified mail sent to the last address of the member shown on the Association's records, specifying:

(i) the nature of the violation, the fine or suspension to be imposed and the date, not less than 15 days from the date of the notice, that the fine or suspension will take effect;

(ii) that the violator may, within ten days from the date of the notice, request a hearing regarding the fine or suspension imposed;

(iii) the name, address, and telephone numbers of a person to contact to challenge the fine or suspension;

(iv) that any statements, evidence, and witnesses may be produced by the violator at the hearing; and

(v) that all rights to have the fine or suspension reconsidered are waived if a hearing is not requested within ten days of the date of the notice.

(b) Hearing. Any requested hearing may, in the sole discretion of the Board, be held before the Board in executive session. At the hearing, the violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing.

(c) Enforcement. In any action or proceeding to enforce the Declaration, these By-Laws, the rules and regulations of the Association, or decision of the Board, the Association shall be entitled to recover all expenses from the violator, including all attorney's fees, thus incurred.

ARTICLE IV. OFFICERS

4.1. Officers. The officers of the Association shall be a President, Secretary, and Treasurer. Any two or more offices may be held by the same person, excepting the offices of President and Secretary. The President and Treasurer shall be elected from among the members of the Board. The Board may appoint such other officers, including one or more Vice Presidents, Assistant Secretaries, or Assistant Treasurers, as it shall deem desirable.

4.2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected periodically by the Board. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

4.3. Removal. Any officer may be removed by the Board whenever, in its judgment, the best interests of the Association will be served thereby.

4.4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board. The President shall have all the general powers and duties that are incident to the office of the president of a corporation organized under the North Carolina Nonprofit Corporation Code.

4.5. Vice President. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

4.6. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board, shall prepare, execute, certify, and record any amendments to the Declaration on behalf of the Association, and shall have charge of such books and papers as the Board may direct and shall, in general, perform all duties incident to the office of the secretary of a corporation organized in accordance with North Carolina law.

4.7. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board.

4.8. Resignation. Any officer may resign at any time by giving written notice to the Board. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE V. COMMITTEES

Committees to perform such tasks and to serve for such periods as may be designated by the Board are hereby authorized. Each committee shall be composed and shall operate in accordance with the terms of the resolution of the Board designating the committee or with rules adopted by the Board.

ARTICLE VI. MISCELLANEOUS

6.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by resolution of the Board.


6.2. Parliamentary Rules. *Robert's Rules of Order* (current edition) shall govern the conduct of all Association proceedings, when not in conflict with North Carolina law, the Articles of Incorporation, the Declaration, these By-Laws, or a ruling made by the person presiding over the proceeding.

6.3. Conflicts. If there are conflicts or inconsistencies between the provisions of North Carolina law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of North Carolina law, the Declaration, the Articles of Incorporation and the By-Laws (in that order) shall prevail.

6.4. Amendment. These By-Laws may be amended by the Board if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, regulation, or judicial determination. Otherwise, they may only be amended upon the affirmative vote of at least two-thirds (2/3rds) of the votes of the members of the Association cast at a meeting of the members duly called for such purpose or with the written consent of the members entitled to cast at least two-thirds (2/3rds) of the votes of the Association; provided, however, during Declarant's Development Period, any such amendment must also be approved by Declarant.

IN WITNESS WHEREOF, the Board has caused this instrument to be executed, by authority of its Board of Directors, this 4 day of FEB, 2019.

MASON PARK HOMEOWNERS' ASSOCIATION, INC.

By:  (SEAL)
Name: David Stallings
Its: Owner / manager