

RUTLEDGE LANDING HOMEOWNERS ASSOCIATION RULES AND REGULATIONS

- 1. GENERAL:** The following rules and regulations are designed to make living at Rutledge Landing pleasant and comfortable for each member of the Association. The restrictions which the Board imposes upon the members are for the mutual benefit of all. The cooperation and consideration of each member is vital.
- 2. DUES:** Annual Homeowner dues are due and payable the first day of January of each year, and are considered delinquent after January 31. Any homeowner who is in arrears will be subject to a judgment against them in Wake County Court.
- 3. ALTERATIONS:** Before *any* exterior alterations or additions (such as fences, room additions, storage buildings, tree removal, yard art), an architectural request form must be submitted to the Board of Directors for approval. The Board, at its sole discretion, may or may not approve any changes. A written reply to any request will be made within thirty (30) days after said request has been submitted. Violators will be subject to a fine of \$50.00 per week.
- 4 PARKING:** Outdoor storage or parking of any campers, RV's, boats, trailers, or vehicles that are not in operating condition both mechanically (no flat tires, severe body damage, etc.), and/or legally (expired or no license plates and/or inspection) is prohibited. Motor vehicles may not be parked on the street for more than (1) one twenty-four (24) hour period during a (30) day period. The parking of motor vehicles on the grass/yard area of any lot is prohibited.
- 5. AUTOMOBILE REPAIRS:** No motor vehicles may be parked or stored on any Lot or any of the subdivision streets while on jacks or while being repaired.
- 6. SPEED LIMIT:** Special attention should be exercised when driving within the community to insure the safety of all residents. Report speeders to the local Wake County Sheriff Department.
- 7. INSURANCE:** The Homeowners Association does not provide insurance for the residential units. It is the responsibility of the owner to provide insurance coverage for the structure.
- 8. NOISE:** Being thoughtful of one's neighbors is especially important in a community such as Rutledge Landing. Loud noises from televisions, stereo equipment, musical instruments, annoying pets, and other disturbances should be avoided at all times, especially between the hours of 11pm and 8am. If a homeowner should be disturbed by a loud noise, he should first attempt to notify the disturbing party. If the disturbing party is uncooperative and the problem is severe, then the local law enforcement agency should be contacted. The management office or a member of the Board of Directors should be contacted the next business day.
- 9. RENTERS:** All renters must comply with the rules, regulations, and by-laws of the Association and should be informed of these rules and restrictions by the owner of the unit. Owners of rental units will be fined for tenant violations.
- 10. SIGNS:** Only standard size "For Sale or "For Rent" signs are allowed on the property and only one sign per home is permitted.
- 11. PETS:** All pets must be kept under the direct control of its owner at all times by fence, leash, or harness. Pet owners are required to clean up after their pets in the Common Areas and property of neighboring yards. The restrictive covenants state that no pitbulls or Rottweilers are permitted. Wake County Animal Control should be contact for animal violations 919-856-6911. **No livestock or poultry of any kind shall be kept on any Lot or any dwelling.**
- 12. DWELLINGS:** Each home shall be used for residential purposes only and shall be occupied by no more than two people per bedroom. Curtains and blinds in windows are acceptable but SHEETS are NOT ALLOWED.
- 13. MAILBOXES:** Federal Law prohibits any unauthorized entry of mailboxes. Any person in violation will be reported to the Federal Postal authorities. Please keep your mailbox clean from mildew and in good condition.
- 14. HAZARDS:** The discharge of firearms, fireworks, or any other noise making device is not permitted at any time within the boundaries of Rutledge Landing. Report violators to the Wake County Sheriff Department.
- 15. COMMON AREAS:** Every homeowner should protect his interest in the common areas. Please do not abuse these areas by way of littering or in any way restricting the enjoyment of these areas.
- 16. YARDS AND LAWNS:** Grass shall be mowed every week, especially during growing season. Flowerbeds should be kept free of weeds. No plastic flowers or yard art visible from the street is permitted without prior consent from the Committee. Basketball goals and other play equipment are not allowed in the front yards or on the street. Clotheslines and hanging of clothes outside is never permitted.
- 17. WINDOW COVERINGS:** Window coverings must be neat and orderly. No partials or torn/broken window coverings are allowed. Sheets/towels are not allowed to be used as window coverings.

Rutledge Landing HOA Rules/Regulations

18. SATELLITE DISHES: Dishes and/or antennae shall not be placed on the exterior front wall or on any sidewalls within (20) twenty feet from the front wall. Exterior dishes and receivers over (18) eighteen inches in circumference are not permitted.

19. APPEARANCE: Lots should be kept free and clear of trash, clutter, and toys. Lots include yards (front, back, sides) and porches. Houses should be pressure washed in order to keep siding free of mildew, dirt, and grime.

20. GARBAGE CONTAINERS: Garbage containers shall be stored in the rear of the home, out of sight from the street. All garbage for each home shall be placed in the can and rolled to the curb on the day designated as garbage pickup day. Once the garbage has been picked up, owners must return their individual cans to the rear area by sunset the day after the garbage has been picked up. Failure by an owner to return their garbage can to the rear of the home may result in a daily fine until the can is placed back in the rear of the home. Trash containers are not allowed to be kept in the front or on the side of the homes.

21. VIOLATIONS: Violators of these Rules and Regulations and/or the Declaration of Covenants, Conditions, and Restrictions for Rutledge Landing will be subject to a fine.



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Frequently Asked Questions- Single Family Detached Homes

****Disclaimer- The information contained here is general in nature and is not intended to provide you with information for any specific association. Policies, Rules, and Governing Documents can vary widely from one association to another. Please contact Pindell-Wilson or view our website at www.pwraleigh.com if you are seeking specific information concerning your association or to access its governing documents.**

Assessments

Q. What is a homeowner's association?

A. A homeowner's association is an incorporated entity in which all members that have purchased a home within the subdivision have agreed to be subjected to association assessments and to abide by a Declaration of Restrictive Covenants. An HOA is an organization in a subdivision, planned community or condominium that makes and enforces rules for the properties in its jurisdiction. HOA's also collect assessments to pay for upkeep of common areas like parks, tennis courts, elevators and swimming pools and can levy special assessments on homeowners when the association lacks sufficient reserves to pay for unexpected repairs.

Q. What are my homeowner's assessments (dues) and what are they used for?

A. Paying assessments (most commonly referred to as "dues") are an obligation of the owner. All income collected is used to pay for the various common expenses that your association may incur. Expenses that the HOA may be responsible for, such as common area landscaping, mailings, annual tax filing, sign maintenance, electricity, water, irrigation, insurance, reserve savings, repairs, maintenance, amenities, legal fees, management fees, and much more.

Q. Who determines what the dues are spent on?

A. The Board of Directors for the association works closely with the management company to determine the budget for each year. Some expenses are constant from year to year, such as utilities, where others may be optional, such as special projects that are only done every few years. During the budget process the Board of Directors will look at both the income and expenses and determine the amount of the dues for the next year.

Q. What happens if I do not pay my dues?

A. After the deadline to make payment passes you will receive a late notice along with a \$20 late fee. The next month if the dues have still not been paid you will receive a 15 day final demand letter and another \$20 late fee. The 15 day letter is the last opportunity to pay in full or contact the management company to make payment arrangements before the account is turned over to a collection attorney. There will be a \$20 late fee added to the balance for every month the dues are not paid in full. The collection attorney is employed by the association and per the covenants and N.C. state statutes; the homeowner is responsible for all HOA dues, late fees, legal costs and court costs. After an account goes to collections the owner will receive a demand letter from the attorney, approximately 15 days after that, a lien will be filed on the home. A lien is valid for up to 3 years and at any time the board can decide to initiate foreclosure of the lien on the property. Past-due accounts are a very serious matter as the HOA has the power to foreclose on your home and evict the occupants for unpaid assessments (dues). It is always recommended that owners contact us immediately if they are having financial difficulty and arrange a reasonable payment plan.

Governance

Q. Who handles the affairs of the association and is responsible for making the decisions of the association?

A. The Board of Directors for your association has a fiduciary duty to make decisions that are in the best interest of the association. Per the Covenants and By-Laws, each member of the Board has certain responsibilities they must perform. Many of the Board's responsibilities are delegated to the management company; however, the Board is ultimately responsible to ensure that everything is being done properly and in accordance with the governing documents. The Board is either selected by the developer (while the community is new or under construction) or elected from the membership at the meetings.

Q. What are the governing documents?

A. They vary greatly by association, but simply put, the Articles of Incorporation are done when an association is first formed and is filed with the state of N.C. and it creates the corporate entity that is the association. The By-Laws are written as a guide on how to govern the corporation (association). The Declaration of Covenants and Restrictions affects all the lots in a subdivision or condominium after it has been recorded in the land records by the developer. Any purchaser that buys a lot or unit is subject to the terms and provisions set forth in the Declaration. Restrictive Covenants can govern lot size, building type and use, square footage of dwellings, garage size, architectural style, building lines, construction of out buildings, construction of pools, fences, shrubs, wetland buffer zones, noise, pets, etc. Fees are assessed for upkeep and maintenance of common areas within a subdivision. The foregoing is only a small sampling of terms and provisions that can be included. Rules and Regulations and Architectural Guidelines are adopted by the Board of Directors.

Q. Where are the governing documents found?

A. You should have received a copy from your real estate agent or closing attorney when you bought your home, but we host most of the governing documents on our website, www.pwraleigh.com. However, often there are numerous amendments made by the developer and recorded with Wake County. All of these are available to you as part of the public record by searching on the Wake County Register of Deeds website.

Q. How can I communicate with the Board?

A. Please keep in mind that the Board members are volunteers made of up your fellow owners and as such have jobs and other responsibilities so they may not be available immediately. The best way to be heard is to send your message or concern in writing to the management company and we will forward that on to the Board. You also have the right to attend the board meeting and be heard in a "homeowner's forum" if you desire. Just call Pindell-Wilson and we will let you know the date and time of the next board meeting.

ARCHITECTURAL

Q. When do I need architectural approval from the HOA?

A. Per the Declaration of Covenants and Restrictions, any time you are doing work that will alter the appearance of the home or lot from the exterior. If you are repairing something back to its original state approval is not required. Some examples of projects that do require approval are: adding a deck, installing yard decorations, removing trees, changing exterior color of the home or siding material, shutters, roof shingles, front door, adding storage sheds, retaining walls, adding trees, children's playhouses, major landscape projects, and much more. Some projects that do not require approval are: painting the house the same color, changing roof shingles if they are the same color & style, putting up seasonal holiday lights and decorations, (within reasonable tastes and time frames), repairing existing decks, sheds, and structures.

Q. How do I obtain architectural approval?

A. The first step is filling out the Architectural Change Request Form. This form is available on our website or by contacting your association manager. The process of obtaining approval can take up to 30 days, and as long as 60 in some associations, from the date the form is submitted so please get the process started well in advance of the date you would like to begin your project. Under no circumstances should work begin prior to approval being obtained. Completion of unauthorized projects may result in disciplinary action against you through fines of up to \$100 per day and the association taking legal action to obtain a court order to force removal of the unauthorized project. All architectural requests are reviewed by the designated architectural committee in your community.

Q. Are Satellite Dishes ok?

A. Some governing documents prohibit or restrict satellite dishes; however, federal law of 1999 supersedes any of these documents. Currently, it is not legal to restrict dishes under 24 inches in diameter. No approval is required to install a dish as long as it is on your direct property and not common property. The association does prefer that you consider aesthetics of the neighborhood when having these dishes installed and that it is put in the back of the home if possible and if not, in the most aesthetically pleasing location as possible.

GENERAL QUESTIONS

Q. Children are loitering in the street, trespassing through my yard, and leaving trash on the ground, what should I do?

A. First try to determine where they live and speak with the parents, secondly, contact the local law enforcement agency. Trespassing, loitering, and littering are crimes. While we sympathize with you for having this unfortunate problem, these are civil matters and the HOA or management company will not get involved.

Q. People are speeding through the neighborhood, what should I do?

A. Please call the police, this is a civil matter occurring on the public roadways and the HOA or management company has no jurisdiction.

Q. My neighbor's dog is barking and they are not picking up after their dog, what should I do?

A. The management company would be happy to send a letter to the offending owner, just call us and give us their address. If the dog is barking after 11pm you can contact the police for violation of the noise ordinance. Also, most towns, cities, and counties have rules regarding picking up after pets. Please report those that are not cleaning up after their pet to the local Animal Control department. Also, please report any dogs that are running loose to Animal Control. If you know the address of where the dog's owner lives, please also call Pindell-Wilson.

Q. My neighbor is playing loud music, what should I do?

A. First try to contact them and resolve the issue that way, if that does not work, the next step is to call the police if the noise is after 11pm.

Q. Who handles the street maintenance and signs?

A. This is most likely handled by your local municipality- NCDOT, Wake County, Raleigh, Fuquay, Cary, Garner, Zebulon, Durham, etc. and not the HOA. The streets, sewers, drains, stop signs, road signs, etc. are public property and the HOA has no authority or responsibility to maintain them. The only exceptions are when the streets are privately owned by the HOA or the covenants state otherwise.

Q. What if I rent out my home, move, or otherwise still own the home but do not live there?

A. Please be sure to provide us with your new mailing address each time it changes. This is very important because if the new address is not provided to us, all mail will continue to go to the property instead of where you, the owner, are living. Most often the tenants do not forward the mail to you and you may miss very important mailings from the association. The association holds owners responsible for the actions of their tenants so it is very important we have a valid mailing address on file and a way to contact the owner of the property.

Q. I am selling my home, what do I need to do?

A. Please have your real estate agent contact us with any questions. Also, once the home is under contract and the closing date nears, have your closing attorney contact us to make sure we provide all of the most up to date and accurate information to them.

Q. I would like to contact Pindell-Wilson, what is the best way to do so?

A. There are several ways you can contact us, first would be through our website www.pwraleigh.com, by mail to: P.O. Box 20969 Raleigh NC 27619, by phone at 919-676-4008, by fax to 919-676-2721, by email to staff@pwraleigh.com or at our office at 264 W. Millbrook Road. Our office hours are Monday-Thursday 8:30am-5:00pm and Friday 8:30am-4:00pm.

**BY-LAWS
OF
RUTLEDGE LANDING HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

The name of the corporation is RUTLEDGE LANDING HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 4958 Windy Hill Drive, Suite B, Raleigh, Wake County, North Carolina 27609, but the meetings of members and directors may be held at such places within the State of North Carolina, County of Wake as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

Section 1. "Association" shall mean and refer to RUTLEDGE LANDING HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Common Area" shall mean all property owned by the Association, or such other property which the Association may hold subject to the provisions of the Declarations. Common Areas shall be defined and bounded on the plat(s) as "Common Areas" or "Common Open Space". Common Areas in each phase shall be conveyed to the Association in accordance with Article III, Section 3 prior to deeding the first Lot in the phase. Common Areas shall specifically include but shall not be limited to: (a) all water lines and sewer lines which serve the Properties and are located outside of any public street right-of-way or any utility easement (excluding those lines serving a single Lot); and (b) all storm drainage pipes and any detention pond which serve the Properties that are located outside of any public street right-of-way, (excluding those pipes serving a single Lot); and (c) open space identified on recording plats.

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

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

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

(c) Expenses declared to be COMMON EXPENSES by the provisions of this Declaration or the By-Laws;

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

(f) Ad valorem taxes and public assessment charges lawfully levied against COMMON AREAS;

(g) Expenses agreed by the members to be COMMON EXPENSES of the Association;

(h) Utilities used in connection with the COMMON AREAS.

Section 4. "Declarant" shall mean and refer to R&D Development, LLC, a North Carolina limited liability company, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 5. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Rutledge Landing Subdivision applicable to the Properties recorded in the Office of the Register of Deeds, Wake County, North Carolina.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties, with the exception of the Common Area. Detached single family Lots shall be used to construct detached single family dwellings.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided

in the Declaration.

Section 8. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 9. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions for Rutledge Landing Subdivision, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year hereafter, at the hour of 8 o'clock, P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Unless otherwise specified in the Declaration, Articles of Incorporation or By-Laws, written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such

member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. Unless otherwise specified in the Declaration, Articles of Incorporation or By-Laws, the presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-third (1/3) of the votes of each class of membership shall constitute a quorum. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect three (3) directors for a term of one (1) year. Said directors shall remain in office until their successors have been duly elected and qualified.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V NOMINATION AND ELECTION OF OFFICERS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than a number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such elections the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Fractional and cumulative voting is not permitted.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular Meetings of the Board of Directors shall be held every six (6) months without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt, amend and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or

delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) supervise all officers, agents, contractors, and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring

an action at law against the owner personally obligated to pay the same.

(4) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(5) procure and maintain liability and hazard insurance on property owned by the Association as set forth in the Declaration;

(6) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(7) cause the Common Area to be maintained;

(8) to pay ad valorem taxes and public assessments levied against the Common Areas.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and a Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each

shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer of the Association may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of 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.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the office he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse the funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by an independent public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members. The Treasurer shall issue certificates indicating the payment or non-payment of assessments on specified lots.

ARTICLE IX
COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property which the assessment is made. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum rate allowed by law, and 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 that Deeds of Trust may be foreclosed under Power of Sale under Chapter 45 of the North Carolina General Statutes, or its successors; and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waiver or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XI CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words:
RUTLEDGE LANDING HOMEOWNERS ASSOCIATION, INC.

ARTICLE XII AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there

is Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIII MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of the RUTLEDGE LANDING HOMEOWNERS ASSOCIATION, INC., a non-profit, North Carolina Corporation, and,

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the _____ day of September, 2000.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this _____ day of September, 2000.

Secretary

PREPARED BY: TRACY T. DEBNAM
HOLD FOR: SMITH DEBNAM, BOX 182

NORTH CAROLINA
WAKE COUNTY

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
RUTLEDGE LANDING SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is entered into this 30th day of May, 2001, between R&D DEVELOPMENT, LLC, a North Carolina Limited Liability Company (hereinafter called "Declarant") 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 Wake, State of North Carolina, known as Rutledge Landing.

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

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

Section 1. The property which shall be held, used, transferred, sold, conveyed and occupied subject to this Declaration is located in Wake County, North Carolina, and is more particularly described on Exhibit A attached hereto and incorporated herein by reference. The Declarant hereby subjects the property, more particularly described on Exhibit A attached hereto and incorporated hereby by reference, to this Declaration and the jurisdiction of the Association and any additions thereto. The Declarant reserves the right to subject all of the real property depicted in Exhibit B attached hereto and fully incorporated herein by reference.

ARTICLE II

DEFINITIONS

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

Section 2. "Common Area" shall mean all property owned by the Association, or such other property which the Association may hold subject to the provisions of the Declaration. Common Areas shall be defined and bounded on the plat(s) as "Common Areas" or "Common Open Space". Common Areas in each phase shall be conveyed to the Association in accordance with Article III, Section 3 prior to deeding the first Lot in the phase. Common Areas shall specifically include but shall not be limited to: (a) all water lines and sewer lines which serve the Properties and are located outside of any public street right-of-way or any utility easement (excluding those lines serving a single Lot); and (b) all storm drainage pipes which serve the Properties that are located outside of any public street right-of-way, (excluding those pipes serving a single Lot); and (c) open space identified on recording plats.

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

- (a) All sums lawfully assessed by the Association against its members;
- (b) Expense of the Common Area and administration, maintenance, repair, or replacement of the Common Areas;
- (c) Expenses declared to be Common Expenses by the provisions of this Declaration or the By-laws;
- (d) Hazard, liability, or such other insurance premiums as the Declaration or the By-laws may require the Association to purchase;
- (e) Ad valorem taxes and public assessment charges lawfully levied against Common Areas;
- (f) Expenses agreed by the Members to be Common Expenses of the Association.
- (g) Utilities used in connection with the Common Areas.

Section 4. "Declarant" shall mean and refer to R&D Development, LLC, a North Carolina limited liability company, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties, with the exception of the Common Area. Detached single family Lots shall be used to construct detached single family dwellings.

Section 6. "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 7. "Properties" shall mean and refer to that certain real property hereinbefore described in Exhibit A, and such additions thereto as may hereafter be made subject to the provisions

of this Declaration.

ARTICLE III
PROPERTY RIGHTS

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

(a) The right of the Association subject to the ordinances of the County of Wake to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) The right of the Association to fine Owners for non-compliance with these Covenants, suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members.

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

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

(e) The right of the Association, with the assent of two-thirds (2/3) of all Class A Members and two-thirds (2/3) of all Class B Members, and in accordance with its Articles and By-laws, to borrow money for the purpose of improving the Common Area and facilities and in aid

thereof to mortgage said property, and the rights of such mortgagee in said Properties shall be subordinate to the rights of the Members and the Association hereunder;

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

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

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property, but such delegate shall be subject to the limitations of subsections (a) through (g) of Section 1 above.

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

Section 4. Parking. The Association may regulate the parking of boats, trailers and other such items on the Common Area and individual Lots. In particular, outdoor storage or parking of any unlicensed vehicles, campers, boats, trailers or any vehicles that are not licensed automobiles, vans and sport utility vehicles is prohibited. No motor vehicles may be parked or stored on any Lot or any of the subdivision streets while on jacks or while being repaired. Motor vehicles may not be parked or kept on any street in the subdivision for more than one (1) twenty-four (24) hour period during a thirty (30) day period. Parking or storage of motor vehicles on the grass area of any Lot is prohibited.

Section 5. TV Antennas and Cablevision. Exterior equipment including, but not limited to,

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

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS

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

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

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned provided that, when Class B membership terminates as set forth below, the Declarant shall be a Class A member for each Lot it then owns. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot, and in no event shall fractional votes be allowed.

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

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in Class B membership or:
- (b) on December 31, 2007; or
- (c) Upon the surrender of all Class B membership by the holder thereof.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

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

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and in particular for the acquisition, improvement and maintenance of the Common Areas, including

the maintenance, repair and reconstruction of driveways, walks and parking areas situated on the Common Area, maintenance and upkeep of storm sewer pipes and impoundment structures, the cutting and removal of weeds and grass, the removal of trash and rubbish or any other maintenance of Common Areas and maintenance and landscaping of the of the Common Areas, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes and public assessments levied against the Common Area, the payment of Common Expenses, the procurement and maintenance of insurance in accordance with this Declaration or bylaws, the employment of attorneys to represent the Association when necessary, the provision of adequate reserves for the replacement of capital improvements including, without limiting the generality of the foregoing, paving and any other expense for which the Association is responsible, and such other needs as may arise.

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

Section 4. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment for detached single family Lots shall be One Hundred Twenty Dollars (\$120.00) per Lot. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(a) From and after January 1 of the year immediately following the conveyance of the

first Lot to an Owner, the maximum annual assessments may be increased effective January 1 of each year without a vote of membership by up to 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 for Lots may be increased above the increase permitted in Section 4(a) above by a vote of two-thirds (2/3) of Class A and B Members who are voting in person or by proxy, at a meeting duly called for this purpose.

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

Section 5. Special Assessments for Capital Improvements. In addition to the assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, and in connection with exterior maintenance, including fixtures and personal property related thereto, provided that any such assessment shall have assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 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 4 or 5 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 (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be more than 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 for which no certificate of occupancy has been issued shall be twenty-five percent (25%) of the regular assessments for other Lots.

Section 8. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to Lots for which a certificate of occupancy has been issued and have been sold to an Owner on the first day of the month following the conveyance of the Common Area. 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 whether the assessment on a specified Lot has been paid. Any certificate so given shall be conclusive evidence of payment of the assessment stated therein.

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 the maximum rate allowed by law. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property and in either event interest, costs and reasonable attorney's fees of any such action shall be added to the assessment. Foreclosure is to be in the same manner as that of Deeds of Trust, foreclosed under power of sale under Chapter 45 of the North Carolina General Statutes. No Owner may waive or otherwise escape

liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. Should any deficiency remain after the foreclosure, the Association may also bring an action against the Owner for said deficiency.

Section 10. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and ad valorem taxes. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to such mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 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 Lot by the Declarant, a sum equal to at least two months assessment for each Lot shall be collected from the purchaser 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.

Section 13. Dues Paid In Advance. The annual assessments provided for herein shall commence as to Lots being purchased at the time of recordation of a deed from the Declarant to a new owner, pro rated to the first day of the month following said recordation. An amount equivalent

to one annual assessment (prorated to the end of the Association's fiscal year), plus any working capital collections, shall be collected at the time of closing to the ultimate consumer referred to in this Section. Such annual assessments shall be paid ratably on an annual basis and shall be collected at the time of purchase.

ARTICLE VI

ARCHITECTURAL CONTROL

(a) No dwelling building, fence, wall or other structure of any kind shall be commenced, erected or maintained upon the properties, nor shall **any** exterior addition to or change or alteration therein be made (including changes or alterations in the color exterior paint, vinyl siding, masonry or shutters) until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said completed plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Residences shall be erected with a minimum of 600 square feet on the first story (if a two story structure), exclusive of porches and garages, with a total square footage of at least 1150 square feet. On single story residences, the minimum total square footage shall be 900 square feet, exclusive of porches and garages.

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

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

(d) Mailboxes shall not be altered in any way, with the exception of repairs to restore these items to their original appearance if damaged or discolored.

(e) Grass shall be mowed every week and flowerbeds shall be kept free of weeds. In the event this work is not done, the Association shall have the authority, but not the obligation, to perform this work in lieu of the Owner and assess the cost to the Owner through the Association, including any legal fees incurred by the Association. In addition, any alteration of the landscaping of the front and/or side yards must be approved by the Architectural Committee of the Association.

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

(g) No household furniture intended for interior use may be kept or stored on porches or yards.

(h) All garbage or refuse shall be kept in the rear yard of all Lots; not in the front or side yards and may not be visible from the public street.

(i) Clothes lines, including temporary or retractable lines, are prohibited on any Lot.

(j) Upon the recordation of a deed from the Declarant to a builder, said builder shall be responsible for upkeep and cleanliness (including mowing of any grass on the Lot) of Lots for which no structure has been commenced.

(k) No noxious or offensive trade, activity, or language shall be carried on upon any Lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. Except for unit identification numbers required by the County of Wake, no billboards

shall be erected or maintained on the premises. No more than one sign not larger than five square feet in size is to be placed on any lot; only for sale or for rent signs are permitted. No trade materials or inventories may be stored upon the premises and no trucks or tractors may be stored on the premises. No business activity or trade of any kind whatsoever, which shall include but not be limited to the use of any residence as a doctor's office or professional office of any kind, a fraternity house, a rooming house, a boarding house, an antique shop or gift shop shall be carried on upon any Lot.

ARTICLE VII

INSURANCE

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

(a) Ownership of Policies. All insurance policies covering the Common Areas shall be purchased by the Association for the benefit of the Association and the Members. All insurance policies covering Single Family Lots shall be owned by the individual Owners thereof and shall be fully paid by such owners.

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

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

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

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

(c) Liability. Public liability insurance shall be secured by the Association with limits of liability of no less than One Million Dollars (\$1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group to single Owner. There shall also be obtained such other insurance coverage as the Association shall determine from time to time to be desirable and necessary.

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

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

All policies shall be written with a company authorized to do business in North Carolina.

By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on the Lot(s) and structures constructed thereon. Each Owner further covenants and agrees that in the event of a partial loss or damage (defined as cost of repair less than 50% of the current tax value), resulting in less than total destruction (defined as cost of repair valued at greater than or equal to 50% of the current tax value) of structures comprising his Lot, the Owner shall proceed, within 60 days of the casualty, to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with this Declaration. The Owner shall pay any costs or repair or reconstruction which are not covered by insurance proceeds. In the event that the structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner, within

45 days of the casualty, shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Lot in a neat and attractive condition consistent with the community-wide Standard.

ARTICLE VIII

USE RESTRICTIONS

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

Section 2. Use of Properties. No portion of the Properties (except for temporary office of the Declarant and/or model used by Declarant) shall be used 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. Household pets are limited to one (1) household cat and one (1) domesticated dog. Said pet(s) may be kept or maintained provided that they are not kept or maintained for commercial purposes. Pitt Bulls and Rottweilers are not permitted. All pets must be kept under the direct control of the owner by fence, leash or harness and may not run freely at any time. Pet owners are required to clean up after their dog when in the Common Areas. Violations will be subject to a fine and/or legal action.

ARTICLE IX

EASEMENTS

Section 1. All of the Properties, including Lots and Common Areas, shall be subject to such easements for driveways, walkways, parking area, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines and other public utilities as shall be established by the Declarant or by his predecessors in title, prior to the conveyance of the individual lots to Owners and the Common Area to the Association; and the Association shall have the power and authority to grant and establish upon, over, under, and across the Common Areas conveyed to it, such further easements as are requisite for the convenient use and enjoyment of the Properties. In addition, there is hereby reserved in the Declarant, contractors, and its agents and employees an easement and right of ingress, egress and regress across all Common Areas, now or hereafter owned by the Association, for the purpose of construction of improvements and development of the Properties until such time as Class B membership terminates; provided, that all the Common Areas shall be restored to as near the condition as that which prevailed prior to the use of the easement as is reasonably practicable.

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

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

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

ARTICLE X

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidity 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 30 days do the following:

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

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

CERTIFICATION OF VALIDITY OF AMENDMENT TO
CONDITIONS AND RESTRICTIONS OF RUTLEDGE LANDING
HOMEOWNERS ASSOCIATION, INC.

RUTLEDGE LANDING HOMEOWNERS ASSOCIATION, INC.

President

ATTEST:

Secretary

Section 5. Management and Contract Rights of Association. Declarant shall enter into a contract with a management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance and management of the property. However, no such contract shall be binding upon the Association except through express adoption, or ratification of

the terms and conditions of such contract. Any contract or lease entered into by Declarant or by the Association while Declarant is in control thereof shall contain a provision allowing the Association to terminate such contract at any time after providing 45 days written notice without justification or penalty after transfer of management by Declarant to the Association.

Section 7. Rights of Noteholders. Any institutional holder of a first mortgage on a Lot will, upon written 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 the right to designate a representation to attend all such meetings, (d) receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the note securing its mortgage, (e) receive written notice of any sixty-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage, (f) receive written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Owners' Association, (g) receive written notice of any proposed action that requires the consent of a specified percentage of mortgage holders, and (h) be furnished with a copy of the master insurance policy, all the above upon request of mortgage holder.

Section 8. Consolidated Open Space Development. The real property described in Exhibit A attached hereto is a part of a consolidated open space development approved by the County of Wake in which residential density transfers are permitted: therefore, even though some lots may appear to contain enough land area to construct additional dwelling units or create additional lots, prior density transfers approved within the consolidated open space development may, in fact, preclude County of Wake approval of additional dwellings or further subdividing of lots.

ARTICLE XI

ELECTRICAL SERVICE

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

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this Declaration to be executed by its members this 30th day of May, 2001.

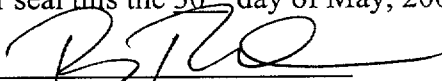
R&D DEVELOPMENT, LLC

BY: 
Manager

NORTH CAROLINA
WAKE COUNTY

I, the undersigned, a Notary Public of the County and State aforesaid, certify that Ryan D. Perry personally appeared before me this day and acknowledged that he is the Manager of R&D Development, LLC, a North Carolina limited liability company, and that by authority duly given and as an act of said limited liability company, the foregoing instrument was signed in its name by its members/managers.

Witness my hand and official stamp or seal this the 30th day of May, 2001.


Notary Public

My Commission Expires: 12/21/2002

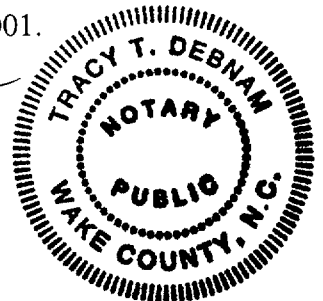


EXHIBIT A

TRACT I

BEGINNING at an iron pipe set, said pipe being located in the northern right of way of Poole Road and being the southeastern corner of the tract herein described, also being the southwestern corner of the land of Leonard W. Flore Gay as described in Deed Book 2224, Page 96; runs thence from said point of beginning North 78°07' 27" West 1350.75 feet to an iron pipe set; runs thence North 02° 24' 59" West 272.75 feet to an existing iron pipe; runs thence North 75° 48' 29" West 303.25 feet to an iron pipe found; runs thence North 02° 24' 46" West 49.43 feet to an iron pipe found; runs thence North 21° 29' 12" East 63.15 feet to an iron pipe set; runs thence North 21° 09' 16" East 50.37 feet to an iron pipe set; runs thence North 21° 31' 16" East 399.97 feet to an iron pipe set; runs thence North 83° 54' 20" East 186.90 feet to an iron pipe set; runs thence South 06° 05' 40" East 113.81 feet to an iron pipe found; runs thence South 52° 08' 58" East 68.87 feet to an iron pipe set; runs thence South 06° 05' 40" East 100.00 feet to an iron pipe set; runs thence North 83° 54' 20" East 17.29 feet to an iron pipe set; runs thence North 83° 54' 20" East 212.00 feet to an iron pipe found; runs thence South 06° 05' 40" East 75.06 feet to an iron pipe set; runs thence in an arc deflecting to the right said arc having a radius of 100.00 feet a distance of 368.78 feet (tie lines, courses and distances North 55° 37' 58" West 192.59 feet) to an iron pipe found; runs thence South 88° 48' 22" East 42.34 feet to an iron pipe found; runs thence South 11° 52' 33" West 50.88 feet to an iron pipe found; runs thence South 88° 48' 22" East 113.38 feet to an iron pipe set; runs thence South 27° 06' 45" East 105.44 feet to an iron pipe found; runs thence South 88° 48' 22" East 100.00 feet to an iron pipe set; runs thence South 01° 11' 38" West 6.00 feet to an iron pipe set; runs thence South 88° 48' 22" East 100.00 feet to an iron pipe set; runs thence South 87° 33' 07" East 50.01 feet to an iron pipe set; runs thence South 88° 48' 22" East 200.00 feet to an iron pipe set; runs thence South 01° 11' 38" West 63.79 feet to an iron pipe set; runs thence South 87° 33' 47" East 60.01 feet to an iron pipe set; runs thence South 88° 14' 27" East 110.01 feet to an iron pipe found; runs thence South 01° 11' 38" West 523.21 feet to the point and place of BEGINNING, as shown on map and survey entitled "Rutledge Landing Subdivision Phase I", drawn by Stallings Surveying.

TRACT II

BEGINNING at a point in the centerline of Poplar Creek, said point being located in the northern right of way of Poole Road and being the southwestern corner of the tract described herein; runs thence with the centerline of Poplar Creek North 01° 38' 18" East 165.87 feet to an iron pipe set; runs thence North 03° 21' 26" West 145.16 feet to an iron pipe set; runs thence North 04° 10' 04" West 132.33 feet to an iron pipe set; runs thence North 07° 31' 33" West 110.41 feet to an iron pipe set; runs thence North 07° 28' 40" West 263.11 feet to an iron pipe set; runs thence North 08° 39' 56" West 174.47 feet to an iron pipe set; runs thence North 07° 48' 06" West 120.88 feet to an iron pipe set; runs thence North 06° 37' 16" West 144.66 feet to an iron pipe set; runs thence North 12° 47' 50" West 173.70 feet to an iron pipe set; runs thence North 14° 15' 51" West 213.38 feet to an iron pipe set; runs thence North 01° 30' 44" West 152.50 feet to an iron pipe set; runs thence North 11° 09' 03" West 182.23 feet to an iron pipe set; runs thence North 08° 17' 44" West 156.13 feet to an iron pipe set; runs thence North 04° 54' 03" West 50.57 feet to an iron pipe set; runs thence North 21° 04' 46"

West 82.88 feet to an iron pipe set; runs thence North 03° 13' 18" West 55.62 feet to an iron pipe set; runs thence South 88° 51' 15" East 120.00 feet to an iron pipe set; runs thence South 22° 59' 27" East 913.42 feet to an iron pipe set; runs thence South 08° 54' 24" East 414.47 feet to an iron pipe set; runs thence in an arc deflecting to the right said arc having a radius of 100.00 feet a distance of 131.01 feet (tie lines, courses and distances North 88° 51' 53" West 121.84 feet) to an iron pipe set; runs thence in an arc deflecting to the left said arc having a radius of 50.00 feet a distance of 50.03 feet (tie lines, courses and distances South 37° 30' 26" East 47.97 feet) to an iron pipe set; runs thence South 33° 59' 53" East 463.22 feet to an iron pipe set; runs thence South 21° 31' 16" West 334.45 feet to an iron pipe set; runs thence South 21° 09' 16" West 50.37 feet to an iron pipe set; runs thence South 21° 29' 12" West 63.15 feet to an iron pipe set; runs thence South 02° 24' 46" East 314.24 feet to the point and place of BEGINNING, as shown on map and survey entitled "Open Space and Well Site for Rutledge Landing Subdivision, Phase I", dated February 8, 2001 and drawn by Stallings Surveying.

EXHIBIT B

BEING all of the property as described in deeds recorded in Book 8583, Page, 476, and Book 8583, Page 1322, Wake County Registry.

Laura M Riddick
Register of Deeds
Wake County, NC



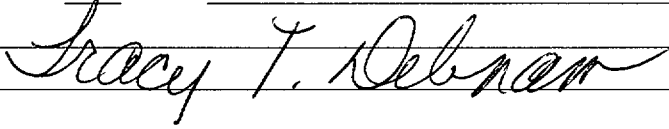
Book : 008941 Page : 02155 - 02175

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



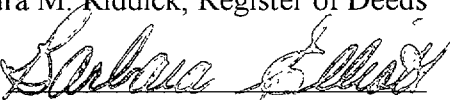
**Wake County Register of Deeds
Laura M. Riddick
Register of Deeds**

North Carolina - Wake County

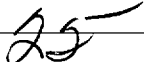
The foregoing certificate of _____


_____ Notary(ies) Public is (are) certified to be correct. This instrument and this certificate are duly registered at the date and time and in the book and page shown on the first page hereof.

Laura M. Riddick, Register of Deeds

By: 
 Assistant/~~Deputy~~ Register of Deeds

This Customer Group
 _____ # of Time Stamps Needed

This Document
 _____  New Time Stamp
 # of Pages