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STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

**DECLARATION OF EASEMENTS, COVENANTS, AND
ROAD MAINTENANCE AGREEMENT**

[McKethan Street Extension]

This Declaration of Easements, Covenants and Road Maintenance Agreement (this "Declaration"), is made and entered into, as of the date set forth below, by **Affordable Homes in the Carolinas, LLC**, a North Carolina limited liability company (the "Declarant").

WITNESSETH:

WHEREAS, Declarant owns fee simple title to the real property described as follows: BEING all of Lots 3, 5, and 7 as shown on plat duly recorded in Plat Book 93, Page 97, Cumberland County, NC Registry; and BEING all of Lots 8 through 20 (inclusive) as shown on plat duly recorded in Plat Book 93, Page 98, aforesaid Registry; and BEING all of McKethan Street Extension as shown on plat duly recorded in Plat Book 93, Page 98, aforesaid Registry ("McKethan Street Extension"); and BEING all of Lots 14 and 15 as shown on recombination plat duly recorded in Plat Book 149, Page 161, aforesaid Registry (together, the "Property") [also, it is noted that all Lots may be referred to herein as a "Lot" or the "Lots", as the context may require];

WHEREAS, the Lots will have vehicular and pedestrian access to and from a public right-of-way via McKethan Street Extension (the "Private Road");

WHEREAS, Declarant, by this Declaration, wishes to bind itself, its successors and assigns, to provide all future owners of the Lots perpetual ingress, egress and regress to and from

McKethan Street (which is a public right-of-way) via the Private Road;

WHEREAS, Declarant, by this Declaration, wishes to bind itself, its successors and assigns to provide for the future maintenance of the Private Road (as well as any common mail kiosk that may benefit the Lots); and

WHEREAS, Declarant, by this Declaration, wishes to bind itself, its successors and assigns, and declare certain other conditions and covenants related to the use and occupancy of the Lots (as well as the Private Road).

NOW, THEREFORE, Declarant agrees for itself and any and all persons, firms or corporations hereinafter acquiring any of the Property, that the same shall be subject to the following easements, conditions and covenants relating to the use and occupancy thereof, which easements, conditions and covenants shall run with the Property and inure to the benefit of and be binding upon the successors and assigns of Declarant and other acquiring parties and persons.

ARTICLE I

The Property shall be held, transferred, sold and conveyed subject to the terms of this Declaration.

ARTICLE II

Declarant hereby grants unto itself and the future owners of Lots, as well as their tenants and guests, a non-exclusive easement for perpetual ingress, egress and regress over and across the Private Road for purposes of access to and from McKethan Street (which is a public right-of-way). Such easement shall be appurtenant to and shall pass with title of each Lot. This appurtenant easement cannot be separated from or conveyed separately from fee simple title to any Lot.

ARTICLE III

Declarant (and/ or the Association, as defined in Article IV below) reserves the right to grant necessary easements to any utility provider, over, across, or under the Private Road, for the installation and maintenance of necessary utilities that will serve the Lots.

ARTICLE IV

Within thirty (30) days of the recordation of this Declaration in the Cumberland County, NC Registry, Declarant shall convey the Private Road to the McKethan Street Extension Owners Association, Inc., a North Carolina non-profit corporation (the "Association"). The Association shall be responsible for maintaining the Private Road in its present crush-and-run condition (or better), as well as maintaining any common mail kiosk that is located thereon (or in the immediate vicinity of), now or in the future, for the benefit of the Lots.

Every Lot owner shall automatically become a member ("Member") of the Association. Each Member shall be entitled to one (1) vote for each Lot which such Member owns. The vote for

each Lot shall be exercised as the Member may determine, but in no event shall more than one (1) vote be cast with respect to any Lot. The Association shall be governed by a board of directors (the "Board of Directors") consisting of three (3) persons. The Declarant shall have the right to appoint and remove the Board of Directors until the earlier to occur of (i) Declarant no longer owns a Lot within the Property, or (ii) Declarant relinquishes in writing its right to appoint and remove the Board of Directors (the "Declarant Control Period"). During the Declarant Control Period, the Board of Directors may consist of less than three (3) persons, to be determined in the sole and absolute discretion of the Declarant. Upon the expiration of the Declarant Control Period, the Members shall then have the right to elect the Board of Directors; and each Member shall be entitled to one (1) vote for each Lot owned, multiplied by the number of directors to be elected (but such Member may not cast all of such votes for any one (1) director and must distribute them among the total number of directors to be voted for; and all votes must be cast in whole numbers and not fractions thereof, it being the intent hereby to prohibit cumulative voting).

The Declarant, for each Lot owned within the Property, 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 which are common expenses; and (2) special assessments for extraordinary maintenance and capital improvements. The annual and special assessments, together with interest and costs, and reasonable attorney's fees for collection, shall be a charge on the land and shall be a continuing lien upon the Lot 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 Lot at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his/ her successors in title unless expressly assumed by them.

Each Lot owner covenants to pay each assessment levied by the Association on the Lot described in such conveyance to him/ her within ten (10) days of the due date as established by the Board of Directors, and further covenants that if said assessment shall not be paid within thirty (30) days of the due date, the payment of such assessment shall be in default and the amount thereof become a lien upon said owner's Lot as provided herein and shall continue to be such lien until fully paid.

The assessments levied by the Association shall be used exclusively for the paying of "common expenses" related to (and for the use and enjoyment of) the Private Road, as well related to any common mail kiosk that may benefit the Lots, together with reasonable and prudent reserves, including but not limited to, the cost of maintenance, repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes and public assessments assessed against the Private Road (if any), the procurement and maintenance of insurance (liability or otherwise) as deemed appropriate by the Board of Directors or as required by statute, the employment of counsel, accountants and other professionals for the Association when necessary, and such other needs as may arise.

The initial annual assessment for common expenses shall be determined in the fiduciary discretion of the Association based on the calendar year budget; and such annual assessment for each Lot shall commence upon the sale of each Lot upon which a newly constructed residence has been built to a homebuyer (or upon the sale of a Lot to a buyer who intends to construct their own residence thereon). Any builder who purchases a Lot and intends to construct a residence thereon for sale to a homebuyer shall be exempt from the annual assessment until the first (1st) anniversary of

the builder's purchase of such Lot (after which date the builder shall be responsible for payment of the annual assessment on a pro rata basis, until such time as the builder has sold the Lot to a homebuyer). In addition, any buyer of a Lot upon which a newly-constructed residence has been built (or any buyer of a Lot upon which said buyer intends to construct their own residence) may be assessed a one-time capital start-up fee to be determined in the discretion of the Association, which shall be collected upon the purchase of such Lot. The Association, acting by and through its Board of Directors, shall have the fiduciary discretion to adjust the initial capital start-up fee and/or initial annual assessment for common expenses on any annual (or more frequent) basis, as reasonably necessary; and shall have the authority to determine when such assessments shall be due and payable. The above notwithstanding, it is understood and agreed that the Declarant and/ or any building company having common ownership with Declarant, shall be fully-exempt from any and all assessment and/ or start-up fee requirements as set forth herein.

Any assessment not paid within thirty (30) days after the due date shall be delinquent, in default and shall bear interest from the due date at the rate of eighteen (18%) per annum or the maximum rate allowed by law, whichever is less. The Association may bring an action at law against the Lot owner personally obligated to pay the same plus interest, costs, late payment charges and reasonable attorneys' fees, or foreclose the lien against the Lot. No Lot owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his/ her Lot or non-use of the Private Road or any other common amenity. The lien herein granted unto the Association shall be enforceable (and may be foreclosed) in accordance with Chapter 47F of the North Carolina General Statutes, as such may be amended.

The North Carolina Planned Community Act (NCGS 47F-1-101 et seq) (the "Planned Community Act") shall govern the Property and control the governance and procedures of the Association. The Declarant reserves the right to adopt bylaws for the Association during the Period of Declarant Control, as may be required by the Planned Community Act, which shall be kept with the records of the Association. Notwithstanding anything to the contrary in Section 47F-3-109(a) of the Planned Community Act, it is agreed that a quorum shall be present throughout any meeting of the membership of the Association if persons entitled to cast a minimum of fifty-one percent (51%) of the Lot votes are present in person or by proxy at the beginning of the meeting.

ARTICLE V

The terms of this Declaration shall run with and be appurtenant to the Property and shall be binding upon the heirs, successors and assigns of each record owner of a Lot.

ARTICLE VI

The terms of this Declaration that specifically apply to the Private Road shall remain in full force and effect until such time as the Private Road or any portion thereof is dedicated by all Lot owners as a public right of way and subsequently accepted and maintained by a governmental body (and any portion of said Private Road not subsequently maintained by a governmental body shall remain subject to the terms of this Declaration and be maintained by the record owners of the Lots).

ARTICLE VII

Any Lot owner shall have the right to enforce, by any proceeding at law or in equity, all easements, conditions, covenants, liens and charges imposed by the terms of this Declaration. Failure by any Lot owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE VIII

The easements, conditions, and covenants of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. As long as the Declarant owns a Lot, the Declarant reserves the right to amend this Declaration unilaterally without the consent of any other Lot owners. Otherwise, this Declaration may be amended by an instrument signed by not less than sixty-seven percent (67%) of the Lot owners, provided no amendment shall terminate the easement rights granted herein and/ or alter any obligation to provide for and/ or pay for the maintenance of the Private Road or other common amenities or affect any lien rights for the payment of said maintenance, unless said Private Road is dedicated by all Lot owners as a public right of way and subsequently accepted and maintained by a governmental body. As long as the Declarant owns a Lot, then any amendment to this Declaration must also be approved and signed by the Declarant in order to be effective. Any amendment must be properly recorded with the Cumberland County, NC Registry.

ARTICLE IX

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

ARTICLE X

For the purpose of this Declaration, the singular shall include the plural, the masculine shall include the feminine and neuter, and vice versa, as the meaning may require.

ARTICLE XI

It is acknowledged for estoppel purposes that Lots 1, 2, 4 and 6 as shown on plat duly recorded in Plat Book 93, Page 97; as well as Lots 21 and 22 as shown on plat duly recorded in Plat Book 93, Page 98, aforesaid Registry, all of which are owned by third parties (each a "Third Party Lot", and together, the "Third Party Lots") shall benefit from a non-exclusive easement for

perpetual ingress, egress and regress over and across the Private Road for purposes of access to and from McKethan Street, with such easement right having vested (by necessity or otherwise) at the time that such owners acquired the Third Party Lots. The Third Party Lot owners shall not be members of the Association, and shall not be required to financially contribute toward the common expenses to maintain and repair the Private Road. However, the above withstanding, the Association shall be allowed to collect voluntary contributions paid toward such common expenses by the owners of the Third Party Lots. Further, it is agreed that any owner of any Third Party Lot may voluntarily subject his or her Third Party Lot to the terms of this Declaration, by recording an amendment to this Declaration in the Cumberland County, NC Registry (which shall be signed by both the owner thereof and the Declarant in order to be effective; however, if the Declarant Control Period has expired, then the Association (upon the affirmative vote of its Board of Directors) shall have authority to sign such amendment in lieu of the Declarant, it being understood and agreed that a Lot owner vote shall not be required in order to subject a Thirty Party Lot to the terms of this Declaration). Upon the recordation thereof, such Third Party Lot shall henceforth be subject to the terms of this Declaration; and the owner thereof shall become a member of the Association.

**[The Remainder of This Page Intentionally Left Blank;
Signature Page Attached Hereto]**

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be signed as of the day and year set forth in the below notary acknowledgement.

DECLARANT:

Affordable Homes in the Carolinas, LLC

By: *Linda Baker Huff*

Print Name: Linda Baker Huff

Title: Manager

STATE OF NORTH CAROLINA

COUNTY OF Cumberland

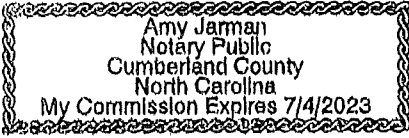
I certify that the following person personally appeared before me this day, acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:
Linda Baker Huff, in capacity as Manager of Affordable Homes in the Carolinas, LLC, a North Carolina limited liability company.

Date: May 25, 2023

Official Signature of Notary: *AJ*

Notary's Printed Name: Amy Jarman

My commission expires: 7/4/23



[Affix Notary Seal or Stamp]