MURRAY HILLS TOWNHOMES ASSOCIATION

RULES AND REGULATIONS FOR OWNERS AND RENTERS
Revised 11/6/98

I. COMMON AREA

Common Area Element refers to all grounds, sidewalks, roads, parking areas, and exterior building areas (not the inside of units).

1. Sidewalks, driveways, and patios and entrances shall be used only for entering and leaving the property. They may not be obstructed or used for storage or play. Decks shall be kept clean and neat at all times.

2. Signs, such as "For Sale", "For Rent", or any other advertising are not allowed.

3. Radio or Television antennas, or any other equipment or articles are not allowed on the exterior of the buildings without first requesting and obtaining approval from the Board.

4. There will be no construction which changes the exterior appearance of any building or common element. Requests for cablevision or telephone rewiring onto the exterior of a building must be submitted to the Board for approval prior to the work being started.

5. Items may not be stored in crawl spaces. Association assumes no liability or articles lost, damaged, or stolen in the common elements.

6. ALL TRASH SHALL BE PUT IN PLASTIC BAGS, SECURELY TIED, AND PLACED IN THE TRASH CANS ON BACK DECKS. No loose trash shall be put in the trash cans. Boxes shall be hauled off by owner/renter or broken down and bagged as stated above. Owners/renters are responsible for removal of items not considered regular household trash.

7. The Association does not provide exterior or interior window washing. Each owner is responsible for the cleanliness of his windows and doors.

II. UNIT REQUIREMENTS

1. No more than four people may reside in any unit.

2. Residents shall avoid making or permitting loud or objectionable noises and hall not operate musical instruments, radios, television sets, stereos, etc. after 11:00 P.M. in a manner that disturbs other occupants.

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3. Working smoke detectors must be in each unit. They should be checked frequently to make sure they are in operating condition.

III. VEHICLE REGULATIONS

1. All vehicles parked on grounds must be parallel within the designated parking area. They may not block other vehicles from entering or parking. VEHICLES IMPROPERLY PARKED ARE SUBJECT TO BEING TOWED AT OWNER'S EXPENSE.

2. Only two vehicles per unit are permitted to be parked at Murray Hill on a daily basis and these must have current license plates. The Board has the authority to designate unit parking spaces.

3. Boats, trailers, trucks over 3/4 ton, campers, buses, recreational vehicles may not be parked at Murray Hill without special permission of the President of the Association and may not exceed five days.

4. Unlicensed or inoperable vehicles may not be parked on the property. Oversized, unconventional, and unsightly vehicles are prohibited. Bicycles may be parked on rear decks.

5. Car washing is not permitted, nor is any maintenance of vehicle such as changing oil, bodywork, etc.

6. Parking or driving on non-paved surfaces is prohibited without special permission of the Board President. Any damage resulting from same shall be charged to the unit owner.

IV. SAFETY

1. Children must be supervised at all times when they are in the common areas. Unit owners are responsible for any damage to the grounds or property done by children from their unit. Toy and play vehicles left outside the unit will be collected and discarded. THE STEPS, WALKWAYS, AND DRIVEWAYS ARE NOT PLAY AREAS.

2. For the consideration of safety and to meet fire regulations, no kerosene, gas, wood, coal burning heaters, or kerosene lamps are allowed in the units. Flammable materials may not be stored anywhere in the common elements or within the units.

3. NO OUTDOOR COOKING IS PERMITTED - GAS OR CHARCOAL.

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V. REPAIRS

1. Inside repair work may be done by any qualified person and at the discretion of the unit owner. Renters should contact their owners about needed repairs. ALL AIR CONDITIONING, PLUMBING, AND WATER LEAKS MUST BE REPAIRED IMMEDIATELY TO AVOID DAMAGE TO OTHER UNITS.

2. Any damage to the common elements or property caused by a unit owner, renter, family member, guest, or visitor shall be repaired at the expense of the unit owner involved. Likewise, unit owners are responsible for damage to other units that are the results of air conditioning or plumbing leaks in their units.

VI. PETS

1. RENTERS MAY NOT HAVE PETS.

Owners are permitted to have small pets. ONE domesticated dog or cat is allowed per unit. No exotic pets such as snakes, insects, or rodents are permitted.

The following rules must be adhered to:

1. When confined, the pet must be kept inside the unit. It may not be tied outside or enclosed in a container on the porch or common area or in the crawl space.

2. The pet (DOG OR CAT) must be under control of its owner whether inside or outside (LEASHED WHEN OUTSIDE). Barking dogs or howling cats creating a nuisance are not permitted.

3. The pet owner must immediately clean the common grounds of any waste or debris left or caused by the pet. Animals are to be kept away from shrubs and buildings.

4. Cat litter must be put in sealed plastic bags prior to putting it in the trash can. Spilled litter must be cleaned up immediately.

5. If a pet attacks another pet or human being, causing fear or injury, the Board will review the case to determine whether or not the pet must be removed from the property. This also applies to pets causing damage to the common areas.

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(a) the right of the Association 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 suspend the voting rights and right to use 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 (2/3rds) of each class of members has been recorded.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the Bylaws, 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.

## ARTICLE XIII

## MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

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

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

Class B. The Class B member shall be the Declarant and shall be entitled to four (4) 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 the Class B membership, or

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(b) December 31, 1989.

## ARTICLE XIV

## COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the properties, hereby covenants, and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments of charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. In accordance with Article 8 of Chapter 44 as amended by Section 44A-12 of the General Statutes of North Carolina, 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 in 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 for the improvement and maintenance of the Common Area and of the homes situated on the properties.

Section 3. Maximum Annual Assessment. Until JANUARY 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment shall be FOUR HUNDRED EIGHT AND NO/100THS DOLLARS ($480.00) per lot.

(a) From and after JANUARY 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased each year not more than EIGHT PERCENT (8%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after JANUARY 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased above EIGHT PERCENT (8%) by a vote of two-thirds (2/3rds) of each class of members who are voting in person or by proxy, at a meeting called for this purpose.

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

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3rds) 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 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than TEN (10) DAYS nor more than FIFTY (50) DAYS in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast FIFTY PERCENT (50%) 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 held more than FIFTY (50) DAYS following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. 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 assessments on a specified lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

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Section 8. 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 rate of SIX PERCENT (6%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waiver or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability or any assessments thereafter becoming due or from the lien thereof.

## ARTICLE XV

## EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each lot, which is subject to assessment hereunder, as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements. Such exterior maintenance shall not include glass surfaces.

In the event that the need for maintenance or repair of a lot or improvements thereon is caused through the willful or negligent acts of its owner, or through the willful or negligent acts of the family, guests or invitees of the owner of the lot needing such maintenance or repair, the cost of such exterior maintenance shall be added to and become part of the assessment to which such lot is subject.

## ARTICLE XVI

## PROPERTY USES

In order to provide for a healthy, attractive and congenial occupancy of the units by the owners and to protect the value of each unit, the properties shall be restricted to their use as follows:

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(a) The lots shall be utilized for residential purposes only.

(b) No unlawful use shall be made of the lots or any part thereof and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(c) No owners, unit occupant, guest, tenant or other individual shall park within the common area any boat, trailer, camper, bus, recreational vehicle, truck in excess of three-fourths (3/4ths) ton capacity, or similar vehicle, at any time without prior written permission of the President of the Homeowners Association.

(d) No owner, unit occupant, guest, tenant, or other individual shall attach, affix, erect or construct, nor shall they cause to be attached, affixed, erected or constructed, any window boxes, exterior decoration, apparatus for emitting or receiving any form of electromagnetic or radio signal, or any other device to the exterior portion of a lot or unit, without the express written consent of the Exterior Maintenance Committee.

## ARTICLE XVII

## CORPORATE SEAL

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

## ARTICLE XVIII

## AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a two-thirds (2/3rds) majority of all members, whether or not said members are actually present, voting by proxy, or absent.

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

## ARTICLE XIV

## 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,

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except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the MURRAY HILL HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands and seals this the 5th day of March, 1987.

(SEAL)
Robert R. Stafford

(SEAL)
Roy H. Harvel

(SEAL)
Kay R. Martin

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