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NEW HANOVER COUNTY, NC
TAMMY THEUSCH BEASLEY
REGISTER OF DEEDS

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THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE KAYLIE'S COVE COMMUNITY

THIS DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS, AND RESTRICTIONS FOR THE KAYLIE'S COVE COMMUNITY ("Declaration") is made this 11 day of September, 2017 by BILL CLARK HOMES OF WILMINGTON, LLC, (hereinafter collectively referred to as "Declarant"):

WITNESS TO:

WHEREAS, Declarant is the owner of certain real property located in New Hanover County, North Carolina, which is more particularly described on Exhibit "A" attached hereto and made a part hereof by reference (hereinafter sometimes referred to as the "Property").

WHEREAS, Declarant desires to create on such property an exclusive residential community of single-family homes to be known as Kaylie's Cove (hereinafter sometimes referred to as "Subdivision");

WHEREAS, Declarant desires to provide for the maintenance and upkeep of the common area within the Subdivision and to provide for enforcement of covenants and restrictions applicable to the Subdivision, and, to that end, desires to create a planned community pursuant to the provisions of Chapter 47F of the General Statutes of North Carolina (the "Act"), and to subject all of the property within the Subdivision to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof;

WHEREAS, Declarant has deemed it advisable to create an organization to own, maintain and administer the Common Area (as hereinafter defined), to administer and enforce the covenants and restrictions applicable to the Subdivision, and to collect and disburse the assessments and charges hereinafter created, and Declarant has therefore incorporated under

✓ RETURN TO

North Carolina law as a non-profit corporation, the KAYLIE'S COVE PROPERTY OWNERS ASSOCIATION, INC., for the purpose of exercising the aforesaid functions.

NOW, THEREFORE, Declarant declares that the Property and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be owned, held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration, all of which shall run with the real property and be binding on all parties owning any right, title or interest in said real property or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Act" shall mean and refer to Chapter 47F of the General Statutes of North Carolina, designated as the North Carolina Planned Community Act.

Section 2. "Association" shall mean and refer to the KAYLIE'S COVE PROPERTY OWNERS ASSOCIATION, INC. a North Carolina non-profit corporation, its successors and assigns.

Section 3. "Association Document" shall mean collectively the Articles of Incorporation of the Association, the Bylaws of the Association, this Declaration, any supplemental declaration as may be applicable to separate portions of the Properties, the rules and regulations, the Architectural Guidelines, and any resolutions adopted by the Board, all as may be amended, restated and revised from time to time. Any exhibit, schedule or amendment to an Association Document shall be considered a part of that document.

Section 4. "Board of Directors" or "Board" shall mean the body responsible for administration of the Association selected as provided in the Bylaws.

Section 5. "Builder" shall mean and refer to any persons, firms or entities that purchase one or more Lots in the Properties for the purpose of constructing a Dwelling for resale to consumers in the ordinary course of its business.

Section 6. "Common Area" shall mean and refer to any and all real and personal property in which the Association now or hereafter owns, leases or otherwise holds possessory or use rights for the common use and enjoyment of the Owners, including easements held by the Association for those purposes. Common Area shall include, without limitation, all sidewalks, recreation areas, roadways, and streets within the Subdivision. Except as otherwise provided in this Declaration, the Common Area shall be maintained by the Association or its successors in interest.

Section 7. "Development Period" shall mean the period ending on the earliest of (a) thirty (30) years from the date this Declaration is recorded in the Register of Deeds of New Hanover County; provided, that if Declarant is delayed in the improvement and development of the Properties as a result of a sewer, water or building permit moratorium or other cause or event beyond Declarant's control, then the aforesaid period shall be extended for the length of the delay

plus an additional two (2) years upon written notice to the Association of such extension; or (b) the date specified by Declarant in a written notice to the Association that the Development Period is to terminate on that date so stated.

Section 8. "Declarant" shall mean and refer to Bill Clark Homes of Wilmington, LLC. It shall also mean and refer to any person, company or entity to whom or which Declarant shall assign or delegate the rights and obligations of Declarant by an assignment of Declarant's rights recorded in the applicable public registry for New Hanover County, North Carolina.

Section 9. "Lot" shall mean and refer to any plot of land other than Common Area, with delineated boundary lines, shown on any recorded subdivision plat of the Properties that may be independently owned and conveyed. In the event that any Lot is increased or decreased in size by recombination or resubdivision through recordation of new subdivision plats, any newly-platted Lot shall thereafter constitute a Lot. The term shall refer to the land which is part of the Lot as well as any improvements thereon including the Unit or Dwelling.

Section 10. "Member" shall mean and refer to every person or entity who or which holds membership in the Association as set forth in this Declaration.

Section 11. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having an interest in a Lot solely as security for the performance of an obligation.

Section 12. "Permit" shall mean North Carolina Stormwater Management Permit No. SW8 160310 issued for the Property, and any additional North Carolina Stormwater Management Permits, applicable to the Property, and any amendments, additions, or replacements thereof.

Section 13. "Properties" or "Property" shall mean and refer to the property described in Exhibit "A" to this Declaration, together with such additional property as is subjected to this Declaration in accordance with Article II.

Section 14. "Unit" or "Dwelling" shall mean and refer to any building or portion thereof within the Properties which is designated and intended for use and occupancy as a residence by a single family, whether by the Owner of such Unit or by tenants or lessees of such Owner.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF THE KAYLIE'S COVE COMMUNITY

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, used and occupied subject to this Declaration as of the date of recording hereof, which is within the jurisdiction of the Association, is described on Exhibit "A" attached hereto.

Section 2. Annexation of Additional Property. At any time prior to December 31, 2030, additional land within the property described in Exhibit "B" attached hereto and made a part

hereof (the "Additional Property") may be annexed by the Declarant without the consent of the Members and therefore become subject to this Declaration by the recording by Declarant of a plat showing such property to be annexed and of a supplementary declaration extending the operation and effect of this Declaration to the property to be annexed. Furthermore, at any time during the Development Period, additional land not within the Additional Property may be annexed by the Declarant without the consent of the Members and therefore become subject to this Declaration by the recording by Declarant of a plat showing such property to be annexed and of a supplementary declaration extending the operation and effect of this Declaration to the property to be annexed. Any property annexed must be contiguous to property already subject to this Declaration. Any property annexed pursuant to this subsection may be annexed and subjected to this Declaration as one parcel or as several parcels at different times. The addition of such property pursuant to this Section may increase the cumulative number of Lots within the Properties and, therefore, may alter the relative maximum voting strength of the various types of Members.

A supplementary declaration may contain such complementary additions to and modifications of the covenants and restrictions contained in this Declaration, including, without limitation, different voting rights and different annual and special assessments for the Lots or Units so annexed, as Declarant, in its sole discretion, may deem necessary or appropriate to reflect the different character or use of the property added. In no event, however, shall any supplementary declaration revoke, modify or add to the covenants and restrictions established by this Declaration so as to materially and adversely affect any portion of the Properties already subject to this Declaration. A supplementary declaration annexing additional property need only be executed by the Declarant and, if applicable, by the owner of the property being annexed, and shall not require the joinder or consent of the Association or any of its Members.

Nothing contained in this Article shall be construed to obligate or require Declarant to make any additions to the Properties.

Section 3. Annexation of Additional Property by Members. The Association may subject any contiguous property to the provisions of this Declaration with the consent of the owner of such property, the affirmative vote of Owners representing sixty-seven percent (67%) of the votes of the Association represented at a meeting duly called for such purpose, and the consent of Declarant during the Development Period. The Additional Property shall be annexed by the recording by the Association of a plat showing such property to be annexed and of a supplementary declaration extending the operation and effect of this Declaration to the property to be annexed.

Section 4. Conveyance of Common Area in Annexed Property. Promptly upon request of Declarant, the owner of the annexed property shall convey any or all Common Area located within the newly annexed property to the Association or, if requested by the Declarant, to the Declarant. Title to such Common Area shall be conveyed in the same manner as set forth in Section 3 of Article IV of this Declaration.

Section 5. Merger. Additional property may also be made subject to this Declaration by merger or consolidation of the Association with another *non-profit* corporation formed for the same or similar purposes in accordance with the provisions of Section 2-121 of the Act. The surviving or consolidated association shall administer the covenants and restrictions established by this Declaration within the Properties and the covenants and restrictions established upon

property owned by the other association as one scheme. No such merger or consolidation shall cause any revocation, change or addition to this Declaration.

Section 6. Effect of Addition of Property. Except by amendment of this Declaration as provided in Section 3 of Article XIV hereof, no addition of property, whether by annexation, merger or consolidation, shall revoke or modify any provision of this Declaration as to the Properties already subject hereto or diminish the rights of the Owners of Lots and Units within the Properties, except for the dilution of voting strength that occurs as a result of inclusion of additional Members of the Association.

Section 7. Withdrawal of Property. Declarant reserves the right to amend this Declaration so long as it has a right to annex Additional Property pursuant to this Article for the purpose of removing any portion of the Properties then owned by Declarant or the Association from the coverage of this Declaration, to the extent originally included in error or as a result of any changes whatsoever in the plans for the Subdivision, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Subdivision.

Section 8. Good Faith Lender's Clause. Any violation of these covenants, conditions or restrictions shall not affect any lien or deed of trust of record held in good faith, upon any Lot or commercial Unit, which liens may be enforced in due course, subject to the terms of this Declaration.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. Voting Rights. The voting rights of the membership shall be appurtenant to the ownership of the Lots and may not be separated from ownership of any Lot. All Owners shall have one (1) equal vote for each Lot in which they hold the interest required for membership under Section 1 above, provided there shall only be one (1) vote per Lot. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to their Lot shall be exercised as they, among themselves, determine; but fractional voting shall not be allowed, and in no event shall more than one vote be cast with respect to any Lot.

ARTICLE IV
PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment and Access. Except as limited by the provisions of this Section 1 and by the rules and regulations adopted by the Board, every Owner shall have a right and easement of enjoyment in, use of and access to, from, and over the Common Area, which right and easement shall be appurtenant to and shall pass with title to every Lot, subject to:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated or constructed on the Common Area and to limit the use of

such facilities to Owners and to their families, tenants and guests, as provided in Section 2 of this Article IV.

(b) the right of the Association to suspend the voting rights of an Owner subject to a hearing or opportunity to present evidence in accordance with Section 47F-3-107.1 of the Act for any period during which any assessment against his Lot remains unpaid, or for a period not to exceed sixty (60) days for any infraction of the published rules and regulations of the Association.

(c) the right of the Association to dedicate, sell or transfer all or any part of the Common Area to any public or quasi-public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the Members. No such dedication or transfer shall be effective unless the Members entitled to at least 80% of the votes of the entire membership of the Association and Declarant, during the Development Period, agree to such dedication, sale or transfer. Nothing herein shall be deemed to prohibit the Board, without consent of the Members, from granting easements over and across the Common Area to any public agency, authority or utility for the installation and maintenance of sewage, utility (including cable television) or drainage facilities when, in the opinion of the Board, such easements are necessary for the convenient use and enjoyment of properties within the Subdivision. Notwithstanding anything herein to the contrary, the Common Area shall be preserved for the perpetual benefit of the owners of Lots within the Subdivision and shall not be conveyed except to a governmental entity or another non-profit corporation organized for similar purposes.

(d) the right of the Association, to borrow money and, with the assent of Members' entitled to at least 80% of the votes of the entire membership of the Association and Declarant's approval during the Development Period, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of any such lender or mortgagee shall be subordinate to the property rights of the Members and the Association as set forth herein.

(e) the right of the Association to exchange all or part of the Common Area for other property and consideration of like value and utility, provided, however, that any such dedication shall require the assent of the Declarant and the Members as set forth in subparagraph (c) above, and further provided that, if the Board determines, in its sole discretion, that such exchange is necessary to cure an encroachment or setback violation on any Lot, the Board may effect such exchange without the consent of or approval by the Members.

(f) the right of the Association to open the Common Area and, in particular, the recreational facilities constructed thereon, for use by non-members of the Association.

(g) the right of the Association to expand or add to the Common Area and to improve, maintain and operate the Common Area.

(h) the right of the Association to adopt, promulgate and enforce rules and regulations concerning the use of the Common Area.

(i) the right of the Association to otherwise deal with the Common Area as provided in the Articles of Incorporation and Bylaws of the Association.

Section 2. Delegation of Use.

(a) Family. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be exercised by members of the Owner's family who occupy the residence of the Owner within the Properties in New Hanover County, North Carolina.

(b) Tenants: Contract Purchasers. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be assigned by such Owner to his tenants or contract purchasers who occupy a residence within the Properties, or a portion of said residence, as their principal residence in New Hanover County, North Carolina. So as not to overburden the use of the Properties, if an Owner assigns said right and easement of enjoyment and access to Owner's tenants or contract purchasers, then so long as such assignment is in effect, Owner shall forfeit his right and easement of enjoyment and access.

(c) Guests. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be delegated to guests of such Owners, tenants or contract purchasers, subject to such rules and regulations as may be established by the Board.

(d) Suspension of Rights. The rights of any delegate or assignee of an Owner shall be suspended by, upon and during suspension of such Owner's rights as provided in Section 8 of Article XIV of this Declaration.

Section 3. Conveyance of Common Area To The Association. No later than the expiration of the Development Period, Declarant shall convey, and the Association shall accept, fee simple title to all Common Area within the Properties, and shall reserve for or grant to the Association all Common Area easements, all subject to such easements, reservations, conditions and restrictions as then may be of record, and the Association shall accept all such conveyances, grants and reservations, provided, however, that during the Development Period, Declarant reserves an easement over and across any Common Area deeded to the Association for the purpose of constructing and maintaining any improvements on the Common Area as it deems necessary or advisable, provided that any such improvements must comply with the requirements of the appropriate governmental authority. Any improvements placed on the Common Area by Declarant shall become the property of the Association upon completion of such improvements.

Section 4. Regulation and Maintenance of Common Area and Common Area Easements. It is the intent of the Declarant that the Common Area be preserved for the perpetual benefit of the Owners.

(a) Regulation of Common Area. The Association may adopt and promulgate rules and regulations governing the use of the Common Area by Owners and their family, tenants, guests and invitees. No Owner or other permitted user shall use the Common Area or any portion thereof in violation of the rules and regulations contained in this Declaration or subsequently adopted by the Association.

Without limiting the generality of the foregoing, no Owner or tenant, guest or invitee of an Owner shall, without the specific prior written consent of the Association: (i) damage or waste the Common Area or improvements thereon or remove any trees or vegetation therefrom; (ii) erect any gate, fence, structure or other improvement or thing on the Common Area; (iii) place

any garbage receptacle, trash or debris on Common Area; (iv) fill or excavate any part of the Common Area; (v) landscape or plant vegetation on Common Area; or (vi) use the Common Area or any part thereof in a manner inconsistent with or in any way interfering with the rights of other Owners.

(b) Rights and Responsibilities of the Lot Owners as to Common Area Easements. Each Owner of a Lot upon which a Common Area easement lies shall pay all property taxes and other assessments levied against his Lot, including that portion of such tax or assessment as is attributable to such Common Area easement.

(c) Rights and Responsibilities of the Association as to Common Area. The Association shall have the right and obligation to ensure that the Common Area is preserved for the perpetual benefit of the Owners, and, to that end, shall: (i) maintain the Common Area in its natural or improved state, as appropriate including, but not limited to, following the requirements of the State storm water permit, and keep it free of impediments to its use by the Owners, subject to the provisions of this Declaration; (ii) procure and maintain adequate liability insurance covering the Association and its Members, Directors and Officers, against any loss or damage suffered by any person, including the Owner of the Lot upon which Common Area lies, resulting from use of the Common Area, and adequate hazard insurance covering the real and personal property owned in fee by the Association; and (iii) pay all property taxes and other assessments levied against all Common Area owned in fee by the Association.

(d) Declarant's and Association's Right of Entry. The Declarant and the Association and the employees, agents, contractors and subcontractors of each, shall have a non-exclusive right and easement at all times to enter upon any portion of a Lot reserved or designated as a Common Area easement for the purposes of: (i) installing and maintaining subdivision entrance signs, features, fencing and landscaping; and (ii) making such improvements to the Common Area; and (iii) maintaining the Common Area easement in its natural or improved state.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of a 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 annual assessments, benefitted assessments, and special assessments, such assessments to be established and collected as hereinafter provided. All assessments which are unpaid when due, together with interest and late charges set forth in Section 9 of this Article V and all costs of collection, including reasonable attorney's fees, shall be a charge against and, a continuing lien upon the Lot against which such assessment is made subject to § 47F-3-116 of the Act, as amended. Each such assessment or charge, together with interest and costs of collection, including reasonable attorneys' fees, subject to notice provided in accordance with § 47F-3-116(e) of the Act, shall also be the personal or corporate obligation of the person(s), firm(s) or corporation(s) owning such Lot at the time when the assessment fell due, but such personal obligation shall not be imposed upon such Owner's successors in title unless expressly assumed by them. Although unpaid assessments and charges are not the personal obligation of such Owner's successors in title unless expressly assumed by

them, the unpaid assessments and charges shall continue to be a lien upon the Lot against which the assessment or charge was made.

It is the intent of the Declarant that any monetary fines imposed against an Owner pursuant to the Bylaws of the Association or Section 8 of Article XIV of this Declaration and subject to §47F-3-107.1 of the Act shall constitute a lien against the Lot of such Owner to the same extent as if such fine were an assessment against such Lot.

Section 2. Purposes of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Subdivision and, in particular, for: (i) acquisition, improvement and maintenance of properties, services and facilities related to the use and enjoyment of the Common Area, including but not limited to the storm water system located within the Common Area or recreation area; (ii) repair and reconstruction of improvements on the Common Area, including, without limitation, the cost of repair, replacement and additions thereto and the cost of labor, equipment, materials, management and supervision thereof; and specifically including maintenance and repair of all sidewalks and streets, within the subdivision; (iii) payment of taxes and public assessments levied against the Common Area owned by the Association in fee; (iv) procurement and maintenance of insurance in accordance with the Section 4(c) of Article IV of this Declaration; (v) employment of attorneys, accountants and other persons or firms to represent the Association when necessary; (vi) payment of principal and interest on funds borrowed for Association purposes; (vii) such other needs as may arise; and (xiii) payment for the maintenance and operation of street lights. The Declarant reserves the right to subject the real property in this subdivision to a contract with Duke Energy Progress, Inc. for the installation of street lighting, which requires a continuing monthly payment to Duke Energy Progress, Inc. by each residential customer. Said monthly payment may be included in the assessments charged to each Owner.

Section 3. Annual Assessments. Not less than sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget covering the common expenses estimated to be incurred during the coming year. The budget shall include a capital contribution to establish a reserve fund. In determining the budget, the Board, in its discretion, may consider other sources of funds available to the Association. In addition, the Board shall take into account the number of Lots subject to assessment on the first day of the fiscal year for which the budget is prepared and the number of Lots reasonably anticipated to become subject to assessment during the fiscal year.

Within thirty (30) days after adoption of any proposed budget by the Board, the Board shall provide to all Owners a summary of the budget and notice of a meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The Board shall set a date for a meeting of the Owners to consider ratification of the budget, such meeting to be held not less than ten (10) nor more than sixty (60) days after mailing of the summary of the budget and notice of the meeting. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless, at that meeting, a majority of all the Owners in the Association rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

The Assessment for the fiscal year shall be determined based upon the budget adopted by the Board and ratified by the Owners. In addition to Assessments for the fiscal year, the Board may levy special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Such Assessments shall be approved at a meeting of the Board and shall become effective upon approval by the Board, unless disapproved by Declarant during the Development Period. Such Assessments shall be payable in such manner and at such times as determined by the Board and may be payable in installments extending beyond the fiscal year in which such Assessment is approved. The amount of each special Assessment shall be levied equally against all Lots, subject to the provisions of Section 5.

Section 4. Assessment Rate: Collection Period. Except as provided in Section 5 of this Article V, the annual and special assessments shall be fixed at a uniform rate for all Lots and may be collected on a yearly, semi-annually, quarterly or monthly basis, as determined by the Board.

Section 5. Declarant's Assessments. Notwithstanding any other provision of this Declaration or the Bylaws of the Association, the Declarant shall not be obligated for, nor subject to, any annual or special assessment for any Lot or other property that it owns within the Properties, provided, however, that the Declarant shall be responsible for paying the difference between: (i) the operating expenses of the Association; and (ii) the total operating revenues of the Association from all sources including, without limitation, annual and special assessments, revenues generated from fees charged by the Association for use of the Common Area, and investment income (said difference being hereinafter referred to as the "Operating Deficit"). For purposes of this Section, the term "operating expenses" shall not include contributions to any reserves for replacement, operating reserves, depreciation reserves, capital expenditures, or special assessments.

Declarant may, by written notice given by the Declarant to the Association on or before November 30 of any year, to be effective as of January 1, terminate its obligation to pay the Operating Deficit and waive its right to exclusion from assessments. In such event, each Lot owned by the Declarant which contains a Dwelling for which a certificate of occupancy has been issued shall be assessed at the rate of twenty-five percent (25%) of the annual assessment in effect for all other Lots, as the same may change from time to time. Upon sale of such Lot by Declarant to any other person or entity, such Lot shall be assessed at the full rate, commencing on the day on which title to such Lot is transferred to such third party. Notwithstanding any other provision of this Declaration, a Lot owned by the Declarant which contains a Dwelling occupied as a residence (but not as a model or sales center) shall be assessed at the rate applicable to all other Lots.

Section 6. Benefitted Assessments. The Board may levy Benefited Assessments against particular Lots for expenses incurred or to be incurred by the Association, as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Lot or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners (which might include, without limitation, landscape maintenance, caretaker service,

etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner; and

(b) to cover costs incurred in bringing the Lot into compliance with the terms of the Association Documents and the Act or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their family members, tenants, invitees, or guests; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing before levying a Benefited Assessment under this subsection (b).

Section 7. Date of Commencement of Annual Assessments: Certificate of Payment. Unless a different commencement date is set by the Board, the annual assessments provided for herein shall commence as to all Lots in any phase on the first day of the month following the conveyance of a Lot within that phase to an Owner other than the Declarant or a Builder.

The Association shall, upon demand, and for such reasonable charge as the Board may determine, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. If such certificate states that an assessment has been paid, such certificate shall be conclusive evidence of payment.

Section 8. Effect of Nonpayment of Assessments: Remedies. An assessment not paid within ten (10) days after the due date shall incur such late charge as the Board may from time to time establish, and, if not paid within thirty (30) days after the due date, shall also bear interest from the due date at the rate of eighteen percent (18%) per annum or the highest rate allowed by law, whichever is less. The Association may bring an action at law or in equity against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot for which such assessment is due subject to § 47F-3-116 of the Act, as amended. Interest, late payment charges, reasonable attorneys' fees, and the costs of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or by abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage or first mortgage on a Lot. Sale or transfer of a Lot shall not affect any assessment lien; however, the sale or transfer of a Lot pursuant to foreclosure of a first mortgage, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of any assessment which became due prior to the date of such conveyance. No such sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof; but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage.

Section 10. Initial Capital Contribution. At the time of closing of the initial sale of a Lot, a sum equal to one-fourth (1/4) of the annual assessment in effect at the time of such sale shall be collected from the purchaser of such Lot and transferred to the Association as part of its working capital. The purpose of such working capital contributions is to ensure that the Association will have adequate cash available to defray operating costs, meet unforeseen expenditures or to acquire additional equipment or services deemed by the Board of Directors to be necessary or desirable. Amounts paid pursuant to this Section shall not be considered as an advance payment of any regular or special assessment. Such sum may also be utilized to

reimburse Declarant the exact cost of any premiums or insurance policies purchased for the benefit of the Association by Declarant.

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

ARTICLE VI
RIGHTS OF LENDERS

Section 1. Books and Records. Any owner or holder of a first mortgage on any Lot, or its agent, shall have the right, during normal business hours, to examine copies of this Declaration, the Articles of Incorporation, Bylaws, and the books and records of the Association and, upon written request to the Association, and payment of copying and mailing costs, to receive a copy of the financial statement for the immediately preceding fiscal year.

Section 2. Notice to Lenders. The owner or holder of a first mortgage on any Lot which provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its mortgage relates) shall be entitled to timely written notice of:

(a) Any 60-day delinquency in the payment of assessments or charges owed by the Owner of the Lot securing its loan.

(b) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

(c) Any proposed action that requires the consent of a specified percentage of owners or holders of first mortgages on the Lots.

ARTICLE VII
EASEMENTS

Section 1. Access and Utility Easements. Easements for the installation and maintenance of roadways, driveways, walkways, water, gas, telephone, cable television and electric power transmission lines, sanitary sewer and storm water drainage facilities, and for other public and private utility installations are reserved over the Properties for the benefit of Declarant and the Association. The Association may reserve or grant easements over the Common Area as provided in Article IV, Section 1(c), of this Declaration. Within any such easement herein provided, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation or maintenance of the utilities installed thereon, or which may change the direction of flow or drainage of water through drainage pipes or channels constructed in such easements.

For a period of thirty (30) years from the date hereof, Declarant reserves, for itself and its employees, agents, successors and assigns, an easement upon and a right of ingress, egress and regress on, over and under the Properties for the purposes of constructing and maintaining roadways, water, sewer, gas, storm water drainage and retention, telephone, cable television, and electric, and other utility facilities to the extent required by any applicable governmental entity or deemed by the Declarant to be necessary or convenient for the development, use and enjoyment of the Properties and the Common Area and for the conduct of construction, sales and marketing activities. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any grading of the soil, relocate utility facilities within said easement and take any other similar action that it deems reasonably necessary or appropriate. After such action has been completed, Declarant shall grade and seed the affected property and otherwise restore the affected property to its original condition to the extent practicable, but shall not be required to replace any trees, bushes or shrubbery necessarily removed. Declarant shall give reasonable notice of its intent to take such action to each Owner whose Lot is affected.

Section 2. Easements for Governmental Access. An easement is hereby established over the Common Area and every Lot within the Properties for the benefit of applicable governmental agencies for installing, removing, and reading water meters, maintaining and replacing water and sewer facilities, and acting for other purposes consistent with public safety and welfare, including, without limitation, law enforcement, fire protection, garbage collection and the delivery of mail.

Section 3. Owner's Easement and Right of Entry for Repair, Maintenance and Reconstruction. 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 such Dwelling. Such work shall be done expeditiously and, upon completion of the work, the Owner shall restore the adjoining Lot to as nearly the same condition as that which existed prior to the commencement of the work as is reasonably practicable. No fence shall be erected within such area adjoining a Dwelling.

Section 4. Association's Easement and Right of Entry. Authorized agents of the Association shall have the right, and a perpetual easement is hereby granted to the Association, to enter all portions of the Property, including each Lot to (a) perform its maintenance obligations, and (b) make inspections to ensure compliance with the Association Documents. Except in emergencies, entry onto a Lot shall be only during reasonable hours and after notice to the Owner. This easement shall be exercised with a minimum of interference to the quiet enjoyment to Owners' property, and any damage shall be repaired by the Association at its expense.

The Association also may enter a Lot to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the Association Documents. All costs incurred, including reasonable attorneys' fees, shall be assessed against the violator as a Benefited Assessment.

Section 5. Easement Over Common Area. A perpetual, non-exclusive easement over the Common Area is hereby granted to each Lot and its Owners, family members and tenants of such Owners, the occupants of such Lot, and guests and invitees of such Owners, tenants or

occupants, for the purpose of providing access, ingress and egress to and from parking areas and walkways serving the Properties and to and from adjacent public roads.

Section 6. Easements to Serve Other Property. Declarant hereby reserves for itself and its duly authorized agents, representatives, employees, successors, assigns, licensees, and mortgagees, a perpetual easement over the Lots and the Common Area for the purposes of enjoyment, use, access, and development of any contiguous property whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of vehicular traffic connected with development of such property. Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof is not made subject to this Declaration, Declarant, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of maintenance of any access roadway serving such property

ARTICLE VIII
ARCHITECTURAL CONTROL

Section 1. Architectural Approval. The Declarant shall have the sole and absolute right to determine the style and appearance of the Dwellings, including, but not limited to, flags, subject to Section 47F-3-121 of the Act, flag poles, flag staffs, fences, walls, buildings, outbuildings, garages, storage sheds, mailboxes, lawn decorations, structures of any type or color thereof, grading, landscaping, patio covers and trellises, plans for off-street parking of vehicles and utility layout, and any other improvements to be built or constructed on any Lot (hereinafter individually and collectively referred to as "Improvements"). Declarant shall have exclusive authority to administer and enforce architectural standards under this Article and to review and act upon all applications for original construction within the Property. There shall be no surrender of this right except in a written instrument in recordable form executed by Declarant. Upon the expiration or surrender of such right, the Board may, at its option, either assume such authority or create and appoint an Architectural Review Committee ("ARC") composed of three or more persons appointed by the Board. The ARC shall have no rights or authority until Declarant's authority under this Article is surrendered.

No Improvements (including, without limitation, replacement of any previously existing Improvements) shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration thereof be made (including, without limitation, changing materials or color of any exterior portion of any such Improvements), nor shall a building permit for such Improvements or change be applied for or obtained, until plans and specifications showing the nature, kind, shape, heights, materials, color, built-upon area, and location of same shall have been submitted to and approved in writing by the Declarant or after the Declarant surrenders that right, the Board or the ARC. If the Association or its designee fails to approve or disapprove such proposed Improvements within 60 days after complete plans and specifications have been received by it, approval will not be required, and this Article shall be deemed to have been complied with. The Association shall have the right to charge a reasonable fee for receiving and processing each application.

The Declarant, and after the Declarant surrenders this right in writing, the Board or ARC, shall have the right to promulgate and from time to time amend written architectural standards and construction specifications (hereinafter the "Architectural Guidelines") which may establish, define and expressly limit the standards and specifications which will be approved, including, but not limited to, architectural style, exterior color or finish, roofing material, siding material, driveway material, landscape design and construction technique. Neither the Association nor the ARC shall approve any Improvements which it determines, in its sole discretion, not to be in harmony of external design, construction and/or location in relation to the surrounding structures, topography or the general plan of development of the Subdivision.

Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither Declarant, the Association, the Board, or the ARC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements, including without limitation, built upon area requirements set forth in the Permit. Neither Declarant, the Association, the Board, or the ARC, or any member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot. In all matters, the ARC and its members shall be defended and indemnified by the Association as provided in the Bylaws.

Section 2. Rules and Regulations. The ARC may from time to time recommend to the Board, and the Board may, in its sole discretion, adopt, promulgate, amend and repeal rules and regulations interpreting and implementing the provisions of this Article VIII, including adoption of detailed architectural guidelines and the imposition of a fee or charge for review of proposed improvements or modifications.

Section 3. Variances. The ARC may recommend to the Board, and the Board may, by the vote or written consent of a majority of the members thereof, allow reasonable variances as to the covenants, conditions or restrictions contained in this Declaration, on such terms and conditions as it shall require; provided, however, that all such variances shall be in keeping with the general plan for the improvement and development of the Property. Variances contained in plans that are inadvertently approved by the ARC as part of the proposed improvements shall not be considered as having been approved unless specifically approved by the Board in accordance with the provisions of this Section.

Section 4. Enforcement. Any construction, alteration or other work done in violation of this Article or the Architectural Guidelines shall be deemed to be nonconforming. Upon written request from Declarant, the ARC, or the Board, Owners shall, at their own cost and expense and within such reasonable time frame as set forth in such written notice, cure such nonconformance to the satisfaction of the requester or restore the property, Lot and/or Dwelling to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, Declarant, the Association or their designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Lot and collected as a Benefited Assessment unless otherwise prohibited in this Declaration.

All approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work, Declarant or the Association shall be authorized, after notice to the Owner of the Lot and an opportunity to be heard, to enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and the Owner thereof as a Benefited Assessment unless otherwise prohibited in this Declaration.

All acts by any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Architectural Guidelines may be excluded from the Property, subject to the notice and hearing procedures contained in the Declaration. In such event, neither Declarant nor the Association, its officers, or directors shall be held liable to any person for exercising the rights granted by this section.

In addition to the foregoing, the Association and Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARC.

ARTICLE IX
Pparty WALLS

Section 1. General Rules of Law to Apply. The general rules of law regarding party walls, lateral support in below ground construction and of liability for property damage due to negligence or willful acts or omissions shall apply to each wall which is built as part of the original construction of the Dwellings within the Properties and placed on the dividing line between the Lots, and all reconstruction or extensions of such walls, to the extent not inconsistent with the provisions of this Article.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who or which uses the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Easement and Right of Entry for Repair, Maintenance and Reconstruction. Every Owner shall have an easement and right of entry upon the Lot of any other Owner and the Common Area to the extent reasonably necessary to perform repair, maintenance or reconstruction of a party wall and those improvements belonging to his Lot which encroach on an adjoining Lot or Common Area. Such repair, maintenance, or reconstruction shall be done

expeditiously, and upon completion of the work, the Owner shall restore the adjoining Lot(s) and Common Area to as nearly the same condition as that which prevailed prior to commencement of the work as is reasonably practicable.

Section 5. Weather-proofing. Notwithstanding any other provision of this Article, an Owner who, by his negligence or willful act, causes the party wall to be exposed to the elements, shall bear the entire cost of furnishing the necessary protection against such elements.

Section 6. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7. Certification by Adjoining Property Owner That No Contribution Is Due. If any Owner desires to sell his Lot, such Owner, in order to assure a prospective purchaser that no Owner of an adjoining Lot has a right of contribution as provided in this Article, may request the adjoining property Owner to make a certification that no right of contribution exists, whereupon it shall be the duty of each adjoining property Owner to make such certification immediately upon request, and without charge; provided, however that where the adjoining property Owner claims a right of contribution, the certification shall contain a recital of the amount claimed.

ARTICLE X
RIGHTS AND RESPONSIBILITIES OF THE ASSOCIATION

Section 1. Responsibilities. The Association, subject to the rights of the Owner set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and shall keep the Common Area in good, clean and proper condition, order and repair, including but not limited to, ensuring ongoing compliance with the Permit. The Association shall be responsible for the payment of all costs, charges and expenses incurred in connection with the operation, administration and management of the Common Area and the performance of its other obligations hereunder. The Association shall operate and maintain areas designated by the Declarant as Common Areas, whether or not title to such areas has been conveyed to the Association. The Association shall also be responsible for enforcement of the covenants and restrictions contained in this Declaration.

Section 2. Manager. The Association may employ and pay for the services of a person or entity, including the Declarant (the "Manager"), to assist the Association in managing its affairs and carrying out its responsibilities hereunder and such other persons or entities, including attorneys and accountants, as the Association deems necessary or advisable, whether such persons or entities are engaged, furnished or employed by the Manager or directly by the Association. The Association may enter into a Management Agreement for such management services upon such terms as the Board may deem appropriate. The payment of management fees due to the Declarant may, at Declarant's option, be deferred until such later date as Declarant, in its sole discretion, deems appropriate. Furthermore, any management fees due to Declarant may, at Declarant's option, be credited against any assessments due or to be coming due from the Declarant.

Section 3. Personal Property for Common Use. The Association may acquire and hold real property and tangible and intangible personal property and may dispose of the same by sale or otherwise, subject to such restrictions, if any, as may from time to time be provided by the Articles of Incorporation or Bylaws of the Association.

Section 4. Insurance: Bonds. The Association shall procure and maintain adequate liability insurance covering the Association consistent with N.C. Gen. Stat. § 47F-3-113. The Association shall also procure and maintain full replacement value hazard insurance on real and personal property owned by the Association consistent with N.C. Gen. Stat. § 47F-3-113, and shall procure and maintain officers', directors' and employees' liability insurance, and such other insurance as it deems necessary or advisable. The premiums for such insurance shall be a common expense paid from the annual assessments provided in Article V of this Declaration. The Association may cause any or all persons responsible for collecting and disbursing monies of the Association to be bonded.

Section 5. Implied Rights. The Association may exercise any other right or privilege and take any action authorized by this Declaration, the Association's Articles or Bylaws, or the Act or the North Carolina Nonprofit Corporation Act (Chapter 55A), as from time to time amended, and every other right or privilege reasonably necessary to effectuate the exercise of any right or privilege or the taking of any action authorized herein or therein.

Section 6. Association's Obligation of Cooperation. The Association shall accept conveyance of any Common Area conveyed to it, in fee or by easement, by Declarant or, at the request of Declarant, by an owner of any property within and, upon request of Declarant and without further consideration, shall execute any document necessary to evidence such acceptance. During the Development Period, neither the Association nor its Members, nor the use of the Common Area by the Association and its Members, shall interfere with or impede the completion of the improvements or the marketing and sale by the Declarant and the Builder of Lots and homes.

ARTICLE XI
DECLARANT RIGHTS

Section 1. Declarant's Rights. Declarant's Rights are those rights reserved for the benefit of Declarant as provided for in the Act and the Association Documents which shall include, without limitation, the following rights:

(a) To complete improvements on the Properties;

(b) To maintain models, management offices, construction offices, sales offices, customer service offices, and signs advertising the Properties within any portion of the Common Area Declarant deems appropriate;

(c) Those rights set forth in Article II of this Declaration;

(d) To designate any portion of the Property as Common Area;

(e) To exercise all rights of architectural review and establishment of Architectural Guidelines and all other rights as set forth in Article VIII of this Declaration;

(f) To construct improvements within portions of the Properties and to operate the same as public or private facilities in the sole discretion of Declarant;

(g) To appoint, remove and replace the members of the Board;

(h) To disapprove actions of the Board or any committee during the Development Period;

(i) To disapprove any amendment or change in any Association Documents during the Development Period;

(j) To enforce any covenants, restrictions and other provisions of the Association Documents during the Development Period; and

(k) To amend this Declaration as set forth in Article XIV.

Section 2. Transfer of Declarant Rights. Any or all of Declarant's Rights and obligations of Declarant set forth in this Declaration or the Bylaws may be transferred to other persons, provided that the transfer shall neither reduce an obligation nor enlarge a right. No such transfer shall be effective unless it is in a written instrument signed by Declarant and the transferee and duly recorded in the Register of Deeds of New Hanover County.

Section 3. Modification of Development Plan. Each Owner, by accepting title to a Lot and becoming an Owner, and each other person, by acquiring any interest in the Property, acknowledges awareness that the Subdivision is a planned community, the development of which is likely to extend over many years, and agrees not to protest or otherwise object to (a) zoning or changes in zoning or to uses of, or changes in density of, the Properties, or (b) changes in any conceptual or master plan for the Property, such revision is or would be lawful (including, but not limited to, lawful by special use permit, variance or the like) and is not inconsistent with what is permitted by the Declaration (as amended from time to time).

Section 4. Development Easements. Declarant, its employees, agents and designees, specifically reserve a non-exclusive easement over, upon, under and above the Common Area and other portions of the Property (expressly excluding a Dwelling Unit) for any all purposes deemed reasonably necessary or desirable by Declarant for the development of the Property and any contiguous property including, but not limited to, easements of access, the installation and maintenance of utilities, and easements as may be required from time to time by any governmental agency or pursuant to the Permit. Declarant and its employees, agents and designees shall also have a right and easement over and upon all of the Common Area for the purpose of making, constructing, installing, modifying, expanding, replacing, and removing such improvements to the Common Area as it deems appropriate in its sole discretion.

Section 5. Marketing and Sales. During the Development Period, Declarant and its designees may maintain and carry on upon the Common Area and any property owned by Declarant such facilities and activities as, in the sole opinion of Declarant, may be reasonably

required, convenient, or incidental to the construction or sale of such Lots, including, but not limited to, business offices, signs, model units, sales offices, and storage of building materials. Declarant and its designees shall have easements for access to and use of such facilities. Declarant's or any designee's unilateral right to use the Common Area for purposes stated in this section shall not be exclusive and shall not unreasonably interfere with use of such Common Area by Owners.

Section 6. Declarant Approval to Changes in Association Documents. During the Development Period, the Association shall not, without the prior written approval of Declarant, adopt any policy, rule or procedure that:

(a) Limits the access of Declarant, its successors, assigns and/or affiliates or their personnel and/or guests, including visitors, to the Common Area or to any property owned by any of them;

(b) Limits or prevents Declarant, its successors, assigns and/or affiliates or their personnel from advertising, marketing or using the Association or its Common Area or any property owned by any of them in promotional materials;

(c) Impacts the ability of Declarant, its successors, assigns and/or affiliates, to carry out to completion its development plans and related construction activities for the Subdivision, as such may be amended and updated from time to time. Policies, rules or procedures affecting the provisions of existing easements established by Declarant and limiting the establishment by Declarant of easements necessary to complete the Subdivision shall be expressly included in this provision. Easements that may be established by Declarant shall include but shall not be limited to easements for development, construction and landscaping activities and utilities; or

Section 7. Unimpeded Access. The Association shall not exercise its authority over the Common Area (including, but not limited to, any gated entrances and other means of access to the Property) to interfere with the rights of Declarant set forth in this Declaration or to impede access to any portion of the Property, or over the streets and other Common Area within the Property.

Section 8. Additional Declarations/Restrictions. No Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Property without Declarant's review and written consent during the Development Period. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by recorded consent signed by Declarant.

ARTICLE XII
USE RESTRICTIONS

Section 1. Business Use Prohibited. No trade, business, profession, garage sale, moving sale, rummage sale or other type of commercial activity shall be carried on within any Unit, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the properties; and, (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time; (b) such activity is intended to or does generate a profit; or, (c) a license is required.

Notwithstanding the foregoing, the Declarant and the agents and employees of Declarant, or Builder, shall have the right to: (i) use Lots and improvements erected thereon for sales offices, field construction offices, storage facilities, and its own general business offices; (ii) maintain fluorescent-lighted or spot-lighted model homes which may be open to the public for inspection 7 days per week for such hours as the Declarant or Builder deems appropriate or necessary; (iii) conduct any other activities on Lots to benefit sales efforts; and (iv) use the parking facilities on the Common Area for parking for its employees and invitees.

Section 2. Use of Accessory Structures. No tent, shack, barn, car port, metal awnings, metal utility sheds or other building, other than a Dwelling and its garage, shall be erected on a Lot, and used temporarily or permanently as a residence. Notwithstanding the foregoing, the Declarant and, with the approval of the Declarant, a Builder, may use temporary buildings, offices or facilities in connection with the marketing, sale and construction of Units.

Section 3. Maintenance of Improvements. Each Owner shall maintain in good condition and repair all improvements constructed upon such Owner's Lot, including, without limitation, the Dwelling. No Owner shall change the landscaping, exterior design or color of the Dwelling on such Owner's Lot, including the roof thereof, except in compliance with Article VIII hereof.

Section 4. Storage: Clothes Hanging. No Lot or Common Area shall be used for the storage of rubbish. Outside clothes hanging devices shall not be permitted.

Section 5. Nuisances. No noxious or offensive trade or activity shall be carried on upon any Lot or the Common Area, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No automobile or other vehicle mechanical repairs or like activity shall be conducted within the Properties other than in a garage and concealed from public view.

Section 6. Lawns. Each Lot shall be maintained in a neat condition by the Owner thereof. In this context, the word "Lot" shall include that portion of the property from the outside of the structure on the applicable Lot to the adjacent paved road surface. All Lots upon which a Unit or Dwelling has been constructed ("Improved Lots") must have grass lawns; no gravel or similar type lawns are permitted. For Improved Lots, "Neat" shall require, at a minimum, that the lawn be regularly cut and fertilized and that mulched or pinestrawed areas be regularly re-mulched or re-pinestrawed and kept weeded so that its appearance is in harmony with the neighborhood. No Owner shall allow the grass on an Improved Lot to grow to a height in excess of six (6) inches, measured from the surface of the ground. For unimproved Lots, "Neat" shall require that the Lot is maintained in a sightly condition, free of debris, rubbish, weeds and high grass and in a prudent and reasonable manner harmonious with that of other Lots within the Subdivision.

Section 7. Failure to Maintain. If an Owner fails to maintain the Lot or the improvements thereon, the Association, after giving such Owner at least ten (10) days' written notice, shall be authorized to undertake such maintenance at the Owner's expense. By accepting title to his Lot, each Owner shall be deemed to grant access upon the Owner's Lot and Dwelling for such purpose and such entry shall not constitute a trespass. If such maintenance is undertaken by the Association or Declarant, the charge therefore and all costs of enforcement and collection shall be secured by a lien against the Lot as provided in Article V hereof.

Section 8. Animals. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Lot, except that a reasonable number of cats, dogs, and other household pets may be kept provided they are kept within the residence and are not kept, bred, or maintained for any commercial purposes or become a nuisance to the neighborhood. No person owning or having custody of an animal shall allow the animal to stray or go upon another Owner's Lot without the consent of such other Owner. No animals shall be permitted on or in the Common Area at any time except as permitted by the rules and regulations of the Association or by applicable law. All animals shall be on a leash when outside the Owner's dwelling, and the Owner shall be responsible for cleaning up all droppings from their animals. The Association shall have the right to expel animals from the community for the Owner's continuing violations of the Association Documents. The Board shall also have the right to expel dogs from the community for excessive barking which in the Board's opinion is a nuisance to other Owners.

Section 9. Signs. No signs shall be displayed on any Lot or on or within any improvement on a Lot so as to be visible from the exterior of the improvement without the prior written consent of the Board; provided that an Owner may display on his or her Lot one sign with the maximum dimensions of 24 inches by 24 inches expressing support of or opposition to political candidates or other issues which will appear on the ballot of a primary, general or special election, provided that such political signs shall not be placed on a Lot earlier than forty-five (45) days before such election and shall be removed within seven (7) days after such election. The Board may develop additional sign standards and specifications to which all Owners must

adhere. No sign of any kind shall be displayed in or on the Common Area without the prior written consent of the Board. Notwithstanding the foregoing, Declarant and, with the consent of and upon such conditions as Declarant, in its sole discretion, might impose, a Builder shall have the right to erect and maintain signs of any type and size on any Lot which it owns and on the Common Area, in connection with the development and sale of the Properties.

Section 10. Water Retention Areas. The Association shall be responsible for maintaining the portions of the storm water drainage system which are within the Common Area, including the water quality and quantity standards of the approved plans, to the extent required by law and as required by the Permit. A drainage easement is hereby dedicated to the Association for the purpose of maintaining the storm water system to meet water quality and quantity design standards of the approved plans and any future governmental laws, rules or regulations.

Each Owner of a Lot which borders a water retention area shall maintain any portion of that Owner's Lot lying within a retention area as required by the Permit and free of debris but shall not remove any wetlands species or do anything that would affect adversely water quality within the water retention area.

Swimming and bathing in water retention areas are prohibited. Docks or other structures shall not be erected in water retention areas without the prior written consent of the Association. All other uses of water retention areas shall be subject to the prior written approval of the Association and such rules and regulations as the Association may adopt from time to time.

Section 11. Vehicles, Boats and Trailers. No truck or vehicle used primarily for commercial purposes (other than those temporarily present on business), no vehicle in inoperable condition, no unlicensed vehicle, no recreational vehicle, no camper, no boat and no trailer may be parked within the Properties, unless kept inside a garage and concealed from public view. No parked vehicle shall be covered by a "car cover" or other similar covering unless kept inside a garage and concealed from public view. For the purpose of the preceding sentence, the term "kept" shall mean present for either a period of more than ten (10) hours or overnight, whichever is less. In order to preserve the aesthetics of the development, whether or not, a boat, trailer, or vehicle of any type is adequately concealed from public view shall be determined by the Board of Directors in its sole discretion. The Association shall have the right to tow or remove any boat, trailer, or vehicle of any type which is parked within the Premises or kept on any Lot in violation of this section, at the owner's expense, and the owner of each Lot, by acceptance of their deed, does grant to the Association such an easement on, across, and upon their Lot as may be necessary to enforce the provisions set out in this section.

Section 12. Walls, Fences, and Hedges. All walls, fences, planters and hedges shall be controlled strictly for compliance with this Declaration and architectural standards established by the Declarant or the ARC. The design, materials and placement of all walls, fences and hedges must be approved by the ARC prior to construction pursuant to the approval requirements of Article VIII, Section 1, of this Declaration.

Section 13. Antennae and Roof Structures. No radio or other electrical towers, aerials, antennae, or other devices of any type for the reception or transmission of radio broadcasts or other means of communication shall be erected, constructed, placed or permitted to remain on

any Lot or upon any improvements thereon. Notwithstanding the foregoing, (i) antennae or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (ii) antennae or satellite dishes designed to receive video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement; or (iii) antennae or satellite dishes designed to receive television broadcast signals which are less than one meter in diameter shall be permitted, *provided that* any such antenna or satellite dish is placed in the least conspicuous location on the Lot in which an acceptable quality signal can be received and is screened from the view of adjacent Dwelling Units, streets and Common Area in a manner consistent with the Architectural Guidelines, and is approved by the Declarant or the ARC pursuant to Article VIII of this Declaration. The Association shall be empowered to adopt rules governing the types of antennae and satellite dishes that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae.

Section 14. Visual Obstructions at the Intersections of Streets. No object or thing which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways within the triangular area formed by the junction of street curb lines and a line connecting them at points twenty-five (25) feet from the junction of the street curb lines (or extensions thereof) shall be placed, planted or permitted to remain on any corner lots.

Section 15. Leased Units. An Owner may lease his Unit; provided, however, that:

a) No Dwelling may be leased for a period of less than six (6) months;

b) All leases for any Dwelling Unit shall be in writing signed by the Owner and the tenant and a true executed copy of the lease shall be provided to the Association prior to the occupancy by the tenant of such Dwelling Unit.

c) All leases shall be in such form, and contain such provisions, as approved by the Board, including provisions (a) requiring the tenant to comply with the Association Documents (an example of such provision is set for the below), (b) providing that the failure of any tenant under a lease to comply with the Association Documents shall constitute an event of default under the lease, and (c) providing that the Board may exercise any and all remedies for a default under the Association Documents against the Owner and the tenant under the lease including, without limitation, the right to remove a tenant from possession of a Dwelling Unit by judicial process or otherwise

"Tenant shall obey, adhere to and be bound by all provisions of the Declaration Of Covenants, Conditions, Easements, and Restrictions for the Kaylie's Cove Community, recorded in the applicable public registry for New Hanover County, North Carolina. Tenant acknowledges that he has received of a copy such Declaration and the rules and regulations of the Association and is familiar with the provisions of same."

d) The Board may also adopt additional reasonable rules and regulations regarding leasing.

Section 16. Minimum Size of Dwellings. All Dwellings constructed on any Lot shall have a minimum of 1,200 square feet of enclosed dwelling area. The term "enclosed dwelling

area" as used in the minimum requirements shall be the total enclosed area within a dwelling, provided, however, that such term does not include garages, terraces, decks, open porches, and like areas; provided, further, that shed type porches, even though attached to the house are specifically excluded from the definition of the aforesaid term "enclosed dwelling area".

Section 17. Garages. All single family Units constructed within the Properties shall contain an enclosed garage that is either detached from the Unit or permanently attached to and part of the Unit and such garage shall be large enough to accommodate at least two automobiles. Garage doors shall remain closed at all times except when necessary for ingress and egress.

Section 18. Seasonal or Holiday Decorations. Holiday decorations (e.g., Christmas trees and lights, pumpkins, Easter decorations) shall be removed from each Lot or residential dwelling within a reasonable period of time after such holiday passes. The ARC has the sole discretion to determine what is a reasonable period of time for seasonal or holiday decorations to exist after the holiday passes and its determination shall be final.

Section 19. Window Coverings. All drapes, curtains or other similar materials hung at windows so as to be visible from outside the home shall be of a white or neutral background material.

Section 20. Exterior Lights. All light bulbs or other lights installed in any fixture located on the exterior of any building or any sites shall be clear, white or non-frosted lights or bulbs. Light wattage and placement shall be approved by the ARC.

Section 21. Service Utilities, Fuel Tanks, Wood Piles, Trash. All service utilities, fuel tanks, wood piles and trash and garbage containers are to be enclosed within a fence, wall or plant screen of a type and size approved by the Declarant or the ARC, so as to preclude the same from causing an unsightly view from any highway, street or way within the subdivision, or from any other residence within the subdivision.

Section 22. Curbside Maintenance. Each Owner shall have a duty and obligation to maintain the roadside curbing, swales and driveway culverts along the front of their Lot, and in the case of corner lots, along the side abutting roadways, in the same condition as originally installed by the Declarant. In the event any Owner shall fail to do so, the Association after giving such Owner at least ten (10) days' written notice, shall be authorized to undertake such maintenance at the Owner's expense. Provided, however, that during the Development Period, the Declarant shall have the option of repairing or replacing damaged curbing, swales or driveway culverts to their original condition, and the cost of such repairs or replacement shall constitute a lien in favor of the Declarant against the lot adjacent to where the repairs or replacements were effected. If such maintenance is undertaken by the Association or Declarant, the charge therefore and all costs of enforcement and collection shall be secured by a lien against the Lot as provided in Article V hereof.

Section 23. Flags. Notwithstanding any provision of this Declaration, including without limitation the provisions of this Article XII, no rule or regulation adopted by the Board or the Association, nor any amendment to the Declaration adopted by the Association or the Declarant shall regulate or prohibit the display of the flag of the United States of America and/or the flag of the State of North Carolina, of a size no greater than four (4) feet by six (6) feet, which is

displayed in accordance with or in a manner consistent with the patriotic customs set forth in 4 U.S.C. §§ 5-10, as amended.

Section 24. Right of ways. If any Owner places any improvement or structure in the right-of-way, then if requested by the North Carolina Department of Transportation or the Declarant or the Association or any governmental regulatory agency, the Declarant or the Association shall have the right to remove such improvement or structure even if ARC had approved installation of such improvement or structure.

Section 25. Above Ground Swimming Pools. No above ground swimming pool shall be erected, constructed, placed or permitted to remain on any Lot.

Section 26. Outdoor Fires/Burning. Outside burning of trash, leaves, debris or other materials is prohibited. Owners may burn wood in an outdoor fire pit, provided the fire pit must first be approved by the Declarant, Board, or ARC, as applicable. The restrictions contained in this Section 26 shall not apply to Declarant.

Section 27. Deviations. Declarant at its sole discretion, is hereby permitted to approve deviations to restrictions in Article XII in instances where in its judgment, such deviation will not adversely affect the development of the Property as a whole. Such approvals must be granted in writing and when given will automatically amend these restrictions for that certain Lot only.

ARTICLE XIII
STORMWATER PERMIT TRANSFER, RESPONSIBILITIES AND COVENANTS

Section 1. Transfer to and Acceptance by Association. Declarant shall, at its sole cost and expense, initially construct all stormwater management facilities required to be located upon the Property or upon any property annexed into the Property by Declarant ("Stormwater Management Facilities") to the standards required by the North Carolina Stormwater Management Permit No SW8 160310 issued for the Properties, and any additional North Carolina Stormwater Management Permits, applicable to the Properties and any amendments, additions or replacements thereof (collectively, the "Permit"). Upon completion of the initial construction of the Stormwater Management Facilities required by the applicable Permit for the Properties pursuant to this Declaration, Declarant shall transfer the applicable Permit and Declarant's responsibilities under the Permit applicable to the Properties to the Association. The Association shall accept the transfer from Declarant of the applicable Permit and responsibilities under the Permit. Transfers of any such Permit shall occur within a reasonable period of time after the date the North Carolina Department of Environmental Quality allows the transfer of the Permit to occur, or a later date if so elected by Declarant.

Prior to any such transfer of the Permit, the Stormwater Management Facilities for the Properties, including any property annexed by Declarant into the Property, shall be certified to the Association and the State of North Carolina, either by state inspection or by a licensed engineer, as being in compliance with the applicable Permit prior to such assignment or transfer.

Section 2. Association Indemnification. The Association shall indemnify and hold Declarant harmless from any loss, cost, claim, fee, fine, suit, damage or expense, including reasonable attorneys' fees, incurred by Declarant in the defense of any action against Declarant as the responsible party under the Permit and any Permit applicable to any Properties annexed into the Property from and after the date Declarant tenders transfer of its responsibilities under the Permit. The Association shall indemnify and hold Declarant harmless from any loss, cost, claim, fee, fine suit, damage or expense, including reasonable attorneys' fees, incurred by Declarant in the defense of any action against Declarant as holder of the Permit from and after the date Declarant tenders transfer of the Permit to the Association following the approval of such transfer by the North Carolina Department of Environmental Quality and the certification of compliance as set forth above. Further, Declarant may bring an action for specific performance of the obligations of the Association pursuant to this Section 2.

Section 3. Administration of Permit. From and after the transfer of Declarant's responsibilities under the Permit applicable to the property annexed into the Property and from and after transfer of the Permit from Declarant to the Association, the oversight, supervision, management and administration of the Permit shall be the sole responsibility of the Association. The Association's duties with respect to the Permit shall be carried out in accordance with the terms and conditions of the Association Documents, and the Permit. The Architectural Review Committee shall review plans for Improvements for compliance with the built-upon area limits set forth in the Permit and this Declaration. The plans submitted by Owners must include all proposed built-upon area. Any approvals given by the ARC do not relieve the Owner of the responsibility to comply with the permitted built-upon area restrictions set forth in the Permit and this Declaration.

Section 4. Easement for Upkeep and Enforcement. The Association hereby is granted and conveyed an easement over, under and upon each Lot for the purpose of access to and upkeep of all Stormwater Management Facilities and to enforce all requirements of the Permit. In the event Declarant annexes additional property into the Property and transfers the applicable Permit and Declarant's responsibilities under the Permit to the Association, the Association shall have, and hereby is granted and conveyed, an easement over, under and upon each annexed Lot for the purpose of access to and Upkeep of all Stormwater Management Facilities located upon such additional property and to enforce all requirements of the Permit.

Section 5. Permit Covenants. To ensure ongoing compliance with the Permit as issued by the North Carolina Department of Environmental Quality Division of Energy, Mineral and Land Resources under NCAC 2H.1000 the following covenants and restrictions are hereby imposed upon the Property:

(a) The maximum allowable built upon area per Lot is 4,200 square feet for Lots 1-71, inclusive. The allotted amount includes any built upon area constructed within the property boundaries of a Lot and that portion of the right of way between the front Lot line and the edge of the pavement of any street abutting such Lot. Built upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, coquina and parking areas, but does not include raised, open wood decking, or the water surface of swimming pools. Built upon area in excess of the permitted amount above stated will require a modification of the Permit.

(b) Alteration of drainage as shown on the approved plans may not take place without the concurrence of the Division of Energy, Mineral and Land Resources.

(c) All runoff from all built-upon area on the lot must drain into the permitted system. This may be accomplished through providing roof drain gutters, which drain to the pond or street, grading the lot to drain toward the street or directly into the pond, or grading perimeter swales and directing them into the pond or the street.

(d) All affected lots shall maintain a 50' wide vegetative buffer adjacent to surface waters, measured horizontally from and perpendicular to the normal pool of impounded structures, the top of bank of each side of streams and rivers and the mean high water line of tidal waters.

(e) Built-upon area in excess of the permitted amount will require a permit modification.

(f) No alteration of the drainage for the Stormwater Management Facilities designated in the Permit and shown on any accompanying approved plans shall occur without the prior written consent of the Division of Energy, Mineral and Land Resources.

(g) Any individual or entity found to be in noncompliance with the provisions of the Permit or any other stormwater management permit or the requirements of the Stormwater Rules is subject to enforcement procedures as set forth in G.S. 143, Article 21.

The covenants set forth in this Section 5 pertaining to stormwater management run with the land and are binding on all persons claiming under them and may not be altered, rescinded, or modified without the express written consent of the Division of Energy, Mineral and Land Resources. The State of North Carolina is made a beneficiary of the covenants above stated to the extent necessary to maintain compliance with the Permit, and such covenants run with the Property and shall be binding on all Persons and parties claiming under them.

Section 6. Each Owner of a Lot which borders a water retention area, drainage easement or drainage swale area shall be responsible to maintain any portion of that Owner's lot lying within a retention area, drainage easement, or drainage swale area in compliance with the Permit and free of debris but shall not remove any wetlands species or do anything that would affect adversely water quality within the water retention area. No structure of any type shall be permitted within the water retention areas, drainage easements or drainage swale areas. Swimming and bathing in water retention areas are prohibited. Docks or other structures shall not be erected in water retention areas without the prior written consent of the Association. All other uses of water retention areas shall be subject to the prior written approval of the Association and such rules and regulations as the Association may adopt from time to time.

ARTICLE XIV
GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner shall have the right to enforce, by 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 an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Amendment. During the Development Period, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, Declarant may unilaterally amend this Declaration if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable it to make or purchase mortgage loans on the Lots; (iv) necessary to enable any governmental agency or reputable private insurance company to guarantee or insure Mortgage loans on the Lots; or (v) otherwise necessary to satisfy the requirements of any governmental agency for approval of this Declaration. However, any such amendment shall not adversely affect the title to any Lot unless the affected Owner shall consent thereto in writing.

Except as otherwise specifically provided in this Declaration, this Declaration may be amended only by the affirmative vote of, or written agreement signed by, Owners of Lots to which at least sixty-seven percent (67%) of the total votes in the Association are allocated, and Declarant's written consent during the Development Period.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

Amendments to this Declaration shall become effective upon recordation in the office of the Register of Deeds of New Hanover County unless a later effective date is specified therein. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege during the Development Period.

Section 4. Interpretation. Headings used herein are for indexing purposes only and shall not be used as a means of interpreting or construing any provision hereof. Unless the context

otherwise requires, the use herein of the singular shall include the plural and vice versa; the use of one gender shall include all genders; and the use of the word "including" shall mean "including, without limitation". This Declaration and the provisions thereof shall be construed and enforced in accordance with the laws of the State of North Carolina.

Section 5. Subdivision of Lots. No Lot within the Subdivision may be subdivided by sale or otherwise so as to reduce the total Lot area shown on the recorded plat, except by or with the consent of the Declarant and, if required, by the appropriate governmental authority.

Section 6. Declarant's Right To Change Development. With the approval of the appropriate governmental authority, and subject only to such terms and conditions as said authority may impose, Declarant shall have the right, without consent or approval of the Owners, to create Lots and Units, add Common Area, and reallocate Lots or Units within the Properties. Declarant may convert any Lot or Lots or any other property subject to these restrictions to use as a roadway and/or road right-of-way.

Section 7. Right to Dedicate Streets. In the event that the streets and roadways providing access to the Kaylie's Cove Subdivision are accepted as public roads by the North Carolina Department of Transportation, then and in that event, the Declarant and/or the Association may petition the North Carolina Department of Transportation to accept the streets and roadways within the Kaylie's Cove Subdivision as public roads.

Section 8. Rules and Regulations: Enforcement. The Board shall have the authority to adopt additional rules and regulations governing the use of the Common Area and the Lots within the Subdivision and shall furnish a written copy of said rules and regulations to the Owners) of each Lot at least fifteen (15) days before such rules and regulations become effective.

In addition to any other rights and remedies that the Association may have, the Association may impose sanctions for a violation of the Association Documents subject to the notice of hearing, evidence, and appeals procedures set forth in §47F-3-107.1 of the Act, which sanctions may include, without limitation, reasonable monetary fines not to exceed One Hundred Dollars ($100.00), provided that an additional fine of up to One Hundred Dollars ($100.00) per day may be imposed for each day more than five (5) days after the decision that the violation occurs, which shall constitute a lien upon the Lot of the violator, and suspension of the right to vote and the right to use the Common Area and any facilities thereon.

In addition, as provided in the Bylaws, the Association may exercise self-help to cure violations (specifically including, but not limited to, the towing of Owner and tenant vehicles that are in violation of parking rules) and may suspend the right of an Owner to use any Common Area and recreational facility within the Properties if the Owner is more than 30 days delinquent in paying any assessment or other charge due to the Association.

The Association shall at all times have the right and easement to go upon any Lot for the purposes of exercising its rights hereunder, including, but not limited to, enforcement of the Architectural Guidelines applicable to the Properties. Any entry onto any Lot for purposes of exercising this power of self-help shall not be deemed as trespass. All remedies set forth in this Declaration and the Bylaws shall be cumulative of any remedies available at law or in equity. In

any action to enforce its rights and remedies, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, incurred in such action.

The Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board reasonably determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement actions. Any such determination shall not be construed as a waiver of the right to enforce such provisions under other circumstances or to estop the Association from enforcing any other covenant, restriction or rule.

[SIGNATURES ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration under seal this 11 day of September, 20 17.

BILL CLARK HOMES OF WILMINGTON, LLC (SEAL)
a North Carolina limited liability company

By: _____ (SEAL)
Name: _____
Title: _____

By: _____ (SEAL)
Name: _____
Title: _____

STATE OF NORTH CAROLINA
COUNTY OF New Hanover

I certify that the following person personally appeared before me this day, acknowledging to me that he signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: Edward H Clark.

Date: September 11 2017

Tracy Sholders
Signature of Notary Public

Tracy Sholders
Notary's printed or typed name

My commission expires: August 14, 2020

(Official Seal)

TRACY SHOLDERS
NOTARY
PUBLIC
NEW HANOVER COUNTY, NC

Notary seal or stamp must appear within this box.

STATE OF NORTH CAROLINA
COUNTY OF New Hanover

I certify that the following person personally appeared before me this day, acknowledging to me that he signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: Cheryl Blanton.

Date: September 11, 2017

Tracy Shalders
Signature of Notary Public

Tracy Shalders
Notary's printed or typed name

My commission expires: August 16, 2020

(Official Seal)

Notary seal or stamp must appear within this box.

EXHIBIT "A"
Legal Description of Property

Those tracts or parcels of land lying and being situate in New Hanover County, North Carolina, and being more particularly depicted as Lots 1-27, inclusive, "Brown Pelican Lane", Drayton Court", "Passive Open Space Common Area Storm Water Easement", "Active Open Space Common Area Drainage Easement", and "Active Open Space Common Area" on the map entitled "Kaylies Cove Phase 1" recorded in Map Book 63, Pages 171-172 in the office of the Register of Deeds of New Hanover County, North Carolina.

EXHIBIT "B"
Legal Description of Additional Property

Tract 1

Commencing at a southwesterly corner of a tract described in a deed to William W. Hardee recorded in Deed Book 1137 at Page 1818 in the New Hanover County Registry. Said point being in an easterly line of a tract described in a deed to the Carol Gay Rogers recorded in Deed Book 2484 at Page 427, Tract 2 in the New Hanover County Registry and being the point of beginning.

Thence, from said point of beginning with said Rogers Tract 2 line, North 0 degrees 09 minutes 44 seconds West a distance of 546.73 feet to a point in an southeasterly line of a tract described in a deed to the Carol Gay Rogers recorded in Deed Book 2484 at Page 427, Tract 3 in the New Hanover County Registry. Thence a new line, South 54 degrees 57 minutes 53 seconds East a distance of 348.36 feet to a point in aforesaid Hardee line. Thence, with said Hardee line, South 39 degrees 17 minutes 20 seconds West a distance of 448.01 feet to the POINT OF BEGINNING.

The above described parcel contains 1.79 acres (77819 sq. ft.) and is a portion of that tract described in Deed Book 1150 at Page 585 in the New Hanover County Registry.

This is the same property described in the deed dated May 13, 2016 and recorded in Book 5970, Page 566 in the office of the Register of Deeds of New Hanover County.

Tract 2

Commencing at a point at the southwesterly corner of a tract described in a deed to the Grace L. Griffin Revocable Trust recorded in Deed Book 3006 at Page 556 in the New Hanover County Registry. Said point being in the northerly right-of-way line of Myrtle Gardens Drive (60 foot wide public right-of-way) as shown on a map recorded in Map Book 49 at Page 126 in the New Hanover County Registry and being the point of beginning.

Thence, from said point of beginning with said northerly line of Myrtle Gardens Drive, North 71 degrees 43 minutes 31 seconds West a distance of 40.81 feet to a point at the southeasterly corner of a tract described in a deed to Carol Gay Rogers recorded in Deed Book 2484 at Page 427, Tract 2 in the New Hanover County Registry. Thence, with the easterly line of said Rogers Tract, North 0 degrees 09 minutes 44 seconds West a distance of 240.52 feet to a point at the southernmost corner of a tract described in a deed to Daniel R. Rowland recorded in Deed Book 1150 at Page 585 in the New Hanover County Registry. Thence, with the southeasterly line of said Rowland Tract, North 39 degrees 17 minutes 19 seconds East a distance of 699.10 feet to a point. Thence, a new line South 50 degrees 42 minutes 41 seconds East a distance of 199.78 feet to a point in a westerly line of aforesaid Grace L. Griffin Revocable Trust Tract. Thence, with said westerly of Griffin Tract South 39 degrees 52 minutes 19 seconds West a distance of 857.65 feet to a point. Thence, continuing South 39 degrees 52 minutes 19 seconds West a distance of 12.59 feet to the POINT OF BEGINNING.

The above described parcel contains 3.63 acres (158317 sq. ft.) and is a portion of those tracts recorded in Deed Book 1074 at Page 852 and Deed Book 1137 at Page 1818 in the New Hanover County Registry.

This is the same property described in the deed dated May 16, 2016 and recorded in Book 5970, Page 528 in the office of the Register of Deeds of New Hanover County.

Tract 3

To arrive at the point of beginning commence at the northeasterly corner of a tract described in a deed to the Trustees of Myrtle Grove Presbyterian Church recorded in Deed Book 1100 at Page 691 in the New Hanover County Registry. Said point being the northwesterly corner of a sixty foot wide parcel described in a deed to Carol Rogers recorded in Deed Book 2484 at Page 427, Tract 2 in the New Hanover County Registry and also lying in the southerly right-of-way line of Piner Road – S.R. 1521 (60 foot wide public right-of-way). Thence with said southerly line of Piner Road, South 62 degrees 08 minutes 53 seconds West 60.00 feet, South 62 degrees 11 minutes 35 seconds East 106.19 feet to a point at the northeasterly corner of a tract described in a deed to Dudley Linwood Rogers, recorded in Deed Book 775 at Page 308 in the New Hanover County Registry and being the point of beginning;

Thence from said point of beginning with said southerly line of Piner Road, South 62 degrees 15 minutes 38 seconds East a distance of 634.42 feet to a point at the northwesterly corner of a tract described in a deed to Dorothy Virginia Carter Heirs recorded in Deed Book 807 at Page 26, Tract 2 in the New Hanover County Registry. Thence, with said Carter line South 50 degrees 12 minutes 35 seconds West a distance of 741.13 feet to a point in an easterly line of aforesaid Dudley Linwood Rogers. Thence, with said Rogers line North 0 degrees 35 minutes 37 seconds East a distance of 769.64 feet to the POINT OF BEGINNING.

The above described parcel contains 4.99 acres (217246 sq. ft.) and is that parcel described in Deed Book 807 at Page 26, Tract 1 in the New Hanover County Registry.

Tract 4

To arrive at the point of beginning commence at the northeasterly corner of a tract described in a deed to the Trustees of Myrtle Grove Presbyterian Church recorded in Deed Book 1100 at Page 691 in the New Hanover County Registry. Said point being the northwesterly corner of a sixty foot wide parcel described in a deed to Carol Rogers recorded in Deed Book 2484 at Page 427, Tract 2 in the New Hanover County Registry and also lying in the southerly right-of-way line of Piner Road – S.R. 1521 (60 foot wide public right-of-way). Thence with said southerly line of Piner Road, South 62 degrees 08 minutes 53 seconds West 60.00 feet, South 62 degrees 11 minutes 35 seconds East 106.19 feet, South 62 degrees 15 minutes 38 seconds East 634.42 feet, to the northeasterly corner of a parcel described in a deed to Dorothy Virginia Carter Heirs recorded in Deed Book 807 at Page 26, Tract 1 in the New Hanover County Registry and being the point of beginning;

Thence, from said point of beginning with said southerly line of Piner Road, South 62 degrees 16 minutes 36 seconds East a distance of 207.16 feet to a point at the northwesterly corner of a tract described in a deed to Carol Gay Rogers recorded in Deed Book 626 at Page 558 in the New Hanover County Registry. Thence, with said Rogers westerly line, South 50 degrees 24 minutes 11 seconds West a distance of 200.08 feet to a point in a westerly line of a tract described in a deed to Carol Gay Rogers recorded in Deed Book 2484 at Page 34, Tract 3 in the New Hanover County Registry. Thence, with said Rogers westerly line South 50 degrees 18 minutes 22 seconds West a distance of 781.45 feet to a point in an easterly line of a tract described in a deed to Carol Gay Rogers recorded in Deed Book 2484 at Page 34, Tract 2 in the New Hanover County Registry. Thence, with said Rogers easterly line North 0 degrees 39 minutes 40 seconds East a distance of 147.02 feet to a point at the southeasterly corner of a tract described in a deed to Dudley Linwood Rogers Jr. recorded in Deed Book 775 at Page 308 in the New Hanover County Registry. Thence, with said Rogers easterly line North 0 degrees 31 minutes 08 seconds East a distance of 101.68 feet to a point southeasterly corner of a parcel described in a deed to Dorothy Virginia Carter Heirs recorded in Deed Book 807 at Page 26, Tract 1 in the New Hanover County Registry. Thence, with said Rogers easterly line North 50 degrees 12 minutes 35 seconds East a distance of 741.13 feet to the POINT OF BEGINNING.

The above described parcel contains 3.76 acres (163898 sq. ft.) and is that parcel described in Deed Book 807 at Page 26, Tract 2 in the New Hanover County Registry.

Tracts 3 and 4 are the same tracts of land described in the deed dated April 19, 2016 and recorded in Book 5970, Page 533 in the office of the Register of Deeds of New Hanover County.

Tract 5

Commencing at the northeasterly corner of a tract described in a deed to the Trustees of Myrtle Grove Presbyterian Church recorded in Deed Book 1100 at Page 691 in the New Hanover County Registry. Said point lying in the southerly right-of-way line of Piner Road – S.R. 1521 (60 foot wide public right-of-way) and being the point of beginning.

Thence from said point of beginning, along said southerly right-of-way line of Piner Road South 62 degrees 08 minutes 53 seconds East a distance of 60.00 feet to a point at the northwesterly corner of a tract described in a deed to Dudley Linwood Rogers Jr. recorded in Deed Book 775 at Page 308 in the New Hanover County Registry. Thence with the westerly line of said Dudley Rogers tract, South 27 degrees 35 minutes 03 seconds West a distance of 819.75 feet to a point to a point in a northerly line of a tract described in a deed to Myrtle Grove Presbyterian Church recorded in Deed Book 1424 at Page 1074 in the New Hanover County Registry. Thence, with said northerly lines, North 46 degrees 20 minutes 59 seconds West a distance of 8.02 feet to a point. Thence North 52 degrees 37 minutes 46 seconds West a distance of 53.06 feet to a point to the southeasterly corner of aforesaid Trustees of Myrtle Grove Presbyterian Church tract. Thence, with the easterly line of said Trustees tract North 27 degrees 35 minutes 03 seconds East a distance of 808.79 feet to the POINT OF BEGINNING.

The above described parcel contains 1.12 acres (48833 sq. ft.) and is that parcel described in Deed Book 2484 at Page 427, Tract 2 in the New Hanover County Registry.

Tract 6

Commencing at a point in the northerly right-of-way line of Myrtle Gardens Drive (60 foot wide right-of-way) as shown on a map recorded in Map Book 49 at Page 126 in the New Hanover County Registry. Said point being in an easterly line of a tract described in a deed to Myrtle Grove Presbyterian Church recorded in Deed Book 1424 at Page 1074 in the New Hanover County Registry and being the point of beginning;

Thence, from said point of beginning along and with the lines of said Myrtle Grove Presbyterian Church North 67 degrees 39 minutes 16 seconds West a distance of 36.48 feet to a point. Thence North 13 degrees 04 minutes 50 seconds East a distance of 68.11 feet to a point. Thence North 8 degrees 06 minutes 58 seconds East a distance of 422.30 feet to a point. Thence North 5 degrees 55 minutes 54 seconds West a distance of 535.95 feet to a point. Thence North 19 degrees 07 minutes 19 seconds West a distance of 42.05 feet to a point in the southerly line of a tract described in a deed to Dudley Linwood Rogers recorded in Deed Book 775 at Page 308 in the New Hanover County Registry. Thence, with said Dudley Linwood Rogers southerly line South 69 degrees 45 minutes 19 seconds East a distance of 453.32 feet to a point in the southwesterly line of a tract described in a deed to Dorothy Virginia Carter Heirs recorded in Deed Book 807 at Page 26, Tract 2 in the New Hanover County Registry. Thence, with said Carter Heirs line South 0 degrees 39 minutes 40 seconds West a distance of 147.02 feet to a point in a westerly line of a tract described in a deed to Carol Gay Rogers recorded in Deed Book 2484 at Page 427, Tract 3 in the New Hanover County Registry. Thence, with said Rogers line South 0 degrees 39 minutes 40 seconds West a distance of 80.50 feet to a point in the westerly line of a tract described in a deed to Daniel R. Rowland recorded in Deed Book 1150 at page 585 in the New Hanover County Registry. Thence, with said Rowland line South 0 degrees 09 minutes 44 seconds East a distance of 546.73 feet to a point in a westerly line of a tract described in a deed to William W. Hardee recorded in Deed Book 1137 at Page 1818 in the New Hanover County Registry. Thence, with said Hardee line and the westerly line of a tract described in a deed to William W. Hardee recorded in Deed Book 1174 at Page 852 in the New Hanover County Registry, South 0 degrees 09 minutes 45 seconds East a distance of 240.52 feet to a point in the aforesaid northerly right-of-way line of Myrtle Gardens Drive. Thence, along said northerly right-of-way lines of Myrtle Gardens Drive North 71 degrees 43 minutes 31 seconds West a distance of 47.20 feet to a point. Thence North 76 degrees 19 minutes 22 seconds West a distance of 362.51 feet to the POINT OF BEGINNING.

The above described parcel contains 9.20 acres (400909 sq. ft.) and is that parcel described in Deed Book 2484 at Page 427, Tract 2 in the New Hanover County Registry.

Tract 7

To arrive at the point of beginning commence at the northeasterly corner of a tract described in a deed to the Trustees of Myrtle Grove Presbyterian Church recorded in Deed Book 1100 at Page 691 in the New Hanover County Registry. Said point being the northwesterly corner of a sixty foot wide parcel described in a deed to Carol Rogers recorded in Deed Book 2484 at Page 427, Tract 2 in the New Hanover County Registry and also lying in the southerly right-of-way line of Piner Road – S.R. 1521 (60 foot wide public right-of-way). Thence with said southerly line of Piner Road, South 62 degrees 08 minutes 53 seconds West 60.00 feet, South 62 degrees 11 minutes 35 seconds East 106.19 feet, South 62 degrees 15 minutes 38 seconds East 634.42 feet, South 62 degrees 16 minutes 36 seconds East 207.16 feet and South 61 degrees 59 minutes 10 seconds East 108.08 feet to the northeasterly corner of a parcel described in a deed to Carol Rogers Holt recorded in Deed Book 626 at Page 558 in the New Hanover County Registry and being the point of beginning;

Thence from said point of beginning with said southerly line of Piner Road, South 61 degrees 59 minutes 10 seconds East a distance of 193.36 feet to a point at the northwesterly corner of a tract described in a deed to Brunswick Place Old Fayetteville Road LLC recorded in Deed Book 5708 at Page 1485 in the New Hanover County Registry. Thence, with the westerly line of said Brunswick Place tract South 35 degrees 00 minutes 40 seconds West a distance of 194.98 feet to a point at the northeasterly corner of a tract described in a deed to William W. Hardee recorded in Deed Book 1137 at Page 1818 in the New Hanover County Registry. Thence, with the said Hardee tract lines North 61 degrees 47 minutes 00 seconds West a distance of 102.05 feet to a point. Thence South 39 degrees 20 minutes 21 seconds West a distance of 311.89 feet to a point northeasterly corner of a tract described in a deed to Daniel R. Rowland recorded in Deed Book 1150 at page 585 in the New Hanover County Registry. Thence, with said Rowland tract lines, North 33 degrees 10 minutes 56 seconds West a distance of 150.79 feet to a point. Thence South 73 degrees 43 minutes 46 seconds West a distance of 132.75 feet to a point. Thence South 64 degrees 41 minutes 16 seconds West a distance of 129.39 feet to a point. Thence South 50 degrees 12 minutes 57 seconds West a distance of 385.31 feet to a point in the easterly line of a tract described in a deed to Carol Gay Rogers recorded in Deed Book 2484 at Page 427, Tract 2 in the New Hanover County Registry. Thence, with said Rogers Tract line, North 0 degrees 39 minutes 40 seconds East a distance of 80.50 feet to a point in the southeasterly corner of a tract described in a deed to Dorothy Virginia Carter Heirs recorded in Deed Book 807 at Page 26 in the New Hanover County Registry. Thence, with the easterly line of said Carter tract, North 50 degrees 18 minutes 28 seconds East a distance of 781.48 feet to a point in the aforesaid Carol Rogers Holt tract. Thence, with the lines of said Holt tract, South 62 degrees 00 minutes 22 seconds East a distance of 108.10 feet to a point. Thence South 62 degrees 00 minutes 22 seconds East a distance of 49.82 feet to a point. Thence North 36 degrees 07 minutes 10 seconds East a distance of 186.80 feet to the POINT OF BEGINNING.

The above described parcel contains 3.47 acres (151291 sq. ft.) and is a portion of the property described in Deed Book 203 at Page 34 in the New Hanover County Registry.

Tracts 5, 6, and 7 are the same tracts of land described in the deed dated March 23, 2016 and recorded in Book 5970, Page 551 in the office of the Register of Deeds of New Hanover County.

Tract 8

Tract 1:

BEGINNING at a stake on the South side of the Belt Road at the edge of said road, said stake being located 105 feet eastwardly as measured along the Southern line of said Belt Road from the northeastern corner of a 19.8 acre tract of land conveyed by Alice O Southerland to Dudley Rogers by deed recorded in Book 203 at Page 34 in the office of the Register of Deeds of New Hanover County and running thence South 59 degrees East along the southern line of said Belt Road, 210 feet to a stake, the Northeastern corner of a tract of land conveyed by Alice O. Southerland to T. D. Piner and wife, Henrietta C. Piner, by deed bearing date October 18, 1941, and duly recorded in Book 310, at Page 492, in the Office of the Register of Deeds of New Hanover County and running thence South 42 degrees 45 minutes West and along the easterly line of the tract of land conveyed to the said T. D. Piner and wife as aforesaid, 1698 feet to the old Montgomery line, running thence Westwardly along the old Montgomery line, 315 feet to the Southeastern corner of the aforesaid 19.8 acre tract of land conveyed by Alice O. Southerland to Dudley Rogers as aforesaid; running thence North 42 degrees 45 minutes East and along the easterly line of the said Dudley Rogers 19.8 acre tract of land, 858 feet, more or less, to a point in said line, which is located South 42 degrees 45 minute West, 840 feet from the Southern line of the above mentioned Belt Road; running thence South 59 degrees East, parallel with the Southern line of the above mentioned Belt Road, 105 feet; running thence North 42 degrees 45 minutes East, parallel with the second call hereof, 840 feet to the point of BEGINNING, in the Southern line of the said Belt Road containing 10 acres, more or less, and being all of that tract of land conveyed to T.D. Piner and wife, Henrietta C. Piner by deed from Alice O. Southerland, bearing date October 18, 1941, and duly recorded in Book 310 at Page 492 of the New Hanover County Registry, EXCEPTING from the tract conveyed to said Piner as aforesaid, two acres located in the extreme Northwestern corner of said tract, fronting 105 feet on said road and running back between parallel lines, 840 feet.

EXCEPTING ALSO from the above tract that parcel of land conveyed from James R. Griffin et ux to T.D. Piner by Deed recorded in Book 466 at Page 291, New Hanover County Registry and described as follows:

BEGINNING at a stake on the South side of the Belt Road at the edge of said road, said stake being located 105 feet Eastwardly as measured along the Southern line of said Belt Road from the Northeastern corner of a 19.8 acre tract of land conveyed by Alice O. Southerland to Dudley Rogers, by deed recorded in Book 203, at Page 34 in the Office of the Register of Deeds of New Hanover County, and running thence South 42 degrees

45 minutes west along the westerly line of a tract of land conveyed by T.D. Piner to James R. Griffin and wife, by deed bearing date June 6, 1950, and recorded in Book 466, at Page 70 in the office of the Register of Deeds of New Hanover County, 840 feet; thence South 59 degrees East, parallel with the Southern line of the above-mentioned Belt Road, 10 feet; thence North 42 degrees 5 minutes East, parallel with the first call hereof, 840 feet to a point in the Southern line of the aforesaid Belt Road; running thence North 59 degrees west along the Southern line of said Belt Road, 10 feet to the point of BEGINNING, the same being a part of the tract of land conveyed by T.D. Piner to James R. Griffin and wife by deed recorded in Book 466 at Page 70 in the office of the Register of Deeds of New Hanover County.

Tract 2:

BEING all of Lot 124, Section 2, Sentry Oaks, as shown on that map recorded in Map Book 36, Page 166, New Hanover County Registry, reference to which map is hereby made for a more particular description.

This is the same property described in the deed dated August 2, 2001 and recorded in Book 3006, Page 556 in the office of the Register of Deeds of New Hanover County.

Tract 9

TRACT F: Beginning at an iron pipe in the Newton-Griffin line, said pipe being south forty-four (44) degrees and forty five (45) minutes west thirteen hundred seventy seven and nine one hundredths (1,377.09) feet from an old iron pipe in the southern line of Piner Road (S.R.#1521, allowing for a 60 feet right of way, said pipe being Charles E. Newton's northwest corner as recorded in deed book 373 at page 501 of the New Hanover County Registry and James R. Griffin's northeast corner as recorded in deed book 466 at page 70 of said registry, said point being located south fifty-six (56) degrees and fifty-two (52) minutes east five hundred thirteen and eighty-six one hundreths (513.86) feet along the southern line of said Piner Road from its intersection with the western line of Horndale Drive if same were extended southwardly, said point being south seventeen (17) degrees and forty-five (45) minutes west sixty-two and twenty-five one hundredths (62.25) feet along said extension of Horndale Drive from the south east corner of Lot 1 of Horndale as recorded in Map Book 8 at Page 71 of the New Hanover County Registry, running thence from said point of beginning south sixty-three (63) degrees and thirty four (34) minutes east two hundred seventy-one and six one hundredths (271.06) feet to an iron pipe, thence south eight (8) degrees and eleven (11) minutes west three-hundred ninety-eight and twenty-three one hundredths (398.23) feet to an old iron pipe, thence north fifty-three (53) degrees four (4) minutes and thirty (30) seconds west ninety-five and fourteen one hundredths (95.14) feet to a point, thence north forty-two (42) degrees thirty-eight (38) minutes and 30 seconds west three hundred fourteen and fifty-nine one hundredths (314.59) feet to a point, thence north sixty-six (66) degrees thirty-eight (38) minutes and thirty (30) seconds west ninety-two and forty-one one hundredths (92.41) feet to an iron pipe in the aforemention Newton-Griffin line, thence with said line north forty-four (44) degrees and forty-five (45) minutes east two hundred sixty-six and ninety-eight one hundredths (266.98) feet to the point of beginning, containing 2.595 acres more or less.

This is the same property described in the deed dated September 15, 1988 and recorded in Book 1430, Page 1325 in the office of the Register of Deeds of New Hanover County.

TAMMY THEUSCH
BEASLEY
Register of Deeds

New Hanover County
Register of Deeds

320 CHESTNUT ST SUITE 102 • WILMINGTON, NORTH CAROLINA 28401
Telephone 910-798-4530 • Fax 910-798-7716

****

State of North Carolina, County of NEW HANOVER
Filed For Registration: 09/19/2017 12:53:35 PM
Book: RB 6089 Page: 759-804
46 PGS $146.00
Real Property $146.00
Recorder: ANGELA ENGLISH
Document No: 2017030375

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DO NOT REMOVE!

This certification sheet is a vital part of your recorded document. Please retain with original document and submit when re-recording.

BK: RB 6165
PG: 577 - 580
RECORDED:
08/24/2018
11:15:00 AM
BY: ANDREA CRESWELL
ASSISTANT

2018027022
NEW HANOVER COUNTY,
TAMMY THEUSCH BEASLEY
REGISTER OF DEEDS

NC FEE $26.00
EXTX $0.00

ELECTRONICALLY RECORDED

SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR KAYLIE'S COVE COMMUNITY (ANNEXING PHASE 2)

THIS SUPPLEMENTAL DECLARATION, made and entered into this 22nd day of August, 2018 by Bill Clark Homes of Wilmington, LLC, a North Carolina limited liability company (hereinafter referred to as "Declarant").

WITNESSETH

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for the Kaylie's Cove Community is recorded in Book 6089, at page 759 in the Office of the Register of Deeds of New Hanover County, North Carolina (such instrument as supplemented and amended is herein referred to as the "Declaration"); and

WHEREAS, Article II, Section 2 of the Declaration provides that Declarant has the right to annex additional real property to said Declaration and the option to subject said property to additional easements and covenants.

WHEREAS, Declarant is the owner of the real property depicted on a plat entitled "Kaylie's Cove - Phase 2" recorded in Map Book 65 at Page 100 in the Office of the Register of Deeds of New Hanover County, North Carolina ("Additional Property").

WHEREAS, it is the intention of Declarant to subject all of Additional Property to the Declaration and the jurisdiction of Kaylie's Cove Property Owners Association, Inc.

NOW, THEREFORE, Bill Clark Homes of Wilmington, LLC, Declarant, hereby declares as follows, to-wit:

Prepared by Ward and Smith, P.A., 127 Racine Drive, University Corporate Center (28403), Post Office Box 7068, Wilmington, NC 28406-7068
Please return to Ward and Smith, P.A., 127 Racine Drive, University Corporate Center (28403), Post Office Box 7068, Wilmington, NC 28406-7068
Attention: Samuel B. Franck

SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR KAYLIE'S COVE COMMUNITY (ANNEXING PHASE 2)

THIS SUPPLEMENTAL DECLARATION, made and entered into this 22nd day of August, 2018 by Bill Clark Homes of Wilmington, LLC, a North Carolina limited liability company (hereinafter referred to as "Declarant").

WITNESSETH

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for the Kaylie's Cove Community is recorded in Book 6089, at page 759 in the Office of the Register of Deeds of New Hanover County, North Carolina (such instrument as supplemented and amended is herein referred to as the "Declaration"); and

WHEREAS, Article II, Section 2 of the Declaration provides that Declarant has the right to annex additional real property to said Declaration and the option to subject said property to additional easements and covenants.

WHEREAS, Declarant is the owner of the real property depicted on a plat entitled "Kaylie's Cove - Phase 2" recorded in Map Book 65 at Page 100 in the Office of the Register of Deeds of New Hanover County, North Carolina ("Additional Property").

WHEREAS, it is the intention of Declarant to subject all of Additional Property to the Declaration and the jurisdiction of Kaylie's Cove Property Owners Association, Inc.

NOW, THEREFORE, Bill Clark Homes of Wilmington, LLC, Declarant, hereby declares as follows, to-wit:

Prepared by Ward and Smith, P.A., 127 Racine Drive, University Corporate Center (28403), Post Office Box 7068, Wilmington, NC 28406-7068
Please return to Ward and Smith, P.A., 127 Racine Drive, University Corporate Center (28403), Post Office Box 7068, Wilmington, NC 28406-7068
Attention: Samuel B. Franck

1. Annexation to Kaylie's Cove Community. All of the property shown and described on the plat entitled "Kaylie's Cove - Phase 2" recorded in Map Book 65, at Page 100 in the Office of the Register of Deeds of New Hanover County, North Carolina, is and hereafter shall be held, transferred, sold and conveyed subject to the **Declaration of Covenants, Conditions and Restrictions for the Kaylie's Cove Community** recorded in Book 6089, at Page 759 in the Office of the Register of Deeds of New Hanover County, North Carolina as the same may be further amended and supplemented from time to time , and further, that the Additional Property is hereby subjected to the jurisdiction of Kaylie's Cove Property Owners Association, Inc.

The said property annexed herein shall be subject to all terms, requirements and conditions of said Declaration and all amendments thereto the provisions of which are hereby incorporated as though fully set forth herein

IN WITNESS WHEREOF, Bill Clark Homes of Wilmington, LLC has caused this Supplemental Declaration to be executed on the day and year first above written.

BILL CLARK HOMES OF WILMINGTON, LLC (SEAL)

By: _____
Edward H. Clark, Manager

By: _____ MANAGER
Cheryl Blanton, Manager

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I certify that the following person personally appeared before me this day, acknowledging to me that she signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: CHERYL BLANTON.

Date: August 21, 2018

Tracy Sholders
Signature of Notary Public

Tracy Sholders
Notary's printed or typed name

My commission expires: August 16, 2020

(Official Seal)

Notary seal or stamp must appear within this box.

ND: 4849-5975-4096, v. 1

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I certify that the following person personally appeared before me this day, acknowledging to me that he signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: EDWARD H. CLARK.

Date: August 24, 2018

Tracy Shoulders
Signature of Notary Public

Tracy Shoulders
Notary's printed or typed name

My commission expires: August 16, 2020

(Official Seal)

Notary seal or stamp must appear within this box.

BK: RB 6230
PG: 1628 - 1631
RECORDED:
07/16/2019
03:31:36 PM
BY: STEPHANIE PEREZ
DEPUTY

2019021788
NEW HANOVER COUNTY,
TAMMY THEUSCH BEASLEY
REGISTER OF DEEDS

NC FEE $26.00
EXTX $0.00
ELECTRONICALLY RECORDED

SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR KAYLIE'S COVE COMMUNITY (ANNEXING PHASE 3)

THIS SUPPLEMENTAL DECLARATION, made and entered into this 26th day of June, 2019 by Bill Clark Homes of Wilmington, LLC, a North Carolina limited liability company (hereinafter referred to as "Declarant").

WITNESSETH

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for the Kaylie's Cove Community is recorded in Book 6089, at page 759 in the Office of the Register of Deeds of New Hanover County, North Carolina (such instrument as supplemented and amended is herein referred to as the "Declaration"); and

WHEREAS, Article II, Section 2 of the Declaration provides that Declarant has the right to annex additional real property to said Declaration and the option to subject said property to additional easements and covenants.

WHEREAS, Declarant is the owner of the real property depicted on a plat entitled "Kaylie's Cove - Phase 3" recorded in Map Book 66 at Page 249 in the Office of the Register of Deeds of New Hanover County, North Carolina ("Additional Property").

WHEREAS, it is the intention of Declarant to subject all of Additional Property to the Declaration and the jurisdiction of Kaylie's Cove Property Owners Association, Inc.

NOW, THEREFORE, Bill Clark Homes of Wilmington, LLC, Declarant, hereby declares as follows, to-wit:

1. Annexation to Kaylie's Cove Community. All of the property shown and described on the plat entitled "Kaylie's Cove - Phase 3" recorded in Map Book 66, at Page 249 in the Office of the Register of Deeds of New Hanover County, North Carolina, is and hereafter shall be held, transferred, sold and conveyed subject to the Declaration of Covenants, Conditions and Restrictions for the Kaylie's Cove Community recorded in Book 6089, at Page 759 in the Office of the Register of Deeds of New Hanover County, North Carolina as the same may be further amended and supplemented from time to time , and further, that the Additional Property is hereby subjected to the jurisdiction of Kaylie's Cove Property Owners Association, Inc.

The said property annexed herein shall be subject to all terms, requirements and conditions of said Declaration and all amendments thereto the provisions of which are hereby incorporated as though fully set forth herein

IN WITNESS WHEREOF, Bill Clark Homes of Wilmington, LLC has caused this Supplemental Declaration to be executed on the day and year first above written.

BILL CLARK HOMES OF WILMINGTON, LLC (SEAL)

By: CE 100
Edward H. Clark, Manager

By: MANAGER
Cheryl Blanton, Manager

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I certify that the following person personally appeared before me this day, acknowledging to me that he signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: EDWARD H. CLARK.

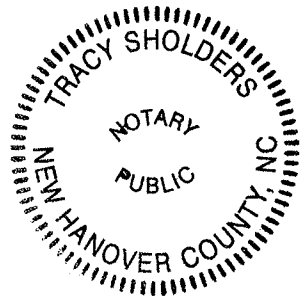
Date: June 26, 2019

Tracy Sholders
Signature of Notary Public

Tracy Sholders
Notary's printed or typed name

My commission expires: August 11, 2020

(Official Seal)



Notary seal or stamp must appear within this box.

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I certify that the following person personally appeared before me this day, acknowledging to me that she signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: CHERYL BLANTON.

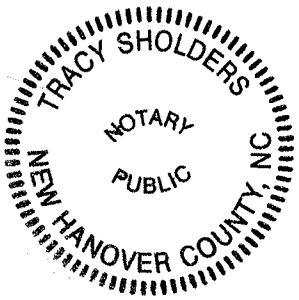
Date: June 26, 2019

Tracy Sholders
Signature of Notary Public

Tracy Sholders
Notary's printed or typed name

My commission expires: August 11, 2020

(Official Seal)



Notary seal or stamp must appear within this box.

BK: RB 6106
PG: 339-345
RECORDED:
12-01-2017
11:12:24 AM
BY: STEPHANIE PEREZ
DEPUTY

2017038719
NEW HANOVER COUNTY, NC
TAMMY THEUSCH BEASLEY
REGISTER OF DEEDS

NC FEE $26.00

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE KAYLIE'S COVE COMMUNITY

THIS AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE KAYLIE'S COVE COMMUNITY ("Amendment") is made and entered into as of the 1st day of December, 2017 by KAYLIE'S COVE PROPERTY OWNERS ASSOCIATION, INC., a North Carolina non-profit corporation ("Association").

RECITALS:

A. Bill Clark Homes of Wilmington, LLC, a North Carolina limited liability company ("Declarant") caused to be recorded the Declaration of Covenants, Conditions, and Restrictions for the Kaylie's Cove Community in Book 6089, at Page 759 in the office of the Register of Deeds of New Hanover County (as amended and supplemented, the "Declaration"). The capitalized terms set forth in this Amendment shall have the same meaning as set forth in the Declaration unless otherwise defined or the context shall otherwise prohibit.

B. Pursuant to Article XIV, Section 3 of the Declaration, the Association may amend the Declaration with the affirmative vote of, or written agreement signed by, Owners of Lots to which at least sixty-seven percent (67%) of the total votes in the Association are allocated and the written consent of Declarant.

Prepared by Ward and Smith, P.A., 127 Racine Drive, University Corporate Center (28403), Post Office Box 7068, Wilmington, NC 28406-7068
Please return to Ward and Smith, P.A., 127 Racine Drive, University Corporate Center (28403), Post Office Box 7068, Wilmington, NC 28406-7068
Attention: Justin M. Lewis

RETURN TO

C. The Association has obtained the affirmative vote or written agreement signed by Owners of Lots to which at least sixty-seven percent (67%) of the total votes in the Association are allocated and the written consent of Declarant to amend the Declaration as set forth herein.

NOW, THEREFORE, the Association, pursuant to the authority set forth above, does hereby amend the Declaration as follows:

1. Article II, Section 2 of the Declaration is deleted in its entirety and the following is inserted in lieu thereof:

Section 2. Annexation of Additional Property. At any time prior to December 31, 2030, any property, including without limitation the property described in Exhibit "B" attached hereto and made a part hereof, (the "Additional Property") may be annexed by the Declarant without the consent of the Members and therefore become subject to this Declaration by the recording by Declarant of a plat showing such property to be annexed and of a supplementary declaration extending the operation and effect of this Declaration to the property to be annexed. Any property annexed pursuant to this subsection may be annexed and subjected to this Declaration as one parcel or as several parcels at different times. The addition of such property pursuant to this Section may increase the cumulative number of Lots within the Properties and, therefore, may alter the relative maximum voting strength of the various types of Members.

A supplementary declaration may contain such complementary additions to and modifications of the covenants and restrictions contained in this Declaration, including, without limitation, different voting rights and different annual and special assessments for the Lots or Units so annexed, as Declarant, in its sole discretion, may deem necessary or appropriate to reflect the different character or use of the property added. In no event, however, shall any supplementary declaration revoke, modify or add to the covenants and restrictions established by this Declaration so as to materially and adversely affect any portion of the Properties already subject to this Declaration. A supplementary declaration annexing additional property need only be executed by the Declarant and, if applicable, by the owner of the property being annexed, and shall not require the joinder or consent of the Association or any of its Members.

Nothing contained in this Article shall be construed to obligate or require Declarant to make any additions to the Properties.

2. Except as expressly provided in the paragraph above, the terms and provisions of the Declaration shall continue in full force and effect according to the terms as modified hereby.

IN TESTIMONY WHEREOF, the Association, pursuant to the authority above recited, and the Declarant have caused this Amendment to be executed under seal and in such form as to be binding and effective the day and year upon recording this Amendment in the office of the Register of Deeds of New Hanover County, North Carolina.

KAYLIE'S COVE PROPERTY OWNERS ASSOCIATION, INC. (SEAL)

By: _____ (SEAL)
Kaylie's Cove POA, President

STATE OF North Carolina
COUNTY OF New Hanover

I certify that the following person personally appeared before me this day, acknowledging to me that he or she signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: Edward H Clark.

Date: November 21, 2017

_____
Signature of Notary Public

Tracy Sholders
Notary's printed or typed name

My commission expires: August 16, 2020

(Official Seal)

TRACY SHOLDERS NOTARY PUBLIC NEW HANOVER COUNTY, NC

Notary seal or stamp must appear within this box.

The Declarant joins herein for the purpose of consenting to the Association's actions pursuant to the Declaration.

BILL CLARK HOMES OF WILMINGTON, LLC (SEAL)
a North Carolina limited liability company

By: _____ (SEAL)
Name: Edward H Clark
Title: Division Manager

By: _____ manager (SEAL)
Name: Cheryl Blanton
Title: Manager

STATE OF North Carolina
COUNTY OF New Hanover

I certify that the following person personally appeared before me this day, acknowledging to me that he or she signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: Edward H Clark.

Date: November 21, 2017

Tracy Sholders
Signature of Notary Public

Tracy Sholders
Notary's printed or typed name

My commission expires: August 16, 2020

(Official Seal)

TRACY SHOLDERS NOTARY PUBLIC NEW HANOVER COUNTY, NC

Notary seal or stamp must appear within this box.

STATE OF North Carolina

COUNTY OF New Hanover

I certify that the following person personally appeared before me this day, acknowledging to me that he or she signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: Cheryl Blanton.

Date: November 21, 2017

Tracy Shelders
Signature of Notary Public

Tracy Shelders
Notary's printed or typed name

My commission expires: August 16, 2020

943362-00001ND: 4813-3873-1350, v. 1

TAMMY THEUSCH
BEASLEY
Register of Deeds

New Hanover County
Register of Deeds

320 CHESTNUT ST SUITE 102 • WILMINGTON, NORTH CAROLINA 28401
Telephone 910-798-4530 • Fax 910-798-7716

****

State of North Carolina, County of NEW HANOVER
Filed For Registration: 12/01/2017 11:12:24 AM
Book: RB 6106 Page: 339-345
7 PGS $26.00
Real Property $26.00
Recorder: STEPHANIE PEREZ
Document No: 2017038719

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BK: RB 6197
PG: 1483-1487
RECORDED: 02-26-2019 02:15:32 PM
BY: STEPHANIE PEREZ DEPUTY
2019005285
NEW HANOVER COUNTY, NC
TAMMY THEUSCH BEASLEY
REGISTER OF DEEDS
NC FEE $26.00

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE KAYLIE'S COVE COMMUNITY

THIS AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE KAYLIE'S COVE COMMUNITY ("Amendment") is made this 15th day of February, 2019 by BILL CLARK HOMES OF WILMINGTON, LLC ("Declarant").

RECITALS

A. Declarant caused to be recorded that certain Declaration of Covenants, Conditions, and Restrictions for the Kaylie's Cove Community in Book 6089, Page 759 in the office of the Register of Deeds of New Hanover County (the "Declaration"). The capitalized terms in this Amendment shall have the same meanings as set forth in the Declaration unless otherwise defined herein or the context shall otherwise prohibit.

B. The Declarant desires to amend the Declaration as set forth herein.

C. Pursuant to Article XIV, Section 3 of the Declaration, during the Development Period, Declarant may unilaterally amend the Declaration for any purpose. The Development Period has not yet expired.

RETURN TO
SIEGEL & RHODENHISER

NOW, THEREFORE, Declarant, exercising its right to amend the Declaration pursuant to the provisions set forth above, hereby amends the Declaration as follows:

1. Article XIII, Section 5 of the Declaration is amended by deleting the first sentence of subsection (a) in its entirety and inserting the following in lieu thereof: "The maximum allowable built upon area per Lot is 4,200 square feet for Lots 1-45 inclusive, 58-67 inclusive, 71-79 inclusive and 4,100 square feet for Lots 46-57 inclusive, 68-70 inclusive, 80-110 inclusive."

2. Except as expressly provided in the paragraph above, the terms and provisions of the Declaration shall continue in full force and effect in accordance with the terms of the same as modified hereby.

IN TESTIMONY WHEREOF, the Declarant, acting pursuant to the authority above recited, has caused this Amendment to be executed under seal and in such form as to be legally binding all by authority duly given, this the day and year first above written.

BILL CLARK HOMES OF WILMINGTON, LLC (SEAL)

By: _____ (SEAL)
Name: Edward H Clark
Title: Manager

By: _____ MANAGER (SEAL)
Name: Cheryl Blanton
Title: Manager

STATE OF NORTH CAROLINA
COUNTY OF New Hanover

I certify that the following person personally appeared before me this day, acknowledging to me that he/she signed the foregoing document for the purpose(s) stated therein and, if other than in an individual capacity, in the capacity indicated having been first authorized to do so:
Edward H Clark.

Date: February 15, 2019

Tracy Sholders
Signature of Notary Public

Tracy Sholders
Notary's printed or typed name

My commission expires: August 16, 2020

(Official Seal)

TRACY SHOLDERS NOTARY PUBLIC NEW HANOVER COUNTY, NC

Notary seal or stamp must appear within this box.

STATE OF NORTH CAROLINA
COUNTY OF New Hanover

I certify that the following person personally appeared before me this day, acknowledging to me that he/she signed the foregoing document for the purpose(s) stated therein and, if other than in an individual capacity, in the capacity indicated having been first authorized to do so:
Cheryl Blanton.

Date: February 15, 2019

Tracy Sholders
Signature of Notary Public

Tracy Sholders
Notary's printed or typed name

My commission expires: August 16, 2020

(Official Seal)

TRACY SHOLDERS NOTARY PUBLIC NEW HANOVER COUNTY, NC

Notary seal or stamp must appear within this box.

943362-00001ND: 4844-6041-6047, v. 1

TAMMY THEUSCH
BEASLEY
Register of Deeds

New Hanover County
Register of Deeds

320 CHESTNUT ST SUITE 102 • WILMINGTON, NORTH CAROLINA 28401
Telephone 910-798-4530 • Fax 910-798-7716

****

State of North Carolina, County of NEW HANOVER
Filed For Registration: 02/26/2019 02:15:32 PM
Book: RB 6197 Page: 1483-1487
5 PGS $26.00
Real Property $26.00
Recorder: STEPHANIE PEREZ
Document No: 2019005285

****

DO NOT REMOVE!

This certification sheet is a vital part of your recorded document. Please retain with original document and submit when re-recording.

BK: RB 6230
PG: 2586 - 2589
RECORDED:
07/17/2019
03:26:37 PM
BY: KELLIE GILES
DEPUTY

2019021973
NEW HANOVER COUNTY,
TAMMY THEUSCH BEASLEY
REGISTER OF DEEDS

NC FEE $26.00
EXTX $0.00
ELECTRONICALLY RECORDED

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE KAYLIE'S COVE COMMUNITY

THIS AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE KAYLIE'S COVE COMMUNITY ("Amendment") is made this 15th day of July , 2019 by BILL CLARK HOMES OF WILMINGTON, LLC ("Declarant").

RECITALS

A. Declarant caused to be recorded that certain Declaration of Covenants, Conditions, and Restrictions for the Kaylie's Cove Community in Book 6089, Page 759 in the office of the Register of Deeds of New Hanover County (the "Declaration"). The capitalized terms in this Amendment shall have the same meanings as set forth in the Declaration unless otherwise defined herein or the context shall otherwise prohibit.

B. The Declarant desires to amend the Declaration as set forth herein.

C. Pursuant to Article XIV, Section 3 of the Declaration, during the Development Period, Declarant may unilaterally amend the Declaration for any purpose. The Development Period has not yet expired.

NOW, THEREFORE, Declarant, exercising its right to amend the Declaration pursuant to the provisions set forth above, hereby amends the Declaration as follows:

1. Article XII of the Declaration, Use Restrictions, is amended by adding the following as Section 28: "Tree Protection Standards. In accordance with the New Hanover County tree protection standards, two (2) 3" caliper canopy trees shall be planted in the front of each Lot before a dwelling on the Lot is initially occupied. No activity can take place that would result in the removal of the tree, unless the tree is shown to be dead, dying, or severely damaged as a result of natural factors. If removal is allowed and approved by the Declarant or the ARC, as the case may be, the tree must be replaced with a similar size and species as specified by the County."

2. Except as expressly provided in the paragraph above, the terms and provisions of the Declaration shall continue in full force and effect in accordance with the terms of the same as modified hereby.

IN TESTIMONY WHEREOF, the Declarant, acting pursuant to the authority above recited, has caused this Amendment to be executed under seal and in such form as to be legally binding all by authority duly given, this the day and year first above written.

BILL CLARK HOMES OF WILMINGTON, LLC (SEAL)

By: _____ (SEAL)
Name: EDWARD H. CLARK
Title: MANAGER

By: _____, MANAGER (SEAL)
Name: CHERYL BLANTON
Title: MANAGER

STATE OF NORTH CAROLINA
COUNTY OF New Hanover

I certify that the following person personally appeared before me this day, acknowledging to me that he/she signed the foregoing document for the purpose(s) stated therein and, if other than in an individual capacity, in the capacity indicated having been first authorized to do so:
Edward H Clark.

Date: July 15, 2019

Tracy Shelders
Signature of Notary Public

Tracy Shelders
Notary's printed or typed name

My commission expires: August 11, 2020

(Official Seal)

TRACY SHOLDERS NOTARY PUBLIC NEW HANOVER COUNTY, NC

Notary seal or stamp must appear within this box.

STATE OF NORTH CAROLINA
COUNTY OF New Hanover

I certify that the following person personally appeared before me this day, acknowledging to me that he/she signed the foregoing document for the purpose(s) stated therein and, if other than in an individual capacity, in the capacity indicated having been first authorized to do so:
Cheryl Blanton.

Date: July 15, 2019

Tracy Sholders
Signature of Notary Public

Tracy Sholders
Notary's printed or typed name

My commission expires: August 16, 2020

(Official Seal)

TRACY SHOLDERS NOTARY PUBLIC NEW HANOVER COUNTY, NC

Notary seal or stamp must appear within this box.

ND: 4845-2170-2297, v. 1

BK: RB 6509
PG: 2123 - 2127
RECORDED:
11/05/2021
12:28:58 PM
BY: ANDREA CRESWELL
ASSISTANT

2021053369
NEW HANOVER COUNTY,
TAMMY THEUSCH PIVER
REGISTER OF DEEDS

NC FEE $26.00
EXTX $0.00

ELECTRONICALLY RECORDED

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE KAYLIE'S COVE COMMUNITY

THIS AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE KAYLIE'S COVE COMMUNITY ("Amendment") is made this 5 day of November, 2021 by BILL CLARK HOMES OF WILMINGTON, LLC ("Declarant").

RECITALS

A. Declarant caused to be recorded that certain Declaration of Covenants, Conditions, and Restrictions for the Kaylie's Cove Community in Book 6089, Page 759 in the office of the Register of Deeds of New Hanover County (as amended and supplemented, the "Declaration"). The capitalized terms in this Amendment shall have the same meanings as set forth in the Declaration unless otherwise defined herein or the context shall otherwise prohibit.

B. The Declarant desires to amend the Declaration as set forth herein.

C. Pursuant to Article XIV, Section 3 of the Declaration, during the Development Period, Declarant may unilaterally amend the Declaration for any purpose. The Development Period has not yet expired.

Prepared by Ward and Smith, P.A., 127 Racine Drive, University Corporate Center (28403), Post Office Box 7068, Wilmington, NC 28406-7068
Please return to Ward and Smith, P.A., 127 Racine Drive, University Corporate Center (28403), Post Office Box 7068, Wilmington, NC 28406-7068
Attention: Justin M. Lewis

No opinion on title is rendered by Ward and Smith, P.A., without a separate written opinion on title from Ward and Smith, P.A.

NOW, THEREFORE, Declarant, exercising its right to amend the Declaration pursuant to the provisions set forth above, hereby amends the Declaration as follows:

1. Article IV of the Declaration is amended by adding the following Section:

Section 5. Access Easement. There is an easement depicted as "30' Private Access Easement" and "20' Private Access Easement" on the plat recorded in Map Book 63, Page 171 in the office of the Register of Deeds of New Hanover County ("Access Easement"). The Access Easement is for the benefit of the property described in the deed recorded in Book 1150, Page 585 in the office of the Register of Deeds of New Hanover County ("Benefitted Property") and may be used for access and utilities by the owner of the Benefitted Property. The Association's and Owners' use of the Access Easement shall be subject to the following restrictions:

(a) The Access Easement may not be used for vehicular or pedestrian traffic.

(b) Neither the Association nor the Owners may construct any improvements on the Access Easement or take any other action that unreasonably restricts use of the Access Easement by the owner of the Benefitted Property.

(c) The Association may install underground water lines and sewer lines across the Access Easement and may enter the Access Easement to inspect, operate, maintain, repair, and replace the underground water lines and sewer lines; provided that the Association shall remove all surplus earth, make level the surface of the ground above the lines, and interfere as little as is reasonably possible with the owner of the Benefitted Property's use and enjoyment of the Access Easement.

(d) The Association and Owners of Lots subject to the Access Easement may enter the Access Easement to correct any substantial drainage issues that affect the property of the Association or said Owners; provided that the Association or Owner shall undertake any and all reasonable means of mitigating such issues by performing maintenance on the Association's or Owner's property before performing any maintenance in the Access Easement and the Association or Owner shall interfere as little as is reasonably possible with the owner of the Benefitted Property's use and enjoyment of the Access Easement.

2. Except as expressly provided in the paragraph above, the terms and provisions of the Declaration shall continue in full force and effect in accordance with the terms of the same as modified hereby.

IN TESTIMONY WHEREOF, the Declarant, acting pursuant to the authority above recited, has caused this Amendment to be executed under seal and in such form as to be legally binding all by authority duly given, this the day and year first above written.

BILL CLARK HOMES OF WILMINGTON, LLC (SEAL)

By: _____ (SEAL)
Name: EDWARD H. CLARK
Title: MANAGER

By: _____ MANAGER (SEAL)
Name: CHERYL BLANTON
Title: MANAGER

STATE OF NORTH CAROLINA
COUNTY OF ~~North Carolina~~ Pender (13)

I certify that the following person personally appeared before me this day, acknowledging to me that he/she signed the foregoing document for the purpose(s) stated therein and, if other than in an individual capacity, in the capacity indicated having been first authorized to do so:
Edward H Clark.

Date: November 5, 2021

Tracy Shalders
Signature of Notary Public

Tracy Shalders
Notary's printed or typed name

My commission expires: August 19, 2025

(Official Seal)

TRACY SHOLDERS NOTARY PUBLIC PENDER COUNTY, NC My Commission Expires 08-19-25

Notary seal or stamp must appear within this box.

STATE OF NORTH CAROLINA
COUNTY OF Pender

I certify that the following person personally appeared before me this day, acknowledging to me that he/she signed the foregoing document for the purpose(s) stated therein and, if other than in an individual capacity, in the capacity indicated having been first authorized to do so:
Cheryl Blanton.

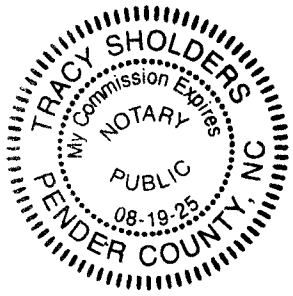
Date: November 5, 2021

Tracy Sholders
Signature of Notary Public

Tracy Sholders
Notary's printed or typed name

My commission expires: August 19, 2025

(Official Seal)



Notary seal or stamp must appear within this box.

ND: 4866-1615-2578, v. 1