

BK 5924 PG 820 - 838

**DECLARATION OF RESTRICTIVE AND PROTECTIVE
COVENANTS FOR COTTON HILL SECTION III SUBDIVISION
(the "Declaration")**

Prepared by and return to:
Gaylor Edwards & Vatcher, P.A.

STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

THIS DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS, is made this the 6th day of March, 2023 by **BEAVER CREEK INVESTORS, INC.**, a North Carolina corporation, hereinafter called "**Declarant**," and **FIRST BANK**, a North Carolina banking corporation, hereinafter referred to as "**Lienholder**",.

W I T N E S S E T H:

WHEREAS, Declarant is the owner of all that certain tract of land situated in White Oak Township, Onslow County, North Carolina, being more particularly described on **Exhibit "A"**, being hereinafter referred to as the "**Development Area**";

WHEREAS, Declarant is constructing on a portion of the Development Area, a residential subdivision, which may include community facilities for the benefit of the community, with single family houses, hereinafter referred to as the "**Project**" or "**Property**," and plans to construct on the remainder of the Development Area either single family houses, or a mix of single family houses and single family townhouses;

WHEREAS, Declarant desires to provide for the preservation and enhancement of the property values and amenities within said community and to provide for the maintenance of common areas, properties and improvements located thereon, and to this end desires to subject the Project to the covenants, restrictions, easements, charges and liens as are hereinafter set forth, each and all of which are for the benefit of said real property and each present and future owner thereof;

WHEREAS, Declarant desires to provide and allow for the annexation of additional "sections" to the Project as said "sections" are developed and completed, and to provide for equality of rights, privileges and obligations of all lot owners in all "sections" of the Project by adding and annexing such "sections" to the Project by recordation of "Amendments or Supplemental Declarations" to this Declaration.

Submitted electronically by "Gaylor Edwards Vatcher LawFirm"
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Onslow County Register of Deeds.

DECLARATION:

ARTICLE I PROPERTY

NOW, THEREFORE, it is hereby declared that the Property described herein is, and shall be, held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth; said Property being more particularly described as follows:

BEING all that certain tract of land, containing 19.31 acres, as shown and described on a plat entitled, "Final Plat, Showing Planned Residential Development, COTTON HILL, SECTION IIIA," dated February 3, 2023, prepared by John L. Pierce & Associates, P.A. and recorded in Map Book 83, Page 139, in the Office of the Register of Deeds of Onslow County, North Carolina, hereinafter referred to as the "**Property**," "**Project**," or "**Subdivision**".

ARTICLE II DEFINITIONS

Section 1. **Association** shall mean and refer to "**COTTON HILL HOMEOWNERS ASSOCIATION, INC.**", its successors or assigns.

Section 2. **Board** shall mean and refer to the Board of Directors of the Association.

Section 3. **Common Expenses** shall mean and refer to :

a. the actual and estimated expenses of operating the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Articles of Incorporation of the Association and its By-Laws;

b. all amounts expended by the Association in accordance with Article XVI in holding and being responsible for the obligations of the Stormwater Management **Permit SW8 230206** overseeing, supervising, administering, managing, repairing, replacing and insuring all Stormwater Management Facilities located within the Property as required by this Declaration and all amounts expended in enforcing the provisions of the Permit;

c. all amounts expended by the Association for the maintenance, repair and replacement of any sign, fence or other improvements, including the landscaping thereof, within any Sign Easement, or Sign Landscaping Easement, and any expenditures required to maintain compliance with the North Carolina Erosion and Sedimentation Control Permit for the Property;

d. all amounts expended by the Association for the maintenance, repair and replacement of any improvements situated in the Community Mailbox Facility or Cluster Box Units (Mailbox), if any;

Section 4. **Declaration** shall mean the covenants, conditions, restrictions and easements and all other provisions set forth in this entire document, as may from time to time be modified or amended.

Section 5. **Declarant** shall mean and refer to BEAVER CREEK INVESTORS, INC., a North Carolina corporation, or any successor in title or any successor in interest of BEAVER CREEK INVESTORS, INC. or all of the Property then owned by BEAVER CREEK INVESTORS, INC., or if it is provided in writing by the Declarant that the successor in title or successor in interest is to assume the rights and obligations of Declarant, then to any successor in title or successor in interest to any portion of the Property then subject to this Declaration.

Section 6. **Fence Easement** shall mean any area of the Property designated as "Fence Easement" on the any recorded subdivision map of any portion of the Properties.

Section 7. **Intentionally Omitted.**

Section 8. **Intentionally Omitted.**

Section 9. Lot shall mean any separately described parcel of land, other than off-site septic system lots with the suffix "A," Cluster Box Unit ("CBU"), Common Area For Sign, Landscaping Easement, streets, roadways or areas designated as easements, shown on any recorded subdivision map of the Property.

Section 10. Permit shall mean the State of North Carolina Stormwater Management Permit number **SW8 230206** issued by the Division of Energy, Mineral and Land Resources under NCAC 2H.1000, and any subsequent modification thereto or other stormwater management permit hereafter issued for any property annexed to the Subdivision by the Declarant.

Section 11. Property or Properties shall mean and refer to any real property which is, or may be, subject to this Declaration, or any Supplemental Declaration.

Section 12. Sign Easement shall mean any area of the Property designated as "Sign Easement" or "Sign & Landscaping Easement," on any recorded subdivision map of any portion of the Properties.

Section 13. Supplemental Declaration shall mean and refer to any declaration of covenants, restrictions, easements, charges and liens recorded by the Declarant, or its successors and assigns, which applies to a specific tract or parcel land annexed to the Subdivision, if any.

ARTICLE III **PURPOSES**

No Lot or Lots shall be put to any use other than for occupancy by one (1) single family for residential purposes, except that any Lot, including, but not limited to a Reserved By Owner Lot, which is owned by Declarant may be used by the Declarant for a street or roadway or off-site sanitary sewer disposal system. All Lots with the suffix "A", if any, shall be used solely for sanitary sewer disposal and shall be owned and conveyed together with the same numeral parent Lot whether or not it is described in the deed of conveyance of such parent Lot.

ARTICLE III **LAND USE AND BUILDING TYPE**

No building shall be used except for residential purposes. No structure shall be erected, placed, altered, or permitted to remain on any such Lot other than one (1) single family dwelling not to exceed three (3) stories in height, a private garage which may contain living quarters for occupancy by domestic servants of the lot occupant only, and such other outbuildings as may be reasonably appurtenant to the dwelling, provided that the same are constructed in line with the general architectural design and construction standards used as the dwelling itself. This covenant shall not be construed as prohibiting the use of a new single family dwelling as a model home for sales purposes.

ARTICLE IV **DWELLING QUALITY AND SIZE**

The ground floor area of the main structure, exclusive of one-story porches and garages, shall be not less than 1,200 square feet for a one-story dwelling, nor less than 800 square feet for a dwelling of more than one story. All exterior colors of the structure (i.e. exterior walls, window frames, soffit and shingles) must be approved by the Declarant or its assign prior to construction.

ARTICLE V **BUILDING LOCATION**

No building shall be located on any corner lot nearer to the front line or any side street line than as shown on the

recorded plat nor nearer than 15 feet to the rear lot line. No building shall be located with respect to interior side lot lines so as to be nearer than 8 feet to either such line. No dwelling shall be located on any interior lot nearer to the front lot line than as shown on the recorded plat nor nearer than 15 feet to the rear lot line. No garage or other permitted accessory building shall be located nearer than 15 feet to any rear lot line. For the purposes of this covenant, eaves, steps, open porches, and carports shall not be considered as part of a building provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another Lot. An error of not more than ten percent (10.0%) in the location of a building on the lot with respect to the minimum set back lines shall not be considered a violation of this covenant.

ARTICLE VI **NUISANCES**

No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

ARTICLE VII **EASEMENTS**

(A) Utility and Drainage Easements and Maintenance. Easements for installation and maintenance of utilities, including, but not limited to septic system facilities, and drainage facilities are reserved as shown on any recorded plat of the Property, and over the front and rear ten (10) feet of each Lot. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the owner of the Lot, except for those improvements for which a public authority, or utility company is responsible.

(B) Reservation of Right to Grant Future Easements. The Declarant reserves for itself, its successors and assigns, an easement and right at any time in the future to grant an easement or right of way under, over, upon and along the side, rear and front property lines of each and every Lot in the Subdivision described herein, for the installation and maintenance of poles, lines, conduits, pipes, and other equipment necessary to or useful for furnishing electric power, gas, telephone, and cable service, drainage or other utilities, including water and sanitary sewer or storm water sewer services.

ARTICLE VIII **ANIMALS, LIVESTOCK AND POULTRY**

No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other customary household pets may be kept, provided that they are not kept, bred or maintained for commercial purposes. Owners shall be obligated to construct fences in compliance with the fence requirements set forth in Article X, infra, or invisible fencing, to insure pets remain confined on the owner's lot. Pets shall not be restrained on Lots by any chains, ropes or other leash type device anchored or fastened to a temporarily or permanently immovable object or structure. Any and all pets shall not be allowed off the owner's Lot, unless same are leashed, under the direct physical control of the owner at all times, and are not creating a nuisance to, or threat to the safety of, the other residents, or guests of residents, in the Subdivision. Any violation of the provisions set forth in this Article shall subject the lot owner to a fine, and/or a directive for the owner's animal to be permanently removed from the subdivision, as determined in the reasonable discretion of the Declarant, or the Association, in accordance with North Carolina General Statutes Section 47F-3-102(12).

ARTICLE IX
BUILDING PLANS AND SPECIFICATIONS

No dwelling or other building shall be erected upon any lot unless the plans and specification thereof meet or exceed the requirements of "minimum property standards for one and two living units". (FHA. No.300), Federal Housing Administration.

ARTICLE X
ERECTION OF FENCES AND FENCE ENCROACHMENT EASEMENTS

Every owner of a Lot shall be entitled to construct a fence on his Lot, in accordance with the specifications in this Article:

- (A) All fences shall be constructed so as not to excess 6 feet in height and shall be of a stockade style, wooden fence. Fences shall only be allowed to extend from the front of the dwellings parallel to the street right of way and to the rear of the lot. No fences shall be allowed to extend from the front of the house toward the street right of way or front of the lot. All fences shall be stained a natural wood color, with all colors being approved by the Declarant or Association. No chain link fences shall be permitted. All fences shall be constructed on the common property line with the adjacent Lot. Every Lot owner shall have the right to tie in with an existing fence wall running down the common property line of his Lot, such that the fence along the common property line becomes a shared fence wall. Every Owner is deemed to agree that minor deviations (less than one foot) in the actual layout of the fence along the common property line shall be waived upon completion of construction.
- (B) All reconstruction of such shared fence walls shall be subject to general rules of law regarding party walls. The cost of reasonable repair and maintenance of a shared fence wall shall be shared by the Owners who make use of the fence. Every Owner shall have an easement and right of entry upon the Lot of any other Owner to the extent reasonably necessary to perform repair, maintenance, or reconstruction of a shared fence 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 or Lots and Common Area to as near the same condition as that which prevailed prior to commencement of the work as is reasonably practicable.

ARTICLE XI
GARBAGE AND REFUSE DISPOSAL

No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste and recyclable materials shall not be burned or disposed of on any Lot, and shall be kept in enclosed sanitary containers . All equipment for the storage, prior to disposal of such material, shall be kept in a clean and sanitary condition. The placement of containers for such materials shall be kept in an enclosed area, not subject to view from outside of the enclosed area, except for the pick up for disposal. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

ARTICLE XII
SIGHT DISTANCE AT INTERSECTION

No fences, wall, hedge or shrub planting which obstructs sight lines at elevations between 2 and 6 feet above the

roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply upon any lot within 10 feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersection, unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

ARTICLE XIII **TEMPORARY STRUCTURES**

No structure of a temporary character, trailer, mobile home, storage shed, tent, shack, garage (not on a permanent foundation), barn or other outbuilding shall be erected or allowed to remain on any Lot as a residence, temporarily or permanently.

ARTICLE XIV **DRAINAGE**

All driveways shall have drainage tile in the street ditches installed and sized in accordance with the N.C. State Highway recommendations.

ARTICLE XV **MISCELLANEOUS RESTRICTIONS**

(A) Operative motor vehicles used by a resident of a Lot as a primary source of transportation may be parked in the driveway of such Lot Owner or in any garage space owned by the Owner of such Lot. However, the residents of any one Lot may not collectively park more than four (4) operative motor vehicles in the Subdivision. Inoperative, non-licensed and/or non-registered motor vehicles (collectively "Restricted Vehicles") may not be parked on the Properties (as defined in the Declaration), unless such Restricted Vehicles are parked in the garage and the garage door is completely closed. No auto maintenance and/or repairs may be performed on the Properties, except if performed inside the garage, or behind an enclosed fence, of a Lot Owner. Motor vehicles, whether owned by the Lot Owner or not, parked in violation of any provision in this Declaration, or in violation of any Rules or Regulations adopted by the Association, shall be towed away and stored at the Owner's risk and expense. By parking on the Properties, the owner of the vehicle or other vehicle user is deemed to waive any claim against the Declarant or Association resulting directly or indirectly out of the towing and/or storage, unless the towing can be shown, by a preponderance of the evidence, to have been done maliciously. The Association is not obliged to try to determine the owner of a vehicle and first give notice, before authorizing the towing of the vehicle parked in violation hereof.

(B) No recreational equipment, including, but not limited to trampolines, swimming pools or other devices, other than non-portable basketball goals, shall be permitted in the area between the front of the dwelling situated on any Lot and the street right of way, provided that non-portable basketball goals shall not be permitted within the street right of way adjacent to any Lot.

(C) No boat or boat trailer shall be parked in the area between the front of the dwelling situated on any lot and the street right of way.

(D) Each Lot Owner shall be responsible for repairing, and restoring to its original condition, the non-paved portion of the street right of way adjacent to any Lot damaged by the parking of the owner's, their family members' or guests' motor vehicles in that area.

(E) All Lots, whether occupied or unoccupied, shall be well maintained and no unattractive growth, including, but not limited to weeds and grass, or accumulation of rubbish or debris shall be permitted to remain on a Lot or within the right of way adjacent to such Lot. The Declarant, and Association, their successors or assigns, reserve the right to enter upon and cut grass, weeds, or undergrowth on any Lot, easement or area between a Lot and the adjoining street right of way, but shall be under no obligation to do so. The cost and expense incurred by the Declarant or Association for maintenance of a Lot, including, but not limited to, lawn mowing, shall be deemed an expense to be paid by the Lot Owner, which shall be a lien on such Lot and enforceable as provided in Article XIX(M) of this Declaration. Declarant, or Association, their successors or assigns, further reserve the right to impose such other rules and regulations to prohibit "group" or "party" car washes and other activities which it deems an unreasonable annoyance or nuisance to the community.

(F) No sign, billboard, or other advertising of any kind, including without limitation professionally prepared "for sale" and "for rent" signs, shall be placed or erected on any Lot, save and except a professionally prepared "for sale" or "for rent" sign not to exceed six (6) square feet in size. Although approval by the Declarant or Association is not required prior to the display of such signs, the Declarant or Association may itself remove, have removed, or require the removal of any such sign which in its opinion adversely affects the appearance of the community. A valid easement shall exist on any Lot for such removal by the Declarant or Association or its agents. Provided, however, nothing shall prohibit or limit in any manner "construction" signs designating the job site and builder which may be placed upon a Lot during the period of the construction of a residential dwelling on the Lot, but must be immediately removed upon final completion of such construction, nor the erection of temporary banners for recognizing accomplishments of residents of the Subdivision. Notwithstanding the above, any additions to the Property may be further limited in regard to signs, billboards or advertising as set out in any Supplemental Declaration. Nothing herein shall prohibit any sign erected by the Declarant or its assigns.

(G) Lawn mowers, lawn equipment, animal kennels, bicycles, motorcycles, raw firewood, or other items of personal property may be stored only in a garage, behind and enclosed fence, or on that part of any Lot to the rear of the extended rear/back line of the dwelling so as to be shielded from view from any street to the greatest extent reasonably possible.

(H) Only draperies or blinds shall be permitted as window dressings hung at windows, or in any manner so as to be visible from the outside of any building erected upon any Lot, shall be permitted, unless otherwise approved by the Declarant or the Association.

(I) Clotheslines shall not be permitted, unless otherwise approved by the Declarant or Association.

(J) Outdoor swimming pools, hot tubs, Jacuzzis, and other similar recreational facilities may be located only directly to the rear of the primary dwelling, and within an enclosed fence, on a Lot. All such facilities shall be subject to approval and compliance with all governmental laws and regulations.

(K) No Lot shall be leased for a term of less than thirty (30) days, nor shall any building or structure on any Lot be occupied other than by a "single family". Single family shall be defined as the Lot Owner, Lot Owner' spouse or companion, their children, grandchildren, parents, grandparents, and siblings.

ARTICLE XVI

STORMWATER MANAGEMENT

(A) The following covenants and restrictions set forth in this Article XVI are intended to insure continued compliance with State Stormwater Management Permit Number **SW8 230206** as issued by the Division of Water Quality under NCAC 2H.1000.

(B) The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the Stormwater Management Permit.

(C) The covenants set forth in this Article XVI pertaining to stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Energy, Mineral and Land Resources.

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

(E) The maximum allowable built-upon area ("BUA") per lot is **4,300** square feet. This allotted amount includes any built-upon area constructed within the Lot property boundaries, and that portion of the right-of-way between the front lot line and the edge of the pavement. BUA has the same meaning as set forth in N.C.G.S. Section 143-214.7, as amended, and 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.

(F) Filling in or piping of any vegetative conveyances (such as ditches, swales, etc.) associated with the development, except for the minimum amount necessary under driveways to provide access to lots and the minimum amount necessary to direct runoff beneath an impervious surface such as a road, is strictly prohibited by any person.

(G) For those Lots adjacent to surface waters, each Lot will maintain a minimum fifty (50) foot wide vegetated buffer adjacent to surface waters.

(H) All roof drains shall be released no closer than at the edge of the fifty (50) foot wide vegetated setback and allowed to flow through the setback as dispersed flow. At no time shall stormwater runoff be piped into or through the setback.

(I) Any individual or entity found to be in non-compliance with the provisions of the stormwater management Permit or requirements of the stormwater rules found in 15A NCAC 02H.1000 and Section Law 2008-211, is subject to enforcement procedures as set forth in NCGS 143, Article 21. Built upon area in excess of the permitted amount requires a state stormwater permit modification prior to construction.

(K) These covenants are to run with the land and be binding on all persons and parties claiming under them.

(L) Placement of dredged or fill material, or development within the waters of the United States and/or wetlands without a Department of the Army permit may constitute a violation of Section 301 of the Clean Water Act. This activity also requires notification to the Division of Energy, Mineral and Land Resources, Stormwater and Wetlands Sections.

All permitted runoff from future development of the Property shall be directed into the permitted stormwater control system. These connections to the stormwater control system shall be performed in a manner that maintains the integrity and performance of the stormwater control system as permitted.

Declarant, the Association, the State of North Carolina and their respective successors and assigns, reserve and retain the right and easement to go upon any Lot to inspect for the compliance of such Lot with the Permit and to maintain, repair, replace and construct ditches and devices necessary to insure that such Lot is in compliance with the Permit.

ARTICLE XVII

RESERVATION OF EASEMENTS AND RIGHTS BY DECLARANT

Declarant hereby reserves for itself, the Association, their successors and assigns, for any purposes it deems useful to its development of the Property, the development of other property now owned, or which may be owned in the future by Declarant, or the development of other property to which Declarant may grant the benefit of such easements, those easements shown on any recorded subdivision map of the Property, or subsequently annexed property, and the following additional easements and rights:

A. Ingress, Egress, Drainage and Utility Easements: A perpetual easement for ingress, egress, regress, access, the installation and maintenance of utilities, further subdivision, and the right to dedicate to public use, over, under and upon all streets and drainage and utility easements shown on any recorded map of the Property or lying within the subdivision and the water and sewer easements lying within the subdivision;

B. Right to Grant Additional Easements: The right to grant easements for the purposes of ingress, egress, regress, access, the installation, use and maintenance of utilities and further subdivision, over, under and

upon (i) all streets shown on any recorded map of the Property and (ii) the drainage and utility easements and easements for the water and sanitary sewer systems located within the Property, to any property outside the Subdivision and Property to which Declarant deems the grant of such easements desirable, whether or not the property to which the easements are granted is owned by Declarant;

C. Reservation of Underground Utility Easements: A perpetual easement over, under and upon all streets and drainage and utility easements shown on any recorded subdivision map of the Property for the purpose of establishing, constructing and maintaining any underground utility, conduits and wires for telephone, electric power and other purposes and of laying, installing and maintaining facilities for sewage, potable and non-potable water, gas, storm drainage and other utilities therein. This reservation shall not be construed as an obligation of Declarant to provide or maintain any such activity or services;

D. Easement to Remove Easement Obstructions: A perpetual access easement over, under and upon the Lots to trim, cut and remove any trees and brush necessary for the installation, operation and maintenance of utility lines, gas, water and sewer mains and other services for the convenience of the property owners and appurtenances thereto;

E. Transmission Easements: A perpetual and exclusive easement for the installation and maintenance of radio and television transmission cables within the rights-of-way and easement areas reserved and defined above.

F. Sign and Fence Easements: A perpetual easement for the erection, maintenance, repair and replacement of a sign or signs within any Sign Easement and a fence or fences within any Fence Easement as shown on the recorded map of the Property.

ARTICLE XVIII

OWNER'S MAINTENANCE OBLIGATIONS AND RIGHT OF DECLARANT AND ASSOCIATION TO PERFORM CERTAIN MAINTENANCE

A. On each Lot, the rights-of-way and easement areas reserved by Declarant, except for any Sign Easement or Fence Easement area, or dedicated to public utilities purposes shall be maintained continuously by the Lot owner. No structure, plantings or other material shall be placed or permitted to remain, or other activities undertaken which may damage or interfere with the installation or maintenance of utilities, or which may change the direction of the flow of water through drainage channels in the easements, or which damage or interfere with established slope ratios or which create erosion problems. It is provided, however, that where the existing location of an easement or drainage channel reserved in this Declaration or shown on any recorded subdivision map of the Property would hinder the orderly development of the Lot on which the easement is located, the easement or drainage channel may be relocated by Declarant. Improvements within such areas also shall be maintained by the Lot owner, except for those for which a public authority or utility is responsible.

B. In the event the owner of any Lot shall fail to maintain the Lot, and/or the improvements situated thereon in a manner in keeping with this Declaration (*that is, in a manner which enhances and preserves the property values*), in addition to any other rights set forth herein or provided by law, the Declarant and the Association shall have the right, but not the obligation, through their agents and employees, to enter upon said Lot and clear, clean, repair, maintain and restore the Lot, including the exterior of any building and any other improvements erected thereon, to a condition so as not to distract from the appearance of the Subdivision. There is included in the authority herein granted the power to clear any Lot of undergrowth, rubbish, debris, weeds or grass, including the mowing of same to conform to as close as possible to the other Lots in the Subdivision. In the event the owner of any Lot shall damage or through negligent failure to act allow damage to occur to any septic system easement area, or Stormwater Management Facilities, located on said owner's Lot, or fail to comply with all applicable North Carolina Sedimentation and Erosion Control Permits, in addition to any

other rights set forth herein or provided by law, the Declarant, and the Association shall have the right, but not the obligation, through their agents and employees, to enter upon said Lot and clear, clean, repair, maintain and restore the septic system easement area, and Stormwater Management Facilities, and to bring the Lot into compliance with the applicable governmental authorities septic system permit rules and regulations and North Carolina Sedimentation and Erosion Control Permits. There is included in the authority herein granted the power to clear Lots of undergrowth, rubbish, debris, weeds or grass, including the mowing of same.

The costs of the maintenance or repair authorized by this Article shall be considered the legal obligation of the Lot owner. The Declarant, or the Association, as applicable, may maintain an action in court having jurisdiction for such costs, together with all collection costs, including reasonable attorney's fees, and expenses incurred in pursuing such action. The costs shall not constitute a lien on said Lot, unless and until the final judgment of such court shall be entered in the office of the Clerk of Court of Onslow County. Any such lien obtained shall be subordinate to any first deed of trust.

ARTICLE XIX

COTTON HILL HOMEOWNERS ASSOCIATION, INC.

A. The COTTON HILL HOMEOWNERS ASSOCIATION, INC. (the "**Association**") has been or will be formed at the direction of the Declarant pursuant to the rules and requirements of the Nonprofit Association Act (Chapter 55A) of the General Statutes of North Carolina as an association of the owners of the Lots. Its purposes are to: (1) oversee, inspect, maintain, repair and replace the Stormwater Management Facilities constructed pursuant to the Permit; (2) enforce the provisions of the Permit; (3) enforce each Lot owner's obligations with respect to the Stormwater Management Facilities pursuant to this Declaration; (4) enforce each Lot owner's obligations with respect to all applicable North Carolina Sedimentation and Erosion Control Permits; said authority to be exercised, if and only if, and when and only when, Declarant transfers the Permit to the Association; (5) inspect, maintain, repair and replace mailboxes and other improvements in the Community Mailbox Facility, if any; (6) inspect, maintain, repair and replace signs and landscaping located within any Sign Easement or Sign Landscaping Easement; (7) inspect, maintain, repair and replace fences located within any Fence Easement; and (8) take such action as is authorized in Article XVIII, *supra*. The Association shall have no authority with respect to the Lots located in the Subdivision until such time as Declarant transfers such rights to the Association.

B. The Declarant shall have the right, but not the obligation, to annex into the Subdivision additional property now, or in the future, owned by Declarant. From and after the date of such annexation, the annexed Lots shall be subject to the jurisdiction of the Association and the owners of the annexed Lots shall be members of the Association.

C. Each owner of each Lot within the Subdivision shall be a member of the Association. The Declarant, by this Declaration, and the owners of each individual Lot, by their acceptance of a deed thereto, covenant and agree with respect to the Association:

- (1) that for so long as each is an owner of a Lot within the Subdivision, each will perform all acts necessary to remain in good and current standing as a member of the Association; and
- (2) that any unpaid assessment, whether general or special, levied by the Association in accordance with this Declaration, the Articles of Incorporation (herein called the "Articles") or the Bylaws of the Association (herein called the "Bylaws") shall be a lien upon the Lot upon which such assessment was levied and also shall be the personal obligation of the person who was the owner of the Lot at the time the assessment fell due.

D. Each membership in the Association shall relate to and have a unity of interest with an individual Lot which may not be separated from the ownership of said Lot. The books and all supporting documentation, the Declaration, the Articles, the Bylaws, and all amendments thereto shall be available for examination by all Lot owners, and their lenders or their lenders' agents during normal business hours at the principal office of the Association.

E. The Association shall have two (2) classes of voting membership, as follows:

Class A: Initially, the Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one Person holds an interest in any Lot, all such Person shall be members. Provided, however, the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. If multiple owners of a Lot cannot provide written verification of the authority of a designated individual to cast their vote, then no vote may be cast by that particular Lot Owner. Any Class A member may assign its voting rights to the Declarant, whether or not the Declarant owns any other Lot, which shall entitle the Declarant to ten (10) votes for such Lot as a Class B member.

Class B: The Class B member shall be the Declarant and shall be entitled to ten (10) votes for each Lot owned, or each Lot for which an assignment of voting rights has been granted from a Class A member, or per 0.50 acre of land in the Development Area. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events:

- (i) at such time as all of the Lots have been sold and are occupied by permanent residents thereof; or
- (ii) ten (10) years from the date of recordation of this Declaration; or
- (iii) when, in its discretion, the Declarant so determines.

F. The Declarant shall, at its sole cost and expense, initially construct all Stormwater Management Facilities required to be located upon the Lots and Property or upon any property annexed into the Subdivision by the Declarant to the standards required by the applicable Permit. Upon completion of the construction of said Stormwater Management Facilities located in the Subdivision, the Declarant shall transfer the applicable Permit to the Association and the Association shall accept the transfer of the applicable Permit from the Declarant upon the earlier to occur of (i) the date the North Carolina Department of Environment and Natural Resources allows such transfer to occur; or, (ii) the date upon which at least fifty percent (50%) of the Lots in the Subdivision are conveyed to owners, other than Declarant. Prior to any such transfer, the Stormwater Management Facilities for the Subdivision, including any property annexed by Declarant into the Subdivision, shall be certified, either by state inspection or by a licensed engineer, as being in compliance with the applicable Permit prior to such assignment or transfer. 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 holder of the Permit occurring after Declarant tenders transfer of the Permit to the Association following the approval of such transfer by the North Carolina Department of Environment and Natural Resources 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 paragraph. From and after the transfer of the Permit from the Declarant following the approval of the North Carolina Department of Environment and Natural Resources, the oversight, supervision, management and administration of the Permit shall be the sole responsibility of the Association. The Association's duties with regard to the Permit shall be carried out in accordance with the terms and conditions of this Declaration, the Articles, the Bylaws and the Permit. The Association hereby is granted and conveyed an easement over, under and upon each Lot and future lots in the Subdivision for the purpose of access to and inspection, maintenance, repair and replacement of all Stormwater Management Facilities located upon each Lot and future subdivided lot. In the event, the Declarant annexes additional property into the Subdivision and transfers the applicable 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 inspection, maintenance, repair and replacement of all Stormwater Management Facilities located upon each annexed lot.

G. The expenses of the Association shall include:

- (1) All amounts expended by the Association in holding and being responsible for the obligations of the Permit and overseeing, supervising, administering, managing, repairing, replacing and insuring all Stormwater Management Facilities and Sedimentation and Erosion Control facilities located within the Subdivision as required by this Declaration; all amounts expended by the Association for maintenance and repairs of the off-site septic systems and repair areas, including

the maintenance, repair and replacement of any improvements constructed on the septic system easements and access easements; all amounts expended to maintain the off-site septic system lots and septic system easements and access easements in a neat and orderly manner, including clearing of undergrowth, rubbish, debris, weeds or grass, and mowing of same; all amounts expended by the Association in enforcing the provisions of this Declaration, as may be amended; all amounts expended by the Association in the performance of its duties hereunder from and after the time Declarant transfers the Permit; and all amounts expended by the Association in legal, engineering or architectural fees and all similar fees which may be incurred by the Association from time to time in performing the functions delegated to the Association by this Declaration.

(2) All amounts expended by the Association in carrying out any duty or obligation as may be required or allowed by this Declaration, the Articles or the Bylaws.

(3) All amounts expended by the Association in operating, administering, managing, repairing, replacing, improving, paying all taxes imposed on and insuring the improvements, including landscaping, situated in the Sign Easement.

(4) All amounts expended by the Association for the maintenance, repair and replacement of any improvements situated in the Community Mailbox Facility or Cluster Box Units (Mailbox).

H. Each purchaser or grantee of any Lot in the Subdivision which has been improved by the construction of a single family residence thereon and occupied by such purchaser or grantee, individually or by his/her/their tenants or assigns, by acceptance of a deed for the same (whether or not it shall be so expressed in such deed) is deemed to covenant and agree, to pay to the Association annual general assessments or charges as hereinafter provided. The annual general assessments, together with interest, costs and reasonable attorneys' fees, shall be a separate charge and lien on the land and, subject to the limitations set forth herein, shall be a continuing lien upon the property against which each such assessment is made. Each purchaser or grantee of any Lot in the Subdivision which has an off-site septic system for such Lot, and which has been improved by the construction of a single family residence thereon and occupied by such purchaser or grantee, individually or by his/her/their tenants or assigns, by acceptance of a deed for the same (whether or not it shall be so expressed in such deed) is deemed to covenant and agree, to pay to the Association annual limited common assessments or charges as hereinafter provided. The annual limited common assessments, together with interest, costs and reasonable attorneys' fees, shall be a separate charge and lien on the land and, subject to the limitations set forth herein, shall be a continuing lien upon the property against which each such assessment is made. Furthermore, each such assessments, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligations of the person who was the owner of the Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to a successor in title to a Lot, unless expressly assumed by them, but, subject to the provisions of this Declaration, delinquent assessments shall continue to be a lien upon such Lot.

(1) Until January 1, 2024, the annual general assessment shall be **Two Hundred Dollars (\$200.00)** per Lot.

(2) From and after January 1, 2024, the annual general assessment and annual limited common assessment may be increased upon the vote of a majority of the Board of Directors of the Association by no more than twenty-five percent (25%) of the annual general assessment, or annual limited common assessment, for the preceding year.

(3) Any increase of the annual general assessment, exceeding twenty-five percent (25%) of such assessment for the preceding year must be approved by the owners of at least two-thirds (2/3) of the Lots subject to such assessment, who are voting in person or by proxy at a meeting called for this purpose.

(4) Once the annual general assessment and annual limited common assessment have been set, notice of the annual general assessment and annual limited common assessment shall be given to all Lot owners. It is provided, however, that no owner is relieved from the obligation to pay the assessment because of failure to give such notice. After the initial notice of the assessment, no bills for such assessment will be forwarded to any owner, but such assessment thereafter shall become due and payable as provided by the Board of Directors.

(5) As provided in the Bylaws, and subject to the restrictions and limitations provided herein, the

Board of Directors shall establish an Annual Budget in advance for each fiscal year. Such budget shall project all expenses for the forthcoming fiscal year which may be required for the proper operation, management and maintenance of the Stormwater Management Facilities, the North Carolina Sedimentation and Erosion Control Permits, the "Entrance Signs" situated in any Sign Easement, any fence situated in any Fence Easement, the operation, management and maintenance of the improvements and facilities situated upon or under the sanitary sewer (septic system) easements, and the Association, including a reasonable allowance for contingencies and reserves. The budget shall take into account any projected or anticipated income. Upon adoption of such Annual Budget by the Board of Directors, copies of the Budget shall be delivered to each owner together with a statement of the applicable assessment(s) for each Lot as provided herein, based upon such budget; however, the non-delivery of a copy of said Budget shall not affect the liability of any owner for such assessment(s). The Annual Budget for the annual general assessment shall be divided by the number of Lots subject to the annual general assessments at the time of the annual meeting of the members and the quotient shall be the annual general assessment per Lot for the succeeding fiscal year. The Annual Budget for the annual limited common assessment shall be divided by the number of Lots subject to the annual limited common assessments at the time of the annual meeting of the members and the quotient shall be the annual limited common assessment per Lot for the succeeding fiscal year.

(6) All monies collected by the Association shall be treated as the separate property of the Association and such monies may be applied by the Association to the payment of any expense of operating and managing the Association or the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles and the Bylaws. As monies for any assessment are paid into the Association by any owner, the same may be commingled with monies paid to the Association by the other owners. Although all funds and any increments thereto or profits derived therefrom shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer said owner's membership interest therein, except as an appurtenance of said owner's Lot. When the owner of a Lot shall cease to be a member of the Association by reason of said owner's divestment of ownership of such Lot, by whatever means, the Association shall not be required to account to such owner for any share of the fund or assets of the Association, including any monies which said owner may have paid to the Association, as all monies which any owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Association.

(7) Written notice of any meeting called for the purpose of taking any action requiring a meeting shall be sent to all members not less than twenty (20) days, or more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast **ten percent (10%)** of the votes of all members **shall constitute a quorum**. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half ($\frac{1}{2}$) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. For so long as there is a Class B membership (i.e. Declarant Control Period), there shall not be any requirement for meetings of directors or members, unless duly called pursuant to this Declaration or the Bylaws.

I. Annual general assessments, annual limited common assessments and special assessments shall, except as otherwise provided herein, be fixed at a uniform rate for all Lots.

J. The annual general assessments and limited common assessments provided for herein shall commence as to each Lot, other than any Lot which has not been improved by the construction of a single family residence thereon and occupied by the purchaser or grantee, individually or through his/her/their tenants or assigns, on the date of recordation of the deed for such Lot in the Office of the Register of Deeds of Onslow County and shall be prorated on a calendar year basis through the date of such recordation. The annual general assessments and limited common assessments shall be assessed for each calendar year thereafter and shall be payable annually, or more frequently, with the due date for such payments and payment frequency, being as established by the Board of Directors.

K. The annual general assessment levied by the Association shall be used exclusively to oversee, inspect, maintain and repair the Stormwater Management Facilities, Sign Easement and Fence Easement areas, if any; to enforce the provisions of this Declaration relating to the Stormwater Management Facilities, the Permit, the applicable North Carolina Sedimentation and Erosion Control Permit; to pay the expenses of the Association from and after the time, if ever, Declarant transfers the Permit to the Association. The Association's functions shall be to oversee, inspect, maintain and repair the Stormwater Management Facilities, Sign Easement and Fence Easement areas; to enforce the provisions of this Declaration relating to the Stormwater Management Facilities, the Permit, the applicable North Carolina Sedimentation and Erosion Control Permits. The annual limited common assessment levied by the Association shall be used exclusively to oversee, inspect, maintain and repair the off-site septic systems and repair areas, if any. The powers of the Association may not be expanded beyond those purposes. Nothing herein relieves the owner of a Lot from said owner's obligation to maintain the areas upon said owner's Lot upon which the Stormwater Management Facilities and sanitary sewer (septic system) and

access easements are located as provided herein and not to damage or allow damage to occur to said Stormwater Management Facilities and septic system/access easements, and to comply with the provisions of all applicable North Carolina Sedimentation and Erosion Control Permits.

L. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

M. General special assessments, and specific special assessments may be levied against Lots for such reasons as are provided in this Declaration, the Articles or the Bylaws, and on such terms as provided by the directors and the members. Upon a two-thirds (2/3) vote of the Directors and a two-thirds (2/3) vote of the owners of Lots who are voting in person or by proxy at a meeting duly called for this purpose, the Association may levy and impose special assessments. The purposes for which special assessments may be levied are limited to providing funds to pay for the oversight, inspection, maintenance and repair of the Stormwater Management Facilities, Sign Easement and Fence Easement areas, if any, off-site septic systems and repair areas, if any, to enforce the provisions of this Declaration relating to the Stormwater Management Facilities, the Permit and all applicable North Carolina Sedimentation and Erosion Control Permits, Sign Easement and Fence Easement areas, and off-site septic systems and repairs areas, which exceed the general assessment and/or limited common assessment funds, then on hand to pay same and to provide a contingency fund for capital improvements and extraordinary expenses. General special assessments shall be levied at a uniform rate for all Lots to which such assessments may be charged as set forth in this Declaration. Specific special assessments may be assessed against the owner of a Lot after written notice has been given by the Association to the owner of said Lot at the address of the owner appearing upon the records of the Association by United States mail, postage prepaid, that the Stormwater Management Facilities located on said Lot have been damaged by the act or negligent failure to act of said owner or that said owner has failed to comply with all applicable North Carolina Sedimentation and Erosion Control Permits and such Stormwater Management Facilities are in need of repair or replacement in order to comply with the Permit or actions must be taken in order to comply with the applicable North Carolina Sedimentation and Erosion Control Permits and the owner of said Lot has not taken the necessary action to bring the Stormwater Management Facilities located on said owner's Lot into compliance with the Permit or to comply with the provisions of all applicable North Carolina Sedimentation and Erosion Control Permits within thirty (30) days after the mailing of said notice. If said owner commences the necessary action to repair or replace the Stormwater Management Facilities or septic system and/or septic system easement located on said owner's Lot and to bring the Stormwater Management Facilities into compliance with the Permit or to bring the Lot into compliance with the applicable North Carolina Sedimentation and Erosion Control Permits, or to maintain or repair off-site septic systems or septic system easements, within the thirty (30) day period set forth above, the imposition of a specific special assessment shall be deferred by the Association for the period during which said owner diligently pursues to completion the repair or replacement of the Stormwater Management Facilities located on said Lot or compliance with the applicable North Carolina Sedimentation and Erosion Control Permits, or maintenance or repair of the off-site septic system or septic system easement. Specific special assessments shall be limited to the amount of funds actually expended, or in the discretion of the Board of Directors, the amount of funds reasonably estimated by the Board of Directors will be expended, by the Association to repair or replace the Stormwater Management Facilities located upon the Lot or to comply with the applicable North Carolina Sedimentation and Erosion Control Permit upon which the specific special assessment is assessed. Special assessments, either general or specific, together with interest, costs and reasonable attorneys' fees, shall be a charge and lien on the land and, subject to the provisions set forth in this Declaration, shall be a continuing lien upon the Lot against which each such assessment is made. The personal obligation of an owner of a Lot for delinquent special assessments, whether general or specific, or limited common assessment, shall not pass to a successor in title to a Lot, unless expressly assumed by the successor, but, subject to the provisions of this Declaration, delinquent special assessments shall continue to be a lien upon such Lot.

N. Any annual general assessment, annual limited common assessment, general special assessment, or specific special assessment, if not paid within thirty (30) days after the date such assessment is due, shall be subject to a late payment charge, and shall bear interest at the maximum legal rate of per annum thereafter. The Association may record a claim of lien against the Lot for such delinquent assessments and charges, together with costs of collection, court costs, and reasonable attorneys' fees in the Office of the Clerk of Superior Court of Onslow County in accordance with Section 47F-3-116 of the North Carolina General Statutes, or file a suit to collect such delinquent assessments and charges. The Association may file Notice of Lis Pendens, bring an action at law against the owner personally obligated to pay the same and/or bring an action to foreclose the lien against the Property. The lien of any assessment provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a first mortgage or any proceeding in lieu therefor, shall extinguish the

lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. No owner may waive or otherwise escape liability for the assessments provided for herein.

O. In the event the Articles of Incorporation and/or Bylaws of the Association are amended to expand the rights and duties of the Association, those amendments shall have no effect on the Lots or the Subdivision unless, by recorded amendment to this Declaration, joined in by Declarant.

ARTICLE XX

WETLANDS

It shall be the responsibility of each Owner, prior to alteration of any Lot, to determine if any portion of the Lot shall have been determined to meet the requirements for designation as regulatory "wetlands". Any subsequent fill or alteration of the "wetlands" shall conform to the requirements of the wetlands rules adopted by the State of North Carolina and in force at the time of the proposed alteration. The intent of this restriction is to prevent additional fill or alteration of designated "wetlands", so the property Owner should not assume that a future application for fill or alteration will be approved. The property Owner shall report the name of the subdivision in any application pertaining to "wetlands" rules. These covenants and restrictions are intended to insure the continued compliance with "wetlands" rules adopted by the State of North Carolina, therefore compliance may be enforced by the State of North Carolina or authorized agency or department thereof.

ARTICLE XXI

REMEDIES

In the case of failure of a Lot owner to comply with the terms and provisions contained in this Declaration, the Articles or the Bylaws of the Association, the following relief shall be available:

A. The Declarant (whether or not the Declarant is the owner of any Lot), the Association, any Lot owner and any party to whose benefit this Declaration inures, including but not limited to the State of North Carolina or its assignees with respect to the Permit, may proceed at law and in equity to prevent the violation of any term or provision of this Declaration, the Articles and Bylaws and also recover damages for such violation and the court in any such action may award the successful party said party's reasonable expenses and costs in prosecuting such action, including reasonable attorney's fees.

B. The remedies hereby specified are cumulative and this specification of them shall not be taken to preclude an aggrieved party's resort to any other remedy at law, in equity or under any statute. No delay or failure on the part of the Association, the Declarant or an aggrieved party to invoke an available remedy with respect to a violation of any of this Declaration, the Articles and Bylaws shall be held to be a waiver by that party of (or an estoppel of that party to assert) any right available to that party upon the reoccurrence or continuation of said violation or the occurrence of a different violation.

ARTICLE XXII

COMPLIANCE WITH DEPARTMENT OF TRANSPORTATION TRAFFIC MAINTENANCE STANDARDS

Driveway head walls, fences, mailboxes, newspaper delivery boxes, basketball goals or other roadside obstructions, constructed or placed within the right of way of any street as shown on the recorded plat of the subdivision in a location or out of materials determined to be a traffic safety hazard by the North Carolina Department of Transportation or the Declarant, shall not be permitted. It shall be the duty of the Owner of any Lot to remove such obstruction, at the Owner's sole expense, within thirty (30) days following written notification of such objection by the North Carolina Department of Transportation or Declarant. In the event any Owner fails, or refuses, to remove such obstruction or obstructions within the thirty (30) day period following written notification thereof, the Declarant or the Association shall have the right, but not the duty, to remove the obstruction or obstructions and to charge the Owner the costs thereof which shall be a lien against the Owner's Lot and may be enforced in the same manner as provided in Article XIX (N), above.

ARTICLE XXIII

UNDERGROUND UTILITY SERVICES AND STREET LIGHTING AGREEMENT

All electrical service, telephone and cable lines between the street service and any residential structure shall be placed underground and no outside electrical, telephone or cable lines shall be placed overhead, unless prior written approval is granted by the Declarant or the Association. Any waiver of this restriction shall not constitute a waiver as to any other Lot or lines. The Declarant reserves the right to subject the Property, or any other property annexed into the Subdivision, to a contract with an electric utility company for the installation of underground electric cables and/or the installation of street lighting, and/or entrance sign lighting, either or all of which may require an initial payment and/or a continuing monthly payment to an electric company by each Lot Owner for a pro rata share of installation, operation and maintenance expenses.

ARTICLE XXIV **ANNEXATION OF ADDITIONAL PROPERTY INTO SUBDIVISION**

The Declarant, for itself and its successors and assigns, hereby expressly reserves the right, but shall in no way be obligated, to expand the real property which is subject to this Declaration without the consent or joinder of any Owner or Owners of any Lot or Lots or person or entities having a lien or security interest in such Lot or Lots, by annexing, from time to time other real property into the Subdivision

An amendment to this Declaration shall be made and recorded in the office of the Register of Deeds of Onslow County, North Carolina, to include each portion of the real property which is to be subject to this Declaration, and each such portion of the real property shall constitute an addition to the Subdivision. The right of the Declarant, or its successors and assigns, to expand the Subdivision as herein provided shall expire fifteen (15) years following the date of recordation of this Declaration.

ARTICLE XXV **SUPPLEMENTAL DECLARATION(S)**

The Declarant shall have the right, from time to time, to record Supplemental Declarations which may designate specific use and other restrictions within other real property annexed into the Subdivision, may create Common Areas within such other real property for the use of all owners in the Subdivision, as may be expanded, and may create a separate owners association exclusively for such other real property; and may exercise all rights reserved in Article XVII, supra, provided however, no Supplemental Declaration shall avoid membership in the Association by Owners of Lots in said other real property, nor shall any Supplemental Declaration modify or amend the terms of this Declaration or any prior Supplemental Declaration for another tract annexed, without the required consent of Owners of all tracts of land constituting the then existing Subdivision.

ARTICLE XXVI **ENFORCEMENT**

Enforcement shall be by proceedings at law or in equity against any person or person violating or attempting to violate any covenant, either to restrain violations or to recover damages. In the event any proceeding is commenced to enforce the provisions of this Declaration, the non-prevailing party shall be obligated to pay, in addition to any monetary damages or other award granted by the court, the expenses and costs of such proceeding, including reasonable attorneys' fees of the prevailing party.

ARTICLE XXVII **MODIFICATION**

These restrictions are subject to being altered, modified, canceled or changed at any time as to said subdivision as a whole, or as to any subdivided lot or part thereof, by written document executed by the Declarant, its successors in title, or assigns, and by the owners of lots to which at least sixty seven percent (67%) of the votes in the Association are allocated, and recorded in the Office of the Register of Deeds of Onslow County, North Carolina. If the Declarant is entitled to at least sixty seven (67%) percent of the votes in the Association, the Declarant may alter or amend these covenants without the consent of any other owner. Provided however, the Declarant, without the consent or joinder of any owner, may annex additional properties to the subdivision, exercise any rights set forth in Article XVII, and exercise any other development rights.

ARTICLE XXVIII **TERM**

The covenants, easements and restrictions set forth in this Declaration, as may be amended, are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five (25) years from the

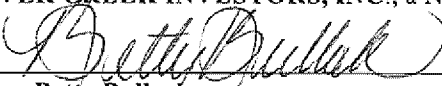
date this Declaration is recorded, after which such time said Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change this Declaration, in whole or in part, with the exception of Article XVI.

**ARTICLE XXIX
SEVERABILITY**

Invalidation of anyone of these covenants by judgment or Court Order shall in no way affect any of the other provisions which shall remain in full force and effect.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be signed by its President, with authority duly given by its board of directors, the day and year first above written.

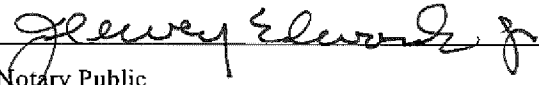
BEAVER CREEK INVESTORS, INC., a North Carolina corporation,

By: 
Name: **Betty Bullock**
Title: **President**

STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

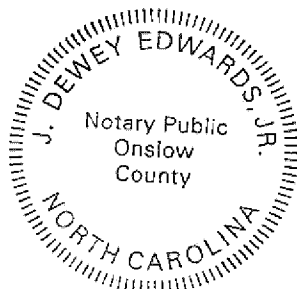
The undersigned, a Notary Public in and for said County and State, does hereby certify that Betty Bullock, known to me or having provided satisfactory proof of her identity, personally came before me this day and acknowledged that she is a President of BEAVER CREEK INVESTORS, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, she executed the foregoing instrument on behalf of the corporation in the capacity indicated.

Witness my hand and official stamp or seal, this 6th day of March, 2023.


Notary Public
Printed Name: J. Dewey Edwards, Jr.

My Commission Expires:

July 9, 2026



IN WITNESS WHEREOF, the Lienholder has caused this instrument to be signed by its Senior Vice President, with authority duly given by its board of directors, the day and year first above written, for the sole purpose of subordinating its lienhold interests in the Project Property, by virtue of the deed of trust recorded in Book 5874, Page 636, Onslow County Registry, to the easements, restrictions, covenants, and conditions set forth in the Declaration.

FIRST BANK, a North Carolina banking corporation

By: A. Edwards

Name: Susan Edwards

Title: Senior Vice President

STATE OF NORTH CAROLINA

COUNTY OF Onslow

The undersigned, a Notary Public in and for said County and State, does hereby certify that Susan Edwards, known to me or having provided satisfactory proof of his/her identity, personally came before me this day and acknowledged that (s)he is the/a Senior Vice President of **FIRST BANK**, a North Carolina banking corporation, and that by authority duly given and as the act of the company, the foregoing instrument was signed in its name by him/her in the capacity indicated and for the purposes set forth therein and in the capacity indicated.

Witness my hand and official stamp or seal, this 2nd day of March, 2023.

Samantha Russell

Notary Public

Printed Name: Samantha Russell

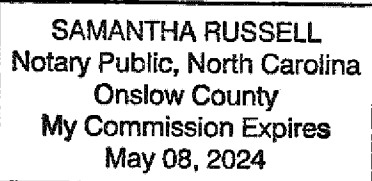


Exhibit "A"

Development Area

Situated in White Oak Township, Onslow County, North Carolina and being more particularly described as follows:

Being all those 91.17 acres tract of land and 17.90 acres tract of land as shown on a map entitled, "Boundary Survey & R/W Dedication, Prepared for Beaver Creek Investors, Inc.," dated September 24, 2020, prepared by John L. Pierce & Associates, P.A. and recorded in Map Book 79, Page 67, Cabinet O, in the Office of the Register of Deeds of Onslow County, North Carolina.