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Doc ID: 011018940025 Type: CRP
Recorded: 02/06/2014 at 12:31:37 PM
Fee Amt: \$66.00 Page 1 of 25
Onslow County, NC
Rebecca L. Pollard Reg. of Deeds
BK **4112** PG **100-124**

STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

**AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR REDDS COVE SECTION II**

**THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR REDDS COVE SECTION II** is made this 4th day of
February, 2014 by the undersigned Lanier Family II, a Limited Liability Company operating in
Onslow County.

WITNESSETH:

WHEREAS, REDDS COVE SECTION II is a real estate development located in Onslow County,
North Carolina further identified on following map(s):

- A. "REDDS COVE, SECTION II" recorded in Map Book 62, Pages 166 and 166A, Onslow
County Registry.

WHEREAS, REDDS COVE SECTION II was developed by Lanier Family II, Limited Liability
Company, hereinafter referred to as "Declarant" or "Developer" which caused to be recorded the
following:

- A. "DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
REDDS COVER SECTION II", recorded in Book 3682, Page 292 of the Onslow
County Registry; and

WHEREAS, REDDS COVE HOA, INC. is the acting representative of its members who are Lot
Owners in **REDDS COVE SECTION II**; and it was the intent of the Developer, at the time of the
conveyance of a Lot to an Owner, to make available certain Common Areas and amenities on the
Property, if any, as they were built, and, to convey, upon completion of the development, the entire
Property, excluding the Lots and publicly dedicated streets, if any, without cost or charge to the
Association; and

WHEREAS, it is the desire of **REDDS COVE HOA, INC.** and the Lot Owners of **REDDS COVE SECTION II** to subject themselves and all future Lot Owners to the North Carolina Planned Community Act, N.C. Gen. Stat. Chapter 47F; and

WHEREAS, it is the desire of Declarant and Developer to clarify the deed restrictions required by State Stormwater Management Permit Number SW8 060560, as issued by the Division of Water Quality under NCAC 2H.1000. Therefore Article IV of the original Declaration has been amended as set forth herein; and

WHEREAS, REDDS COVE HOA, INC. presented this AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR REDDS COVE SECTION II to the Association for vote and it passed by the affirmative vote or written agreement signed by Lot Owners of Lots to which at least sixty seven percent (67%) of the votes in the Association are allocated.

NOW, THEREFORE, Declarant and **REDDS COVE HOA, INC.**, hereby declare that all of the Lots and Common Areas, as defined herein, located within **REDDS COVE SECTION II** are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the following covenants, conditions and restrictions, all of which are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision as a whole and of each of said Lots. All of these restrictions shall run with the land and shall be binding upon the Declarant and upon the parties having or acquiring any right, title or interest, legal or equitable in and to the Property or any part or parts thereof subject to such restrictions, and shall inure to the benefit of the Declarant and every one of the Declarant's successors in title to any of the Property.

ARTICLE I DEFINITIONS

Section 1.1 "Annual Organizational Board Meeting" means the annual organizational board meeting of the Board, which shall take place immediately after each Annual Meeting of the Members.

Section 1.2 "Annual Meeting" means the annual meeting of the Members held in Onslow County, North Carolina, within the last quarter of each calendar year, upon proper notice, at a date, time and place from time to time designated by the Board. The first Annual Meeting of the Members shall be held within one (1) year from the date of incorporation on such date as the initial Board shall determine.

Section 1.3 "Articles" or "Articles of Incorporation" shall mean those articles, filed with the Secretary of State of North Carolina, incorporating **REDDS COVE HOA, INC.**, as a non-profit corporation under the provisions of North Carolina State law, as the same may be amended from time to time.

Section 1.4 "Assessments" means Regular Assessments, Special Assessments, Working Capital Assessments, Individual Assessments, and Fine Assessments.

Section 1.5 "Association" shall mean and refer to **REDDS COVE HOA, INC.**, a non-profit corporation, its successors and assigns.

Section 1.6 "Board" or "Board of Directors" shall mean and refer to the body, regardless of name, designated in the Declaration to act on behalf of the Association.

Section 1.7 "Bylaws" shall mean the bylaws of the Association, as the same may be amended from time to time.

Section 1.8 "Committee" shall mean and refer to the Architectural Review Committee established for the purposes of administering control over architectural, landscaping and related matters, as provided herein.

Section 1.9 "Constituent Documents" shall mean the Declaration, the Bylaws, the Articles of Incorporation, and the Rules and Regulations, if any, and any other basic documents used to create and govern the Subdivision.

Section 1.10 "Common Area" shall mean all property owned by the Association for the common use and enjoyment of all or a designated class of members. Common Area includes without limitation all existing and future roads and right-of-ways and all sidewalks, greenways, waterways, median strips, cul-de-sac centers, planting areas, recreational areas, gazebos, boat ramps, community pool, clubhouse, open space, and easements that may be developed on the Common Area (it being understood that this enumeration is by way of the description of the type of facilities that may be developed and in no way shall bind or obligate the Declarant to provide any of the described facilities and it being further understood that Declarant in its sole discretion, may include any facility of any type as Common Area) and all entry ways, directional and informational signs (and area set aside for their location) and any other property as may be purchased or provided for the common use and benefit of the Declarant, the Owners, and any member in the Association, including without limitation such Common Area as may be shown on the recorded maps of the Property. The Common Area shall not be used for public commercial purposes, but may be used for enjoyment of the Association's members for fund-raising activities to support the purposes of the Association.

Section 1.11 "Common Expenses" shall mean, refer to, and include all charges, costs and expenses incurred by the Association for and in connection with the administration of the Subdivision, including, without limitation thereof, operation of the Subdivision, maintenance, repair, and restoration (to the extent not covered by insurance) of Common Area; the costs of any additions and alterations thereto, including dredging of the canals; all labor, services, common utilities, materials, supplies, and equipment therefore; all liability for loss or damage arising out of or in connection with Common Area and its use; all premiums for hazard, liability and other insurance with respect to the Subdivision; all costs incurred in acquiring a Lot pursuant to judicial sale; and all administrative, accounting, legal, and managerial expenses. Common Expenses shall also include the cost of operation, maintenance, improvement, and replacement of the boat ramp and canal, including establishing reserves therefor. Common Expenses shall also include amounts incurred in replacing, or substantially repairing, capital improvements within Common Area, including, but not limited to private road and parking lot resurfacing. Common Expenses shall also include all reserve funds or other funds established by the Association. Common Expenses shall be construed broadly.

Section 1.12 "Declarant" shall mean Lanier Family II, Limited Liability Company, which is a North Carolina Limited Liability Company, and its successors and assigns if the rights and obligations of the Declarant hereunder are expressly assigned to and assumed by such successors and assigns.

Section 1.13 "Declaration" shall mean and refer to any instruments, however denominated, that create a planned community and any amendments to those instruments.

Section 1.14 "Dwelling Unit" shall mean and refer to the completed individual family living unit on an individual Lot.

Section 1.15 "Default" shall mean any violation or breach of, or any failure to comply with this Declaration or any other Constituent Documents.

Section 1.16 "Limited Common Element" or "Limited Common Area" means a portion of the Common Area allocated by the Declaration or by operation of law for the exclusive use of one or more but fewer than all of the Lots.

Section 1.17 "Lot" shall mean and refer to any improved or unimproved designated on the Plats of **REDDS COVE SECTION II** as a numbered Lot and intended for a Dwelling Unit to be constructed thereon.

Section 1.18 "Member" shall mean and refer to all those Owners who are Members of the Association as provided in Article V below.

Section 1.19 "Owner" shall mean and refer to any contract buyer and/or the record owner, whether one or more persons or entities, of a fee simple title to any Lot located within **REDDS COVE SECTION II**, but excluding those having such interest merely as security for the performance of an obligation, provided however, the Declarant shall not be deemed an Owner.

Section 1.20 "Planned Community" means real estate with respect to which any person, by virtue of that person's ownership of a Lot, is expressly obligated by a declaration to pay real property taxes, insurance premiums, or other expenses to maintain, improve, or benefit other Lots or other real estate described in the Declaration. "Ownership of a Lot" does not include holding a leasehold interest of less than 20 years in a Lot, including renewal options.

Section 1.21 "Plats" shall mean and refer to the record plats of the Subdivision recorded by Declarant, as the same may be amended or supplemented by Declarant from time to time.

Section 1.22 "Property" or "Subdivision" generally means the lands being developed and known as **REDDS COVE SECTION II** located in Onslow County, North Carolina, and being all of the property shown on map thereof recorded in Map Book 62, Page 166, Onslow County Registry, to which map reference is hereby made for a more complete description; and any additional property which Declarant may make a part of **REDDS COVE SECTION II**, as provided for in the Restrictive Covenants. The terms "Property", "Subdivision" and **REDDS COVE SECTION II** are interchangeable.

Section 1.23 "Special Declarant Rights" means rights reserved for the benefit of the Declarant, including, without limitation, any right (i) to complete improvements indicated on plats and plans filed with the Declaration; (ii) to exercise any development right; (iii) to maintain sales offices, management offices, signs advertising the Subdivision, and models; (iv) to use easements through the Common Area for the purpose of making improvements within the Subdivision or within real estate which may be added to the Subdivision; (v) to make the Subdivision party of a larger planned community or group of planned communities; (vi) to make the Subdivision subject to a master association; or (vii) to appoint or remove any officer or Board of Directors member of the Association or any master association during any period of Declarant control.

When applicable for the sense of this instrument, the singular should be read as including the plural and the male, female, and neuter pronouns and adjectives should be read as interchangeable.

ARTICLE II PROPERTY SUBJECT TO THIS DECLARATION

Section 2.1 Property Presently Subject To These Restrictions. **REDDS COVE SECTION II** (or Phase II) the real property which is, and shall be held, transferred, sold, conveyed and occupied subject to these Declarations and the Bylaws, irrespective of whether there may be additions thereto as hereinafter provided, is located in Holly Ridge, Onslow County, North Carolina and is shown as all of those certain residential Lots on maps recorded in Map Book 62, Page 166, Onslow County Registry.

Section 2.2 Additions To Existing Property. As provided for herein, it is understood that Declarant, its successors and assigns, may develop, subdivide, or sell additional tracts or parcels of land. Additional property, including any additions (including real property and/or improvements) to the Common Area, which may be made by Declarant at its sole and complete discretion, and property adjacent thereto may be brought within the scheme of these Declarations and the Bylaws and the jurisdiction of the **REDDS COVE HOA, INC.** in the following ways:

a. The Declarant reserves the right to develop and subject to these Declarations and the Bylaws any or all of the Property described in SCHEDULE A, which is attached hereto and incorporated herein by reference. Each, any or all of the Property may be annexed to the properties by Declarant, at its sole and absolute discretion, and brought within the scheme of these Declarations and the Bylaws and within the jurisdiction of the Association, in future stages of development without the consent of the Association or its Members; provided, however, that said annexations, if any, must occur within twenty (20) years after the date of this instrument.

b. At Declarant's sole and absolute discretion, additional adjacent properties (adjacent being defined as inclusive of properties across a right of way or body of water) and Common Area consisting of not more than FIVE HUNDRED (500) acres, located outside of the area described in the aforementioned SCHEDULE A may be annexed to the properties and brought within the scheme of this Declarations and the Bylaws and the jurisdiction of the Association in future stages of development without the consent of the Association or its members; provided, however, that said annexations, if any must occur within twenty (20) years after the date of this instrument.

c. The additions authorized under subsections a. and b. shall be made by filing of record Supplementary Restrictive Covenants of **REDDS COVE SECTION II** and by filing of record Supplementary Bylaws of **REDDS COVE HOA, INC.**, with respect to the additional properties which shall extend the scheme of the Declarations and the Bylaws of and the jurisdiction of the Association to such properties, and thereby subject such additions to assessments for their just share of the Association's expenses. Said Supplementary Restrictive Covenants and Bylaws may contain such complementary additions and modifications of these Declarations and the Bylaws as may be necessary to reflect only the different character and density of housing planned on the added properties and as are not inconsistent with the provisions of these Restrictions and the Bylaws.

d. The Declarant, for itself and the Association, reserves the right to grant unto property owners of properties adjacent to or near **REDDS COVE SECTION II**, the right to ingress, egress, regress and

utilities through **REDD'S COVE SECTION II** as it now exists or as it may be expanded as set forth herein. The Declarant and/or the Association, may cause any and all roads constructed in this development, or which may be constructed, to become a servient estate to other real property for the sole purpose of ingress, egress, regress and utilities to said dominant estate property or to any future recreational facilities such as a recreational area. The Declarant may grant said easement without the consent of the Association.

e. The Declarant has subjected, and reserves the right to further subject, the real property in **REDD'S COVE SECTION II** or Phase II to an "UNDERGROUND ELECTRIC SERVICE LAND DEVELOPMENT" agreement, a copy of which is recorded at Book 3618, Page 132, Onslow County Registry for, among other things, the installation of underground electrical service and the installation of street lighting, which AGREEMENT requires or will require a continuing monthly payment to Jones-Onslow Electric Membership Corporation. Jones-Onslow Electric Membership Corporation shall divide the total monthly payment between the number of Lots the Declarant has conveyed or sold to a Lot Owner and seek reimbursement of the monthly payment from these owners.

The Declarant reserves the right to subject the remaining real property in this Subdivision to a contract for the installation of underground electric service and/or street lighting, which requires or will require a continuing monthly payment by each residential customer for street lighting service and other services. If the Declarant subjects the real property in this Subdivision to such a contract, Jones-Onslow Electric Membership Corporation shall divide the total monthly payment between the number of Lots the Declarant has conveyed or sold to a Lot Owner.

ARTICLE III PROPERTY RIGHTS IN COMMON AREAS

Section 3.1 Owner's Easements of Enjoyment. The Declarant makes no representation in this Declaration as to the type, quality or amount of Common Areas and improvements other than shown on the Final Plat as approved by the Onslow County Planning Board and subject to any contractual arrangements entered into by Declarant prior to the filing and approval of said Final Plat and/or subject to any contractual arrangements between the Association and a third party. However, every Lot Owner shall have a right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every lot, subject to the aforesaid and the following provisions:

- i) The right of the Declarant to modify the Lot lines and adjacent Common Areas shown on any plat of the property. Said modifications of Common Area must be reasonable in type and amount.
- ii) The right of the Declarant, prior to the filing and approval of a Final Plat, and the Association, after the filing of and approval of said Final Plat, to enter into contractual arrangements with a third party for the construction of amenities and management of said amenities.
- iii) The right of the Board to, at its discretion (a) fine or impose a penalty in accordance with any provisions set forth or provided for herein the Bylaws, (b) suspend the right of any Owner or the privilege of any Member to use such portion(s) of the Common Areas that are recreational in nature as determined by the Board, or (d) suspend voting rights of such Member, for any infraction of the Declaration, Articles, Bylaws, and Rules and Regulations relating to the

Common Areas, for a period not to exceed sixty (60) days after such infraction is remedied, or for any non-payment or delinquency of the Assessments against such Owner's Lot for a period not to exceed sixty (60) days after such non-payment or delinquency is remedied;

- iv) The right of the Board to adopt and enforce and from time to time amend reasonable limitations upon use and Rules and Regulations pertaining to the use of the Common Areas, including regulations limiting guests of Owners and Tenants who may use the Common Areas at any one time;
- v) The right of the Association to grant permits, licenses and public or private easements over Common Areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Property;
- vi) The right of the Association to dedicate or convey portions of the Common Areas to applicable governmental authorities for park or other public purposes; or
- vii) The right of the Association to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property, including common areas and any amenities contracted thereon, for money borrowed or debts incurred.

Section 3.2 Extension of Use By Owners. Any Owner may extend his right of enjoyment to the Common Areas to the immediate and/or extended members of his family, his Tenants, guests or contract purchasers of the Owner's Lot.

Section 3.3 Extension Of Use By Association. The Association, or its assigns, shall have the right to permit any person the use of the Common Areas and amenities constructed thereon and may charge reasonable fees and contribution amounts for the use of the Common Areas and any amenities constructed thereon, unless otherwise prohibited.

Section 3.4 Title to Common Areas. The Declarant reserves the right itself, its successors and assigns, to convey portions of the Common Areas to the Association, which will be recorded by deed in the Onslow County Registry.

Section 3.5 Reservation By Declarant. The Declarant further reserves to itself, its successors and assigns, the right to erect and maintain utilities, drainways and other public conveniences in Common Areas, including the right to cut any trees, bushes or shrubbery, make any grading in the soil, build buildings or take any similar action reasonable and necessary or desirable to provide economical and safe installation or service.

3.5.1 Clubhouse and Amenities. The Declarant further expressly reserves to itself, its successors and assigns, and upon formation of the Association, to the Association, its successors and assigns, the right to construct, operate and manage any club, or other like facility with associated amenities, upon any of the property not designated as a residential Lot for the mutual enjoyment of the Owners and to establish reasonable fees, rules and regulations for the use thereof. The Declarant specifically reserves the right to transfer these facilities to the Association with the Common Area.

Section 3.6 Association's Duties. The Association shall have the duty to repair, replace and maintain all Common Area, including recreational areas and improvements located thereon, and all streets, roads, boat ramp, road right of ways, and other common property.

ARTICLE IV GENERAL USE RESTRICTIONS

Declarant does hereby covenant and agree with all persons, firms or corporations hereafter acquiring title to any portion of the Property that Property is hereby subject to this Declaration as to the use thereof and do agree, publish and declare that the deeds hereinafter made by it to purchasers of the Property shall be made subject to the Bylaws and to the following Restrictions:

Section 4.1 Structural Requirements. Except as otherwise provided in these Restrictions, the Lots shall be used for residential purposes only. Further, no structure shall be erected, placed, altered or permitted to remain on any Lot other than a detached, single-family dwelling and related structures incidental to the residential use of the Lot, such as garages, which otherwise comply with these Restrictions, except that Declarant reserves the exclusive right to construct a roadway over any Lot owned by it in order to grant access to other property acquired by Declarant and in such cases, the remainder of any such Lot not used for the roadway shall still be subject to these Restrictions. Any Dwelling Unit may include an in-law suite or servants' quarters, provided the in-law suite or servants' quarters is attached to the Dwelling Unit; further, it may include a home office, provided the home office is attached to the Dwelling Unit and it is not receiving clients on a regular basis.

4.1.1. New Residential Buildings Required. Only new residential buildings shall be permitted on any Lot, it being the intent of this Declaration to prohibit the moving of any existing building or portion thereof on a Lot and remodeling or converting the same into a Dwelling Unit in this Subdivision, excepting, however, Declarant's mobile offices provided for hereinbelow and Off Frame Modular homes, where walls are brought in sections and assembled on site. Other Modular homes, manufactured homes, and homes built off-site are not permissible; only on-site stick-built Dwelling Units are permissible and no Dwelling Units constructed elsewhere shall be allowed to be conveyed into and located on a Lot within the Subdivision.

4.1.2. Temporary Structures Not Permitted. No trailer, truck, van, mobile home, doublewide mobile home, modular home, structure constructed off-site, tent, camper, barn, garage, or other outbuilding or temporary structure parked or erected on Lots in this Subdivision shall at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence. The Committee shall have the right to approve or disapprove at its sole and absolute discretion, temporary construction shelters or vehicles. The Committee, upon approval of a temporary construction shelter or vehicle, will issue a letter stating the length of time such shelter will be allowed to remain upon such Lot and where such shelter is to be located upon such Lot.

4.1.3. Declarant's Construction Office Permitted. Declarant shall be permitted to erect one mobile office on any Lot that it owns for the purpose of maintaining a sales information center and construction office.

4.1.4. Minimum Size Requirements. Each Dwelling Unit shall have an Enclosed Finished Area (exclusive of garages and open porches) not less than One Thousand Six Hundred (1,600) square feet, regardless of the number of stories. Declarant hereby reserves the right to grant a ten percent (10%)

variance of this requirement.

Section 4.2 Landscaping Requirements. All front yards are to be sodded to the front corners of the house. All side and back yards are to be seeded with the same variety of grass used to sod the front yard, unless that area is screened by a fence. Further, all trash receptacles, heat pumps, and other outside mechanical equipment shall be screened from view. Screening of the outside mechanical equipment may be with vegetation. All of the provisions of this paragraph shall be a part of the original construction plans.

4.2.1 Removal Of Trees. During construction, no trees of any kind [except pine trees and gum trees] in excess of five (5) inches in diameter at the ground level may be removed from any Lot without the prior approval of the Committee, unless those trees are within the building site or within twelve (12) feet of the main dwelling. After the initial construction of the Dwelling Unit, no trees that lie twelve (12) feet or more from the main dwelling may be removed from any Lot without the prior approval of the Committee. The Association may issue a fine to a Lot Owner in the amount of One Hundred Dollars (\$100.00) for each tree removed without permission from the Committee. Additionally, the Committee may require any removed tree(s) to be replaced by the Lot Owner, at the Lot Owner's expense, with trees of the same size, age, and species as the tree(s) removed.

4.2.2 Clearing. No clearing of any type shall be permitted on any Lot without prior approval from the Committee.

Section 4.3 Architectural Review Committee Approval Required. The design, location and complete construction plans (hereinafter "plans") of all improvements on each Lot (regardless of when such improvements are made) and the landscaping of each Lot must be approved in advance by the Architectural Review Committee, hereinafter referred to as the "Committee," which Committee is established pursuant to the Bylaws. No building, fence, wall, bulkhead, dock, pier, pool, outbuilding, driveway or any other accessory feature to the Dwelling Unit or any other structure upon any Lot shall be commenced, erected, placed, maintained or altered on any Lot or combination of contiguous Lots, nor shall the grade or elevation or physical characteristics of any Lot, combination of contiguous Lots, or portions of a Lot or Lots thereof be altered in any way whatsoever, until the proposed building plans, specifications, exterior colors and finishes and site and grading plans (showing the proposed location of such building or structure, drives, parking areas and proposed alterations to the grade, elevation or physical characteristics of the site) have been approved in writing by the Committee. The Committee's refusal to approve any such plans, location or specification may be based by the Committee upon any ground, including purely aesthetic and environmental considerations, that it, in its sole and uncontrolled discretion, shall deem sufficient.

Without prior written consent of the Committee, no changes or deviations in or from such plans or specifications as approved shall be made. No alterations in the exterior appearance of any building or structure, or changes in the grade, elevation or physical characteristics of any Lot shall be made without like approval by the Committee. The Plans shall include the complete construction plans, the plot plan (showing proposed location and elevation of such building, fences, walks, drives, parking area, etc.), proposed building plans and specifications, exterior color, finish and materials. One (1) full copy of all plans and related data shall be furnished to the Committee for its records. The Committee shall not be responsible for any structural or other defects in plans and specifications submitted to it or in any structure erected according to such plans and specifications. The Committee shall not be responsible for any failure of the plans to comply with the Stormwater Management Permit referenced in Section 4.6 of this Article. The Committee may require additional data from any Lot Owner, including data relating to

adjacent and related Lots and related matters such as water well engineering plans and specifications, and may include in its approvals reasonable terms and conditions to apply to groups of Lots such as water well standards and surface water effluent requirements, and to apply to the construction site sanitary maintenance and clean up. If no action is taken by the Committee within forty five (45) days after plans are submitted to it, the Owner may proceed to build without approval, but in any event all improvements must be in accordance with these Restrictions. However, the forty five (45) day period shall not begin to run until all requested data is received by the Committee.

The Declarant reserves the right to override the Committee. This right to override the Committee shall exist until the Declarant conveys seventy-five percent (75%) of the Lots within the Subdivision, or until the Declarant turns over the Subdivision to the Association.

Section 4.4 Setback Requirements. All improvements to the Lot must comply with Onslow County setback requirements for a planned development. The establishment of inflexible building setback lines for location of houses on Lots tends to force construction of houses directly to the side of other Dwelling Units with detrimental effects on privacy, view, preservation of important trees and other vegetation, ecological and related considerations. In order to assure, however, that the foregoing considerations are given maximum effect, the site and location of any house or dwelling or other structure upon any Lot shall be controlled by and must be approved absolutely by the Committee, however, all requirements imposed by the Committee must be in accordance with the Onslow County Zoning Ordinance, Subdivision Ordinance, or the Planning Board's approval. Further, absent the extraordinary circumstances set forth below, the Committee shall approve no plans unless the following minimum setback requirements are met:

- a) Front setback for conventional Lots shall be as shown on the recorded maps.
- b) Rear setbacks for conventional Lots shall be as shown on the recorded maps.
- c) Side setbacks for conventional Lots shall be as shown on the recorded maps.
- d) Setback lines for swimming pools on any Lot shall be set on a case by case basis.
- e) Setback lines for fences and walls shall be set on a case by case basis.

The Committee shall have the right to approve deviations from each of these setback requirements upon application of an individual Lot Owner if, for reasons of topography or well or septic approvals, strict compliance creates a hardship if such approval does not violate the Onslow County Zoning Ordinance, Subdivision Ordinance or Planning Board approval. If required by Onslow County, each plot plan must receive zoning approval prior to the commencement of any construction.

Section 4.5 Combining Lots. More than one Lot may be combined to form one or more Lots by (or with the written consent of) Declarant, its successors and assigns. No Lot may be subdivided by sale or otherwise, except by (or with the written consent of) Declarant, its successors and assigns. Upon combination or subdivision of Lots, the building line requirements prescribed herein shall apply and the easements reserved herein shall be applicable to the rear, side and front Lot lines of such Lot as combined or subdivided. The resulting building site and structures erected thereon must otherwise comply with these Restrictions and the new property line of the resulting building site shall be used to compute the setback lines as set forth herein.

Section 4.6 Restrictions Established By Division of Water Quality. The following covenants and restrictions are intended to ensure ongoing compliance with the **State Management Permit Number SW8 060560** as issued by the Division of Water Quality under NCAC 2H.1000. The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the Stormwater Management Permit. The following covenants are to run with the land and be binding on all persons and parties claiming under them and may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality.

- a) **The maximum allowable built-upon area per Lot is 4,677 square feet.** This allotted amount includes any built-upon area constructed within the Lot boundaries and that portion of the right of way between the front Lot line and the edge of the pavement. Built upon area includes, but is not limited to, structures, pavement, asphalt, concrete, gravel, brick, stone, slate and coquina, walkways, or patios of brick, stone, or slate, but does not include raised, open wood decking or the water surface of swimming pools. Declarant reserves the right to recalculate the maximum allowable built-upon areas if required or allowed by applicable regulations.
- b) Alteration of the drainage as shown on the approved plans may not take place without the concurrence to the Division of Water Quality.
- c) Filling in or piping of any vegetative conveyances (ditches, swales, etc.) associated with the development except for average driveway crossings, is strictly prohibited by any persons.
- d) For those Lots within the CAMA'S Area of Environmental Concern, where a built-upon area is calculated based on current CAMA regulations that is different from DWQ'S the maximum built-upon area for that Lot shall be the most restrictive of the two.
- e) Each lot will maintain a 30' wide vegetated buffer between all impervious areas and surface waters. This area shall be maintained by each Lot Owner.
- f) All roof drains shall terminate at least 30' from the mean high water mark.
- g) Built-upon area in excess of the permitted amount will require a permit modification.

Section 4.7 Excavation Prohibited. There shall be no excavation on any Lot which does not pertain to the building or construction of a Dwelling Unit.

Section 4.8 Driveways; Parking.

4.8.1 Driveways Are Private. All connections of private driveways to the **REDDS COVE SECTION II** road system shall be constructed, by the Lot Owner, and maintained, by the Lot Owner, in accordance with the rules, regulations and specifications of the North Carolina Department of Transportation. The Committee has additional authority to develop rules, regulations and specifications regarding driveways so long as those rules, regulations and specifications do not conflict with those of the North Carolina Department of Transportation.

4.8.2 Driveway Specifications. In order to insure fire protection is readily available to all Lots, all driveways which connect residences or other structures that are more than fifty (50) feet from the Subdivision road must be at least eleven (11) feet in width, with a clearance of no less than eleven (11) feet in height.

4.8.3 Overnight Parking. Overnight street parking is not permitted.

Section 4.9 Right Of Ways. There shall be no signs, fencing or parking permitted within the road right-of-way.

Section 4.10 Noxious Or Offensive Activity Prohibited. No noxious or offensive trade or activity shall be carried on upon any Lot, nor shall anything be done thereon which may become an annoyance or nuisance to the Subdivision. No animals or poultry of any kind may be kept or maintained on any of said Lots, except a reasonable number of dogs, cats and birds that are kept on the Owner's Lot. No pets (including, but not limited to dogs and cats) shall be permitted to roam the Lot, and the Association may have strays and animals (including, but not limited to dogs and cats) that are not leashed and are found off their Owner's Lot removed by government authorities.

Section 4.11 Pollution Prohibited. The throwing or dumping of trash, garbage and waste materials shall not be permitted. The interference of any stream, canal, or future waterway so as to cause pollution or stagnation in these waterways is prohibited. No clearing, filling or disturbing of the wetlands in violation of the governmental regulations shall be permitted. No heating or cooling system shall discharge surface water from any Lot without prior approval from the Committee.

Section 4.12 General/Miscellaneous Use Restrictions. It shall be the responsibility of each Lot Owner to prevent any unclean, unsightly or unkempt condition of buildings or ground on such Lot consistent with the Subdivision as determined by the Board of Directors. The standard of performance for maintenance as used herein shall include, without limitation, maintenance, repair and replacement as needed, as well as other duties, as the Board of Directors may determine necessary or appropriate to satisfy the Community-Wide standard as established by the Board Of Directors. All maintenance shall be performed in a manner consistent with the Community-Wide standard for the Subdivision and all of the applicable restrictive covenants.

4.12.1 Failure To Maintain; Remedies Of Association. If, in the opinion of the Association, any Owner shall fail to maintain any Lot owned by such Owner in a manner which is reasonably neat and orderly and as is required by these Restrictions, all in the sole opinion of the Association, the Association in its sole discretion, by an affirmative vote of a majority of the members of the Board of Directors, and following ten (10) days written notice to the Lot Owner, may enter upon and make or cause to be made the repairs or maintenance to the Lot as the removal of trash, cutting of grass, pruning of shrubbery, weeding and items of erosion control. The Association shall have an easement for the purpose of accomplishing the foregoing. The reasonable cost incurred by the Association in rendering all such service, plus a service charge of fifteen percent (15%) of such cost, shall be added to and become an Individual Assessment to which the Lot is subject.

4.12.2 Trash. No portion or part of any Lot shall be used or maintained as a dumping ground for rubbish or other refuse. Trash, garbage or other waste shall not be kept, except in sanitary containers screened from view from all roads, all other Lots and from the Common Area provided that the Declarant, prior to the sale of such Lot, may use portions of such lot as a burial pit in accordance with governmental regulations.

4.12.3 Gas Containers And Oil Tanks. Bottled gas containers and oil tanks shall be screened from view from all roads, all other Lots and from the Common Area.

4.12.4 Swimming Pools. There shall be no above-ground swimming pools on any Lot. Inflatable "kiddie pools" are allowed only in the backyard and shall be removed each winter.

4.12.5 Clotheslines. No outside clotheslines are permitted.

4.12.6 Satellite Dishes. No satellite dishes, more than twenty-four (24) inches in diameter shall be permitted and the location of all satellite dishes must be approved by the Committee before installation.

4.12.7 Fences. Fences shall be of a design, color and choice of materials as designated by the Declarant, or, if the Declarant so designates, by the Committee. No chain link fence shall be allowed on any Lot.

4.12.8 Mail Boxes. Mail boxes shall be of a design, color, and choice of materials, including style and model number as designated by the Declarant, or if the Declarant so designates, by the Committee; further, the placement of all mail boxes shall be as designated by the Declarant, or if the Declarant so designates, by the Committee. No separate newspaper boxes are permitted for any Lot. Newspaper boxes may be combined with mail boxes on one post when the design of the boxes, post and the placement thereof has been approved by the Committee. The provisions of this paragraph shall not violate North Carolina Department of Transportation standards.

4.12.9 Vehicles, Recreational Vehicles, Personal Watercraft.

- a) There shall be no junk automobiles, junk of any sort, unserviceable vehicles or salvage stored or placed or allowed to remain on or in any Lot or any other portion of the Subdivision.
- b) Unless located within enclosed garages, no boat and/or boat trailer over 28 feet in length, travel trailer, motor home, tractor trailer truck, or any other such vehicle shall be kept or maintained or located upon any Lot unless and except with prior approval of the Committee.
- c) Boats and/or boat trailers less than 26 feet in length must be stored behind the building set back line.
- d) No vehicles that are disabled or under repair shall be kept upon any Lot unless located within enclosed garages.
- e) Unlicensed automobiles, including antique cars, if present, must be stored out of sight in a garage.
- f) Large trucks shall not be parked on a regular, or constant basis, or at fixed intervals within the Subdivision. "Large truck" shall be defined as any non-passenger vehicle larger than a 3/4 ton pick-up truck or any vehicle having more than two axles.
- g) The operation of 3-wheeled and 4-wheeled powered all terrain recreational vehicles [commonly referred to as "three wheelers" and "four wheelers"] by anyone on any part of the Property or any portion of **REDDS COVE SECTION II** is prohibited.

4.12.10 Signage. All signage shall be in conformance with the Onslow County Zoning Ordinances, as amended, Subdivision Ordinances and Road Naming, Housing Numbering Ordinances. No billboards or signs of any description, including "for sale" or "for rent" shall be displayed upon any Lot with the exception of "for sale" signs which shall be of a design, color and choice of materials as designated by the Declarant, or, if the Declarant so designates, by the Committee. The Declarant reserves the right to place and maintain development and "for sale" signs in the Subdivision in the manner and place that it deems appropriate. All signs must be approved by Declarant, or if Declarant so designates, by the Committee. Declarant also reserves the right to erect and maintain signs designating streets, creek access, recreational areas, and any other signs that will aid in the development of **REDD'S COVE SECTION II**. During periods of construction, the general contractor shall be allowed a sign of a design and substance approved by the Declarant, its successors or assigns, or if the Declarant so designates, by the Committee, but no sub-contractor signs shall be permitted.

4.12.11 Flags. One United States flag is permitted on each Lot. Other flags must be approved by the Committee.

Section 4.13 Use and Occupancy. The Association shall make Rules and Regulations to govern the use and occupancy of the Subdivision. In addition, the Covenants, Conditions, and Restrictions in this Declaration shall run with the land and shall be binding upon each Lot Owner, his or her heirs, tenants, licensees, and assigns.

Section 4.14 Obstruction of Common Areas. There shall be no storage or parking of any items, including baby carriages, playpens, bicycles, wagons, toys, vehicles, benches or chairs in any part of the Common Areas, except as permitted by the Rules and Regulations.

Section 4.15 Alteration of Common Areas. Nothing shall be altered or constructed in or removed from the Common Areas except as otherwise provided in this Declaration and except upon the written consent of the Association.

Section 4.16 Rental of Dwelling Units. In order to protect the equity of the Lot Owners and to carry out the purpose for which the Association was formed by preserving the character of the Subdivision as a homogeneous predominantly Owner-occupied residential community and to avoid the character of a renter-occupied neighborhood, Dwelling Units in the Subdivision may be leased by the respective Owners at any one time, provided the following conditions are met: (a) not less than the entire Dwelling Unit is being leased; and (b) the term is not less than one (1) year. After the satisfaction of the initial one (1) year term, the lease term between the Owner and the same tenant who satisfied the initial one (1) year term can transfer to a month to month lease. All leases of any Dwelling Unit shall be in writing. All such leases shall provide that they are subject to all of the provisions of the Declaration, the Bylaws and the Rules and Regulations and that any failure by the lessee to comply with any of such provisions shall constitute a default under the lease. A copy of each such lease shall be given to the President of the Association immediately after it is executed and the Lot owner may redact the rental amount from the lease.

ARTICLE V HOMEOWNERS ASSOCIATION

Section 5.1 Homeowners Association. There has been created a North Carolina non-profit corporation, known as **REDD'S COVE HOA, INC.**, which shall be responsible for the maintenance, management and control of the Common Areas.

Section 5.2 Board of Directors and Officers. The Board of Directors, and such officers as may be elected or appointed in accordance with the Articles or the Bylaws, shall conduct the affairs of the Association. The Board of Directors may also appoint committees and managers or other employees and agents who shall, subject to the general direction of the Board of Directors, be responsible for the day-to-day operation of the Association.

Section 5.3 Rules and Regulations. By a majority vote of the Board of Directors, the Association may, from time to time, adopt, amend and repeal Rules and Regulations with respect to all aspects of the Association's rights, activities, and duties under this Declaration. The Rules and Regulations may, without limitation, govern use of the Subdivision, including prohibiting, restricting or imposing charges for the use of any portion of the Subdivision by Owners, Residents or others, interpret this Declaration or establish procedures for operation of the Association or the administration of this Declaration; provided, however, that the Rules and Regulations shall not be inconsistent with this Declaration, the Articles, or the Bylaws. A copy of the Rules and Regulations, as they may from time to time be adopted, amended or repealed, shall be maintained in the office of the Association and shall be available to each Owner upon request.

Section 5.4 Membership in Association. Every Owner of a Lot shall be a Member of the Association. Such Owner and Member shall abide by the Association's Rules and Regulations, shall pay the Assessments provided for in this Declaration, when due, and shall comply with decisions of the Association's governing body. Conveyance of fee simple title to a Lot automatically transfers membership in the Association (as to each Lot, a "Membership") without necessity of further documents. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to Assessment.

Section 5.5. Members. Every person, group of persons, or entity which is a record Owner of a fee or undivided fee interest in any Lot which is subject by the Declaration to assessment by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject by the Declaration to assessment by the Association.

5.5.1 Voting. Each Member shall have one (1) vote in the affairs of the Association. When more than one person holds an interest in any Membership, the vote for such Membership shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Section 5.6 Maintenance Obligations of the Association. The Association, at its expense, shall maintain, operate, and keep in good repair, unless such obligations are assumed by any municipal or governmental agency having jurisdiction thereof, the Common Areas and all improvements located thereon for the common benefit of the Subdivision. This shall include, without limitation, the maintenance, repair, replacement, improvement and painting of the following landscaping and improvements (to the extent that such are located upon or constitute Common Areas): (a) all private roadways, sidewalks, walkways and uncovered parking spaces; (b) all lawns, trees, grass and landscape

areas, and fences, except as otherwise set forth herein below; (c) all conduits, ducts, utility pipes, plumbing, wiring, and other facilities which are part of or located in, or for the furnishing of utility services to, the Common Areas and which are not for the exclusive use of a single Dwelling Unit; (d) lighting of the streets, roads, drives, rights of way, boat ramp and canals; (e) the community boat ramp; and (f) dredging the canal.

The Association shall make the determination as to when maintenance, repair, improvement, replacement and care shall be done, and its determination shall be binding. The Association shall have the right to employ a manager to oversee and implement the Association's maintenance obligations, and any such management fees incurred thereby shall be paid by the Association. The Association shall also perform the other duties prescribed by this instrument or the Association's Rules and Regulations.

Section 5.7 Maintenance Obligation of the Lot Owners. The responsibilities of each Lot Owner include:

5.7.1 To clean, maintain, keep in good order, repair and replace at his or her expense all portions of his or her Lot and Dwelling Unit. Any repair, replacement, and maintenance work to be done by an Owner must comply with any Rules and Regulations of the Association including Architectural Review Committee.

5.7.2 To perform his or her responsibilities in such a manner so as not to unreasonably disturb other persons residing within the Subdivision.

5.7.3 Not to paint or otherwise alter, or change the appearance of any exterior portion of his or her Dwelling Unit, without the written consent of the Architectural Review Committee.

5.7.4 Not to impair the use of any easement without first obtaining the written consent of the Association and of the Owner or Owners for whose benefit such easement exists.

5.7.5 Each Owner shall be deemed to agree by acceptance of delivery of a deed to a Lot, to repair and/or replace, at his or her expense, all portions of the Common Areas which may be damaged or destroyed by reason of his or her own intentional or negligent act or omission, or by the intentional or negligent act or omission of any invitee, Tenant, or licensee family member, including, but not limited to, any repairs necessary which result from damage incurred by pets or vehicles owned by the Owner, or owned by any guest, invitee, Tenant or licensee of such Owner. To the extent that any Common Area is damaged as an insurable loss and the proceeds from the Association's insurance policy are utilized to pay for the loss, the Owner shall be responsible for payment of the deductible as an Individual Assessment in accordance with Section 6.6 and Section 8.7 below.

ARTICLE VI COVENANT FOR ASSESSMENTS

Section 6.1 Payment Of Assessment By Declarant. The Declarant shall not be obligated to pay any common expenses of the Association or any portion of a common expense assessment. For a period of two [2] years from the date of this Declaration, the Declarant agrees to maintain the mowing for the common areas of the Subdivision and to pay the insurance for the common areas of the Subdivision.

When this initial two [2] year period expires, the Association will be obligated to pay these expenses and the Declarant shall not be obligated to pay any common expenses or any portion of a common expense assessment, regardless of the number of Lots it owns.

Section 6.2 Calculation of Assessments. Except for assessments under subsections 6.2.1, 6.2.2, 6.2.3 and 6.2.4 of this section, all Common Expenses shall be assessed against all the Lots in accordance with the allocations set forth in this Declaration. Any past-due common expense assessment or installment thereof bears interest at the rate established by the Association not exceeding eighteen percent (18%) per year.

6.2.1 To the extent required by the Declaration:

(a) Any Common Expense association with the maintenance, repair, or replacement of a Limited Common Element shall be assessed against the Lots to which that Limited Common Element is assigned, equally, or in any other proportion that this Declaration provides;

(b) Any Common Expense or portion thereof benefiting fewer than all of the Lots shall be assessed exclusively against the Lots benefitted; and

(c) The costs of insurance shall be assessed in proportion to risk and the costs of utilities shall be assessed in proportion to usage.

6.2.2 Assessments to pay a judgment against the Association may be made only against the Lots in the Planned Community at the time the judgment was entered, in proportion to their Common Expense liabilities.

6.2.3 If any Common Expense is caused by the negligence or misconduct of any Lot Owner or occupant, the Association may assess that expense exclusively against that Lot Owners or occupant's Lot. The Association may choose to have the maintenance, repair or replacement done and then charge the cost thereof to said Lot Owner, to be paid within thirty (30) days thereafter, unless an earlier date is otherwise set forth herein.

6.2.4 If Common Expense liabilities are reallocated, Common Expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense liabilities.

Section 6.3 Regular Assessments. The Association shall have the right, from time to time, to establish a reasonable assessment, which assessment shall be paid by each Owner in such periodic installments as the Association may determine, to be used to pay: (1) the operation and administrative expenses of the Association; (2) the costs of maintenance, upkeep, replacement and repair of all streets, roads, road right of ways, boat ramp, and other Common Area, including dredging the canals; (3) other expenses necessary or useful to maintain and operate the Association and the recreational facilities (including, without limitation, the procuring, maintenance and paying the costs of insurance related to the Common Area and of surety and other bonds related to the management of the Common Area and the Association); and (4) the costs of exercising any rights or obligations that arise by reason of an agreement permitted by this Declaration.

6.3.1. The initial annual assessment payable by each Owner shall be \$420.00 per Lot per calendar year. The annual assessment shall be due and payable on January 31 of each year, commencing January 31, 2012, provided the Board of Directors may elect to permit payment in such installments at such times as it shall determine. This assessment will be payable and no exception shall apply to any Lot purchased by a builder who purchases a Lot for the purpose of building a custom Dwelling Unit under contract with the ultimate residents. This assessment will be prorated on a calendar year basis from the date title to each Lot for which an assessment is payable is transferred to the Owner. Only the Declarant is exempt from paying an annual assessment.

6.3.2. The annual assessment may be increased or decreased by the Board of Directors of the Association without a vote of the membership to an amount not more than ten percent (10%) in excess of the annual assessment for the previous year. A majority vote of each class of voting members of the Association present at a meeting of the Association must approve an increase or decrease in the yearly assessment if the increase or decrease exceeds the assessment for the previous year by more than ten percent (10%).

6.3.3. Annually the Board of Directors of the Association shall determine and shall give written notice to each Owner of the annual assessment affixed against each Owner for the immediately succeeding calendar year.

Section 6.4 Special Assessments. In addition to the assessments specified hereinabove, the Association may levy special assessments for the purpose of supplementing the regular assessments if the same are inadequate to pay the reasonable maintenance expenses and operating costs of the Association as described in Section 6.3 hereof, provided that any such special assessments shall have the assent of a majority of each class of the voting members of the Association at a duly called meeting.

Section 6.5 Individual Assessments or "Fine Assessments". In addition to the assessments specified hereinabove, the Association, through the Board of Directors, or an adjudicatory panel established by the Board of Directors, may levy a reasonable individual assessments or "Fine Assessment," as a fine or penalty for violation of this Declaration, the Bylaws, and the Rules and Regulations, all in accordance with the Planned Community Act. A lien may be filed for this Fine Assessment and this Fine Assessment may be enforced by foreclosure. An individual assessment or "Fine Assessment" may also be levied against a particular Lot or Lots to cover costs incurred in bringing the Lot or Lots into compliance with the terms of these Declarations, all applicable Supplements and Amendments hereto, the Articles of Incorporation of the Association, the Bylaws of the Association and the Rules and Regulations including Design Guidelines established by the Association, or costs incurred as a consequence of the conduct of the Owner or occupant of a Lot, their lessees, licensees, invitees, or guests; provided the Board of Directors, or an adjudicatory panel established by the Board of Directors shall give the Owner prior written notice and an opportunity for a hearing before levying an individual assessment under this section.

Section 6.6 Late Charge And Interest On Unpaid Assessments. If the Assessment is not paid within thirty (30) days after the due date, the Assessment shall be subject to such late charges and shall bear interest at a rate per annum as shall be determine by the Board of Directors of the Association, which interest rate shall not exceed the highest rate of interest allowed by law. The initial late charge imposed for late payment of any assessment is \$25.00 and shall be charged as to any assessment that is not paid within thirty (30) days of its due date. The initial interest rate for late payment is 18% per year (1.5% per month) which shall commence to accrue on any assessment or other account balance that is not paid

within thirty (30) days of the due date. The Board of Directors may change the initial late charge, interest rate, due dates and lien assessment date by majority vote of the Board.

Section 6.7 Lien For Unpaid Assessments. Any assessment levied pursuant to this Declaration which is not paid on the date when due shall be delinquent and shall, together with such interest and other costs as set out elsewhere in this Declaration, thereupon become a continuing lien upon the Lot which shall bind the Lot in the hands of the then Owner and the Owner's successors and assigns. The Association may enforce collection of said assessment in law or in equity, including without limitation, the filing or notice of lien and perfecting the same as by law provided to the end that such unpaid assessment together with the costs and expenses of collection, including without limitation, reasonable attorneys' fees, shall be a charge and lien against the said Lot. All of the provisions of the N.C.G.S. Section 47F-3-116, entitled Lien For Assessments, are applicable hereto and are incorporated by references as if fully set forth herein.

Neither the assessments nor the costs of collection shall be a lien upon any Common Area.

Section 6.8 Priority of Association Lien. The lien provided for in this Article shall take priority over any lien or encumbrance subsequently arising or created, except liens for real estate taxes and assessments and liens of bona fide first mortgages which have been filed of record before a claim of the lien hereunder has been docketed in the Office of the Clerk of Superior Court in Onslow County, and may be foreclosed in the same manner as a mortgage on real property under power of sale in an action brought by the Association in accordance with the Planned Community Act. The Association is entitled to recover its reasonable attorneys' fees and court costs and collection costs, as part of the lien. In any such foreclosure action, the Association shall be entitled to become a purchaser at the foreclosure sale.

Section 6.9 Purchaser at Foreclosure Sale Subject to Declaration, Bylaws, Rules and Regulations of the Association. Any purchaser of a Lot at a foreclosure sale shall automatically become a Member of the Association and shall be subject to all the provisions of this Declaration, the Bylaws, and the Rules and Regulations.

Section 6.10 Miscellaneous.

6.10.1 Owner has the sole responsibility of keeping the Association informed of the Owner's current address if different from the Lot owned. Otherwise, notice sent by Association to the Lot is sufficient for any notice requirement under this Declaration.

6.10.2 The lien under this Article arises automatically, and no notice of lien need be recorded to make the lien effective, however, Owner will be notified of any action taken.

6.10.3 The Assessment lien includes all collection costs, including demand letters, preparation of documents, reasonable attorneys' fees, court costs, filing fees, collection fees, and any other expenses incurred by the Association in enforcing or collecting the Assessment.

6.10.4 Any Assessment otherwise payable in installments shall become immediately due and payable in full without notice upon Default in the payment of any installment. The acceleration shall be at the discretion of the Board.

6.10.5 No Owner of a Lot may exempt himself or herself from liability for his or her contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Areas or by the abandonment of his or her Lot.

ARTICLE VII EASEMENTS AND ENCUMBRANCES

Section 7.1 General Easements. Subject to the conditions set forth herein, each and every Lot Owner is hereby granted an easement to pass over, use and enjoy the Common Areas, and all roads, bridges, and rights of way, provided, however, that Declarant, its successors or assigns, and the Association shall retain the right to establish rules or regulations for the use and enjoyment of such easements.

Section 7.2 Utility Easements. In addition to the easements that are shown on the recorded Plats of **REDDS COVE SECTION II**, easements ten (10) feet in width along the Lot lines of all Lots are reserved by Declarant, its successors and assigns, for installation, repair, replacement and maintenance of utilities, including the right to keep said easements free and clear of all obstructions. An easement of twenty (20) feet is reserved for such purposes along the rear lines of all Lots that do not adjoin other Lots or properties within **REDDS COVE SECTION II**. As between the easements reserved by this Declaration and the easements that are located in the same area as shown on the recorded maps, the easements that are greater in width shall be the easements that are in effect.

Section 7.3 Temporary Easements. Declarant reserves a temporary construction easement of twenty-five (25) feet in width along both sides and running parallel to all streets or roads, which easements shall expire the earlier of twenty four (24) months after the particular road construction commences, or upon the acceptance of such street or roads for maintenance by governmental authority.

Section 7.4 Permanent Easements. Further, Declarant reserves a permanent easement, including the right to grant permanent easements, over and upon all streets and roads and ten (10) feet in width along both sides and running parallel to all streets, roads and canals, said permanent easement being for the construction and maintenance of utilities to service the Lots and adjoining properties and dredging of the canals. Further, Declarant reserves the right to grant to all adjacent and adjoining property owners permanent easements for ingress, egress, regress and utilities over and upon all of the roads and streets located within **REDDS COVE SECTION II**. Nothing in these restrictions, nor in the recording of any plat or deed pursuant hereto, shall dedicate (or be deemed to dedicate) to public use any Common Area within **REDDS COVE SECTION II**; however Declarant, its successors and assigns, reserves the right to convey the streets and roads within **REDDS COVE SECTION II** to the North Carolina Department of Transportation.

Section 7.5 Future Easements. The Declarant herein reserves and shall have the right, in the absolute and sole discretion of the Declarant, to grant the right to use the Roads, Open Spaces, Easements, Septic Sites, Sewer Systems, and other areas not designated as Lots on said map of **REDDS COVE, SECTION II**, recorded in Map Book 62, Page 166, Onslow County Registry, to the owners of properties located on or to be located on the property described on the attached SCHEDULE A. Further, it is understood that Declarant, its successors and assigns, may develop, subdivide, or sell additional tracts or parcels of land. Declarant reserves the right for itself, its successors or assigns to connect such additional property to this Subdivision and to grant easements to use the roads and Common Areas of this Subdivision.

Section 7.6 Easements to Run with Land. All easements and rights described in this Article VII are easements appurtenant, running with the land, perpetually in force and effect, and at all times shall inure

to the benefit of and be binding on the Declarant and any Owner, purchaser, mortgagee, and any other person or entity now or hereafter having an interest in the Subdivision, or any part or portion of them.

Section 7.7 Reference to Easements and Deeds. Reference in the respective deeds of conveyance or any mortgage, or deed of trust or other evidence of obligation, to the easements and rights described in this Declaration, shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees in said instruments as fully and completely as those such easements and rights were recited fully and set forth in their entirety in such instruments.

Section 7.8 CAMA Restrictions. The Declarant and purchasers of Lots in **REDD'S COVE SECTION II** understand that the vesting of rights relating to a Lot Owner's pier, dock, boat access ramp or any type of disturbance of the shoreline buffer is subject to the terms and conditions set out by the Coastal Area Management Authority (CAMA).

ARTICLE VIII ENFORCEMENT

Section 8.1 Enforcement.

8.1.1 The Association may enforce these Covenants, Conditions and Restrictions. Enforcement of these Covenants, Conditions and Restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate (the "Violating Party") any Covenants, Condition or Restriction, either to restrain or enjoin violation or to recover damages, and against the land to enforce any lien created by these covenants. In addition to all other amounts due on account of said violation or attempted violation, the Violating Party shall be liable to the parties enforcing the Covenants and/or Restrictions of this Declaration (the "Enforcing Parties") for all reasonable attorneys' fees and court costs incurred by the Enforcing Parties. Failure or forbearance by the Association or any Owner to enforce any Covenant, Condition or Restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In any lawsuit filed to enforce this Declaration by injunction or restraint, there shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or any attempted violation or breach of any of the within Covenants, Conditions or Restrictions cannot be adequately remedied by action at law or by recovery of damages.

8.1.2 In addition to all other remedies of the Association, the Association shall have the right to assess a maximum fine of One Hundred 00/100 Dollars (\$ 100.00) per day (or such higher amount as may be allowed by law) per violation against any Owner who violates any provision of this Declaration or the Articles, Bylaws, or Rules and Regulations of the Association after such Owner has been given notice of the violation and has had an opportunity to be heard with respect to the violation in accordance with such policies and procedures as may be adopted from time to time by the Board of Directors or as may be set forth in the Bylaws.

8.1.3 In addition to the above rights, the Board of Directors may also enter upon a Lot or any land upon which a violation exists to remove any violation, perform maintenance, or make repairs thereon which are the responsibility of a Lot Owner who has failed to remove said violation or to perform such maintenance or make such repairs (i) after having given such owner at least ten (10) days written prior notice, or (ii) without giving notice in the event of an emergency;

8.1.4 Any action brought by the Association hereunder may be brought in its own name, in the name of its Board, or in the name of its managing agent. In any case of flagrant or repeated violation by a Lot Owner, he or she may be required by the Association to give sufficient surety or sureties for his or her future compliance with the Covenants, Conditions and Restrictions contained in this Declaration, the Bylaws and the Rules and Regulations.

Section 8.2 Severability. Invalidation of any one of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 8.3 Restrictions Run With Land. The easements or other permanent rights or interests herein created, the covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Dwelling Unit subject to this Declaration, their respective legal representatives, heirs, successors, and assigns.

Section 8.4 Binding Determination. In the event of any dispute or disagreement with or between any Owner(s) relating to, or of any other disputes, disagreements, or questions regarding the interpretation or application of the provisions of this Declaration or the Articles, or the Bylaws of the Association, the determination thereof by the Board of Directors of the Association shall be final and binding on each and all such Owners.

Section 8.5 Captions and Titles. All captions, titles, or headings in this Declaration are for the purpose of reference and convenience only and are not deemed to limit, modify, or otherwise affect any of the provisions hereof, or to be used in determining the intent or context thereof.

Section 8.6 Notices. Except as otherwise provided in this Declaration, any notices to any Owner under this Declaration shall be in writing and shall be effective on the earlier of (i) the date when received by such Owner, or (ii) the date which is three (3) days after mailing (postage prepaid) to the last address of such Owner set forth in the books of the Association. The address of an Owner shall be at his or her Lot (or any of them if more than one) unless otherwise specified in writing to the Association. The Articles and the Bylaws shall specify the permissible manner of giving notice for voting and all other Association matters for which the manner of giving notice is not prescribed in this Declaration.

Section 8.7 Governing Law. This Declaration shall be deemed to be made under, and shall be construed in accordance with and shall be governed by, the laws of the State of North Carolina, and suit to enforce any provision hereof or to obtain any remedy with respect hereto shall be brought in state court in Onslow County, and for this purpose each Owner, by becoming such, hereby expressly and irrevocably consents to the jurisdiction of said court.

ARTICLE IX NON-DEDICATED STREETS

Section 9.1 Use. All non-dedicated streets constructed within the Subdivision are reserved as easements of public access for the common use of Lots Owners and their families, guests and invitees, by commercial vehicles authorized to make pick-ups and deliveries, by public and private utilities' personnel, trucks and equipment, by postal authorities and mail carriers, by emergency personnel and vehicles such as police, fire and ambulance, and by such other persons or classes of persons authorized by the Board of Directors of the Association, as a means of ingress or egress, and for such other uses as may be authorized

from time to time by the Board. Such non-dedicated streets may also include underground utility lines, mains, sewers or other facilities to transmit and carry sanitary sewer and storm water drainage. Except as provided by this Declaration, no acts shall be taken or things done by an Lot Owner or the Association which are inconsistent with the reservation and grant of use and enjoyment hereinabove provided.

Section 9.2 Maintenance. Reconstruction or Resurfacing. The Association, at the cost and expense of the Association, shall provide snow removal from, maintenance to and resurfacing or reconstruction of any non-dedicated streets or any storm water drainage facilities included as a part thereof or installed thereunder as it deems necessary or appropriate from time to time within its sole discretion.

ARTICLE X AMENDMENT

Section 10.1 Procedure For Amendment. Except in cases of amendments that may be executed by the Declarant under the terms of this Declaration or by certain Lot Owners under the provisions of N.C.G.S. Section 47F, this Declaration may be amended only by affirmative vote or written agreement signed by Lot Owners of Lots to which at least sixty seven percent (67%) of the votes in the Association are allocated, or any larger majority this Declaration may specify for a particular item, or by the Declarant if necessary for the exercise of any development right.

10.1.1 Every amendment to this Declaration shall be recorded in Onslow County and is effective only upon recordation. The amendment shall be indexed in the Grantee Index in the name of the Association and in the name of the Subdivision and in the Grantor Index in the name of each person executing the amendment.

10.1.2 Any amendments to this Declaration required by N.C.G.S. Section 47F to be recorded by the Association shall be prepared, executed, recorded and certified in accordance with N.C.G.S. Section 47F.

Section 10.2 Limitation On Challenge. No action to challenge the validity of an amendment adopted pursuant to this Article may be brought more than one year after the amendment is recorded.

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IN WITNESS WHEREOF, Declarant has caused this instrument to be executed as of the day and year first above written.

Lanier Family II, Limited Liability Company

BY: *Donna Lanier*
NAME: Donna Lanier
TITLE: Member-Manager

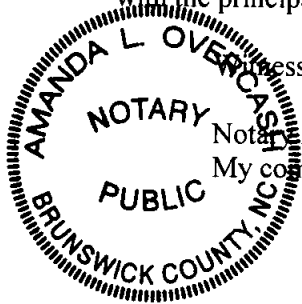
STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

This 4th day of February, 2014, personally came before me Amanda L. Overcash, a Notary Public of Brunswick County, State of North Carolina, Donna Lanier, who, being by me duly sworn, says that

she is the Member-Manager of Lanier Family II, Limited Liability Company, and that by authority duly given, the foregoing instrument was signed and sealed by him/her as on behalf of said entity.

[CHECK ONE] (i) I have personal knowledge of the identity of the principal; or
G (ii) I have seen satisfactory evidence of the principal's identity by a current state or federal identification,
with the principal's photograph, in the form of a _____.

Witness my hand and official stamp or seal this 4th day of February, 2014



Notary Public: *Amanda Overcash*
My commission expires: 10-28-17

SCHEDULE A

Lying and being in Stump Sound Township, Onslow County, North Carolina and more particularly described as follows:

Being all that property shown on maps entitled "REDD'S COVE, SECTION II" recorded in Map Book 62, Pages 166 and 166A, Onslow County Registry, reference to which map is hereby made for a more particular description.

And Also,

At Declarant's sole and absolute discretion, additional adjacent properties (adjacent being defined as inclusive of properties across a right of way or body of water) and Common Area, consisting of not more than FIVE HUNDRED (500) acres, located outside of the area described on the above described maps may be annexed to the properties and brought within the scheme of the Restrictions and the Bylaws and the jurisdiction of the Association in future stages of development without the consent of the Association or its members; provided, however, that said annexations, if any, must occur within twenty (20) years after the date of this instrument.