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JOYCE M. SWICEGOOD
REGISTER OF DEEDS
PENDER COUNTY, NC

RESTRICTIVE COVENANTS OF CROWN POINTE

STATE OF NORTH CAROLINA

COUNTY OF PENDER

Recorded and Verified
Joyce M. Swicegood
Register of Deeds
Pender County, NC

THESE RESTRICTIVE COVENANTS OF **CROWN POINTE** are made this the 1st day of June, 2007 by **RADIANT INVESTMENTS, INC.**, hereinafter referred to as the "Declarant", and any and all persons, firms, or corporations hereinafter acquiring any of the within described property and any of the property hereinafter made subject to these Restrictive Covenants of **CROWN POINTE**, hereinafter "Restrictions."

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Pender County, North Carolina known as **CROWN POINTE**; and

WHEREAS, **CROWN POINTE** is more particularly described by map(s) thereof recorded in Map Book 44 at Page 111 of the Pender County Registry, to which map(s) reference is hereby made for a more complete description; and maps for additional sections made a part of this subdivision may be recorded at a later date; and

WHEREAS, said **CROWN POINTE** lots are so situated as to comprise a neighborhood unit, and it is the intent and purpose of the Declarant to convey the aforesaid lots to persons who will erect thereon residences to be used for family purposes, subject to the provisions hereinafter set forth; and

WHEREAS, Declarant has agreed to establish a general plan of development as herein set out to restrict the use and occupancy of the property made subject to these Restrictions, the Articles of Incorporation of **CROWN POINTE HOA, INC.** (hereinafter referred to as "Association"), a copy of which is attached hereto as Exhibit A, and the Bylaws of **CROWN POINTE HOA, INC.** (hereinafter "Bylaws") recorded separately in the Office of the Register of

W. JAMES BRANDON, ATTORNEY AT LAW, P.O. BOX 40, HAMPSTEAD, NC 28443

Deeds for Pender County for the benefit and protection of the property and for the mutual protection, welfare and benefit of the present and the future owners thereof; and

WHEREAS, Declarant has filed and recorded separately with the Register of Deeds for Pender County a Subdivision Street Disclosure Statement, which is incorporated herein by reference as if fully set forth herein; and

WHEREAS, Declarant desires to provide for the preservation of the value of **CROWN POINTE** made subject to these Restrictions and the Bylaws and for the construction, maintenance and preservation of the Common Property established by the Bylaws and by the supplements thereto.

NOW, THEREFORE, in accordance with the recitals which by this reference are made a substantive part hereof, Declarant declares that all of the property described herein on above said recorded plat (and all future plat(s) that may be made a part hereof in the manner set forth below) is made subject to these Restrictions and the Bylaws and shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of **CROWN POINTE** as it now exists and is hereafter expanded, and that such easements, restrictions, covenants and conditions shall burden and be appurtenant to and run with said property and be binding on all parties now or hereafter owning said real property and their respective heirs, successors and assigns, having any right, title or interest in the properties now or hereafter subjected to these Restrictions and the Bylaws, or any part thereof, and shall inure to the benefit of each owner thereof and their respective heirs, successors and assigns.

ARTICLE A

DEFINITIONS

As used in this Declaration, the following terms shall mean:

1. "Association" shall mean and refer to **CROWN POINTE HOA, INC.** a non-profit North Carolina corporation, its successors and assigns.
2. "Board of Directors" shall mean and refer to the body, regardless of name, designated in the Declaration to act on behalf of the Association.
3. "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.
4. "Common Property" shall mean all property owned by the

Association for the common use and enjoyment of all or a designated class of members. Common Property includes without limitation all existing and future roads and right-of-ways and all sidewalks, greenways, median strips, cul-de-sac centers, planting areas, recreational areas, open space, and easements that may be developed on the Common Property (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 Property) 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 Property as may be shown on the recorded maps of the Property. The Common Property 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.

5. "Community-Wide Standard" shall be the standard of conduct, maintenance, or other activity generally throughout **CROWN POINTE**, or the minimum standards established pursuant to the Design Guidelines, Rules and Regulations, and Board of Directors resolutions, whichever is a highest standard. DECLARANT shall establish initially such standard and it may contain both objective and subjective elements. The Community-Wide Standard may evolve as development progresses and as the needs and desires within **CROWN POINTE** change and such standard may be more specifically determined by the Board of Directors and the Architectural Review Committee.

6. "Declarant" shall mean **RADIANT INVESTMENT, INC.**, a North Carolina Corporation, 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.

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

8. "Dwelling Unit" shall mean and refer to the completed single family home located upon a lot.

9. "Limited common element" or "limited common property" means a portion of the common elements allocated by the declaration or by operation of law for the exclusive use of one or more but fewer than all of the lots.

10. "Lot" shall mean and refer to any improved or unimproved single family building lot.

11. "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 which is part of any of the property made subject to these Bylaws, 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.

12. "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.

13. "Property" generally means the lands being developed and known as **CROWN POINTE** located in Pender County, North Carolina, and being all of the property shown on map(s) thereof recorded in Map Book 44 at Page 111 of the Pender County Registry, to which map(s) reference is hereby made for a more complete description; and any additional property which Declarant may make a part of **CROWN POINTE**, as provided for in the Restrictive Covenants. The terms "Property", "Subdivision" and "**CROWN POINTE**" are interchangeable.

14. "Special declarant rights" means rights reserved for the benefit of a 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 planned community, and models; (iv) to use easements through the common elements for the purpose of making improvements within the planned community or within real estate which may be added to the planned community; (v) to make the planned community part of a larger planned community or group of planned communities; (vi) to make the planned community 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.

ARTICLE B

PROPERTY SUBJECT TO THESE RESTRICTIONS AND THE DECLARATION AND ADDITIONS THERETO

1. PROPERTY PRESENTLY SUBJECT TO THESE RESTRICTIONS. **CROWN POINTE**, the real property which is, and shall be held, transferred, sold, conveyed and occupied subject to these Restrictions and the Bylaws, irrespective of whether there may be additions thereto as hereinafter provided, is located in Topsail Township, Pender County, North Carolina, and is shown as all of those certain residential **Lots**, as shown on the map of **CROWN POINTE PHASE 1** recorded in Map Book 44 at Page 111 of the

Pender County Registry.

All open spaces, future development areas, and all other areas not shown as residential Lots on the map of CROWN POINTE PHASE 1 recorded in Map Book 44 at Page 111 of the Pender County Registry are not presently subjected to these restrictions.

2. ADDITIONS TO EXISTING PROPERTY. Additional property, including any additions (including real property and/or improvements) to the common property, which may be made by Declarant at its sole and complete discretion, and property adjacent thereto may be brought within the scheme of these Restrictions and the Bylaws and the jurisdiction of the CROWN POINTE HOA, INC. in the following ways:

a) The Declarant reserves the right to develop and subject to these Restrictions 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 this Property may be annexed to the properties by Declarant, at its sole and absolute discretion, and brought within the scheme of these Restrictions 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 ONE HUNDRED FIFTY (150) acres, located outside of the area described in the aforementioned Schedule A may be annexed to the properties and brought within the scheme of these 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.

c) The additions authorized under subsections (a) and (b) shall be made by filing of record Supplementary Restrictive Covenants of CROWN POINTE and by filing of record Supplementary Bylaws of CROWN POINTE HOA, INC., with respect to the additional properties which shall extend the scheme of the Restrictions 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 Restrictions 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.

Other areas and/or phases of CROWN POINTE may contain Patio Lots or Townhome Lots, which will be smaller lots with an increased amount of proportionate common area which will be used for the benefit of the Patio Homes or Townhomes and will be maintained by a separate homeowners association.

d) The Declarant, for itself and the Association, reserves the right to grant unto property owners of properties adjacent to or near CROWN POINTE, the right to ingress, egress, regress and utilities through CROWN POINTE 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 this Subdivision to an AGREEMENT FOR INSTALLATION OF UNDERGROUND ELECTRIC SYSTEM AND STREET LIGHTING with Progress Energy 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 Progress Energy by each residential customer for street lighting service and other services.

ARTICLE C

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 the Property is hereby subject to these Restrictions 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:

1. Except as otherwise provided in these Restrictions, the lots shall be used for residential purposes only, and no structure shall be erected, placed, altered or permitted to remain on any lot other than one 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 single-family residential structure may include an in-law suite or servants' quarters, provided the in-law suite or servants' quarters is attached to the main single-family

residential structure; further, it may include a home office, provided the home office is attached to the main single-family residential structure and it is not receiving clients on a regular basis.

2. Each single-family dwelling shall have:

a) Enclosed Finished Area (exclusive of garages and open porches) not less than Two Thousand (2,000) square feet; and

b) The Declarant shall have the right, in its absolute and sole discretion, and on a case by case basis, to reduce the size of the Enclosed Finished Area set forth in Paragraph a hereinabove by ten (10) percent; and

c) An attached garage with garage door(s) facing the side or rear of the lot; no garage door(s) shall face any front street or side street adjoining any lot.

d) An attached covered porch not less than One Hundred (100) square feet, provided however, Declarant shall have the right, in its absolute and sole discretion, and on a case by case basis, to reduce the size of the covered porch below One Hundred (100) square feet.

All front, rear and side yards shall be sodded and there shall be a full irrigation system installed. Further, there shall be full perimeter planting around the main residential structure with plant size being a minimum of 5 gallon in size. Further, all trash receptacles, heat pumps, and other outside mechanical equipment shall be screened from view. All of the provisions of this paragraph shall be a part of the original construction plans.

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 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, 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) and the construction schedule have been approved in writing by the Committee. Exposed exterior walls composed of the following materials shall be prohibited from **CROWN POINTE**: concrete block, imitation asphalt siding, imitation asphalt stone siding, tar

paper. 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.

There shall be no planting (including but not limited to trees, shrubs, flowers) of any type between the roadways and the adjacent sidewalks except for grass.

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) 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 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.

3. The actual construction shall be the responsibility of the Owner of the lot and his builder. Any permission granted for construction under this covenant and any designation of approved licensed contractors shall not constitute or be construed as an approval, warranty, or guaranty, expressed or implied, by the Declarant or the Committee or its designated agent of the structural stability, design or quality of any building or other improvements or of the contractor who constructs such buildings or other improvements.

4. Except within the building site (building site shall be that area contained within the footprint of the main dwelling and the additional area located within the area having a perimeter of twelve (12) feet surrounding and outside of the footprint of the main dwelling), no trees, except pine trees and gum trees, of any kind 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. No trees that lie twenty (20) 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 with trees of the same size, age, and species as the tree(s) removed.

5. All improvements to the lot must comply with Pender 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 homes 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 Pender 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 setbacks for conventional lots shall be as shown on the recorded map.

b) Rear setbacks for conventional lots shall be as shown on the recorded map.

c) Side setbacks for conventional lots shall be as shown on the recorded map.

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 Pender County Zoning Ordinance, Subdivision Ordinance or Planning Board approval. If required by Pender County, each plot plan must receive zoning approval prior to the commencement of any construction.

6. 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.

7. All connections of private driveways to the **CROWN POINTE** 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 Committee. However, 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. Further, all driveways must be constructed from concrete, aggregate concrete or brick; therefore, no driveway may be constructed of asphalt, crushed stone, pebbles or shells unless approved in writing by the Committee.

The Declarant shall have the right, in its absolute and sole discretion, and on a case by case basis, to reduce the width of any driveway(s) to less than eleven (11) feet in width and to reduce the clearance above any driveway(s) to less than eleven (11) feet in height.

8. There shall be no signs, fencing or parking permitted within the road right-of-way.

9. Construction of new residential buildings only shall be permitted, it being the intent of this Covenant 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. Modular homes, manufactured homes, and homes built off-site are not permissible; only on-site stick-built homes are permissible and no homes constructed elsewhere shall be allowed to be conveyed into and located on a lot within the Subdivision.

10. With the exception of construction which is interrupted or delayed due to physical damage to the work in progress (such as damage due to fire, lightning, windstorm, hail, riot or civil commotion, explosion or theft), any dwelling constructed upon a lot must be completed within twelve (12) months subsequent to commencement of construction, except with the written consent of Declarant, its successors or assigns, or, if the Declarant so designates, by the Committee. The normal period of completion time for outbuildings or other improvements shall be presumed to be five (5) months from the issue date of the building permit. In the event that completion of the dwelling, outbuildings, and other

improvements, including the landscaping and irrigation system, on any lot is not completed within twelve (12) months, and it is determined by the Declarant, its successors and assigns, or if the Declarant so designates, by the Committee, that construction progress has diminished to such an extent that completion of the dwelling, outbuildings, or other improvements is unlikely within ninety (90) days, the Association will be advised of this determination. The Association shall then have the right to give notice to the owner that the owner has the obligation, within thirty (30) days, to complete the removal of all the construction work in progress, including without limitation, the foundation and all building improvements and all stored building materials, and fill and grade the lot so that it is restored to its natural grade level, and the Association shall have the right to undertake this work upon owner's failure to do so and charge the cost to the owner and place a lien upon the lot upon the owner's failure to pay these charges.

11. Owner(s) of any lot shall be required to and be responsible to insure all of the following:

a) That a construction fee of \$1,500.00 shall be deposited with the Association to cover the costs of repairs for any damage to any of the sidewalks resulting from any construction activities on any lot; and the Association shall be responsible for establishing all of the guidelines for control and disbursement of the said deposit;

b) That construction activities on any lot shall be allowed on Monday thru Saturday, inclusive, only; there shall be no construction activity of any type on any lot on any Sunday;

c) That during construction or reconstruction of any type on any lot, the construction site shall be cleared of all debris, except for debris in containers for trash that are screened in such a manner so not as to be visible from any roadway adjoining the lot;

d) That all construction equipment will be removed from any lot within ten (10) days of completion of construction;

e) That during construction or reconstruction of any type on any lot all containers for trash and port-o-johns of any type shall be screened in such a manner so not as to be visible from any roadway adjoining the lot;

f) That during construction or reconstruction of any type on any lot an orange net fence, or other fence as approved by the Architectural Control Committee, shall be installed along property lines to catch all debris;

g) That all heat pumps, propane tanks and trash receptacles located on any lot shall at all times be screened in such a manner so as not to be visible from any roadway adjoining the lot or any

side property line;

12. 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.

13. All homes constructed in **CROWN POINTE** must be supplied with waste water treatment and with water for normal domestic use as supplied by the following utility providers:

a) Waste Water Treatment. No current provider is available.

b) **ROCKY POINT - TOPSAIL WATER & SEWER DISTRICT** supplies water for normal domestic use to **CROWN POINTE**. Owners of Lots shall be responsible for all tap on fees, the costs of installation of the water supply lines on the Lot, all term or periodic fees and other fees charged by the company for continuing service to the individual Lot.

In the event a well must be drilled and/or waste water treatment system installed on a lot, then each individual owner shall locate the well drilled and/or waste water treatment system installed on such owner's lot so as to comply with all the governmental regulations regulating the minimum distance between such well and septic fields proposed or approved for the owner's lot and all lots adjoining such owner's lot. No well shall be drilled or constructed and/or waste water treatment system installed without the prior written approval of the Committee. The Committee shall have the authority to approve the installation of a well on any Lot for the purpose of yard irrigation.

14. 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.

15. 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 neighborhood. 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 property. No pets (including, but not limited to dogs and cats) shall be permitted to roam the property, 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.

All pets shall be kept indoors except when on a leash or behind a fence. No invisible fence of any type shall be allowed in the front yard or on any other portion of the Lot without the prior written approval of the Committee.

16. The throwing or dumping of trash, garbage and waste materials shall not be permitted. The interference of any stream or future waterways 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 clearing of any type shall be permitted without prior approval from the Committee. There shall be no excavation which does not pertain to the building or construction of a home. Bottled gas containers and oil tanks shall be screened from public view. No heating or cooling system shall discharge surface water from any lot without prior approval from the Committee. There shall be no above-ground swimming pools.

17. Off street parking for not less than two (2) passenger automobiles must be provided on each lot prior to the occupancy of any dwelling constructed on said lot, which parking areas and the driveways thereto shall be constructed of concrete, aggregate concrete or brick. No driveway or parking area may be constructed of asphalt, crushed stone, pebbles or shells unless approved in writing by the Committee. There shall be no parking of any type of vehicle within any road right-of-way.

18. 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 Community-Wide Standard. 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 property 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. Further, it shall be the responsibility of the lot owner of a vacant lot to mow the lot a minimum of two times, or more as needed, during the summer months.

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 (15%) of such cost, shall be added to and become an Individual Assessment to which the Lot is subject.

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 and all of the applicable restrictive covenants.

19. Easements or Access and Open Space:

a) Subject to the conditions set forth herein, each and every lot owner is hereby granted an easement to pass over, use and enjoy open spaces now or subsequently designated on recorded plats as community open space, 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.

b) The Declarant further reserves to itself, its successors and assigns, the right to erect and maintain utilities, drainways and other public conveniences in common lands, 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.

c) 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 properties.

Further, the Declarant 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 and maintain a brick wall and/or fence located within any Buffer, Fence or Utility Easement Area shown on map recorded in Map Book 44 at Page 111 of the Pender County Registry and all subsequently recorded maps containing any Buffer, Fence or Utility Easement Area; all for the mutual enjoyment of the Owners of Lots in **CROWN POINTE**, and to establish reasonable fees for the maintenance and reconstruction thereof, as may be periodically required, and to establish rules and regulations for the use thereof. The Declarant specifically reserves the right to

transfer the wall and associated facilities to the Association with the common properties for maintenance.

d) The Declarant makes no representation in these covenants as to the type, quality or amount of common areas and improvements other than shown on the Final Plat as approved by the Pender 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.

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 **CROWN POINTE** recorded in Map Book 44 at Page 111, to the owners of properties located on or to be located on the property described on the attached Schedule A.

iii) 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.

iv) The Association, or its assigns, shall have the right to suspend any person's use of the common areas and amenities constructed thereon.

v) The Association shall have the right to dedicate or transfer all or any part of the common area and/or amenity constructed thereon to any public or private entity for such purposes and subject to such conditions as it deems appropriate.

vi) The Association, shall have the right 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.

vii) The Association, or its assigns and/or any third

party with contractual rights described in paragraph 19 (d) (ii) and paragraph 19 (d) (iii) above, shall have the right to impose regulations for the use and enjoyment of the common area and amenities constructed thereon, which regulations shall further restrict the use of the common areas.

20. Absence of Dedication to Public Use. 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 of the streets, bridges, common lands or other grounds within **CROWN POINTE**.

21. In addition to the easements that are shown on the recorded plats of **CROWN POINTE**, 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 the **CROWN POINTE**. As between the easements reserved by these Restrictions 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.

Further there shall be no planting of any type, except as approved in writing by the Committee, within any of the ditches as shown on all recorded maps of **CROWN POINTE**. Further, the maintenance and regular mowing of all of the said ditches shall be the responsibility of the Association.

22. 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.

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 and roads, said permanent easement being for the construction and maintenance of utilities to service the lots and adjoining properties.

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 **CROWN POINTE**.

23. No outside clotheslines shall be permitted. 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 Association before installation.

All fences in **CROWN POINTE** shall be of a uniform design, color and choice of materials as designated by the Declarant, or, if the Declarant so designates, by the Committee. All fences shall be located to the rear of the principal residence (main dwelling) located on the Lot; the rear of the main dwelling shall be that area located to the rear of straight lines extended from the back two corners of the house to the side Lot lines; and when the back two corners of the main dwelling cannot be established, the Committee shall be responsible for establishing the same. No invisible fence of any type shall be allowed in the front yard or on any other portion of the Lot without the prior written approval of the Committee.

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. 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.

24. There shall be no junk automobiles, junk of any sort, unservicable vehicles or salvage stored or placed or allowed to remain on or in any portion of the Subdivision. Unless located within enclosed garages, no boat and/or boat trailer, 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. No vehicles that are disabled or under repair shall be kept upon any lot unless located within enclosed garages. Unlicensed automobiles, including antique cars and trucks, if present, must be stored out of sight in a garage. Large trucks shall not be parked on a regular, or constant basis, or at fixed intervals within the Subdivision. No lot shall be used for storage of building materials prior to the issuance of the building permit for the Primary residence. 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.

25. All signage shall be in conformance with the Pender County Zoning Ordinance, as amended, Subdivision Ordinance and Road Naming, Housing Numbering Ordinance. 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 **CROWN POINTE**. 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.

26. No dwelling unit on any lot shall be leased for transient or hotel purposes, nor may any owner lease less than the entire building unit, nor shall any lease be for any period less than six (6) months. Any lease must be in writing and provide that the term of the lease and occupancy of this dwelling shall be subject in all respects to the provisions of these Restrictions and Bylaws, and the failure of any lessee to comply with the terms of such documents shall constitute a default under the lease.

27. As provided for herein, 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 recreational areas of this Subdivision.

28. The Declarant and purchasers of lots in **CROWN POINTE** understand that the vesting of rights relating to a lot owners 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).

29. In order to enable the Pender County Board of Education the ability to provide school bus service within **CROWN POINTE**, it is hereby understood that the Association shall release the Board of Education of any responsibility for damages to roads. Such release will be sent by the Association in writing to the Board of Education, and will be binding on the Declarant and lots owners.

30. The Association shall have the duty to repair, replace and maintain all common property, including recreational areas and improvements located thereon, and all streets, roads, road right of ways, and other Common Property. 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 and other Common Property, including, but not limited to, any brick wall or fence located within any area designated as Buffer, Fence or Utility

Easement Area as shown on map recorded in Map Book 44 at Page 111 of the Pender County Registry; (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 Property and of surety and other bonds related to the management of the Common Property and the Association); and (4) the costs of exercising any rights or obligations that arise by reason of an agreement referred to in paragraph 19 (d) of these Restrictive Covenants.

31. Declarant reserves the right to assign its rights to a successor including the Association, who also assumes the Declarant's responsibilities.

32. The following covenants are intended to ensure ongoing compliance with the **State Management Permit Number SW8 060232** 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 5,500 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 coquino, walkways, or patios of brick, stone, or slate, but does not include raised, open wood decking or the water surface of swimming pools.

b) 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.

c) Alteration of the drainage as shown on the approved plans may not take place without the concurrence to the Division of Water Quality.

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

e) 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. Driveways must be piped in such a manner so as to not impede flow.

f) Each lot will maintain a 30' wide vegetated buffer between all impervious areas and surface waters.

g) All roof drains shall terminate at least 30' from the mean high water mark of surface waters.

h) Filling in, piping or altering any designated 5:1 curb outlet swale associated with the development is prohibited by any persons.

i) This project proposes a curb outlet system. Each designated curb outlet swale on the approved plan must be maintained at a minimum 100 foot long with 5:1 (H:V) side slopes or flatter, have a longitudinal slope no steeper than 5%, carry the flow from a 10 year storm in a non-erosive manner, and maintain a dense vegetative cover.

33. Judicial invalidation of one or more of the provisions hereof shall not adversely affect the remainder hereof which shall remain in full force and effect.

34. The Declarant, the Association, or any owner shall have the right to enforce these Restrictive Covenants, including all conditions, covenants, and restrictions contained herein.

35. Enforcement of these Restrictions may be at law or in equity against any person or persons violating or attempting to violate any covenant, condition or restriction herein contained. In the event of enforcement of the Restrictions at law or in equity and a violation hereof is judicially determined, then the violator shall be assessed with the costs of such action, including, without limitation, reasonable attorneys fees. The failure to enforce any right, reservation, restriction, or conditions herein contained, however long continued, shall not be deemed a waive of the right to do so thereafter as to the same breach, or to a breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. In addition to remedies and damages arising by law and in equity, the Association is empowered to assess a reasonable fine to a lot owner or their lessee for violations of these Restrictive Covenants in an amount, initially, not to exceed Fifty and 00/100 Dollars (\$50.00) per day; the amount of the fine may be increased from time to time in the future by the Association.

ARTICLE D

TERMINATION

1. Except in the case of taking of all the lots by eminent domain as addressed in N.C.G.S. Section 47F-1-107, this Planned Community may be terminated only by agreement of lot owners of lots to which at least eight percent (80%) of the votes in the Association are

allocated.

2. An agreement to terminate shall be evidenced by the execution of a Termination Agreement, or ratifications thereof, in the same manner as a deed, by the requisite number of lot owners. The Termination Agreement shall specify a date after which the agreement will be void unless it is recorded before that date. A Termination Agreement and all ratifications thereof shall be recorded in Pender County and is effective only upon recordation.

3. A Termination Agreement may provide for sale of the common elements, but may not require that the lots be sold following termination, unless all the lot owners consent to the sale. If, pursuant to the agreement, any real estate in the Planned Community is to be sold following termination, the Termination Agreement shall set forth the minimum terms of the sale.

4. The Association, on behalf of the lot owners, may contract for the sale of real estate in the Planned Community, but the contract is not binding until approved pursuant to subsections (1) and (2) of this section. Until the sale has been concluded and the proceeds thereof distributed, the Association continues in existence with all powers it had before termination. Proceeds of the sale shall be distributed to lot owners and lienholders as their interest may appear, as provided in the Termination Agreement.

5. If the real estate constituting the Planned Community is not to be sold following termination, title to the common elements vests in the lot owners upon termination as tenants in common in proportion to their respective interest as provided in the Termination Agreement.

6. Following termination of the Planned Community, the proceeds of any sale of real estate, together with the assets of the Association, shall be held by the Association as trustee for lot owners and holders of liens on the lots as their interests may appear. All other creditors of the Association shall be treated as if they had perfected liens on the common elements immediately before termination.

7. In the event the Termination Agreement does not provide for the distribution of sales proceeds pursuant to subsection (4) of this section or the vesting of title pursuant to subsection (5) of this section, sales proceeds shall be distributed and title shall vest in accordance with each lot owner's allocated share of common expense liability.

8. Except as provided in subsection (1) of the section, foreclosure or enforcement of a lien or encumbrance against the common elements does not of itself terminate the Planned Community, and foreclosure or enforcement of a lien or encumbrance against a portion of the common elements other than withdrawable real estate does not withdraw that portion from the Planned

Community. Foreclosure or enforcement of a lien or encumbrance against withdrawable real estate does not of itself withdraw that real estate from the Planned Community, but the person taking title thereto has the right to require from the Association, upon request, an amendment excluding the real estate from the Planned Community.

9. If a lien or encumbrance against a portion of the real estate comprising the Planned Community has priority over this Declaration and the lien or encumbrance has not been partially released, the parties foreclosing the lien or encumbrance may, upon foreclosure, record an instrument excluding the real estate subject to that lien or encumbrance from the Planned Community.

ARTICLE E

ASSESSMENTS

1. So long as there is a Class B Membership in the Association and except as otherwise provided in this Declaration, until the Association makes a common expense assessment, the Declarant shall pay all common expenses. After any assessment has been made by the association, assessments thereafter shall be made at least annually.

Further, after the Association makes a common expense assessment, so long as there is a Class B Membership in the Association, the Declarant may annually elect either: (a) to pay regular assessments on its unsold Lots, (b) to pay the difference between the amount of assessments collected on all other Lots subject to assessment and the amount of actual expenditures by the Association during the fiscal year, or (c) to pay one-half (1/2) of the assessments for an unimproved Lot for all Lots which are platted or recorded in the Office of the Register of Deeds of Pender County but which have not yet been sold to a person other than Declarant. Unless the Declarant otherwise notifies the Board of Directors in writing at least forty-five (45) days before the beginning of each fiscal year, the Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. The Declarant's obligation hereunder may be satisfied in the form of cash or by "in kind" contribution of services or materials, or by a combination of these.

2. Except for assessments under subsections (3), (4), and (5) 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.

3. To the extent required by the declaration:

- (a) Any Common expense associated 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.

4. 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.

5. 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 owner or occupant's lot.

6. 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.

7. Annual Assessments.

The Association shall have the duty to repair, replace and maintain all common property, including recreational areas and improvements located thereon, and all streets, roads, road right-of-ways, and other Common Property. 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 recreational areas, and the improvements located thereon, and all streets, roads, right-of-ways and other Common Property; (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 Property and of surety and other bonds related to the management of the Common Property and the Association); and (4) the costs of exercising any rights or obligations that arise by reason of any agreement referred to in Paragraph 19 (d) under The General Use Restrictions Section of these Restrictive Covenants. It is understood (by way of example and without limitation) that the assessment funds shall be used for such matters concerning Common Property as the

following: maintenance, repair and replacement of improvements within the recreational areas, the seeding and reseeded road right-of-ways and Common Property, erosion control, repairing of road shoulders, surfacing, patching and resurfacing of parking lot and road pavement, placement of gravel, and planting and maintenance of shrubs, trees and seasonal flowers.

The initial annual assessment payable by each Owner shall be \$900.00 per lot per calendar year. The annual assessment shall be due and payable on January 31 of each year, commencing January 31, 2007, 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 as to any lot purchases by a builder who purchases a lot for the purpose of building a custom home 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.

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%).

Annually the Board of Directors of the Association shall have determined and shall have given written notice to each Owner of the annual assessment affixed against each owner for the immediately succeeding calendar year.

8. Special Assessments.

In addition to the assessments specified hereinabove, the Association may level special assessments for the purpose of supplementing the annual assessments if the same are inadequate to pay the reasonable maintenance expenses and operating costs of the Association as described in Section 2 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.

9. Individual Assessments.

In addition to the assessments specified hereinabove, the Association may level individual assessments against a particular Lot or Lots to cover costs incurred in bringing the Lot or Lots into compliance with the terms of these Restrictive Covenants, 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, invites, or guests; provided, 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.

10. Other Assessments.

In addition to the assessments specified hereinabove, the Association may level other assessments against a particular Lot or Lots, to cover costs incurred in bringing the Lot or Lots into compliance with the terms of these Restrictive Covenants, 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.

11. Late Charge And Interest On Unpaid Assessments.

Any assessment not paid within thirty (30) days after the due date shall be subject to such late charges and shall bear interest at a rate per annum as shall be determined 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 Directors.

12. Lien For Unpaid Assessments.

In the event the owner of any lot fails and refuses, after demand by the Association, to pay any annual, special, or other type of assessments, then the Association shall have a lien against said lot and may enforce collection of said assessment in law or in equity, including without limitation, the filing or a 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.

To secure the payment of annual, special, or other type of assessments as are levied by the Association, together with the costs of collection, including attorneys' fees, all such charges shall be a continuing lien upon the lot against which the assessments are made. Such charges shall also be the personal obligation of the person(s), corporations or entities who were the owner and/or owners of such lot at the time the assessment came due.

Neither the assessments nor the costs of collection shall be a lien upon any Common Property nor shall the lien upon any lot for such charges be senior to any first lien mortgage or first lien deed of trust regardless of the fact the lien arose prior to the date and the time of recording of any such first lien mortgage or

deed of trust.

Further, all of the provisions of N.C.G.S. Section 47F-3-116 entitled Lien For Assessments are applicable hereto and are incorporated by reference as if fully set forth herein.

ARTICLE F

THESE RESTRICTIONS RUN WITH THE LAND

These Restrictive Covenants of **CROWN POINTE** are to run with the land and shall benefit and be binding on all parties and persons (and their respective heirs, representatives, successors and assigns) claiming title to any of the property herein described for a period of twenty-five (25) years from the date these Restrictions are recorded, after which time said restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a sixty-seven percent (67%) majority of the then owners, and signed by the Declarant or its successors or assigns, has been recorded agreeing to change said Declaration in whole or in part. These restrictions may be amended from time to time by an instrument signed by a sixty-seven percent (67%) majority of the then owners, and upon approval of the Declarant or its successors or assigns.

ARTICLE G

AMENDMENT

1. 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-2-118(b), 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.
2. No action to challenge the validity of an amendment adopted pursuant to this section may be brought more than one year after the amendment is recorded.
3. Every amendment to this Declaration shall be recorded in Pender County and is effective only upon recordation. The amendment shall be indexed in the Grantee index in the name of the Planned Community and in the name of the Association and in the Grantor index in the name of each person executing the admendment.

4. Any amendments to this Declaration required by the Planned Community Act to be recorded by the Association shall be prepared, executed, recorded, and certified in accordance with N.C.G.S. Section 47-41.

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In Testimony Whereof, Radiant Investments, Inc., a corporation, has caused this instrument to be signed in its corporate name by its duly authorized officer by authority of its Board of Directors, the day and year first above written.

Radiant Investments, Inc.

Harry L. Kraly
Harry L. Kraly, President

State of North Carolina, County of Pender.

I, Mary A. Edens, a Notary Public in and for the County and State aforesaid, do hereby certify that

Harry L. Kraly, who is known to me or proved to me on the basis of satisfactory evidence to be the person(s) described, personally appeared before me this day and acknowledged that (s)he is the President and authorized officer of Radiant Investments, Inc., a North Carolina corporation, and further that (s)he acknowledged the due execution of the foregoing instrument on behalf of the corporation.

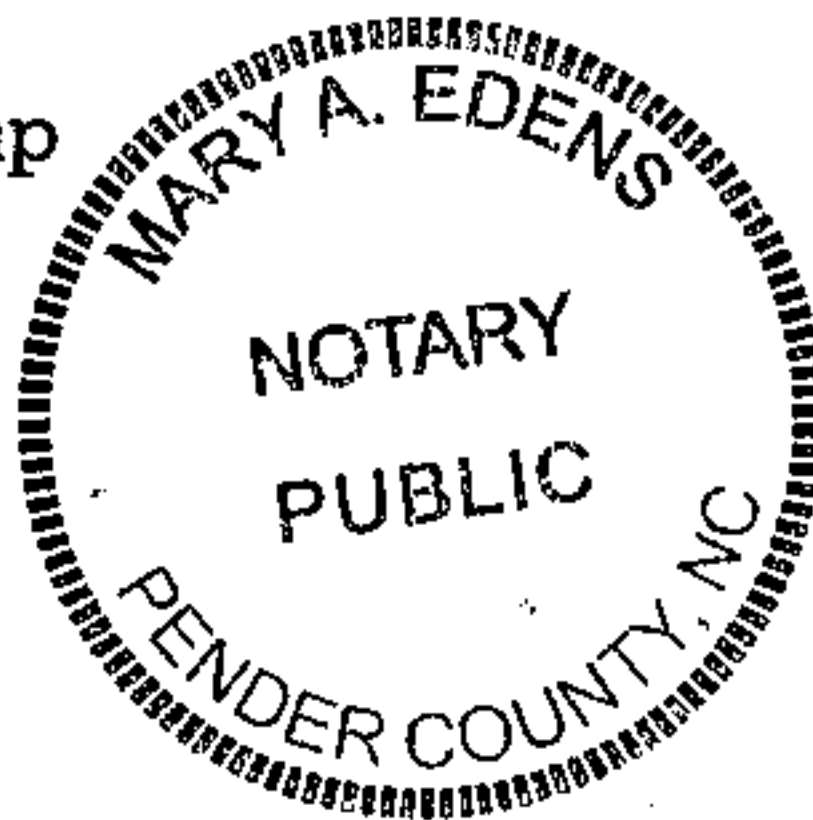
Witness my hand and official stamp or seal this the 13TH day of JUNE, 2007.

My Commission Expires:

4/22/08

Mary A. Edens
Signature of Notary Public

(Affix Notary Stamp or Seal here)



Mary A Edens
Printed Name of Notary Public

SCHEDULE A

Lying and being in Topsail Township, Pender County, North Carolina and more particularly described as follows:

Being all that property shown on map of **CROWN POINTE PHASE 1** recorded in Map Book _44_ at Page _111_ of the Pender County Registry, reference to which said 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 ONE HUNDRED FIFTY (150) acres, located outside of the area described on map of **CROWN POINTE PHASE 1** recorded in Map Book _44_ at Page _111_ of the Pender County Registry 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.

BK 3253 PG 291

Exhibit A

ARTICLES OF INCORPORATION
OF
CROWN POINTE HOA, INC.
A NON-PROFIT CORPORATION

Pursuant to Section 55A-2-02 of the General Statutes of North Carolina, the undersigned does hereby submit these Articles of Incorporation for the purpose of forming a nonprofit corporation.

1. NAME. The name of the corporation is **CROWN POINTE HOA, INC.** (hereinafter referred to as the Corporation or the Association).

2. DURATION. The period of duration of the corporation shall be perpetual.

3. REGISTERED OFFICE AND AGENT. The principal and initial registered office of the Corporation is located at

2310 North Twenty Third Street
P O Box 2538
Wilmington, North Carolina 28402
County of New Hanover

and the name of the initial registered agent of the Corporation at such address is

Harry L. Kraly

4. CORPORATE PURPOSES. This Corporation does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for the maintenance, management, preservation and architectural control of that certain residential community known as **CROWN POINTE** shown and described on the plat(s) thereof recorded or to be recorded in the Office of the Register of Deeds of Pender County, North Carolina, and any additions thereto which may be brought within the jurisdiction of the Corporation; and to promote the health, safety

and welfare of the Lot Owners, and for these purposes the Corporation and the Board of Directors shall have the following powers:

(A) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation set forth in the Restrictive Covenants of **CROWN POINTE** (the "Declaration") which is recorded or will be recorded in the Office of the Register of Deeds of Pender County, North Carolina, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length (all capitalized terms herein, if any, shall have the meaning defined in the Declaration);

(B) Adopt and amend Bylaws and Rules and Regulations;

(C) Adopt and amend budgets for revenues, expenditures and reserves and collect Assessments for Common Expenses from Lot Owners;

(D) Hire and discharge managing agents and other employees, agents, and independent contractors;

(E) Institute, defend, or intervene in litigation or administrative proceedings on matters affecting the Community;

(F) Make contracts and incur liabilities;

(G) Regulate the use, maintenance, repair, replacement and modification of Common Elements;

(H) Cause additional improvements to be made as a part of the Common Elements;

(I) Acquire, hold, encumber, and convey in its own name any right, title or interest to real or personal property, provided that Common Elements may be conveyed or subjected to a security interest only pursuant to the provisions of the Planned Community Act;

(J) Grant easements, leases, licenses and concessions through or over the Common Elements;

(K) Impose and receive any payments, fees, or charges for the use, rental or operation of the Common Elements other than any Limited Common Elements and for services provided to Lot Owners;

(L) Impose reasonable charges for late payment of Assessments and, after notice and an opportunity to be heard, suspend privileges or services provided by the Association (except rights of access to Lots) during any period that Assessments or other amounts due and owing to the Association remain unpaid for a period of 30 days or longer;

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(M) After notice and an opportunity to be heard, impose reasonable fines or suspend privileges or services provided by the Association (except rights of access to Lots) for reasonable periods for violations of the Declaration, Bylaws, and Rules and Regulations of the Association;

(N) Impose reasonable charges in connection with the preparation and recordation of documents, including, without limitation, amendments to the Declaration or statements of unpaid Assessments;

(O) Provide for the indemnification of and maintain liability insurance for its Officers, Directors, Employees, and Agents;

(P) Assign its right to future income, including the right to receive Assessments;

(Q) Exercise all other powers that may be exercised in this State by legal entities of the same type as the Association; and

(R) Exercise any other powers necessary and proper for the governance and operation of the Association.

5. MEMBERSHIP. Every Person who is a record Owner of a fee or undivided fee interest in any Lot, including contract sellers, shall be a member of the Corporation. The foregoing is not intended to include Persons 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 a Lot.

6. VOTING RIGHTS. The Corporation shall have two classes of voting memberships:

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

Class B. The Declarant shall be a Class B Member and shall be entitled to three (3) votes for each Lot owned. The Class B Membership shall cease and be converted to Class A Membership on the happening of any of the following events, whichever occurs earlier:

(a) when the total vote outstanding in the Class A Membership equals the total vote outstanding in the Class B Membership; or

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(b) five (5) years from the date of conveyance of the first Lot by Declarant; or

(c) upon the voluntary surrender of all Class B Membership by the holder thereof.

7. INITIAL BOARD OF DIRECTORS. There shall be one (1) Director on the initial Board of Directors whose name and address is as follows and who shall serve until such Director's successor(s) are selected and qualified:

Name	Address
Harry L. Kraly	2310 North Twenty Third Street P O Box 2538 Wilmington, North Carolina 28402

8. INCORPORATOR. The incorporator shall perform the ministerial function of signing and submitting the articles of incorporation to the Office of the Secretary of State. The incorporator shall have no other power or duty regarding the corporation. The name and address of the incorporator is:

W. James Brandon
P. O. Box 40
Hampstead, North Carolina 28443

9. DISSOLUTION OF THE ASSOCIATION. In the event of dissolution of the Association, the residual assets of the Association will be dedicated to a public body or conveyed to one or more organizations with purposes similar to those of the Association which are exempt as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986.

10. AMENDMENT. These Articles of Incorporation may be amended only upon the vote of not less than sixty-seven percent (67%) of the members of each class.

11. HUD/VA APPROVAL. If HUD or VA has approved the making, insuring or guaranteeing of loans within the residential Community, then annexation of Additional Property, mergers and consolidations, mortgaging of Common Elements, dissolution of the Association and amendment of these Articles or the Corporation's Bylaws requires the prior approval of HUD/VA so long as there is a Class B Member.

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In Witness Whereof, for the purpose of forming this Corporation under the laws of the State of North Carolina, I, the undersigned, being the incorporator of this Corporation, have executed these Articles of Incorporation, this the 30th day of May, 2007.



W. James Brandon
Incorporator

W. JAMES BRANDON, ATTORNEY AT LAW, P. O. BOX 40, HAMPSTEAD, NC 28443