



# RIVER LANDING

**Second Amendment To And  
Reinstatement Of Covenants  
And Master Declaration**



Prepared by and return to:

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**NORTH CAROLINA**

**DUPLIN COUNTY**

**SECOND AMENDMENT TO AND RESTATEMENT OF  
COVENANTS AND MASTER DECLARATION**

**THIS SECOND AMENDMENT TO AND RESTATEMENT OF COVENANTS AND MASTER DECLARATION** ("Restated Declaration") is made as of this 20th day of March, 1999, by DUPLIN LAND DEVELOPMENT, INC., a North Carolina corporation ("Declarant"), and is executed and acknowledged by River Landing Property Owners Association, Inc., a North Carolina corporation, for the sole purpose of confirming approval of this Restated Declaration by the requisite vote of Members (as defined below).

**WHEREAS**, Declarant is the Declarant under that certain Covenants and Master Declaration recorded in Book 1163, Page 456, in the office of the Register of Deeds of Duplin County, North Carolina; as amended and restated by that Amendment to and Restatement of Covenants and Master Declaration recorded in Book 1195, Page 526, in the office of the Register of Deeds of Duplin County, North Carolina ("First Amendment"); as supplemented by those Supplementary Declarations of Covenants, Conditions and Restrictions Regarding Red Fox Run - Phase I and Candlewood - Phase II recorded in Book 1209, Pages 148 and 472, each in the office of the Register of Deeds of Duplin County, North Carolina; as further supplemented by that Supplementary Declaration of Covenants, Conditions and Restrictions Regarding Red Fox Run - Phase II and Maple Creek - Phase I recorded in Book 1217, Page 781, in the office of the Register of Deeds of Duplin County, North Carolina; as further supplemented by that Supplementary Declaration of Covenants, Conditions and Restrictions Regarding River Woods - Phase I and Firefly Meadow - Phase I in Book 1228, Page 650, in the office of the Register of Deeds of Duplin County, North Carolina, and in Book 1237, Page 501 in the office of the Register of Deeds of Duplin County, North Carolina; as further supplemented by that Supplementary Declaration of Covenants, Conditions and Restrictions Regarding River Woods - Phase II and Cedar Point - Phase I in Book 1236, Page 55, in the office of the Register of Deeds of Duplin County, North Carolina, and in Book 1236, Page 224, in the office of the Register of Deeds of Duplin County, North Carolina (all of the foregoing being collectively referred to herein as the "Original Declaration"); and

**WHEREAS**, Declarant is or was the owner and is the developer of that certain real property located in Duplin County, North Carolina, and more particularly described on Exhibit "A" attached hereto and incorporated herein by reference, which property, together with such additional real property as may be subject to the provisions of this Restated Declaration pursuant to the provisions

of Article Two, Section 2, is being developed by Declarant as an exclusive residential community known as River Landing and/or golf and other recreational facilities as described below; and

**WHEREAS**, pursuant to Article Twelve, Section 5 of the First Amendment, the Original Declaration may be amended by a vote of no less than two-thirds of all votes entitled to be cast by Class "A" Members, as defined in the First Amendment, provided that the amendment is consented to by Declarant (in that Declarant is the Owner of a Lot or Dwelling Unit or other portion of the Property, each as defined in the First Amendment) and does not materially and adversely affect the validity or priority of the lien of or the rights of Institutional Lenders (as defined below) currently holding any first mortgage loan(s) on any portion of the Property (as defined below); and

**WHEREAS**, amending the Original Declaration had required approval by the United States Department of Housing and Urban Development and/or the Veterans Administration ("HUD/VA") (in that there is a Class "C" Member, as defined in the First Amendment) due to Declarant's prior policy of obtaining HUD/VA certification of the Property (as defined below); but because Declarant no longer anticipates the need for such certification, Declarant has abandoned its policy of obtaining HUD/VA certification, and Declarant by letter has withdrawn from such certification program, and therefore this Restated Declaration no longer requires HUD/VA approval; and

**WHEREAS**, Declarant desires to amend and restate the Original Declaration; and to that end Declarant proposes that the Original Declaration as recorded be hereby both superseded and replaced by this Restated Declaration; and

**WHEREAS**, no less than two-thirds of all votes entitled to be cast by Class "A" Members have approved this Restated Declaration, Declarant has consented to this Restated Declaration, and this Restated Declaration does not materially and adversely affect the validity or priority of the lien or the rights of Institutional Lenders currently holding first mortgage loans on any portion of the Property (as defined below); and

**WHEREAS**, Declarant continues to desire to provide for the preservation and enhancement of the property values, amenities, and opportunities in the Development (as defined below) and for the maintenance of the Property (as defined below) and improvements thereon, and to establish the classes of Persons (as defined below) entitled to use the Common Area (as defined below) and their respective rights and obligations relative to such use and the payment of their respective shares of the costs of maintenance, repair, replacement, and administration thereof; and to said end Declarant desires to subject the Property (as defined below) to the controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens hereinafter described; and

**WHEREAS**, Declarant contemplates that separate controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens (which may include controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens similar to those herein contained) have been and hereafter may be imposed with regard to the various Phases (as defined below) of the Development and that separate owners' associations have been and hereafter may be established for some or all of the various Phases of the Development, with the

understanding that, at the option of Declarant and reserving such rights to Declarant as herein provided, additional controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens may be imposed with regard to the various Phases of the Development; and consistent with the separate controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens applicable to the Lots (as defined below) in the Phase of the Development similar to the Lots in that Phase known as Candlewood, being said Lots shown in Map Book 15, Page 10 and Map Book 15, Page 66, Duplin County Registry, Duplin County, North Carolina ("Candlewood"), Declarant desires to extend such plan of development to Candlewood, and therefore desires to reflect pursuant to this Restated Declaration similar controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens as to those Lots (as defined below) comprising Candlewood, and to that end has attached Addendum I to this Restated Declaration which is incorporated herein by reference and which is part of this Restated Declaration and which has been approved by Class "A" Members (as defined in the First Amendment) and consented to by Declarant aforesaid, and said Addendum I does not materially and adversely affect the validity or priority of the lien or the rights of Institutional Lenders currently holding first mortgage loans on any portion of the Property;

**NOW, THEREFORE**, for and in consideration of the recitals set forth above, which recitals by this reference are made a substantive part of this Restated Declaration, Declarant hereby declares that the Original Declaration is superseded and replaced by this Restated Declaration, and the property that is subject to the Original Declaration as described therein shall be now held, sold, conveyed, and used subject to this Restated Declaration, and the property brought within the coverage of this Restated Declaration pursuant to Article Two, Section 2 shall be held, sold, conveyed, and used subject to this Restated Declaration. This Restated Declaration and the controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens set forth herein shall be covenants running with the land and shall be binding on all parties having any right, title, or interest in the Property (as defined below) or any part thereof, their heirs, devisees, executors, personal representatives, successors, and assigns, and shall inure to the benefit of each owner of the Property or any part thereof. Declarant hereby further declares that in keeping with the plan of development for the Property (as defined below), Candlewood shall be subject to Addendum I hereto and shall be now held, sold, conveyed, and used subject to said Addendum I, the terms of which are subordinate to the other provisions of this Restated Declaration. Addendum I and the controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens set forth therein shall be covenants running with Candlewood and shall be binding on all parties having any rights, title, or interest therein, their heirs, devisees, executors, personal representatives, successors, and assigns, and shall inure to the benefit of each Candlewood Owner, as defined therein. Accordingly, Declarant hereby amends and restates the Original Declaration as follows:

ARTICLE ONE

Definitions

Except as otherwise expressly provided, the following capitalized terms when used in this Restated Declaration hereafter shall have the following meanings:

1. "Additional Association" shall mean any owners' association established pursuant to any Additional Declaration to govern, without limitation, use and/or maintenance of the Property affected by, and the enforcement of, the provisions of such Additional Declaration. An Additional Association shall be subject to the Restated Declaration, in addition to any other declaration of controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens applicable to it.

2. "Additional Declaration" shall mean Addendum I hereto and any other declaration of controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens recorded by Declarant in the office of the Register of Deeds of Duplin County, North Carolina, each as the same may be amended, which subjects any portion of the Property to additional controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens provided that the additional controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens are not inconsistent with this Restated Declaration and are subordinate to this Restated Declaration, as more particularly described in Article Two, Section 3.

3. "Architectural Standards" shall mean those criteria and guidelines promulgated by the ASC to, among other things, explain and illustrate the general intent of the development of the Property and to assist the ASC in reviewing plans and specifications for improvements. Such Architectural Standards may also set out, among other things, the procedures for submission, review, and approval of plans and specifications to or by the ASC; fees to be imposed by the ASC; landscape guidelines; construction and construction site rules and regulations; and construction criteria related to water usage. Such Architectural Standards may be revised and amended at any time by the ASC, in its discretion but consistent with the provisions of this Restated Declaration, and shall not constitute, in every event, the basis for approval or disapproval of plans, specifications, and other materials submitted to the ASC for approval.

4. "Articles" shall mean the Articles of Incorporation of the Association as the same may be amended.

5. "ASC" shall mean the Architectural Standards Committee appointed by the Board or, prior to Turnover (as defined below), Declarant for the purpose of establishing and enforcing the Architectural Standards and other criteria for improvements, landscaping, and use of the Development as provided in this Restated Declaration, provided that ASC members may fill ASC vacancies pursuant to Article Ten, Section 2. The ASC shall consist of not less than four (4) nor more than eight (8) persons.

6. "Assessment(s)" shall mean the applicable Owner's share or Owners' shares, as context permits, of the Common Expenses and charges as established by the Association pursuant to this Restated Declaration including Annual Assessments and Special Assessments, unless specifically stated as one or another type of Assessment.

7. "Association" shall mean River Landing Property Owners Association, Inc., a North Carolina nonprofit corporation, its successors and assigns (including by merger or consolidation), whose purpose includes carrying out the functions of the Association according to this Restated Declaration.

8. "Board" shall mean the Board of Directors of the Association.

9. "Bylaws" shall mean the bylaws of the Association as the same may be amended.

10. "Club Amenities" shall mean singularly or collectively, as context permits, (a) any portion of the Property established for recreational uses and designated on a Plat or Plats for such use; and (b) except as provided in Article Two, Section 8, any or all recreational facilities which may be constructed within the Property and operate or which are operated as ongoing entities on a fee or membership basis such as, but not limited to, the Golf Course, tennis courts, swimming pool(s), and related facilities, any of which facilities' operation may, if constructed, from time to time be discontinued in the discretion of Declarant or the Owner (if other than Declarant) of the subject Club Amenities.

11. "Common Area" shall mean singularly or collectively, as applicable, real and personal property: (a) designated and shown on any Plat as Common Area; (b) as an easement or in fee or otherwise from time to time conveyed to or acquired by the Association for the use and benefit of the Association and Owners as permitted hereunder; or (c) held by Declarant for, in Declarant's discretion, the use and benefit of the Association and Owners, provided that in no event shall the Club Amenities or any portion thereof be considered part of the Common Area. Common Area may include roads, driveways, walkways, rights-of-way reserved to the Association, open spaces (both landscaped and natural), lakes, and ponds, provided that the foregoing list shall not be construed to limit the type of real or personal property which may be owned by the Association and constitute Common Area.

12. "Common Expenses" shall mean all expenditures made by the Association in carrying out its rights and duties, including such rights and duties as they pertain to the ASC, together with all expenses incurred by the Association under this Restated Declaration for any reason, including the creation and maintenance of the ASC, reserves, and those additional reasons listed in Article Five, Section 3.

13. "Declarant" shall mean Duplin Land Development, Inc., a North Carolina corporation with offices at Wallace, North Carolina, and its successors and assigns. Declarant may assign or pledge any or all of its rights reserved under this Restated Declaration, the Articles, the Bylaws, and

Rules through, without limitation, any type of assignment, including in an instrument of conveyance or assignment.

14. "Development" shall mean the real property described in Map Book 14 at Pages 153, 154, 155, 195, 196, and 262; and Map Book 15 at Pages 10, 66, 67, 117, 118, 119, 158, 159, 160, 185, 186, and 187, all recorded in the office of the Register of Deeds, Duplin County, North Carolina, together with all improvements located or constructed thereon. It shall also refer to any additional property which may hereafter be made subject to this Restated Declaration, together with all improvements located or constructed thereon.

15. "Golf Course" shall mean any and all golf course facilities constructed within the Property, the boundary lines of which shall be defined by Plat or Plats showing such Golf Course.

16. "Improved Lot" shall mean any Lot upon which a dwelling has been constructed for which a certificate of occupancy by the appropriate governmental authority (or other similar right to occupy) has been issued.

17. "Lot" shall mean any numbered or lettered tract of land shown on any Plat or Plats as Declarant may alter or modify the boundaries of which from time to time prior to Declarant's transfer thereof to any third party, provided in no event shall the Club Amenities, the Common Area or any portion of the Club Amenities or Common Area be considered a Lot.

18. "Member" shall mean each member of the Association, namely, each Person who is an Owner of a Lot or Club Amenities.

19. "Occupant" shall mean any Person occupying all or any portion of a Lot or any of the Property with the permission of the Owner thereof, for any period of time, regardless of whether such Person is a tenant, the Owner, or some other type of invitee of such Lot or portion of the Property.

20. "Owner" shall mean the record owner, whether one or more Persons, of the fee simple title to any Lot or Club Amenities, but excluding those having such interest merely as security for the performance of an obligation.

21. "Person" shall mean a natural person, corporation, partnership (general or limited), association, trust, limited liability company, or other legal entity including any municipality, other governmental authority or entity, utility, or any combination thereof.

22. "Phase" shall mean any phase, section, or portion of the Property for which a separate Plat or Plats are recorded in the office of the Register of Deeds of Duplin County, North Carolina.

23. "Plat(s)" shall mean any plat or plats of the Property or any portion thereof which has been recorded by Declarant or the Association in the office of the Register of Deeds of Duplin County, North Carolina, as the same may be revised by Declarant or the Association.

24. "Property" shall mean that certain real property located in Duplin County, North Carolina, more particularly described on Exhibit "A" attached hereto and incorporated herein by reference, together with such additional real property as may be made subject to the provisions of this Restated Declaration pursuant to the provisions of Article Two, Section 2.

25. "Restated Declaration" shall mean this document which includes the controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens for the Development together with all amendments and supplements hereto which may be filed from time to time in the office of the Register of Deeds of Duplin County, North Carolina.

26. "Rules" shall mean any and all rules and regulations of the Association promulgated by the Board pursuant to its power under this Restated Declaration, the Articles, Bylaws, or any other land use document.

27. "Supplementary Declaration" shall mean any declaration recorded by Declarant in the office of the Register of Deeds of Duplin County, North Carolina, which subjects additional real property to the controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens of this Restated Declaration and the jurisdiction of the Association, as more particularly described in Article Two, Section 2.

28. "Unimproved Lot" shall mean any Lot other than an Improved Lot.

## ARTICLE TWO

### Plan for Development

Section 1. PROPERTY SUBJECT TO THIS RESTATED DECLARATION: The Property is hereby made subject to this Restated Declaration; and the Association and each Owner, including Declarant, shall own, hold, lease, transfer, sell, mortgage, and/or convey its interest in the Property subject to this Restated Declaration and the controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens set forth in this Restated Declaration and applicable thereto, the intent and effect being that this Restated Declaration shall apply to the Property except that Addendum I shall apply to Candlewood.

Section 2. ADDITIONS TO THE DEVELOPMENT: Declarant shall have the right, in its discretion, to bring within the coverage of this Restated Declaration and the jurisdiction of the Association any additional real property via Supplementary Declaration(s). Each such Supplementary Declaration shall be made by filing of record in the office of the Register of Deeds of Duplin County, North Carolina, a Supplementary Declaration referencing therein a plat showing such additional real property being added to the Development and subjecting said property to the controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens of the Restated Declaration to the extent same are applicable with respect to the type of additional real property so added. Each such Supplementary Declaration shall extend the plan of this Restated Declaration and the jurisdiction of the Association to such additional real property and thereby

subject each Owner of such additional real property to assessment for said Owner's share of the Common Expenses and other charges via Assessment to the extent applicable as provided in this Restated Declaration. In a Supplementary Declaration, Declarant may designate the boundaries of any land use category(ies) to be located on such additional real property, including Common Area and Club Amenities, and include such complementary additions to and modifications of the controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens contained in this Restated Declaration so as to reflect the character of the additional real property as are not inconsistent with the provisions of this Restated Declaration. Nothing contained in this Article Two, Section 2 shall be construed to obligate Declarant to bring any additional real property within the coverage of this Restated Declaration. Without limiting the generality of the foregoing, incorporated by reference herein are all controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens as contained in each Supplementary Declaration recorded to date (the same being referenced on page 1 of this Restated Declaration) which are consistent with those contained in this Restated Declaration, such that all said controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens as applicable to the portion of the Property referenced in the applicable Supplementary Declaration shall remain in full force and effect and be binding on said portion of the Property, and shall be subject to enforcement and variances as other controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens described in this Restated Declaration.

Section 3. ADDITIONAL DECLARATIONS: In addition to the controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens set forth in this Restated Declaration, Declarant shall have the right, in its discretion, to subject any portion of the Property owned by Declarant to additional controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens not inconsistent with this Restated Declaration by recording an Additional Declaration in the office of the Register of Deeds of Duplin County, North Carolina, covering only such portion of the Property, together with a designation of the Plat or Plats or portion thereof applicable to the portion of the Property to which the Additional Declaration applies, including Common Area, if any, located thereon. Any such Additional Declaration may or may not provide for the establishment of an Additional Association; however, whether or not an Additional Association is formed pursuant to any such Additional Declaration, the Association shall have the right and authority to enforce against any Owner and/or any applicable Additional Association all controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens imposed by this Restated Declaration and such Additional Declaration and any amendments thereto, whether or not such right and authority is expressly provided for in such Additional Declaration. Any such Additional Declaration shall be subordinate to this Restated Declaration.

Without limiting the generality of the foregoing, a portion of the Property as described in Addendum I and known as Candlewood at River Landing is subjected by this Restated Declaration to additional controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens described in Addendum I, all of which: (a) are intended and shall be construed to be consistent with this Restated Declaration, (b) are subordinate to the other provisions of this Restated Declaration, and (c) the Association shall have the right and authority to enforce.

Section 4. MERGER OR CONSOLIDATION: Upon any merger or consolidation of the Association with another association, the properties, rights, and obligations of the Association may be transferred to another surviving or consolidated association or, alternatively, the properties, rights, and obligations of another association may be added to the property, rights, and obligations of the Association as the surviving corporation pursuant to a merger. The surviving or consolidated association shall be considered the Association and shall administer the terms and provisions of this Restated Declaration (to the extent they relate to the portion(s) of the Property over which such association has jurisdiction) and the applicable Additional Declarations affecting the portions of the Property in the jurisdiction of such association, together with the controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens established upon any other properties within the jurisdiction of such association. No such merger or consolidation, however, shall effectuate a revocation, change, or addition to the terms and provisions of this Restated Declaration or any Additional Declaration pertaining to the Property or any portion thereof except as specifically provided in this Restated Declaration. Notwithstanding any provision to the contrary, the consent of Declarant is required for any merger or consolidation of the Association so long as it is an Owner.

Section 5. THE DEVELOPMENT PLAN AS TO CLUB AMENITIES: Declarant reserves for itself the exclusive right in its discretion to develop, construct, own, and operate within the Property (i.e., including the Common Area) Club Amenities, including those as any ongoing entity(ies), for use by Members, the Owner(s) of the Club Amenities (as of the date hereof, said Owner being Declarant), and/or any licensees, customers, invitees, guests, Club Amenities members, and/or others including members of the general public, all said usage rights or privileges being in the discretion of the Owner(s) of the applicable Club Amenities, and all on a fee basis, each as established in the discretion of the Owner(s) of the applicable Club Amenities from time to time.

Section 6. THE LAND PLAN: Declarant has caused an overall land use plan to be prepared for the Property. Certain areas may be designated by Declarant for, without limitation, Club Amenities. Declarant, in its discretion and as permitted by law, may modify the land use plan as to those portions of the Property owned by Declarant or its affiliates.

Section 7. THE WATER SYSTEM AND SEWER SYSTEM: Declarant and/or its affiliates has developed a system of providing both water service and sewer service to the Development. The water system and sewer system shall be owned and operated by Declarant and/or its affiliates until Declarant from time to time chooses to convey all or part of the water system and/or the sewer system to one or more Persons, including any municipality, other governmental authority or entity, and/or private entity, for operation, at which point the water system and/or the sewer system or portion thereof so operated may be transferred in the discretion of the then owner and operator and the balance thereof, if any, shall be retained by Declarant and/or its affiliates. Nothing in this Section 7 shall be interpreted to require conveyance of the water system and/or the sewer system by Declarant or its affiliates.

Section 8. WALKING TRAILS; GARDENS: Without limiting the generality of Article Two, Section 5, Declarant hereby consents to the Association's development, construction,

ownership, and operation of the Common Area for walking trails and gardens provided that said usage rights otherwise are consistent with the provisions of this Restated Declaration. Such walking trails and gardens shall not be Club Amenities but shall be part of the Common Area.

Section 9. NOTICE: Every purchaser, grantee, transferee, or devisee (by will or operation of law) of a Lot or Club Amenities shall purchase or receive, as the case may be, and hold title with notice of Declarant's plan of development.

### ARTICLE THREE

#### Property Rights in the Common Area; Easements

##### Section 1. OWNERS' EASEMENTS OF ENJOYMENT IN THE COMMON AREA:

Subject to the provisions of this Restated Declaration, each Owner shall have a permanent and perpetual easement for the use and enjoyment by it and each of its tenants, licensees, invitees, and members of its household (and, as to the Club Amenities, also for the use and enjoyment by customers, guests, Club Amenities members, and others as designated from time to time by the subject Owner of Club Amenities), of the Common Area, and said easement shall be appurtenant to and shall pass with the title to every Lot and the Club Amenities. Such easements of enjoyment shall include the right of ingress and egress over the streets, roadways, and walkways over the Common Area for the purpose of access to the applicable Owner's Lot(s) and Club Amenities.

Section 2. TITLE TO THE COMMON AREA: Declarant shall from time to time convey an easement in or legal fee simple title to the Common Area to the Association free and clear of all encumbrances and liens other than the provisions of this Restated Declaration and any applicable Additional Declarations, other restrictive covenants, utility easements, and other permitted exceptions, at no cost to the Association; and the Association covenants that it will accept such conveyance of all such Common Area. Notwithstanding the recordation of any Plat or any other action by Declarant or the Association, all Common Area shall remain private property and shall not be considered as dedicated to the use and enjoyment of the public unless contrary action is taken by the Association pursuant to Article Three, Section 3(d).

Section 3. LIMITATION OF OWNERS' EASEMENTS: The rights and easements of enjoyment in the Common Area created hereby shall be subject to the following rights and limitations and those otherwise described in this Restated Declaration:

(a) The right of the Association to borrow money for any reasonable purpose, including maintenance, repair, and improvement of the Common Area, and in aid thereof to pledge, mortgage, or hypothecate the Common Area subject to each Owner's right of ingress and egress over the Common Area for the purpose of access to such Owner's Lot(s) and/or Club Amenities, as the case may be; provided that, as long as Declarant owns any Lot or Club Amenities, the Association shall not, without Declarant's consent, borrow money or pledge, mortgage, or hypothecate all or any portion of the Common Area; and

(b) The right of the Association to set specific charges for the use and maintenance of, and other matters relating to, the Common Area to the extent permitted pursuant to this Restated Declaration; and

(c) The right of the Association, after providing the subject Owner(s) notice and an opportunity to be heard, to suspend the enjoyment rights of any Owner, its tenants, licensees, invitees, and members of its household (other than as to the right of ingress and egress over the Common Area for the purpose of access to such Owner's Lot(s)), for any period during which any Assessment remains unpaid by said Owner, or for a period that may be determined by the Board for said Owner's violation of this Restated Declaration, the Articles, Bylaws, or Rules; and

(d) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or entity for the purposes permitted hereunder, except that in no event may the Association dedicate or transfer the roads within the Development for public use; and Declarant's prior written approval to any permitted dedication or transfer of Common Area is required until such time as Declarant no longer owns any part of the Common Area; and

(e) The right of Declarant in its discretion to add property to the Common Area or to dedicate or convey licenses, easements, and rights-of-way over the Common Area, including for the further development and use of the Property; and

(f) The right of the Association to adopt and enforce, at any time, Rules governing the use of the Common Area and all facilities situated thereon, including reasonably limiting the number of guests of Owners who may use the Common Area. Any said Rules so adopted shall apply until rescinded or modified as if originally set forth at length in this Restated Declaration; and

(g) The right of the Association to adopt and enforce, at any time, Rules governing the use of the roadways and walkways within the Property (collectively "Traffic Regulations"), whether or not such are designated as Common Area. Such Rules include establishing and posting motor vehicle speed limits and usage rights throughout the Property. The Association shall also have the right to establish enforcement mechanisms for violation of the Traffic Regulations, including Assessment of fines from individual Owners, removal of vehicles from the Property, and the suspension of an Owner's rights and easements of enjoyment. Those who violate the Traffic Regulations shall be entitled to notice and a hearing before the Board prior to imposition of any fine, removal of any vehicle, or the enforcement of any other penalty for such violation; and

(h) The right of the Association to take such steps as are reasonably necessary to protect the Common Area against foreclosure and adverse possession; and

(i) The right of the Association to grant licenses, easements, and rights-of-way upon, over, under, and across, or convey fee simple title to, all or any part of the Common Area subject to each Owner's right of ingress and egress over the Common Area for the purpose of access to such Owner's Lot(s) and/or Club Amenities, as the case may be, when in the Association's discretion it deems such an action to be necessary and appropriate; provided, however, that until such time as

Declarant no longer owns any portion of the Property, the Association may not grant licenses, easements, and rights-of-way upon, over, under, and across, or convey fee simple title to, any part of the Common Area without the prior written approval of Declarant; and

(j) The right of the Association to designate and maintain a portion of the Common Area for gardening by Members subject to Rules for such use by the Association, including assigning the garden sites to Members on a first-come first-serve basis and charging the users of the garden sites a nominal fee for such use to cover the Association's cost of maintaining the garden sites; and

(k) No Person other than the Association shall have any right to make alterations, additions, or improvements to any part of the Common Area, except Declarant shall have those rights reserved in Article Two, Sections 5 and 6, in this Article Three, and otherwise in this Restated Declaration; and except further that the Candlewood Association shall have the right and duty to maintain the portion of the irrigation system serving Candlewood located in the Common Area.

Section 4. EASEMENT FOR HEALTH, SANITATION, POLICE, AND EMERGENCY SERVICES: Subject to each Owner's right of ingress and egress over the Common Area for the purpose of access to such Owner's Lot(s) and/or Club Amenities, as the case may be, a non-exclusive easement is hereby granted to the appropriate governmental authorities and to the appropriate private organizations for purpose of ingress and egress over the Common Area to supply health, sanitation, and police services, and any emergency services, including fire, ambulance, and rescue services.

Section 5. TEMPORARY ROADWAY EASEMENT FOR DECLARANT: Subject to each Owner's right of ingress and egress over the Common Area for the purpose of access to such Owner's Lot(s) and/or Club Amenities, as the case may be, Declarant reserves for itself and its authorized agents, employees, and contractors over, through, under, and across the Common Area an easement for temporary roads as is necessary in its discretion for the Property development and administration of the Development.

Section 6. CHANGES IN BOUNDARIES; ADDITIONS TO DESIGNATED COMMON AREA: Declarant expressly reserves for itself, in its discretion, the right to change and realign the boundaries of any Common Area, and to make additions thereto. Said right to change and realign Common Area boundaries shall include the right to redesignate Property designated as Common Area for a use other than Common Area when Declarant determines, in its reasonable discretion, such redesignation is prudent and consistent with the plan of development.

Section 7. EASEMENTS FOR UTILITIES AND DRAINAGE: Subject to the provisions of Article Two, Section 7 and subject to each Owner's right of ingress and egress over the Common Area for the purpose of access to such Owner's Lot(s) and/or Club Amenities, as the case may be, there is hereby reserved for the benefit of:

(a) Declarant, the Association, any public or private utility, governmental unit, or any other entity providing services in the Development, and their respective authorized agents,

employees, contractors, successors and assigns, a non-exclusive easement upon, over, under, and across (i) all of the Common Area, (ii) all portions of the Lots on which dwellings are not constructed or erected or are to be constructed or erected, and (iii) all land located within ten (10) feet of the boundary line of any Lot for the purpose of installing, replacing, maintaining, and operating any and all utilities serving the Development (including telephone, gas, electricity, cable television, and Internet access) and drainage facilities; and

(b) Declarant for itself and, in its discretion, its affiliates, as needed for the installation, maintenance, and operation of the water system and sewer system which serve the Development, an easement upon, over, under, and across that property stated in Article Three, Section 7(a)(i) - (iii), which reserved easement or any portion thereof may be assigned by Declarant to one or more Persons, including any municipality, other governmental authority or entity, and/or private entity.

Section 8. MAINTENANCE EASEMENT: Declarant reserves for its benefit and the benefit of the Association and, to the extent designated in any Additional Declaration, the Additional Associations and each of their authorized agents, employees, and contractors an easement to enter: (a) upon the Common Area and any unimproved portion of any Lot for the purpose of mowing, removing, clearing, cutting, or pruning underbrush, weeds, stumps, or other unsightly growth and removing trash therefrom to maintain reasonable standards of health, fire safety, and appearance within the Development and (b) upon the Common Area and any unimproved portion of any Lot which is located within thirty feet from the water's edge of any pond, lake, water course, waterway, basin, or other body of water, whether natural or man-made, within or adjacent to the Development for the purpose of maintaining such area, including keeping the area clear and free from unsightly growth and trash and maintaining reasonable water quality standards.

Section 9. ENVIRONMENTAL EASEMENTS: Declarant reserves for its benefit and the benefit of the Association and each of their authorized agents, employees, and contractors an easement on, over, and across all Common Area and unimproved portions of Lots for the purpose of taking any action necessary to effect compliance with environmental rules, regulations, and procedures promulgated or instituted by the Board or by any governmental entity, such easement to include the right to implement erosion control procedures and practices, the right to drain standing water, and the right to dispense pesticides and herbicides.

Section 10. IRRIGATION EASEMENTS: Declarant reserves for its benefit and the benefit of the Owner(s) of the Golf Course and each of their authorized affiliates, agents, employees, contractors, successors, and assigns, subject to each Owner's right of ingress and egress over the Common Area for the purpose of access to such Owner's Lot(s) and/or Club Amenities, as the case may be, a permanent exclusive easement and right, except as provided for in Article Two, Section 7; Article Three, Section 7; and Article Ten, Section 18, (a) to pump water from each and every pond, lake, water course, waterway, basin, or other body of water, whether natural or man-made, located in the Development for the purpose of irrigating any portion of the Development, including the Golf Course; and (b) to drill, install, replace, locate, maintain, and use wells, pumping stations, water towers, filtration basins, tanks, irrigation systems, and related water facilities and systems within the Development, said wells, pumping stations, water towers, filtration basins, tanks, facilities, and

systems, by this easement right, to be located in Declarant's discretion in: (i) the Common Area; (ii) lands within the Property owned by Declarant or the Owner(s) of the Golf Course; (iii) on any portion of any Unimproved Lot within thirty (30) feet of any pond, lake, water course, waterway, basin, or other body of water, whether natural or man-made; (iv) within thirty (30) feet of any boundary line of any Lot abutting the Golf Course, provided that said site is unimproved; and/or (v) within ten (10) feet of any boundary line of any Lot. Except as herein contained, the pumping of any water from any pond, lake, water course, waterway, basin, or other body of water, whether natural or man-made, for any purpose other than as stated above or for fire fighting is prohibited without express written permission of Declarant or the Owner(s) of the Golf Course.

Section 11. ENCROACHMENTS: Except as provided in Article Three, Sections 10, and Article Ten, Section 18, no Owner shall erect any pier, dock or other encroachment upon any pond, lake, water course, waterway, basin, or other body of water, whether natural or man-made, within or adjacent to the Development, including the Northeast Cape Fear River, unless permitted by applicable law and approved in writing by the ASC.

Section 12. NO OBLIGATION: Wherever in this Article Three an easement has been reserved or granted to, for, or by a Person, there is created a right, but no obligation, to make use of that easement.

## ARTICLE FOUR

### Membership, Voting Rights, and Turnover

Section 1. MEMBERSHIP: Every Person who is an Owner shall be a Member of the Association.

Section 2. VOTING RIGHTS: The Association shall have one (1) class of voting Members whose votes shall be allocated as follows:

(a) Each Member other than Declarant shall be entitled to one (1) vote for each Lot in which the Member is the Owner; provided however, that if more than one such Member is an Owner of any Lot, all Members who are Owners of such Lot shall be entitled only to a total of one (1) vote for the subject Lot and such Members shall designate in writing to the Association the name and address of one Member to cast such vote related to the subject Lot and only that designated Member or his proxy shall be allowed to cast the single vote related to the subject Lot. Said designation may be changed at any time as determined by the subject Members by written authorization signed by all Members in the group and delivered to the Association, except the designation may not be changed within ten (10) business days of an annual or special Member meeting. In no event shall more than one (1) vote be cast with respect to any Lot (except as provided in Article Four, Section 2(b)) and no fractional vote shall be cast with respect to any Lot.

(b) Declarant shall be entitled to three (3) votes for each Lot in which it is the Owner until the happening of the earlier of any of the following events, in which event Declarant shall be entitled to only one (1) vote for each Lot in which it is the Owner:

1. When the total votes outstanding by Members other than Declarant equal the total votes outstanding by Declarant; or
2. When Declarant, in its discretion, voluntarily provides written notice of such; or
3. December 31, 2025.

(c) Notwithstanding any provision in Article Four, Section 2(b) to the contrary, Declarant shall have the right to appoint the Board (who need not be Members) until the occurrence of either of the following events ("Turnover"):

1. Ninety (90) days after eighty percent (80%) of all Lots have had constructed on them a dwelling which has been issued a certificate of occupancy by the applicable governmental authority (or other similar right to occupy) and a certificate of compliance by the ASC; or
2. Declarant, in its discretion, voluntarily relinquishes its right to appoint the Board.

(d) Upon Turnover, the Association shall indemnify Declarant for any actions by Declarant before Turnover that may contribute to or result in Declarant incurring liability subsequent to Turnover, excluding any liability arising out of Declarant's negligence or willful misconduct.

(e) Members shall have no voting rights by virtue of being an Owner of Club Amenities.

Section 3. DUTIES AND RIGHTS AT TURNOVER: After Turnover, except as provided below, the existing Members shall be obligated to elect the Board, who, upon Turnover, must be Members. Within sixty (60) days after Turnover, the Association shall conduct a special meeting of Members for the purpose of electing directors, provided, however, that so long as Declarant is the Owner of any Lot or Club Amenities, Declarant shall be entitled to appoint one (1) Member to the Board. Within ten (10) business days following said meeting of Members, the Board shall appoint officers, as prescribed by the Articles and/or Bylaws.

Section 4. RESTRAINT ON TRANSFER: The shares of the Owners in the funds and assets of the Association cannot be individually assigned, hypothecated, or transferred in any manner except to the extent that a transfer of ownership of a Lot or Club Amenities also transfers membership in the Association.

## ARTICLE FIVE

Covenant for Assessments

Section 1. AUTHORITY OF ASSOCIATION: The Association, through the Board, shall have the power and authority to make and collect Assessments as hereinafter set forth.

Section 2. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS: Each Owner, except Declarant, of any Lot (and expressly excluding Owner(s) of Club Amenities) by acceptance of a deed for or conveyance of any Lot, whether or not it shall be so expressed in the particular deed or conveyance, is deemed to covenant and agree to pay to the Association Annual Assessments, General Special Assessments, Emergency Special Assessments, and other Assessments to be fixed, established, and collected from time to time as provided below. Said Owner's share of the Assessments, together with interest and costs of collection, shall be the personal obligation of the Person who was the Owner of the subject Lot at the time the Assessment became due. Each Member expressly covenants, by acceptance of a deed or conveyance of a Lot, that liens may be placed against its Lot for nonpayment of Assessments related thereto owed by it.

Section 3. PURPOSE OF ANNUAL ASSESSMENTS: The Annual Assessments levied by the Association for Common Expenses shall be used exclusively for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and Occupants and maintaining the Development and improvements thereon (the "Annual Assessment(s)"), all as may be more specifically authorized from time to time by the Board. The Common Expenses to be funded by the Annual Assessments include the following: (a) management fees and expenses of administration; (b) utility charges for utilities serving the Common Area and charges for other common services for the Development, including trash collection and privacy services, if any such services or charges are incurred by the Association in its discretion; (c) the cost of insurance coverage as the Board determines to be in the best interest of the Association and/or Owners; (d) the expenses of maintenance, operation, and repair of the Common Area; (e) the expenses of the ASC; (f) ad valorem and personal property taxes assessed or levied against the Common Area; (g) the expense of maintenance, operation, repair, and reconstruction of any and all roadways, walkways, trails, waterways, and landscaped areas that are Common Areas; (h) the establishment and maintenance of a reasonable reserve fund for maintenance, repair, and replacement of the Common Area, to cover emergency repairs as a result of casualties which are not covered by insurance, and to cover unforeseen operating contingencies or deficiencies arising from unpaid Assessments; (j) hiring legal, accounting, architectural, engineering, inspections, and other professional services as necessary or desirable in connection with the operation of the Development and enforcement of this Restated Declaration, the Articles, Bylaws, Rules, and Additional Declarations; (k) employing managers, agents, and other employees the Board deems necessary to carry out its functions under this Restated Declaration, the Articles, Bylaws, and Rules; and (l) such other expenses as may be determined from time to time by the Board to be Common Expenses. Management companies or Additional Associations may be the collecting agent(s) for or on behalf of the Association and may collect any or all Assessments as fixed by the Association.

Section 4. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS; DUE DATE:

The Annual Assessment as to each Owner liable therefor shall commence upon conveyance of a Lot to the said Owner. The Annual Assessment for the first year in which a Lot is subject thereto shall be prorated based upon the number of days remaining in the calendar year from the date of such conveyance and shall be payable on the date of such conveyance. The due date of each subsequent Annual Assessment shall be January 1st of each year for which the Assessment is charged, unless otherwise provided by Article Five, Section 5, or unless otherwise specified by the Board by notifying the Owners liable therefor in writing of the alternative due date of the Annual Assessment.

Section 5. BASIS AND AMOUNT OF THE ANNUAL ASSESSMENTS: The total Annual Assessments shall be divided among the Lots as follows:

(a) Each Owner liable for Annual Assessments shall pay an Annual Assessment equal to \$720.00 per year (\$60.00 per month), to be collected annually as stated in Article Five, Section 4 per Improved Lot owned by it, except as provided in Article Ten, Section 14, provided that where more than one Owner owns any such Lot, said Owners shall owe only a total of one Annual Assessment per year as to the subject Lot. Notwithstanding the foregoing, the Board is granted the right to assess a larger amount based on actual costs to carry out the Association's rights and duties; and, effective for 1996 and for each year thereafter, the maximum Annual Assessment that may be assessed by the Board, without a vote of the Members, shall be the minimum Annual Assessment plus the greater of ten percent (10%) thereof compounded annually or the minimum Annual Assessment multiplied by the percentage increase, if any, in the Consumer Price Index ("CPI") (all urban consumer, U. S. City average, all items 1967 = 100 or its succeeding index), such increase to be determined by dividing the CPI Indicator published most recently prior to the time the new Annual Assessment is determined by the CPI Indicator published most recently prior to January 1, 1996.

(b) Each Owner liable for Annual Assessments shall pay an Annual Assessment per Unimproved Lot owned by it equal to 75% of the Annual Assessment for each Improved Lot, provided that when more than one Owner owns such Lot, said Owners shall owe only a total of 75% of one Annual Assessment per year as to the subject Lot. For this purpose each Unimproved Lot will be classified as such and not as an Improved Lot through the last day of the month in which a certificate of occupancy (or other similar right to occupy) was issued for a residential dwelling constructed on the subject Unimproved Lot; thereafter, the Annual Assessment for the subject Lot shall be on the basis for an Improved Lot and shall begin on the first day of the month following the issuance of said certificate of occupancy (or other similar right to occupy), and the prorated difference owed regarding the subject Annual Assessment shall be then due and payable.

Section 6. GENERAL SPECIAL ASSESSMENTS:

(a) In addition to the Annual Assessment and other Assessments authorized by this Article Five, the Board may assess without Member approval, except as provided for below, General Special Assessment(s) in any calendar year, applicable to that year only, for defraying in whole or in part the cost of any construction or reconstruction, unexpected repair or replacement of a

described capital improvement upon the Common Area, acquisition of property, expense of indemnification of each director and officer of the Association and each member of the ASC, and any other unusual expense the Board, in its reasonable discretion, deems appropriate. The due date of any General Special Assessment under this Article shall be fixed in a Board resolution authorizing such General Special Assessment.

(b) Notwithstanding the foregoing, such Owner liable for General Special Assessments shall pay any General Special Assessment per Unimproved Lot owned by it equal to 75% of the General Special Assessment for each Improved Lot, provided that when more than one Owner owns any such Lot, said Owners shall owe only a total of 75% of one General Special Assessment per such assessment by the Board as to the subject Lot. For this purpose each Unimproved Lot will be classified as such and not as an Improved Lot through the last day of the month in which a certificate of occupancy (or other similar right to occupy) was issued for a residential dwelling constructed on the subject Unimproved Lot; thereafter, any General Special Assessment for the subject Lot shall be on the basis as an Improved Lot and the prorated difference regarding the subject General Special Assessment shall be then due and payable.

(c) The Board must receive approval of no less than 51% of the votes of the Members before it may authorize a General Special Assessment in an amount greater than \$250.00 per Improved Lot in any calendar year, or before authorizing a General Special Assessment which, when added to any and all previous General Special Assessments for that calendar year, exceeds \$250.00 per Improved Lot. Member approval, when needed, shall be obtained by any ballot vote or at an annual or special Member meeting duly called and held in accordance with the Bylaws.

#### Section 7. EMERGENCY SPECIAL ASSESSMENTS:

(a) In addition to the Annual Assessments and other Assessments authorized by this Article Five, the Board, except as provided below, may assess Emergency Special Assessments when, in the determination of the Board, there is potential danger of damage to persons or property (including to the Common Area or other property) or services within the Board's jurisdiction arising out of, without limitation, tornadoes, hurricanes, floods, fires, and other acts of nature. Emergency Special Assessments may be used to pay preventative, protective, or remedial measures, construction, reconstruction, improvements, repairs, replacements, or similar action. The due date of any Emergency Special Assessment under this Article shall be fixed in a Board resolution authorizing such Emergency Special Assessment. Each Owner of an Unimproved Lot who is liable for Emergency Special Assessments shall pay any Emergency Special Assessment equal to the Emergency Special Assessment for each Improved Lot, provided, as to each, when more than one Owner owns any such Lot, said Owners shall owe only one Emergency Special Assessment per subject assessment by the Board as to the subject Lot.

(b) The Board must receive approval of no less than 51% of the votes of the Members before it may authorize an Emergency Special Assessment in an amount greater than \$1000.00 per Lot in any calendar year or before authorizing an Emergency Special Assessment which, when added to any and all previous Emergency Special Assessments for that calendar year, exceeds

\$1000.00 per Lot. Member approval, when needed, shall be obtained by ballot vote or at an annual or special Member meeting duly called and held in accordance with the Bylaws.

Section 8. SPECIAL INDIVIDUAL ASSESSMENTS: The Board may levy without a vote of the Members Special Individual Assessments against any individual Owner(s) after giving reasonable notice and an opportunity to be heard to said Owner(s) (i) for the purpose of paying for the cost of any construction, reconstruction, repair, replacement, restoring, or removing of any damaged component of the Development, including the roads, caused by the acts of said Owner(s), its tenants, household members, guests, agents, employees, or other invitees and not the result of ordinary wear and tear, or (ii) for payment of fines, penalties, or other charges imposed against said Owner(s) relative to said Owner(s)'s and/or its tenants, household members, guests, agents, employees, or other invitees failure to comply with the terms and provisions of this Restated Declaration, the Articles, Bylaws, Rules, applicable Additional Declarations, reimbursement to the ASC or the Association for any sums it expends on said Owner(s)'s behalf for maintenance purposes or pursuant to the Architectural Standards, and reimbursement to the Association for all expenses incurred in connection with the enforcement of the provisions of Article Ten related to said Owner(s), including any additional fees charged for overhead costs and interest. The due date of any Special Individual Assessment levied pursuant to this Section 8 shall be fixed in the Board resolution authorizing such Special Individual Assessment; however, upon the establishment of a Special Individual Assessment, the Board shall send written notice of the amount and due date of such Special Individual Assessment to the affected Owner(s) at least thirty (30) days prior to the date such Special Individual Assessment is due.

Section 9. ASSESSMENTS FOR MULTIPLE OWNERS: When there are multiple Owners of any one Lot, each such Owner is liable and responsible to the Association for the total amount of Assessments due on such Lot; and the Association may proceed against any one or more of the Owners of such Lot according to Article Five, Section 11 should the Assessments due on said Lot be delinquent.

Section 10. DUTIES OF THE BOARD: The Board shall prepare a roster of Owners and Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the Annual Assessments for each year shall be sent to every Owner being assessed at least thirty (30) days prior to the commencement of the year. Written notice of General Special Assessments, Emergency Special Assessments, and Special Individual Assessments shall be sent to every Owner being assessed within thirty (30) days of the Board resolution therefor. Notwithstanding the foregoing, failure by the Board to send written notice of any said Assessments within the required time shall in no way affect applicable Owner(s)'s obligations to pay said Assessments provided that said Owner(s) in any event shall have at least thirty (30) days notice of any payment due date. Within ten (10) days of demand by an Owner, the Association shall furnish to said Owner a certificate in writing signed by an officer of the Association setting forth whether or not said Owner's Assessments have been paid. The certificate shall be conclusive evidence of payment of an Assessment stated to have been paid. The Owner requesting the certificate shall pay to the Association a reasonable sum to be determined by the

Association in its discretion to cover the reasonable costs of examining records and preparing the certificate.

**Section 11. EFFECT OF NON-PAYMENT OF ASSESSMENT; THE PERSONAL OBLIGATION OF THE OWNER; THE LIEN; REMEDIES OF THE ASSOCIATION; LATE FEES; RESALE CERTIFICATE:** If an Assessment levied against a Lot remains unpaid for a period of thirty (30) days or longer from the due date as established pursuant to this Article Five, it shall become delinquent and shall, together with interest, become a continuing lien on the Lot on which the Assessment was based and shall bind such Lot in the hands of each Owner thereof, his heirs, devisees, executors, personal representatives, successors, and assigns. The personal obligation of each Owner of the subject Lot to pay the subject Assessment shall remain his personal obligation for the statutory period. Unless an Owner obtains from the Association a certificate attesting to the fact that all Assessments are paid as to an applicable Lot and presents such certificate to a purchaser or transferee thereof at closing, the purchaser or transferee thereof shall be conclusively presumed to have assumed all past due Assessments related thereto and shall also become liable for said past due applicable Assessments, unless such purchaser or transferee obtains title to the Lot as a result of foreclosure of a first mortgage or first deed of trust, in which case the Assessments against such Lot which became due prior to the acquisition of title to such Lot shall be deemed to be the Common Expenses collectible from all Owners including such purchaser or transferee, its heirs, devisees, executors, personal representatives, successors, and assigns. Every such purchaser in any event shall be liable for future Assessments applicable to it. If an Assessment is not paid within thirty (30) days after the delinquency date, the Board, in its discretion, may assess a late fee related thereto in the amount of \$50.00, and the Assessment shall bear interest from the date of delinquency until paid at the rate established by the Board, not to exceed eighteen percent (18%) per annum compounded or the maximum rate allowable by law, whichever is lower, and the Association may bring an action at law against any Owner personally obligated to pay the outstanding Assessment and/or bring an action to foreclose the lien against the applicable Lot; and there shall be added to the amount of such Assessment all costs of collection, including the cost of preparing and filing the complaint(s) in such action(s) and the costs of reasonable attorneys' fees incident to collection whether or not suit is brought, including on appeal. In the event a judgment is obtained, such judgment shall include interest on the Assessment as provided above, reasonable attorneys' fees to be fixed by the Court, together with costs incident to the action.

**Section 12. PRIORITY OF LIENS:** Notwithstanding any provision to the contrary in this Restated Declaration, the lien for the Assessments provided for in this Restated Declaration as to any Lot shall be prior to all liens and encumbrances on said Lot except (a) liens and encumbrances (specifically including any mortgage or deed of trust on said Lot) recorded before the docketing of said claim of lien in the office of the clerk of superior court of Duplin County, North Carolina; and (b) liens for real estate taxes and other governmental assessments and charges against said Lot. This Section 12 does not affect the priority of mechanics' or materialmen's liens.

**Section 13. DECLARANT'S AND CLUB AMENITIES ASSESSMENTS:** Without limiting the generality of the foregoing, Declarant and the Owner(s) of the Club Amenities shall not be liable for or required to pay any Assessments. No lien for Assessments may attach to Lots owned by

Declarant or Club Amenities. Declarant may pay, however, in its discretion, the difference in cost between the sum of all Assessments collected from Members excluding itself and the actual cost of operation of the Association ("deficits"). If Declarant opts to pay the deficits, it may terminate such payment(s) at any time.

## ARTICLE SIX

### Maintenance

Section 1. OWNER'S RESPONSIBILITIES: Maintenance and repair of Lots and Club Amenities, together with all improvements thereon and all lawns, landscaping, and grounds thereof, shall be the responsibility of the Owner thereof and, to the extent applicable, any Additional Association formed as to any Phase. Each Owner shall maintain its Lot(s) and Club Amenities, and, where applicable, each Additional Association shall maintain the property for which it is responsible pursuant to any Additional Declaration, all in a neat, clean, and sanitary condition. Such responsibilities shall include the following:

- (a) Promptly removing all litter, trash, refuse, and waste;
- (b) Keeping land, including any lawns and shrub beds, well maintained and free of trash, uncut grass, and weeds;
- (c) Keeping all sediment resulting from land disturbance or construction on the subject Owner's Lot or Club Amenities confined to said Owner's property;
- (d) Complying with all governmental health and police requirements;
- (e) Pruning trees;
- (f) Watering as needed (unless otherwise prohibited by law or other governmental regulation) to keep lawn areas alive and green; as to Owners of Lots in Candlewood, watering and irrigation shall be done through a community irrigation system;
- (g) Keeping exterior lighting and mechanical facilities in working order;
- (h) Removing and replacing any dead landscaping material;
- (i) Maintaining natural areas and landscaping in accordance with the Architectural Standards;
- (j) Keeping parking areas and driveways in good repair;
- (k) Repainting of exteriors of improvements; and

(l) Repairing damage and deterioration to exteriors of improvements, it being understood and agreed that if any improvements are damaged or destroyed by fire or other casualty, either (i) within six (6) months following the date such damage or destruction occurs, the Owner must repair and restore such damaged improvements (in accordance with the original plans and specifications or in accordance with new plans and specifications approved by the ASC and otherwise in accordance with the terms and provisions of this Restated Declaration and of each Additional Declaration applicable thereto); or (ii) within thirty (30) days following the date such damage or destruction occurs, the Owner must remove any and all debris resulting from such casualty and restore the Lot or Club Amenities to its condition existing prior to the construction of such improvements. The time requirements contained herein may be waived or extended by the ASC, in its discretion.

No Owner or Additional Association shall decorate, change, or otherwise alter the appearance of any portion of the exterior of any improvement, landscaping, or grounds, unless such decoration, change, or alteration is first approved in writing by the ASC as hereinafter provided.

Without limiting the generality of the foregoing, each Owner and applicable Additional Association is liable and responsible to the Association for compliance with the maintenance duties described in this Restated Declaration and any applicable Additional Declaration; and the Association may proceed against any one or more of the Persons liable for said compliance in the event of a breach thereof.

## Section 2. ASSOCIATION'S RESPONSIBILITIES AND ADDITIONAL RIGHTS:

(a) Unless otherwise provided and without limiting the generality of any other provision, the Association shall use reasonable efforts to maintain and keep in good repair the Common Area, including any improvements or structures located thereon; and in addition, the Association and/or its agent(s), employee(s), and/or contractor(s) may provide lawn and landscaping maintenance to Lots as the applicable Additional Declaration or this Restated Declaration authorizes such services and provides or permits that the Association shall be reimbursed therefor, including a reasonable additional fee for providing such services.

(b) If the Board determines that any Owner has failed or refused to carry out its maintenance duties under this Article or any applicable Additional Declaration, the Association may act as is necessary to restore the subject Owner's Lot(s) and improvements thereon to the conditions required under this Article, including such standards promulgated by the ASC, or any applicable Additional Declaration. The Association, acting through its agents, employees, and/or contractors, shall have the right and power to enter onto the subject Owner's Lot(s) and perform such maintenance without any liability for damages for wrongful entry, trespass, or otherwise to any Person. Except in emergency situations, the Association shall give the Owner fifteen (15) days notice prior to its entry on the Owner's Lot(s) to perform such work as permitted hereunder. This right in favor of the Association shall not impose any obligation upon the Association to undertake any particular corrective action. If the Association does take corrective action, said subject Owner shall be obligated to pay for any costs incurred by the Association for construction, reconstruction,

repairing, replacing, restoring, maintaining, or removing any items which duties the subject Owner fails or refuses to discharge, plus an additional fee equal to 10% of such costs for overhead expenses, together with interest on the amounts expended by the Association in performing such work computed at the highest lawful rate as shall be permitted by law from the date(s) such amounts are expended until repayment to the Association, and for all costs and expenses incurred in seeking compliance of such Owner with the duties and responsibilities hereunder or as provided in any applicable Additional Declaration, and shall reimburse the Association on demand for such costs and expenses (including interest as above provided). If such Owner shall fail to reimburse the Association within thirty (30) days after demand has been made by the Association for reimbursement, then, without limitation of any other rights of the Association, the Association may impose a Special Individual Assessment against such Owner. In addition to the foregoing remedy and any and all other remedies available to the Association, the Association may, in its discretion, upon performing the subject Owner's maintenance obligations and duties, deem the subject Owner's applicable Additional Association, if any, to have assigned to the Association the Additional Association's right to future income, including the right to receive common expense assessments, until the Association's costs plus interest incurred for repairing, replacing, maintaining, or cleaning any items which duties the subject Additional Association failed or refused to discharge have been paid in full.

(c) If the Board determines that any Additional Association has failed or refused to carry out its maintenance duties under this Article or any applicable Additional Declaration, the Association may act as is necessary to perform the subject Additional Association's maintenance duties to the conditions required under this Article, including such standards promulgated by the ASC, or any applicable Additional Declaration. The Association, acting through its agents, employees, and/or contractors, shall have the right and power to enter onto any portion of the Property to perform such maintenance without any liability for damages for wrongful entry, trespass, or otherwise to any Person. Except in emergency situations, the Association shall give the Additional Association fifteen (15) days notice prior to its entry on the subject portion of the Property to perform such work as permitted hereunder. This right in favor of the Association shall not impose any obligation upon the Association to undertake any particular corrective action. If the Association does take corrective action, said subject Additional Association shall be obligated to pay for any costs incurred by the Association for construction, reconstruction, repairing, replacing, restoring, maintaining, or removing any items which duties the subject Additional Association fails or refuses to discharge, plus an additional fee equal to 10% of such costs for overhead expenses, together with interest on the amounts expended by the Association in performing such work computed at the highest lawful rate as shall be permitted by law from the date(s) such amounts are expended until repayment to the Association, and for all costs and expenses incurred in seeking compliance of such Additional Association with the duties and responsibilities hereunder or as provided in any applicable Additional Declaration, and shall reimburse the Association on demand for such costs and expenses (including interest as above provided). In addition to the foregoing remedy and any and all other remedies available to the Association, the Association may, in its discretion, upon performing the subject Additional Association's maintenance obligations and duties, deem the subject Additional Association to have assigned to the Association the Additional Association's right to future income, including the right to receive common expense assessments,

until the Association's costs plus interest incurred for repairing, replacing, maintaining, or cleaning any items which duties the subject Additional Association failed or refused to discharge have been paid in full.

**Section 3. MAINTENANCE RESTRICTIONS:** Without limiting the generality of the rights of the ASC, nothing in this Article Six or Restated Declaration shall give any Owners or Additional Association the right to repair, alter, add to, replace, paint on, dig, dump on, fill, plant in, remove anything from, or in any other way maintain the Common Area, Declarant's property, the Association's property, or that property under the authority of any other Additional Association or Owner without the prior written consent of the Owner of such property, or, in the case of the Common Area, the prior written consent of the Association.

Without limiting the generality of Article Five, Section 8, each Owner or Additional Association, as the case may be, shall be liable to the owner(s) of the Common Area for any damage to any Common Area caused by the negligence or willful misconduct of the Owner, his family, tenants, guests, agents, employees, or invitees or the Additional Association, its agents, employees, representatives, and invitees, as the case may be. Provided, however, that this Section 3 shall not apply to Declarant's construction activities on the Property.

## ARTICLE SEVEN

### Insurance and Casualty Losses

**Section 1. PROPERTY, CASUALTY, AND OTHER INSURANCE:** A commercially reasonable amount of property and casualty insurance shall be maintained by the Association as to the Common Area. The Association may purchase, in its discretion, liability insurance covering the Association's directors, officers, agents, and employees. The Association may purchase, in its discretion, such other insurance for the purpose of protecting the Common Area and the Association.

**Section 2. PREMIUMS:** The premiums for insurance policies purchased by the Association shall be deemed to be Common Expenses and shall be paid by Owners of Lots through the Annual Assessment as provided in this Restated Declaration.

**Section 3. DAMAGE OR DESTRUCTION TO COMMON AREA:** Should any part of the Common Area be damaged or destroyed, the Association shall cause it to be repaired or replaced if the insurance proceeds and available reserves are sufficient to do so. If the Board determines these funds are insufficient, and a General Special Assessment or Emergency Special Assessment is necessary to complete the repair or replacement, the Board in its discretion shall determine whether to impose such General Special Assessment or Emergency Special Assessment subject to the limitations provided in Article Five, Sections 6 and 7 prior to or after initiating, in the Association's discretion, any repairs or replacement. Any such repairs or replacement shall be done in accordance with the original plans and specifications or in accordance with new plans and specifications approved by the ASC and in accordance with this Restated Declaration and any Additional Declaration applicable thereto.

**ARTICLE EIGHT****Condemnation**

**Section 1. CONDEMNATION OF COMMON AREA:** Should all or any portion of the Common Area be taken through eminent domain or conveyed by deed by the Association in lieu of condemnation, the award or proceeds made or collected by the Association shall be disbursed or held as follows: (a) to the extent practical in the discretion of the Board, the funds shall be used for the replacement of the condemned facility on some other part of the Common Area; or (b) if replacement at some other location within the Common Area is not feasible, these funds, in the discretion of the Board, may be added to the reserves held by the Association; or (c) the Board may, in its discretion, use the funds to purchase additional real property to replace the Common Area so condemned.

**ARTICLE NINE****Administration of the Development**

**Section 1. MANAGEMENT:** The Association shall be responsible for exercising in its discretion all powers, duties, and authority vested in or delegated to the Association by this Restated Declaration, the Articles, Bylaws, or Additional Declarations, and not reserved to the Owners or Declarant by other provisions of this Restated Declaration, the Articles, Bylaws, or Additional Declarations.

**Section 2. DUTIES AND POWERS:** The duties and powers of the Association shall be those set forth in (a) Chapter 55A of the North Carolina General Statutes as it applies to non-profit corporations as the same may be amended from time to time; (b) this Restated Declaration; (c) the Articles, (d) the Bylaws, and (e) the Rules.

**Section 3. AGREEMENTS:** The Board may take any and all action and enter into any and all agreements as may be necessary or proper for the fulfillment of its obligations and powers, including the ability and authority to delegate to Persons of its choice such duties and powers as determined to be expedient by the Board; to employ such managers, agents, and employees as necessary in its discretion to carry out its functions under this Restated Declaration; to hire, contract, and pay for such legal, accounting, and other professional services as are necessary or desirable in connection with the operation of the Development and enforcement of this Restated Declaration, the Additional Declarations, Bylaws, Articles, and the Rules.

**Section 4. RULES:** The Association acting through the Board may make and enforce Rules governing the use of the Property, including the Lots and Common Area, but specifically excluding the Club Amenities except to the extent expressly provided in this Restated Declaration. The Rules shall be consistent with the rights and duties established by this Restated Declaration.

## ARTICLE TEN

**Architectural and Landscaping Standards and General Use Prohibitions**

**Section 1. PURPOSE:** The Lots, Club Amenities, Common Area, and all improvements located thereon, including landscaping, shall be subject to the restrictions set forth in this Article Ten to preserve the natural setting and beauty of the Development, to establish and preserve a harmonious and aesthetically pleasing design for the Development, and to protect and promote the value of the Development. Without limiting the generality of this Restated Declaration, every grantee of any interest in any of the Property, by acceptance of a deed or other conveyance of such interest, agrees to be bound by, without limitation, the provisions of this Article Ten.

**Section 2. ASC:** Until Turnover, Declarant shall have the right: (i) to change the number of members of the ASC, provided that at all times the ASC shall consist of at least four (4) and not more than eight (8) persons; and (ii) to appoint all members of the ASC who shall serve at the pleasure of the Declarant. Until Turnover, Declarant shall determine which ASC member(s) shall serve as its chairperson or co-chairpersons. If any of the members of the ASC fails, refuses, or is unable to act or if Declarant removes an ASC member, and if, prior to Turnover, Declarant fails to fill any vacancy in the ASC within thirty (30) days of such vacancy, the remaining members of the ASC shall fill such vacancy by appointment. At Turnover or at such earlier date as Declarant may decide, Declarant shall assign to the Association Declarant's rights, powers, duties, and obligations regarding the ASC. ASC members need not be Members or Owners. Any four (4) ASC members shall constitute a quorum; and the action of the majority present at any meeting of the ASC, called according to any rules of procedure which it may adopt, shall constitute the action of the ASC.

The ASC is authorized to retain the services of consulting architects, landscape architects, engineers, inspectors, attorneys, and any other professionals it deems appropriate to advise and assist it in performing its functions under this Article Ten.

**Section 3. PERMITTED IMPROVEMENTS:** No improvements of any nature whatsoever, including landscaping, shall be constructed, altered, added, placed, or maintained upon any part of the Development, including any part of the Property bordering the Northeast Cape Fear River, except improvements approved by the ASC in accordance with this Article Ten unless otherwise provided by this Article Ten. Notwithstanding the foregoing, if any additional property is brought within the Development as provided in Article Two, Section 2 or elsewhere in this Restated Declaration, any improvements existing on said property at the time said property is added to the Development (and, therefore, becoming part of the Property) shall not be required to receive ASC approval prior to becoming part of, or prior to being maintained as part of, the Development; however, after the property upon which said improvements is located becomes part of the Development, the ASC may require the Owner(s) of said improvements to make reasonable alterations, including landscaping, to the improvements to bring said improvements into compliance with the Restated Declaration and the Architectural Standards.

**Section 4. PLACEMENT OF IMPROVEMENTS:**

a. The ASC shall have the right to approve the construction plans and/or placement of all buildings, structures, and other improvements on the Property. The ASC, to assure that improvements on Common Area, Lots, and Club Amenities will be located so that the maximum view, privacy, and breezes will be available, shall take into consideration the topography of Common Area, each Lot, and the Club Amenities and also the location of trees, vegetation, other aesthetic and environmental considerations, as well as the precise site and location of any other improvements within the Development.

b. Set-back lines have been or may be recorded in Additional Declarations for various Phases. Declarant may record applicable set-back lines on Plat(s) for various Phases and Club Amenities; provided, however, Property is not required to have set-back lines. The ASC, in its discretion, may grant variances as to any set-backs no greater than twenty-five percent (25%) of the set-back. All other powers and rights regarding variances, other than those powers and rights expressly permitted by or reserved for the ASC or Declarant in this Restated Declaration, shall be controlled and determined by the Board, in its discretion; without limiting the generality of the foregoing, the Board and Declarant shall have the power and right to grant variances from applicable set-back lines, including variances greater than twenty-five percent (25%) of the applicable set-back if the Board or Declarant, as the case may be, determines, in its discretion, a variance is appropriate to protect some particular environmental or aesthetic consideration or for some other reason.

c. The ASC, in its discretion, may require any Owner or contractor for any planned improvement within the Development to post a payment and/or performance bond with it to assure completion of the improvement, including landscaping, in accordance with the ASC-approved plans and specifications and within the time periods provided within this Article Ten. The bond shall be in a form and an amount as deemed satisfactory to the ASC. The ASC may, in lieu of requiring the posting of a payment or performance bond, accept a sum satisfactory to it to be held by the ASC to assure the completion of any planned improvement, including landscaping, in accordance with the ASC-approved plans and specifications and within the time periods provided within this Article Ten. In no event shall the ASC be required to invest said funds in a separate or interest-bearing account.

d. The exterior of any improvement permitted under this Article Ten and any landscaping applicable thereto shall be completed within the time specified in Section 8 of this Article Ten, unless the ASC allows a longer time period. Should any of the improvements, including landscaping, not be completed within the required time periods, the ASC shall be entitled to collect on, or enforce payment under, the applicable bond; or if the ASC has accepted a deposit of funds in lieu of a bond, the ASC shall be entitled to use any such sums toward completing the work. The ASC shall have an easement for it, its agents, its contractors, or for the Association or its employees, agents, or contractors toward completing all improvements within the Development.

e. No dwelling on a Lot may be temporarily or permanently occupied until a certificate of compliance has been issued by the ASC and a certificate of occupancy (or other similar right to occupy) has been issued by any authorized governmental agency granted that power. The ASC, in its discretion, may allow an Owner to occupy a dwelling on a Lot where no certificate of compliance has yet been issued by the ASC in the event of hardship or circumstances warranting a variance in

the ASC's discretion. No temporary structure of any kind shall be permitted within the Development except as reasonably necessary in connection with an on-going building development or as may be permitted by the Board for specific social functions, provided such structures shall be removed from the Development immediately after the building is completed or the function is terminated. No livestock facility, poultry house or yard, dog pen, or other similar structure may be allowed on the Property. No outside clothes drying facilities may be allowed within the Development, except as may be allowed in any Additional Declaration. During construction of an ASC-authorized dwelling or other improvement, the Owner thereof or, in the case of Common Area, the Association, shall require his contractor to maintain the Owner's Lot or Club Amenities, or the subject Common Area, as the case may be, in a reasonably clean and uncluttered condition. To the extent reasonably possible, all construction trash and debris of any Owner or the Association shall be kept within refuse containers. Upon completion of the ASC-authorized structure or other improvement, the Owner or Association, as the case may be, and the contractor thereof shall cause immediate removal of all of their equipment, tools, and construction materials, including debris, from the subject Lot, Club Amenities, or Common Area.

f. Each Owner of a Lot or Club Amenities, and the Association as to construction on the Common Area, shall comply, and shall cause its contractor(s) to comply, with the Architectural Standards, a copy of which may be obtained from the ASC.

#### Section 5. ARCHITECTURAL APPROVAL:

a. The ASC shall establish written Architectural Standards to be used in reviewing all plans, specifications, and details submitted for its approval, and may include such administrative procedures and rules as the ASC deems expedient to facilitate the administration of this Article Ten.

b. All plans, specifications, and details for any improvement whatsoever to be erected on the Property, including the proposed location thereof, the construction material, the roofs and exterior color schemes, any later changes or additions after initial approval thereof, and any remodeling, reconstruction, alterations, or additions thereto, shall be subject to and shall require the written approval of the ASC before any such work is commenced.

c. Each Owner shall submit to the ASC two (2) or more copies of accurate and precise plans and specifications for its proposed improvements, as required by the ASC. The Association shall submit to the ASC two (2) or more copies of accurate and precise plans and specifications for its proposed construction on the Common Area, as required by the ASC. The plans shall show the accurate and precise location on the Lot, Club Amenities, or Common Area of the improvements proposed to be constructed, altered, placed, or maintained, together with the proposed construction material, color schemes, exterior elevations, and any other details requested by the ASC.

d. The ASC shall approve or disapprove plans, specifications, and details within sixty (60) days from the receipt thereof. One (1) set of said plans and specifications and details with the approval or disapproval endorsed thereon shall be returned to the Person submitting them, and the other copy(ies) thereof shall be retained by the ASC for its permanent files. If the ASC does not

approve or disapprove plans, specifications, and details within sixty (60) days from the receipt thereof, said plans, specifications, and details shall be deemed approved.

e. The ASC is authorized to charge a reasonable fee, which shall be set out in the Architectural Standards in the ASC's reasonable discretion, to review plans, specifications, and details submitted to it.

f. The ASC shall have the right to disapprove any plans, specifications, or details submitted to it in the event they are not, in the discretion of the ASC, in accordance with: (1) one or more provisions of this Restated Declaration; (2) the Architectural Standards; or (3) the general plan of the Development; or, in the discretion of the ASC, (i) if the design or color scheme or general aesthetics of the proposed improvement is not in harmony with the general surroundings of such Lot, Club Amenities, or Common Area, or with the adjacent structures; (ii) the plans, specifications, or details submitted are not, among other things, accurate, precise, or complete; or (iii) in the event the ASC deems the plans, specifications, or details, or any part thereof, to be contrary to the interests, welfare, or rights of all or any part of the Development or the Owners.

g. Prior to commencement of construction or improvement on any Lot, Club Amenities, or Common Area, the Owner thereof or, in the case of construction on the Common Area, the Association must obtain all necessary governmental building permits and approval from the ASC. To the extent applicable as to each improvement on any Lot, a certificate of occupancy (or other similar right to occupy) and any other required permits must be obtained prior to occupancy (or other similar right to occupy) from the governmental agency having jurisdiction over the Development and a certificate of compliance must be obtained from the ASC.

h. As part of its building permit application, the applicable Owner or Association, as the case may be, must submit, if needed, plans for installing a culvert in the drainage ditch where a driveway is to cross the drainage ditch between the roadway and his Lot or Club Amenities, or the subject Common Area, as the case may be. The cost of the culvert and covering is to be borne by said Owner or, if applicable, the Association as a construction expense, and the construction specifications must meet ASC approval. The culvert must be installed before any construction may begin on the Lot, Club Amenities, or Common Area.

i. The ASC and its agents or contractors shall have the authority to inspect and, if necessary, stop construction of any improvement on any Lot, Club Amenities, or Common Area at any time if, in the ASC's discretion, the ASC determines that the construction is not in accordance with the plans, specifications, or details originally submitted for approval. Neither the ASC, its agents, contractors, nor the Association shall be liable for any damages suffered by an Owner and/or the contractor due to a stoppage of construction by the ASC pursuant to this Article Ten.

#### Section 6. LANDSCAPING APPROVAL:

a. No landscaping, grading, excavating, or filling of any nature on any Lot or Club Amenities shall be implemented or installed by any Person unless and until accurate and precise plans therefor have been submitted to and approved in writing by the ASC.

b. Without limiting the generality of this Section 6, the procedure outlined in Section 5 of this Article Ten regarding architectural approval shall apply in all respects to this Section 6.

c. The Architectural Standards may include standards and criteria for landscaping. Each Owner shall comply with said Architectural Standards, including any standard established regarding a minimum number and size of plant materials to be used in the landscaping to be implemented by each Owner in connection with the landscape plan as to his Lot(s) and/or Club Amenities. The Architectural Standards may be based on the market value of the dwelling to be constructed on a Lot or, for the Club Amenities, the value of the Club Amenities, provided in no event may the landscaping required of the Club Amenities adversely impact their intended use. Proposed outdoor lighting for Lots and Club Amenities shall be shown on the landscape plan and shall be subject to approval by the ASC.

d. The landscape, grading, excavating, and filling plans shall be reviewed and approved in the ASC's discretion with consideration of the Architectural Standards, including harmony of the proposed landscaping design, the environmental character of the surrounding area, the preservation of natural drainage patterns, the visual impact on the surrounding areas, and the establishment of adequate shading and buffering in regard to individual Lots and Club Amenities. The landscaping plan shall be in general conformity with the overall landscaping plan of the Golf Course.

e. Unless located within five (5) feet of a building constructed or ASC-approved for construction, no tree on any Lot or Club Amenities having a trunk diameter of six (6) inches or more at a point of four (4) feet above ground level shall be cut, removed, or mutilated unless the tree is dead or diseased. If any such tree is removed without approval of the ASC, the Owner thereof shall replace it with a tree of comparable appearance and value. If the Owner fails within thirty (30) days to satisfactorily replace the tree, the Association shall assess the Owner a fee (as set by the ASC within its discretion) upon demand up to \$1,000.00 per lost or removed tree. The Association through its agents and employees shall have the right to enter the property owned by such Owner for the purpose of replacing the tree and shall be reimbursed by the Owner for the cost of replacing the tree.

**Section 7. APPROVAL NOT A GUARANTEE:** Approval of plans, specifications, or other items and the publication of the Architectural Standards shall not be considered as representing or implying that (a) the plans, specifications, other items, or Architectural Standards if followed will result in properly designed improvements, nor (b) the plans, specifications, other items, or Architectural Standards if followed will result in improvements that are in compliance with federal, state, local, or county laws and regulations. Neither Declarant, the Association, the ASC, nor any architect, contractor, employee, or agent thereof shall be responsible or liable in any way for defects in the Architectural Standards or any such plans, specifications, or details submitted, revised, or approved pursuant to the terms of this Article Ten.

**Section 8. COMPLETION OF DWELLING:** Once construction or improvement is started on any dwelling, it must be substantially completed in accordance with the ASC approved plans, specifications, and details within eight (8) months from date of commencement. "Commencement" as used in this Section 8 shall mean the date a certificate or contingent certificate of approval to begin construction is granted by the ASC. Each Owner of a Lot shall cause the landscaping for the Lot to be completed in material accordance with the landscaping plan approved by the ASC before occupancy of the dwelling approved by the ASC for construction thereon, except as otherwise permitted by Article Ten, Section 4e. The Board, in its discretion, may grant a variance as to the construction completion date.

**Section 9. ANIMALS AND PETS:** No animals or livestock of any description, except the usual household pets, may be kept on any Lot or Club Amenities. Dogs and other large pets shall be kept in a dwelling or on a leash accompanied by a person and shall not be allowed to run loose in the Development.

**Section 10. STORAGE RECEPTACLES:** All ashes, trash, rubbish, and garbage shall be kept in sanitary receptacles (except to the extent related to construction) and, except as required during trash collection, all said receptacles shall be kept within an ASC-approved enclosure or screened to the satisfaction of the ASC. Any fuel storage tank permitted by the ASC shall be buried on the Owner's Lot, the Owner's Club Amenities, or in the case of the Association, on Common Area; except that the Board, in its discretion may grant a variance thereto if the Owner's or the Association's fuel storage tank(s), as the case may be, is in an ASC-approved enclosure or screen and shielded from public view.

**Section 11. MAINTENANCE OF UNOCCUPIED LOTS:** All unoccupied Lots shall be well-maintained, and no unattractive growth or accumulation of rubbish or debris shall be permitted thereon. The ASC may, from time to time, assess the appearance of all unoccupied Lots and determine whether any such Lot needs further maintenance to keep its appearance in accordance with Article Six and Article Ten. Should the ASC determine that any such Lot needs further maintenance, it shall notify the Owner(s) thereof, who shall then be required within fifteen (15) days of receipt of such notice to bring such Lot into compliance with the ASC's said demands. Should the Board determine that any Owner has failed or refused to carry out the ASC's demands, the Association may conduct itself in accordance with Article Six, Section 2 to bring the Lot into compliance and be reimbursed for such costs, plus an additional fee equal to 10% of such costs for overhead expenses, and any interest thereon.

**Section 12. OFFENSIVE AND ILLEGAL ACTIVITIES:** No noxious, offensive, or illegal activities shall be carried on within the Development nor shall anything be done that shall be or become an unreasonable annoyance or nuisance, all subject to the provisions of Article Eleven, Section 2.

**Section 13. OUTSIDE BURNING:** No outside burning of wood, leaves, trash, garbage, construction material, or household refuse shall be permitted.

**Section 14. SUBDIVISION AND COMBINATION OF LOTS:** No Lot shall be subdivided or its boundary lines changed, through a subdivision plat, recombination plat, or otherwise, by its Owner without the written consent of Declarant, except that: (a) Declarant expressly reserves the right to subdivide, recombine, and/or replat any Lot(s) so as to create any modified Lot(s) prior to delivery of a deed therefor; and (b) a modified Lot may be created by the purchase of two (2) or more adjacent Lots by one (1) party, followed by the filing of a recombination plat creating one (1) Lot in the records in the Duplin County Register of Deeds, Duplin County, North Carolina, and the use of the Lots as appurtenances to a single dwelling constructed thereon; in such event said recombined Lots shall be treated as one (1) Lot for the purpose of assessments and voting, meeting any set-back and side-line requirements, and other controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens applicable to Lots in this Restated Declaration.

**Section 15. EXTERIOR MAINTENANCE OF BUILDINGS:** The exterior portion of all structures located on any Lot, Club Amenities, and Common Area, together with the yards, shrubbery, and Common Area associated therewith, if any, shall be maintained in a sightly condition. Should the Association deem affirmative enforcement of this provision necessary, the Board shall appoint an aesthetic committee (the "Committee"). Upon recommendation of the Committee and concurrence by the Board, the Association shall notify the offending Owner(s) or any Additional Association(s) having specific maintenance responsibility for the offending property, as the case may be, of the aesthetic deficiency, and the action necessary to correct the deficiency. The subject Owner(s) or Additional Association(s), as the case may be, shall correct the deficiency within fifteen (15) days of notification by the Association. If the deficiency is not corrected, the Association may conduct itself in accordance with Article Six, Section 2 to bring the Lot or Club Amenities into compliance and be reimbursed for such costs, plus an additional fee equal to 10% of such costs for overhead expenses, and any interest thereon.

**Section 16. SIGNS:** Except as may be required by legal proceedings or permitted pursuant to this Section 16 or Article Three, Section 3(g), no signs or advertising poster of any kind shall be maintained or permitted within any windows, on the exterior of any improvements, or on any Lot, provided, however, the restrictions of this Section 16 shall not apply to any Property owned by Declarant or the Club Amenities. Notwithstanding the foregoing, (a) each construction site is required to post one (1) temporary sign during construction with current site-specific information, as designated and approved by the ASC (the ASC has approved permitted building signs; the purpose of such signs is to identify construction sites); and (b) each dwelling shall have a permanent sign displaying its street address in a location of high visibility from the street in front of the dwelling (the Architectural Standards may address the size of, and materials for, said signage, including lettering thereon).

**Section 17. ANTENNAS, SATELLITE DISHES, AND SIMILAR DEVICES:** No satellite dish, microwave dish, television or radio antenna, or other similar equipment shall be located on any Lot unless such improvement is located entirely within the interior of a residence or is approved in advance in writing by the ASC. In determining whether to approve such an improvement, the ASC may consider, without limitation, the size of, the location of, the screening of, and the necessity of

cutting or pruning trees arising from the proposed improvement. In no event shall any such improvement be located on a Lot in the front yard or at the peak of the roof of the dwelling located on the Lot. Notwithstanding the foregoing, any antenna that is designed to receive direct broadcast satellite service or video programming services via multi point distribution services which is one meter or less in diameter or any antenna designed to receive television broadcast signals (any antennas which meet such specifications shall hereafter be called individually and collectively "Approved Antenna") is approved if it complies with the following:

- (i) the Approved Antenna will be located in the rear yard or side yard of a Lot; provided that for those Lots with rear or side yards bordering the Golf Course, the Approved Antenna will be placed as far from the Golf Course as is reasonably possible;
- (ii) the Approved Antenna will not be located at the peak of the roof of a dwelling;
- (iii) the Approved Antenna will be reasonably screened so as not to be unreasonably visible from the Golf Course or any street adjacent to the Lot upon which the Approved Antenna will be located; and
- (iv) the Approved Antenna will be of a color that blends with the surrounding environment.

To the extent that any of the requirements set forth in subparagraphs (i) through (iv) above preclude the reception of an acceptable quality signal to the Approved Antenna, such requirement or requirements shall be deemed waived only to the extent necessary to receive an acceptable quality signal. Further, an Owner who wishes to install an Approved Antenna shall register with the ASC by filling out a form containing reasonable information regarding the Approved Antenna prior to its installation. Notwithstanding the foregoing, Declarant, the Association, or any Owner of the Club Amenities each may install, in its discretion, antennas or satellite or microwave dishes, and other equipment in connection with providing security, television, telecommunications mobile radio, or other similar services or contract with a public or private cable television provider or carrier for such service as to Property owned by it.

Section 18. WATER: No private water wells of any kind may be drilled, maintained on, or supply water to, any portion of the Property except by Declarant or the Owner(s) of Club Amenities as to any portion of the Property owned by it/them or as permitted by Article Three, Section 10, or with the ASC's consent, which may be withheld in its discretion: (a) notwithstanding said language, Candlewood may use and maintain its community irrigation system for all Lots within Candlewood provided said system is in compliance with all other provisions of this Restated Declaration and any other applicable controls, covenants, conditions, restrictions, easements, development guidelines, charges, and liens; and (b) if no water system serves a subject Lot, the Owner(s) thereof may maintain a private water well on his said Lot for use by said Lot, but only after the construction and landscaping plans of such well have been approved by the ASC pursuant to this Article Ten, which approval may be withheld in the ASC's discretion, and, upon installation of a water system and placement of a distribution line for said water system adjacent to and serving the Lot, the Owner(s)

thereof may continue to use said well only for purposes of irrigating said Lot with the ASC's consent and said Owner must derive his household and drinking water from the water system serving the Lot. All Owners shall pay the regular fees and charges to the utility providing water service. Should an Owner fail for fifteen (15) days after notice of its delinquency to pay the water bill, the Person(s) (including any municipality, other governmental authorities, utility, or the Association), as the case may be, providing the water service may discontinue the water service to said Owner and deny reconnection until the delinquent bill and a reconnection fee are paid.

Section 19. SEWER: Owners may not discharge into the sewer system servicing the Development any material(s) other than standard household effluent for which the sewer system service is intended. Prohibited discharge into the sewer system includes: (a) water from private wells and HVAC systems; (b) stormwater runoff or systems including gutters and downspouts; and (c) motor oil, radiator fluid, paint, and similar substances hazardous or potentially hazardous to a sewer system. In the event of any such wrongful discharge from any Lot or Club Amenities, the Owner(s) thereof shall pay the costs, fees, and damages arising therefrom to the applicable utility.

Section 20. SALES AND CONSTRUCTION ACTIVITIES: Declarant and the Owner(s) of Club Amenities and each of their agents, employees, and contractors authorized by each of them may maintain such facilities and carry on such activities as may be reasonably convenient or incidental to the completion, improvement, and sale of Lots and/or Club Amenities, as the case may be, including the right to install and operate construction trailers, sales offices, signs, and model dwellings. The right to maintain such facilities and carry on such activities shall include the right of Declarant to use dwellings as models and to use any of Declarant's dwellings as an office for the sale of Lots and related activities. In addition, Declarant and its agents, employees, and contractors authorized by Declarant shall have the right to construct, maintain, and operate a sales and or rental office at any Lot owned by Declarant or on any Common Area that Declarant deems expedient in the Development. The Owner(s) of the Club Amenities and its/their agents, employees, and contractors authorized by such Owner(s) shall have the right to construct, maintain, and operate a sales and/or rental office on their Club Amenities or on any Lot owned by such Owner(s) or on any Common Area.

Section 21. PARKING:

(a) No vehicles, trucks, vans, cars, trailers, construction equipment, and other similar equipment may be parked overnight on any street within the Property, except as otherwise provided herein.

(b) No vehicle of any size which transports inflammatory or explosive cargo may be kept in the Property at any time, unless granted a variance by the ASC, in its discretion. No vehicles that are not in a condition to be normally operated or that do not have a current registration tag may be stored or situated on any Lot for more than thirty (30) days unless stored in an enclosed garage.

(c) Commercial-use vehicles and trucks not involved with construction activity on the Property and with carrying capacity and/or size designation greater than or equal to three-fourths

(3/4th) ton, not including mini-vans, Suburbans, or similar large non-commercial vehicles, shall not be permitted to park overnight on the streets, driveways, or otherwise within the Property, unless stored in an enclosed garage.

(d) The Owner of each Lot will be responsible for providing on each Lot sufficient paved parking area for all vehicles normally parked and/or situated on or in regard to such Lot, except those in enclosed garages or in an enclosure specifically approved by the ASC for such maintenance or storage.

(e) No recreational vehicles or related equipment, including any boat, houseboat, trailer, motor home, or "camper" vehicle may be maintained, stored, or kept on any portion of the Property, except in enclosed garages or in an enclosure specifically approved by the ASC for such maintenance or storage.

(f) All vehicles must be parked so as not to impede traffic or damage vegetation.

(g) No construction office trailers may be placed, erected, or allowed to remain on any Lots during construction, except as provided in Article Ten, Section 20 and except as approved in writing by the ASC. Construction vehicles (trucks, vans, cars, construction equipment, equipment trailers, etc.) may be left overnight on the Property (including any Lot or street) if permitted by the ASC in its discretion.

(h) Notwithstanding this Section 21, the Club Amenities Owner(s) may store vehicles used in conjunction with the operation of the Club Amenities on a portion of the Property designated by Declarant for such use. Use of such Club Amenities vehicle storage area, if on a Common Area, shall be paid for by the Club Amenities Owner(s) at a reasonable fee determined by Declarant.

Section 22. OUTDOOR LIGHTING USAGE: Standards for exterior lighting may be set forth in the Architectural Standards regarding location, uses, and types. All outdoor lighting on any Lot or Club Amenities (including landscape, pool, outdoor recreational area lighting, and decorative post lamp fixtures), must be placed so as to be shielded from shining on any dwelling or adjacent Lots or Club Amenities. The Association may investigate outdoor lighting on any Lot or Club Amenities and determine, in the Association's discretion, whether the Owner(s) must redirect the light(s) to prevent such light(s) from shining on any dwelling or adjacent Lots or Club Amenities. Floodlights shall be shielded so that the light source thereof (e.g., the light bulb) is not visible from the side of such floodlight.

Section 23. MAILBOXES: No mailboxes or other receptacles for receiving mail, newspapers, magazines or other similar items shall be permitted on any Lot. The Property is served by a post office building such that Owners will receive an assigned box number at said building to receive mail from the United States Postal Service. Notwithstanding the foregoing language, Declarant and the Owner(s) of the Club Amenities may have mailboxes on the Property. Further, if in the future the Property is not served by a post office building, then Owners of Lots may place ASC-approved mailboxes on their Lots in accordance with the Architectural Standards.