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**DECLARATION OF
 COVENANTS, RESTRICTIONS AND CONDITIONS
 FOR
 THE LANDING ONE SUBDIVISION**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made as of the date on the signature page hereof by authorized members of the Landing One Home Owners Association. Declarant is the owner(s) of the real property described as all those certain parcels, pieces or tracts of land lying, being and located in Brunswick County, North Carolina, including all improvements, fixtures, rights, privileges, hereditaments, and appurtenances thereto belonging, being more particularly set forth and described on the "Plat of Survey of Lots 203 through 233 of The Landing One Subdivision" all according to a survey by James R. Tompkins, R.L.S., dated 29 December 1987 and being duly recorded in Map Cabinet S, Page 207 of Brunswick County Registry,

This declaration imposes upon the Properties (as defined in Article I below) mutually beneficial restrictions for the benefit of the owners of each portion of the Properties and establishes a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Properties. In furtherance of such plan, this declaration provides for the creation of Landing One Home Owners Association to own, operate and maintain Common Areas (as defined in Article 1 below) and to administer and enforce the provisions of this declaration and the By-Laws (as defined below).

Declarant hereby declares that all of the property described above shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, and conditions which shall run with the title to the real property subjected to this declaration. This declaration shall be binding upon all parties having any right, title, or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of the Properties.

**Article 1
DEFINITIONS**

The terms in this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1 "Association": Landing One Home Owners Association, a North Carolina nonprofit corporation, its successors or assigns.

1.2 "Board of Directors" or "Board": The body responsible for administration of the Association, made up of the elected officers (President, Vice-President, Secretary and Treasurer, and generally serving the same role as the board of directors under North Carolina Corporate law.

1.3 "By-Laws": The By-Laws of the Landing One Home Owners Association attached as Exhibit "A", as they may be amended.

1.4 "Common Area": All real and personal property, including easements, which the Association owns, leases or holds possessory or use rights in for the common use and enjoyment of the Owners.

1.5 "Common Expenses": The actual and estimated incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to this Declaration, the By-Laws, and the Articles of Incorporation.

1.6 "General Assessment": Assessment levied on all Units to fund Common Expenses for the general benefit of all units.

1.7 "Properties": The real Property described above as the Landing One Subdivision.

1.8 "Unit": A portion of the Properties as described in Article 1, Paragraph F of the Bylaws, whether improved or unimproved, intended for development, use, and occupancy as a residence for a single family. The term shall refer to the land which is part of the Unit as well as any improvements thereon. The term "Lot" may at times also be used.

Article 2

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

2.1 Function of Association: The Association shall be the entity responsible for management, maintenance, operation and control of the Common Area and all improvements thereon. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable rules regulating use of the Properties as the Board may adopt pursuant to Article 6. The Association shall perform its functions in accordance with the governing documents and laws of the State of North Carolina.

2.2 Enforcement: The Board, or the covenants committee if established, may impose sanctions for violation of this Declaration, the By-Laws, or any rule or regulation. Such sanctions may include, without limitation:

(a) Imposing reasonable fines which shall constitute a lien upon the Unit of the violator. (In the event that any occupant, guest or invitee of a Unit violates the Declaration, the By-Laws, or

any rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided however, if the fine is not paid by the occupant within the time period set by the Board, The Owner shall pay the fine upon notice from the Board,);

- (b) Filing liens in the Public Records for nonpayment of any assessments or fees;
- (c) Filing notices of violations in the Public Records providing record notice of any violation of the governing documents;
- (d) Suspending an owner's right to vote;
- (e) Levying specific assessments to cover costs incurred in bringing a unit into compliance with Article 4.4.

All remedies set forth in this declaration and the By-Laws shall be cumulative of any remedies available at law or in equity. In any action to enforce the provisions of this declaration, the By-Laws, or any rule or regulation, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

The Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board in the exercise of its business judgment determines is, or is likely to be construed a waiver of the right of the Association to enforce such provision under any circumstances or stop the Association from enforcing any other covenant, restriction or rule.

The Association, by contract or other agreement, may enforce county ordinances, if applicable, and permit local governments to enforce ordinances on the Properties for the benefit of the Association and its members.

2.3 Implied Rights: Board Authority: The Association may exercise any right or privilege given to it expressly by this declaration or the By-Laws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in this declaration, the By-Laws, the Articles, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

2.4 Indemnification: The Association shall indemnify every officer, director, and other committee member against all damages and expenses, including attorneys fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlements of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or other committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section, the Articles of Incorporation, and North Carolina law.

The officers, directors, and other committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers, directors, and other committee members shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers, directors, or other committee members may also be members of the Association). The Association shall indemnify and forever hold each such officer, director, and other committee member harmless

from any and all liability to others on account of any such contract, commitment of action. His right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or other committee member may be entitled.

2.~ Dedication of Common Area: The Association may dedicate portions of the Common Area to Brunswick County, North Carolina, or to any other local, state, or federal governmental or quasi-governmental entity.

Article 3 **MAINTENANCE**

3.1 Association's Responsibility: The association shall maintain and keep in good condition, order and repair the Common Area including streets.

3.2 Owner's Responsibility: Each owner shall maintain his or her Unit, and all structures, parking areas, and other improvements comprising the Unit in a manner consistent with the community wide standard and all applicable covenants. With respect to a Unit upon which a dwelling has not yet been constructed, such maintenance responsibility shall include, but is not limited to, the removal of all litter and trash and lawn mowing on a regular basis. In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may enter the premises, perform such maintenance responsibilities, and assess all costs incurred by the Association against the Unit and the Owner. Any such entry shall not be deemed a trespass. Failure to reimburse for these expenses within 30 days after receipt of a bill, shall authorize the Association to file a claim of lien and proceed with legal action to collect on the lien plus attorneys fees and expenses.

In connection with this section the Owners of undeveloped Units shall mow or bush hog their lot at least twice each year. If the owner does not, then the Home Owners Association shall have the right to enter the lot, mow it, and the Owner shall be responsible for costs as noted above.

3.3 Standard of Performance: Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the community wide standard and all applicable covenants. The Association, and/or an Owner shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in performance of its maintenance responsibilities.

Article 4 **ASSESSMENTS**

4.1 Creation of Assessments: There are hereby created assessments for Association expenses as the Board may specifically authorize from time to time. There shall be three types of assessments: (a) General Assessments to fund Common Expenses for the general benefit of all Units; (b) Special Assessments as 4.3~ and (c) Specific Assessments as described in Section 4.4. Each Owner, by accepting a deed or entering into a contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments.

All assessments and fees, together with interest, late charges, costs of collection, and reasonable attorneys fees, shall be a charge and continuing lien upon each Unit against which the assessment is made until paid, as more particularly provided in Section 4.7. Each assessment,

together with interest, late charges, costs, and reasonable attorneys' fees, also shall be the personal obligation of the person who was the Owner of such Unit at the time the assessment arose. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no first Mortgagee who obtains title to a Unit by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon request, furnish to any Owner liable for any type of assessment a written statement signed by an Association officer setting forth whether such assessment has been paid. Such statement shall be conclusive evidence of payment.

Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the General Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately. Any assessment or installment thereof shall be considered delinquent on the 15th day following the due date unless otherwise specified by Board resolution.

No Owner may exempt himself from liability for assessments by non-use of Common Area, abandonment of his Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No Diminution or abatement of assessments or off-set shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

4.2 Computation of General Assessment: At least 30 days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year, including a capital contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 5.4.

General Assessments shall be levied equally against all Units and shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including reserves.

The Board shall send a copy of the budget and notice of the amount of the General Assessment for the following year to each Owner at least 30 days prior to the beginning of the fiscal year for which it is to be effective. Such budget and assessment shall become effective unless disapproved at a meeting representing at least 2/3 of the voting members. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the members as provided for special meeting in Article 2, Section 4 of the By-Laws. This petition must be presented to the Board within 20 days from the delivery of the notice of assessments. If a meeting is requested, assessments pursuant to such proposed budget shall not become effective until after such meeting is held, provided such assessments shall be retroactive to the original effective date of the budget if not disapproved at such meeting.

If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the

immediately preceding year shall continue for the current year. The Board shall send a copy of the revised budget to each Owner at least 30 days prior to its becoming effective. The revised budget shall become effective unless disapproved in accordance with the above procedure.

4.3 Special Assessments: In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted for Common Expenses. Special Assessments shall be allocated equally among all Units. Any Special Assessment shall become effective unless disapproved at a meeting by 2/3 of voting members. There shall be an obligation to call a meeting for the purpose of considering any Special Assessment. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

4.4 Specific Assessments: The Association shall have the power to levy Specific Assessments against a particular Unit or Units to cover costs incurred in bringing the Unit(s) into compliance with the terms of this Declaration, By-Laws or rules, Also to cover costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests: provided however, the Board shall give the Unit Owner prior written notice and an opportunity to be heard before levying any Specific Assessment under this section (4.4).

4.5 Remedies for Non-Payment of Assessments: Any assessments of other charges which are not paid when due shall be delinquent. Delinquent assessments shall bear interest from the due date at the rate of 1 % over the current prime or at the highest rate allowed by law, together with such late fees as may be set by the Board. The Association may file a lien of record against any Unit where there remains an assessment unpaid for a period of thirty (30) days or longer. Said lien shall be filed in the Public Records in a manner provided therefore by Article 8 of Chapter 44 of the North Carolina General Statutes. The Association may bring an action at law against any Owner personally obligated to pay any assessments, charges, interest or other costs. Costs and reasonable attorneys' fees for the prosecution of any such action shall be added to the amount due. In the event of such action at law and in the further event that such action results in a judgment being entered against the Owner and in favor of the Association, then, and in that event, the Association shall collect on such judgment in such manner and to the extent provided and permitted by the laws of the State of North Carolina.

4.6 Date of Commencement of Assessments: The obligation to pay assessments shall commence as to each Unit on the date that such Unit is conveyed to a person or persons. The first annual General Assessment, if any, levied on each Unit shall be adjusted according to the number of days remaining in the fiscal year at the time assessments commence on the Unit.

4.7 Failure to Assess: Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each owner shall continue to pay General Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

Article 5

USE RESTRICTIONS

5.1 General: This Article sets out certain use restrictions which must be complied with by all Owners and occupants of any Unit.

5.2 Residential Use: All Units shall be used exclusively for single family residential purposes. Any other use of the Unit whatsoever shall be deemed a violation of these covenants, restrictions and conditions. No more than one residential building shall be erected on any one Unit (lot).

An Owner or occupant residing in a Unit may conduct business activities with the Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of the residents of the Properties; and (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined by the sole discretion of the Board.

The leasing of a Unit shall not be considered a business or trade within the meaning of this subsection.

5.3 Leasing: Units may be leased for residential purposes only. All leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Declaration, By-Laws, use restrictions, and rules and regulations of the Association. The lease shall also obligate the tenant to comply with the foregoing.

5.4 Occupants Bound: All provisions of the Declaration, By-Laws, and of any rules and regulations or use restrictions governing the conduct of the Owners and establishing sanctions against Owners shall also apply to all occupants even though occupants are not specifically mentioned. Fines may be levied against Owners or occupants. If a fine is first levied against an occupant and is not paid timely, the fine may then be levied against the Owner.

5.5 Animals and Pets: No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any Unit, with the exception of dogs, cats, or other usual and common household pets in reasonable number, as determined by the Board. Should the household pet be a dog or other large pet, it shall be kept in the dwelling, confined to the lot, or accompanied by a person and shall not be allowed to run loose in the Properties. All pets shall be kept in such a manner as to not become a nuisance by barking or other acts. The owners of the pet shall be responsible for all of the pet's actions.

5.6 Nuisance: It shall be the responsibility of each Owner and occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her property. No Unit within the Properties shall be used, in whole or in part, for storage of any property or thing that will cause such Unit to appear to be in an unclean or untidy condition or that will be obnoxious to the eye: nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property.

5.7 Completion of Construction: Occupancy of Unfinished Units: No dwelling erected upon any Unit shall be occupied in any manner before commencement of construction or while in the course of construction, nor at any time prior to the dwelling being fully completed. After commencement of construction, each Owner shall diligently continue construction to complete such construction within one year from commencement.

For the purposes of the Section, commencement of construction shall mean that (a) a building permit has been issued for the Unit by the appropriate jurisdiction; and (h) construction of a residential dwelling on the Unit has physically commenced beyond site preparation. Completion of a dwelling shall mean that a certificate of occupancy has been issued by the appropriate jurisdiction for the Unit.

5.8 Temporary Structures: No temporary house, dwelling, garage, barn or out building shall be placed or erected on any Unit. No mobile home, travel trailer, camper or recreational vehicle shall be stored, parked or otherwise allowed to be placed on a Unit as a temporary or permanent dwelling.

5.9 Guns: The discharge of firearms on the Properties is prohibited. The term "firearms" is defined as a weapon using gunpowder as a propellant.

Article 6 **GENERAL STANDARDS**

6.1 Subdividing: The Units, (lots) shall not be divided or subdivided, nor shall any portion or any less than the whole of any one unit be sold or conveyed, except that the unit may be subdivided into two portions and conveyed to the owners of adjoining lots on either side, so as to become part thereof.

6.2 Size and Type: No home shall be erected on any Unit containing a gross enclosed heated floor space of less than 1,800 square feet, exclusive of porches, garages and carports. The home shall be site built on the premises and shall not be a mobile home, modular home or other similar type of construction.

6.3 Exterior Materials: The exterior of any building must be of brick, wood, stucco, vinyl siding, masonite or equivalent siding.

6.4 Toilet Facilities: No outside toilet facilities may be constructed or utilized. All sanitary facilities must be constructed in accordance with generally recognized good standards for health and must be approved by the Brunswick County Health Authorities.

6.5 Set-backs: No building may be built on any lot within ten (10) feet of any boundary line or less than a 25 foot setback from the street right-of-way line, and shall further be so placed as to conform to the set-back lines of the adjacent lots facing the same street.

6.6 Construction Bond for Common Area Repair: in order to ensure repair of any damage to roads, entry areas, and shoulder easements, a refundable construction bond in the amount of \$2000.00, made payable to Landing One Homeowners Association, shall be paid by the general contractor prior to the start of any residential construction. This bond is placed in a non-interest bearing account until it is refunded to the contractor five days after the Association receives a copy of the certificate of occupancy. **NOTE: All or part of the construction bond**

may be retained to rectify any damage as determined by the estimation of a designated Association representative.

Article 7
General Provisions

7.1 Duration:

(a) Unless terminated as provided in Section 7.1 (b), this Declaration shall run with the land and shall be binding on all parties and Persons claiming under them for a period of 20 years from the date this Declaration is recorded. This declaration shall automatically be extended at the expiration of such period for successive periods of 20 years each, unless terminated as provided herein, Notwithstanding the above, if any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

(b) Unless otherwise provided by North Carolina law, in which case such law shall control, this Declaration may not be terminated within 20 years of the date of recording without the consent of all Owners. Thereafter, it may be terminated only by an instrument signed by Owners of at least 75% of the total Units within the Properties, which instrument is recorded in the Public Records.

7.2 Amendment: Except as otherwise specifically provided elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof of voting Units representing 2/3 of the total votes in the Association.

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

(b) Any amendment to the Declaration shall become effective upon recordation in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

7.3 Severability: Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

7.4 Dispute Resolutions: It is the intent of the Association to encourage the amicable resolution of disputes involving Properties and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, the Association and each Owner covenants and agrees that it shall attempt to resolve all claims, grievances or disputes involving the Properties, including, without limitation, claims, grievances or disputes arising out of or relating to the

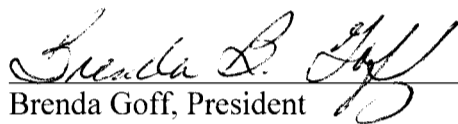
interpretation, application or enforcement of this Declaration, the By-Laws, the Association rules, or the Articles through alternative dispute resolution methods, such as mediation and arbitration. To foster the amicable resolution of disputes, the Board may adopt alternative dispute resolution procedures.

Participation in alternative dispute resolution procedures shall be voluntary and confidential. Should either party conclude that such discussions have become unproductive or unwarranted, then the parties may proceed with litigation.

7.5 Litigation: Except as provided elsewhere, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by 75% of the Voting Units.

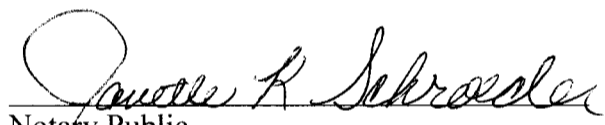
7.6 Compliance: Every Owner and occupant of any Unit shall comply with the Governing Documents. Failure to comply shall be grounds for an action by the Association or by any aggrieved Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association in Section 2.2.

7.7 Exhibits: Exhibit "A" to this Declaration, (By-Laws of Landing One Home Owners Association) is attached for informational purposes and may be amended as provided therein.


Brenda Goff, President
Landing One Homeowners Association

Subscribed and sworn to before me this 29 day of January, 2008

My Commission expires: 12-5-2008


Notary Public

