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Craven County, North Carolina
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DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
HICKORY RUN AT RIVER TRACE, PHASE I

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Submitted electronically by "Steven K. Bell, Attorney at Law, PC"
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Craven County Register of Deeds.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HICKORY RUN AT RIVER TRACE, PHASE I

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
HICKORY RUN AT RIVER TRACE, PHASE I

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR HICKORY RUN AT RIVER TRACE, PHASE I ("Declaration") is made this 15 day of February, 2023, by Brice's Creek Mini Storage, LLC, a North Carolina limited liability company (herein referred to as the "Declarant"); and ALL PROSPECTIVE PURCHASERS AND OWNERS of Lots 35 through 47, inclusive, shown on the plat entitled "Hickory Run at River Trace, Phase I," recorded in Plat Cabinet J, Slide 43G, in the office of the Register of Deeds of Craven County and any other Lots which hereinafter are annexed into the Subdivision pursuant to the provisions of Article 9 hereof;

WHEREAS, Declarant is the owner in fee simple of the real property described in Exhibit A, which is attached hereto and incorporated herein by reference, and to subject the Hickory Run at River Trace, Phase I Property (as defined in Article 1) to mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the property described on Exhibit A and any additional property Declarant elects to subject to this Declaration pursuant to the terms hereof, and to establish a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Hickory Run at River Trace, Phase I Property; and,

WHEREAS, Declarant hereby declares that all of the property described in Exhibit A and any additional property subjected to this Declaration (as defined in Article 9) shall be held, sold, used and conveyed subject to the Act and to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the desirability of, and which shall run with, the real property subjected to this Declaration. No real property other than the property described on Exhibit A is subject to this Declaration until explicitly made subject to this Declaration, and Declarant is not obligated to subject any additional property to this Declaration. This Declaration shall be binding on and shall inure to the benefit of all parties having any right, title, or interest in the property described in Exhibit A and any property subsequently made subject to this Declaration or any part thereof, their heirs, successors, successors-in-title, and assigns.

Article 1. Definitions.

The terms used 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 "Act": Chapter 47F of the General Statutes of North Carolina designated as the North Carolina Planned Community Act.

1.2 "Articles": The Articles of Incorporation of HICKORY RUN AT RIVER TRACE Property Owners Association, as filed with the North Carolina Secretary of State.

1.3 "Assessment": Assessments levied on Lots to fund the Common Expenses. No Assessment shall be imposed on Lots owned by the Declarant.

1.4 "Association Documents": Collectively, the Articles of Incorporation of the Hickory Run at River Trace Property Owners Association, the Bylaws of the Hickory Run at River Trace Property Owners Association and this Declaration, the Rules and Regulations, and any resolutions adopted by the Board, all as may be amended, restated and revised from time to time. Any exhibit, schedule or amendment to an Association Document shall be considered a part of that document.

1.5 "Benefited Assessment": Assessments levied against certain Lots under Article 10.

1.6 "Hickory Run at River Trace Property Owners Association": "Association: Hickory Run at River Trace Property Owners Association, a North Carolina nonprofit corporation, its successors and assigns.

1.7 "Hickory Run at River Trace, Phase I Common Area": All real and personal property in which the Hickory Run at River Trace Property Owners Association now or hereafter owns, leases or otherwise holds possessory or use rights for the common use and enjoyment of the Owners, including easements held by the Hickory Run at River Trace Property Owners Association for those purposes. The term shall also include any and all permits and other such intangible property held by the Hickory Run at River Trace Property Owners Association for the common use and benefit of the Owners. The term also includes any Common area hereinafter annexed. The Hickory Run at River Trace, Phase I Common Area includes Common Areas A, B and C depicted on the Recorded Plat.

Notwithstanding this definition, Section 47F-3-112 of the Act, which requires certain membership approval and certain procedures to convey portions of Common Area, shall apply only to those portions of the Hickory Run at River Trace Phase I Common Area included in real estate owned or leased by the Hickory Run at River Trace Property Owners Association other than Lots and shall not apply to the granting of easements or user rights over the Common Areas.

1.8 "Hickory Run at River Trace Property": The property described by Exhibit C attached hereto and incorporated herein by reference. No portion of the Hickory Run at River Trace Property other than the Hickory Run at River Trace, Phase I Property is subject to the provisions of this Declaration unless such portion has been annexed in accordance with Article 9 hereof.

1.9 "Hickory Run at River Trace, Phase I Property": "Subdivision": The real property described in Exhibit A, together with such additional property as is subjected to/annexed into this Declaration in accordance with the provisions of Article 9 and excluding any real property withdrawn from the encumbrance of this Declarant in accordance with Article 9.

1.10 "Board of Directors" or "Board": The body responsible for administration of the Hickory Run at River Trace Property Owners Association selected as provided in the Bylaws.

1.11 "Builder": Any Licensed Contractor designated by Declarant as a Builder who purchases one or more Lots for the purpose of constructing Dwelling Units for resale to consumers in the ordinary course of its business, Builder who is building a custom home for others, or who purchases one or more parcels of land within the Hickory Run at River Trace Property or contiguous property for further development and/or sale or resale in the ordinary course of its business.

1.12 Omitted

1.13 "Bylaws": The Bylaws of the Hickory Run at River Trace Property Owners Association as they may be amended from time to time.

1.14 "Common Expenses": Any and all expenditures made by or financial liabilities and obligations of the Hickory Run at River Trace Property Owners Association, together with any allocations to reserves. The costs of operation, maintenance and repair of the storm water ponds, drainage areas, street lights, signage and drainage outlets referenced in the Permit are Common Expenses.

1.15 "Community-Wide Standard": The standard of conduct, upkeep, or other activity generally prevailing throughout the Hickory Run at River Trace, Phase I Property. The standard shall be established initially by Declarant and after the expiration of the Development Period (hereinafter defined) shall be determined by the Board of Directors and the Reviewing Body (as described in Article 11). The standard may contain both objective and subjective elements, and may evolve and change as development progresses and as the needs and desires within the Hickory Run at River Trace, Phase I Property change.

1.16 "Covenant to Share Costs": Any declaration of easements and covenants to share costs executed by Declarant and recorded in the Register of Deeds which creates easements for the benefit of the Hickory Run at River Trace Property Owners Association and the present and future owners of the real property subject to the Declaration and which obligates the Hickory Run at River Trace Property Owners Association and such owners to share the costs of maintaining certain property described therein.

1.17 "Declarant": Brices Creek Mini Storage, LLC, a North Carolina limited liability company, or any successor, successor-in-title, or assignee thereof, who is designated as Declarant in a recorded instrument executed by the immediately preceding Declarant. There may be multiple Declarants in the event that the Declarant elects to assign portions of the Declarant rights hereunder to another party.

1.18 "Declaration"; "Restrictions": This Declaration, including any exhibit, schedule or amendment thereto, all as may be amended, restated and revised from time to time.

1.19 "Development Period": The period ending on the earliest of (a) thirty (30) years from the date this Declaration is recorded in the Register of Deeds; provided, that if Declarant is delayed in the improvement and development of the Hickory Run at River Trace, Phase I Property or any property hereafter annexed, as a result of a sewer, water or building permit moratorium or other cause or event beyond Declarant's control, then the aforesaid period shall be extended for the length of the delay plus an additional two (2) years upon written notice to the Hickory Run at River Trace Property Owners Association of such extension; or (b) the date specified by Declarant(s) in a recorded instrument executed by all then current Declarants as to the property for which the executing party is the current Declarant that the Development Period is to terminate on that date so stated.

1.20 "Dwelling Unit": Any building or structure or portion of a building or structure situated upon a Lot which is intended for use and occupancy as an attached or detached residence for a single family.

1.21 "Landscaping": Living plants, shrubs, trees, vegetation, ground coverings (including grass and sod) and appurtenant live/growing vegetative materials, straw, mulches, composting materials, pools (other than swimming pools), ornamental ponds, ornamental structures and any other living or non-living material or structure reasonably constituting a part of any or all of the foregoing installed upon a Lot.

1.22 "Lot": A portion of the Hickory Run at River Trace, Phase I Property and other property hereafter annexed, whether improved or unimproved, other than Common Area and property dedicated to the public, which may be independently owned and conveyed and which is separately identified on a Recorded Plat. The term shall refer to the land, if any, which is part of the Lot as well as any improvements thereon including but not limited to the Dwelling Unit.

For all purposes set forth in the Association Documents, a Lot comes into existence upon the recordation in the Register of Deeds of a Recorded Plat or plat depicting said Lot and the deed in which the Lot has been annexed. Nothing herein obligates Declarant to subject any additional Lots to this Declaration.

1.23 Omitted

1.24 Omitted

1.25 "Member": A Person having membership in the Hickory Run at River Trace Property Owners Association consistent with Article 3 of this Declaration.

1.26 "Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security deed encumbering a Lot.

1.27 "Mortgagee": A beneficiary or holder of a Mortgage.

1.28 "Owner": One or more Persons who hold the record title to any Lot, except Persons holding an interest merely as security for the performance of an obligation in which case the equitable owner will be considered the Owner.

1.29 "Permit": North Carolina Stormwater Management Permit No. SW7211203 issued for the real property described in Exhibit A, and any additional North Carolina Stormwater Management Permits. The Permit is applicable to the Hickory Run at River Trace, Phase I Property and the Hickory Run at River Trace Property described by Exhibit C. The Permit includes any amendments, additions, modifications or replacements of the Permit.

1.30 "Person": A natural person, corporation, limited liability company, partnership, trust, or any other legal entity.

1.31 "Project": Hickory Run at River Trace, Phase I development located on the Hickory Run at River Trace Property.

1.32 "Recorded Plat": Any and all maps and plats recorded in the Register of Deeds depicting portions of the Hickory Run at River Trace, Phase I Property, or other property hereinafter annexed and subject to this Declaration, including without limitation that certain map entitled "HICKORY RUN AT RIVER TRACE, PHASE I," recorded in Plat Cabinet J, Slide 43G, in the office of the Register of Deeds of Craven County.

1.33 "Register of Deeds": The office of the Register of Deeds of Craven County, North Carolina.

1.34 "Stormwater Management Facilities; Stormwater Pond": All areas consisting of ditches and swales, retention ponds, outlet pipes, discharge areas and other improvements which are constructed pursuant to, regulated by and defined by, the Permit.

1.35 "Supplemental Declaration": An amendment or supplement to this Declaration filed pursuant to Article 9 which subjects and annexes additional property to this Declaration and identifies the Common Area within the additional property, if any, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein.

1.36 "Upkeep": Care, inspection, maintenance, operation, repair, repainting, management of vegetation, sign upkeep, remodeling, restoration, improvement, renovation, alteration, replacement and reconstruction.

1.37 "Use Restrictions": The rules and use restrictions are more fully defined as set forth in Article 11 and Sections 12.3, 12.4 and 12.5 and by Exhibit B.

1.38 "Utility Company": A public or private company or entity duly licensed and authorized by the North Carolina Utilities Commission to provide utility services within a

specified franchise area and any entity providing utility services on behalf of a body politic, municipality or other governmental body or entity.

Article 2. Hickory Run at River Trace, Phase I Property Rights.

2.1 Hickory Run at River Trace, Phase I Common Area: Every Owner shall have a right and nonexclusive easement, in common with all other Owners, of use, access, and enjoyment in and to the Hickory Run at River Trace, Phase I Common Area and any Common Area hereinafter annexed, subject to:

- (a) The Association Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Hickory Run at River Trace Property Owners Association or shown on the Recorded Plat;
- (c) All applicable provisions of the Act;
- (d) The right of the Declarant and Board to adopt rules, regulations or policies regulating the use and enjoyment of the Common Area as described in Section 12.4 herein, including rules restricting use of the Common Area;
- (e) The right of the Declarant or Hickory Run at River Trace Property Owners Association to dedicate or transfer all or any part of the Common Area to governmental entities pursuant to Section 15;
- (f) The right of the Declarant and Hickory Run at River Trace Property Owners Association to create, enter agreements with, grant easements or right to use, and to transfer portions of the Common Area to tax-exempt organizations under Section 15; and,
- (g) The right of Declarant to grant easements and the right to use portions of the Common Area to Persons owning any portion of the property described by Exhibit C.

Article 3. Hickory Run at River Trace Property Owners Association Function, Membership and Voting Rights.

3.1 Function of Hickory Run at River Trace Property Owners Association. The Hickory Run at River Trace Property Owners Association shall be the entity responsible for management, Upkeep, operation and control of the Hickory Run at River Trace, Phase I Common Area. The Hickory Run at River Trace Property Owners Association shall be the primary entity responsible for enforcement of the Association Documents. The Hickory Run at River Trace Property Owners Association shall perform its functions in accordance with the Association Documents and North Carolina law. The Hickory Run at River Trace Property Owners Association shall have all powers reasonably necessary to perform its functions and

obligations described in the Association Documents including, but not limited to, all powers set forth in N.C. Gen. Stat. Chapter 55A and the Act. During the Development Period, the powers and authority of the Hickory Run at River Trace Property Owners Association and any of its Boards or Reviewing Body is subordinate and subject to Declarant Rights.

3.2 Membership. Every Owner shall be a Member of the Hickory Run at River Trace Property Owners Association. If a Lot is owned by more than one Person, all co-Owners shall be Members and share the privileges of such membership, subject to reasonable Board regulation, and the restrictions on voting set forth in Section 3.3 and in the Bylaws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is a corporation, limited liability company, partnership or other legal entity may be exercised by any officer, director, manager, partner, or trustee, or by any other individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Hickory Run at River Trace Property Owners Association.

3.3 Voting. All Owners shall have one (1) equal vote for each Lot in which they hold the interest required for membership under Section 3.2, provided, there shall be only one (1) vote per Lot.

(a) Omitted

(b) Except as otherwise specified in this Declaration or the Bylaws or as required by law, the vote for each Lot shall be exercised by the Owner. In any situation in which there is more than one Owner of a particular Lot, the vote for such Lot shall be exercised as such co-Owners determine among themselves and advise the Secretary of the Hickory Run at River Trace Property Owners Association in writing prior to any meeting. Absent such notice to the Hickory Run at River Trace Property Owners Association, the Lot vote shall be suspended if more than one Person seeks to exercise it. If the co-Owners are unable to agree on how the vote should be cast, it will be disregarded.

Article 4. Hickory Run at River Trace Property Owners Association Rights, Obligations and Services.

4.1 Personal Property and Real Property for Common Use. The Hickory Run at River Trace Property Owners Association may acquire, hold, and dispose of tangible and intangible personal property and real property. Declarant may convey to the Hickory Run at River Trace Property Owners Association improved or unimproved real estate, personal property and leasehold and other property interests. Such property shall be accepted by the Hickory Run at River Trace Property Owners Association and thereafter shall be maintained as Hickory Run at River Trace, Phase I Common Area by the Hickory Run at River Trace Property Owners Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed, including but not limited to restrictions governing the use of such property. During the Development Period, the powers and authority of the Hickory Run at River Trace Property Owners Association and any of its Boards or Reviewing Body is subordinate and subject to Declarant Rights.

4.2 Implied Rights; Board Authority. The Hickory Run at River Trace Property Owners Association may exercise any right or privilege given to it expressly by the Association Documents or which may be reasonably implied from, or reasonably necessary to effectuate, any such right or privilege. Except as otherwise specifically provided in the Association Documents, or by law, all rights and powers of the Hickory Run at River Trace Property Owners Association may be exercised by the Board without a vote of the membership.

4.3 Dedication of Hickory Run at River Trace, Phase I Common Area. During the Development Period, the Declarant, and thereafter the Hickory Run at River Trace Property Owners Association may dedicate or grant easements over portions of the Hickory Run at River Trace, Phase I Common Area to any local, state, or federal governmental entity or any Utility Company.

4.4 Disclaimer of Liability. Notwithstanding anything contained herein or in the Association Documents or the Act, neither the Hickory Run at River Trace Property Owners Association, the Board, the management company of the Hickory Run at River Trace Property Owners Association, Declarant nor any successor Declarant(s) shall be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Owner or occupant of any Lot or any tenant, guest or invitee of any Owner or occupant or for any property of any such Persons. Each Owner and occupant of a Lot and each tenant, guest and invitee of any Owner or occupant shall assume all risks associated with the use and enjoyment of the Hickory Run at River Trace, Phase I Property. Neither the Hickory Run at River Trace Property Owners Association, the Board, the management company of the Hickory Run at River Trace Property Owners Association, Declarant, nor any successor Declarant(s) shall be liable or responsible for any personal injury, illness or any other loss or damage caused by the presence or malfunction of utility lines or utility sub-stations adjacent to, near, over, or on the Hickory Run at River Trace, Phase I Property. Each Owner and occupant of a Lot and each family member, tenant, guest, and invitee of any Owner or occupant shall assume all risk of personal injury,

illness, or other loss or damage arising from the presence of utility lines or utility sub-stations and further acknowledges that the Hickory Run at River Trace Property Owners Association, the Board, the management company of the Hickory Run at River Trace Property Owners Association, Declarant or any successor Declarant(s) have made no representations or warranties, nor has any Owner or occupant, or any family member, tenant, guest, or invitee of any Owner or occupant relied upon any representations or warranties, expressed or implied, relative to the condition or impact of utility lines or utility sub-stations.

Each Owner (by virtue of his or her acceptance of title to his or her Lot) and each other Person having an interest in or lien upon, or making any use of, any portion of the Hickory Run at River Trace, Phase I Property (by virtue of accepting such interest or lien or making such use) shall be bound by this Section and shall be deemed to have waived any and all rights, claims, demands and causes of action against the Hickory Run at River Trace Property Owners Association, the management company of the Hickory Run at River Trace Property Owners Association, if any, Declarant and any successor Declarant(s), their directors, officers, committee and Board members, employees, agents, contractors, subcontractors, successors and assigns arising from or connected with any matter for which the liability has been disclaimed.

4.5 Provision of Services. The Hickory Run at River Trace Property Owners Association may provide services and facilities for the Members of the Hickory Run at River Trace Property Owners Association and their guests, lessees and invitees. The Hickory Run at River Trace Property Owners Association shall be authorized to enter into contracts or other similar agreements with other entities, including Declarant, to provide such services and facilities. The costs of services and facilities provided by the Hickory Run at River Trace Property Owners Association may be funded by the Hickory Run at River Trace Property Owners Association as a Common Expense. In addition, the Board shall be authorized to charge additional use and consumption fees for services and facilities. By way of example, some services and facilities which may be provided include landscape maintenance, pest control service, cable television service, security, caretaker, fire protection, utilities, and similar services and facilities. The Board, subject to the terms of the contracts for facilities or services, but without the consent of the Members of the Hickory Run at River Trace Property Owners Association, shall be permitted to modify or cancel existing services or facilities provided, if any, or to provide additional services and facilities. Nothing contained herein can be relied upon as a representation as to what services and facilities, if any, will be provided by the Hickory Run at River Trace Property Owners Association. This paragraph shall be specifically construed to allow the Hickory Run at River Trace Property Owners Association to enter into a contract for the overall management of the Hickory Run at River Trace Property Owners Association with any individual or corporation. The Hickory Run at River Trace Property Owners Association or its managing agent shall also be permitted to provide services to any Owners where it deems it to be in the interest of the Hickory Run at River Trace Property Owners Association to do so.

4.6 Declarant Rights. As is provided in Article 15 hereof, the right of the Hickory Run at River Trace Property Owners Association (including Boards, officers, the

Reviewing Body, agents and committees) is subject and subordinate to Declarant's Rights as set forth in the Declaration.

4.7 View Impairment. Neither Declarant nor the Hickory Run at River Trace Property Owners Association guarantees or represents that any view over and across any property, including any Lot, from adjacent Lots will be preserved without impairment. Any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

4.8 Omitted.

4.9 Lakes, Ponds, and Other Water Features. To the extent that any lakes, ponds or other water features are included on the Hickory Run at River Trace, Phase I Property, neither the Declarant, the Hickory Run at River Trace Property Owners Association, nor any of their successors, assigns, officers, directors, committee members, employees, management agents, contractors or subcontractors shall be liable or responsible for maintaining or assuring the water quality or level in any lake, pond, canal, creek, stream, waterfall, water feature, or other water body adjacent to or within the Hickory Run at River Trace, Phase I Property, except as such responsibility may be specifically imposed by an applicable governmental or quasi-governmental agency or authority. Furthermore, all Owners and other users of any portion of the Hickory Run at River Trace, Phase I Property located adjacent to or having a view of any of the aforesaid water bodies shall be deemed, by virtue of their acceptance of a deed to, or use of, such portion of the Hickory Run at River Trace, Phase I Property, to have agreed to hold harmless all of the parties listed above for any and all changes in the quality and level of the water in such water bodies.

4.10 No Partition. Except as permitted in this Declaration, the Hickory Run at River Trace, Phase I Common Area shall remain undivided, and no Person shall bring any action for partition of the whole or any part thereof without the written consent of all Owners and Mortgagees.

Article 5. Maintenance.

5.1 Hickory Run at River Trace Property Owners Association's Responsibility. The Hickory Run at River Trace Property Owners Association shall provide Upkeep for the Hickory Run at River Trace, Phase I Common Area, which may include without limitation all Landscaping, signage, and other improvements upon the Hickory Run at River Trace, Phase I Common Area and shall include Upkeep for the Stormwater Pond, drainage outlet and discharge area. The Hickory Run at River Trace Phase I Common Area may also include any additional property included within the Hickory Run at River Trace, Phase I Common Area as may be dictated by this Declaration, any Supplemental Declaration, any Covenant to Share Costs, any Recorded Plat of any portion of the Hickory Run at River Trace Property, or any contract or agreement for maintenance thereof entered into by the Hickory Run at River Trace Property Owners Association.

The Hickory Run at River Trace Property Owners Association may also maintain and improve other property which it does not own, including, without limitation, property dedicated to public use, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard and if otherwise permitted by applicable law.

Except as otherwise specifically provided herein, all costs for Upkeep of the Hickory Run at River Trace, Phase I Common Area shall be a Common Expense allocated among all Lots as part of an Assessment, without prejudice to the right of the Hickory Run at River Trace Property Owners Association to seek reimbursement from the Persons responsible for, such work pursuant to this Declaration, other recorded covenants, or agreements with such Persons.

5.2 Owner's Responsibility. Each Owner shall provide for the Upkeep of his or her Lot, and his or her Dwelling Unit, and all other structures, parking areas, Landscaping, and other improvements upon the Lot in a manner consistent with the Community-Wide Standard and all applicable covenants, unless such responsibility for Upkeep is otherwise assumed by or assigned to the Hickory Run at River Trace Property Owners Association pursuant to any Supplemental Declaration or other declaration of covenants applicable to such Lot.

In addition to any other enforcement rights, if an Owner fails properly to perform his or her Upkeep responsibility, the Hickory Run at River Trace Property Owners Association may perform such work for Upkeep and assess all costs incurred by the Hickory Run at River Trace Property Owners Association against the Lot and the Owner in accordance with Section 5.3. The Hickory Run at River Trace Property Owners Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

5.3 Standard of Performance. All Upkeep shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants, as determined by

the Board. Upkeep may include such irrigation as the Board may determine necessary or appropriate to satisfy the Community-Wide Standard.

Notwithstanding anything to the contrary contained herein, neither the Hickory Run at River Trace Property Owners Association, nor any Owner shall be liable for property damage or personal injury occurring on, or arising out of the condition of, property which it does not own unless and only to the extent that it has been negligent in the performance of its maintenance responsibilities.

Article 6. Insurance and Casualty Losses.

6.1 Authority to Purchase - Notice. The Board shall have the power on behalf of the Hickory Run at River Trace Property Owners Association to (1) purchase insurance policies relating to the Hickory Run at River Trace, Phase I Common Area, (2) adjust all claims arising under such policies and (3) execute and deliver releases upon payment of claims. The cost of any and all insurance policies purchased by the Board relating to the Hickory Run at River Trace, Phase I Common Area shall be a Common Expense. The Board, the managing agent and the Declarant shall not be liable for failure to obtain any coverages described in this Article for any reason whatsoever. Exclusive authority to negotiate losses under such policies shall be vested in the Board or with its authorized representative. The Board shall promptly notify the members of material adverse changes in, or termination of, insurance coverages obtained on behalf of the Hickory Run at River Trace Property Owners Association.

6.2 Association Insurance. The Hickory Run at River Trace Property Owners Association shall maintain insurance coverage as required by § 47F-3-113 of the Act.

6.3 Separate Insurance on Lots. Each Owner shall have the right, if such Owner so chooses, to obtain insurance for such Owner's benefit, at such Owner's expense, covering the improvements located on such Owner's Lot. No Owner shall acquire or maintain insurance coverage on the Hickory Run at River Trace, Phase I Common Area insured by the Hickory Run at River Trace Property Owners Association so as: (i) to decrease the amount which the Board may realize under any insurance policy maintained by the Board; (ii) to cause any insurance coverage maintained by the Board to be brought into contribution with insurance coverage obtained by an Owner; or (iii) in violation of any declaration of covenants encumbering such Owner's Lot. No Owner shall obtain separate insurance policies on the Hickory Run at River Trace, Phase I Common Area owned by the Hickory Run at River Trace Property Owners Association.

Article 7. Omitted

Article 8. Omitted

Article 9. Annexation and Withdrawal of Hickory Run at River Trace Property.

9.1 Annexation Without Approval of Membership.

(a) During the Development Period, Declarant may, but is not obligated to, unilaterally subject any real property to the provisions of this Declaration, including without limitation any of the Hickory Run at River Trace Property described on Exhibit C. Nothing in this Declaration or otherwise shall be construed to require Declarant, or any successor, to develop any additional real property in any manner whatsoever or to subject any real property other than Hickory Run at River Trace, Phase I described by Exhibit A to the provisions of this Declaration. Nothing in this Declaration or otherwise shall be construed to encumber any real property other than the real property described on Exhibit A unless and until any additional property is made subject to this Declaration by Declarant, as evidenced by an executed and recorded Supplemental Declaration annexing same.

(b) Declarant may transfer or assign this right to annex property absolutely in its entirety, or with regard to specific property, and may assign this right to one or more parties as deemed appropriate by Declarant.

(c) Such annexation shall be accomplished by filing a Declaration of Annexation in the Register of Deeds describing the property to be annexed and specifically subjecting it to the terms of this Declaration. Such Declaration of Annexation shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the recording of such Declaration of Annexation or Supplemental Declaration in the Register of Deeds unless otherwise provided therein.

9.2 Withdrawal of Hickory Run at River Trace, Phase I Property. Declarant reserves the right to amend this Declaration without prior notice and without the consent of any Person, for the purpose of removing property then owned by Declarant, its affiliates, or the Hickory Run at River Trace Property Owners Association from the coverage of this Declaration. Furthermore, Declarant may withdraw any real property from the coverage of this Declaration without prior notice and without consent of any Person other than the Owner of the withdrawn property, but with the written consent of the fee simple owner of the real property to be withdrawn.

9.3 Additional Covenants and Easements. Declarant may unilaterally subject any portion of the Hickory Run at River Trace Property subject to this Declaration to additional covenants and easements, including covenants obligating the Hickory Run at River Trace Property Owners Association to maintain and insure such property on behalf of the Owners. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrently with or after the annexation of the subject property and shall require the written consent of the owner(s) of such property, if other than Declarant.

9.4 Amendment. During the Development Period, this Article shall not be amended without the prior written consent of Declarant.

9.5 Additional Members. Any property made subject to this Declaration pursuant to the provisions of this Article 9 shall be subject to all conditions and privileges of the Association Documents and Owners of any such annexed property shall be members of the Hickory Run at River Trace Property Owners Association.

Article 10. Assessments.

10.1 Creation of Assessments. Subject to the limitations described in this Article 10, the Hickory Run at River Trace Property Owners Association shall levy assessments against each Lot for Common Expenses as the Board may specifically authorize from time to time. There shall be two (2) types of assessments for Hickory Run at River Trace Property Owner Association expenses: (a) Assessments to fund Common Expenses for the general benefit of all Lots; and (b) Benefited Assessments as described in Section 10.6. Each Owner, by accepting a deed or entering into a recorded contract of sale for any Lot within any portion of the Hickory Run at River Trace, Phase I Property is deemed to covenant and agree to pay those assessments.

(a) All assessments, together with interest from the due date of such assessment at a rate determined by the Hickory Run at River Trace Property Owners Association (not to exceed the highest rate allowed by North Carolina law), late charges, costs, including lien fees and administrative costs, and reasonable attorneys' fees, shall be a charge and continuing lien upon each Lot against which the assessment is levied until paid, as more particularly provided in Section 10-2. Each such assessment, together with interest, late charges, costs, including lien fees and administrative costs, and reasonable attorneys' fees, also shall be the personal obligation of the Person who was the Owner of such Lot at the time the assessment was levied. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable with the grantor for any assessments and other charges due at the time of conveyance.

(b) All assessments shall be paid in such manner and by such dates as the Board may establish. Unless the Board otherwise provides, an Assessment for each Lot shall be due and payable in advance each month on the first day of the first month of the fiscal year of the Hickory Run at River Trace Property Owners Association.

(c) The Hickory Run at River Trace Property Owners Association shall, upon request by an Owner, furnish to any Owner a certificate in writing signed by an officer of the Hickory Run at River Trace Property Owners Association setting forth whether assessments for such Owner's Lot have been paid and any delinquent amount. Such certificate shall be conclusive evidence of payment. The Hickory Run at River Trace Property Owners Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(d) No Owner may exempt himself or herself from liability for assessments, by non-use of Hickory Run at River Trace, Phase I Common Area, abandonment of his or her Lot or Dwelling 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 set-off shall be claimed or allowed for any alleged failure of the Hickory Run at River Trace Property Owners Association or Board to take some action or perform some function required of it or for inconvenience or discomfort arising from repairs or improvements or other action taken by it.

10.2 Declarant's Obligation for Assessments. During the Development Period, no assessment shall be imposed on any Lot owned by Declarant. During the Development Period, Declarant may, at Declarant's sole election and by the exercise of its sole discretion, advance to the Hickory Run at River Trace Property Owners Association the shortage for any fiscal year or any portion thereof. The "shortage" shall be the difference between:

(a) the amount of all income and revenue of any kind received by the Hickory Run at River Trace Property Owners Association, including but not limited to, assessments collected on all other Lots, use fees, advances made by Declarant, and income from all other sources, and

(b) the amount of all actual expenditures incurred by the Hickory Run at River Trace Property Owners Association during the fiscal year, including any reserve contributions for such year, but excluding all non-cash expenses such as depreciation or amortization, all expenditures and reserve contributions for making additional capital improvements or purchasing additional capital assets, and all expenditures made from reserve funds. Calculation of the shortage shall be performed on the cash basis of accounting.

In the event that the Declarant elects to advance to the Hickory Run at River Trace Property Owners Association the shortage or any portion thereof for any fiscal year during the Development Period, such advances made by the Declarant shall be accounted for and cumulatively credited against the Declarant's obligation to pay assessments thereafter. As and to the Association funds which exceed the Common Expenses, the amounts due to Declarant shall be paid. If not sooner paid, such credits shall be applied to the Declarant's obligations to pay assessments immediately after the expiration or termination of the Development Period, and each subsequent assessment period thereafter until such credits are entirely diminished. In the event that the Declarant is still entitled to said credit after both: (i) the expiration or termination of the Development Period, and (ii) the Declarant owns no more Lots, the Hickory Run at River Trace Property Owners Association shall pay the amount of the credit owed to Declarant promptly after said events.

Any obligation of the Declarant to pay assessments may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by any combination of these.

10.3 Builder's Obligations for Assessments. As to Lots owned by a Builder Assessment shall be due for such Lot upon lot purchase, by Builder.

10.4 Computation of Annual Assessment. The Declarant shall establish the initial budget for the Hickory Run at River Trace Property Owners Association including the initial Annual Assessment for each Lot. Thereafter, not less than sixty (60) days before the beginning of each fiscal year, the Board shall prepare a budget covering the Common Expenses estimated to be incurred during the coming year. The budget shall include a capital contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 10.2, but shall not include expenses incurred during the Development Period for initial development, original construction, installation of infrastructure, original capital improvements, or other original construction costs unless approved by Owners representing a majority of the votes of the Hickory Run at River Trace Property Owners Association and Declarant. In addition, the Board shall take into account the number of Lots subject to assessment on the first day of the fiscal year for which the budget is prepared and the number of Lots reasonably anticipated to become subject to assessment during the fiscal year. **The initial monthly assessment for each Lot shall be Forty and No/100 Dollars (\$40.00) per month. From and after December 31, 2023, the annual general assessment may be increased up to ten percent (10%) per year without a vote of the membership.**

Within thirty (30) days after adoption of any proposed budget by the Board, the Board shall provide to all Owners a summary of the budget and notice of a meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The Board shall set a date for a meeting of the Owners to consider ratification of the budget, such meeting to be held not less than ten (10) nor more than sixty (60) days after mailing of the summary of the budget and notice of the meeting. There shall be no requirement that a quorum be present at the meeting. The budget shall be deemed ratified unless, at that meeting, a majority of all the Owners in the Hickory Run at River Trace Property Owners Association rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

In addition to Assessments for the fiscal year, the Board may levy Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Such Assessments shall be approved at a meeting of the Board and shall become effective upon approval by the Board, unless disapproved by Declarant during the Development Period. Such 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 such Assessment is approved. The amount of each Assessment shall be levied equally against all Lots, subject to the provisions of Sections 1.3, 10.2 and 10.3.

10.5 Reserve Budget and Special Reserve Assessment. In the event that the Hickory Run at River Trace, Phase I Common Area include replaceable assets or improvements, the Board shall prepare, on an annual basis, reserve budgets for general purposes which take into

account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost of each asset. Such reserve budgets may also anticipate making additional capital improvements and purchasing additional capital assets. The Board shall include in the Assessments reserve contributions amounts sufficient to meet these projected needs, if any.

The Board may adopt resolutions regarding the expenditure of reserve funds, including policies designating the nature of assets for which reserve funds may be expended. Such policies may differ for general Hickory Run at River Trace Property Owners Association purposes. Neither the Hickory Run at River Trace Property Owners Association nor the Board shall adopt, modify, limit or expand such policies without Declarant's prior written consent.

10.6 Benefited Assessments. The Board may levy Benefited Assessments against particular Lots for expenses incurred or to be incurred by the Hickory Run at River Trace Property Owners Association, as follows:

(a) to cover costs incurred in bringing the Lot into compliance with the terms of the Association Documents and the Act or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their family members, tenants, invitees, or guests; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing before levying a Benefited Assessment under this Section.

(b) As provided in the Association Documents;

(c) To recover costs incurred by the Association as a result of an Owner's failure to comply with the Permit; and

(d) For a violation of the Association Documents by an Owner and the cost of enforcement of the same.

10.7 Date of Commencement of Assessments. Subject to the provisions of Sections 1.3, 10.2 and 10.3 hereof, the obligation to pay assessments shall commence as to each Lot on the first day of the month following the date the Lot is made subject to this Declaration.

10.8 Lien for Assessments. All assessments authorized in this Article shall constitute a lien against the Lot against which they are levied, as provided in N.C. Gen. Stat. § 47F-3-116, as amended, until paid unless otherwise specifically precluded in this Declaration. The lien shall also secure payment of interest (subject to the limitations of North Carolina law), late charges, and costs of collection (including attorneys' fees, lien fees and administrative costs). Such lien shall be superior to all other liens, except (a) those superior by law, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. The Hickory Run at River Trace Property Owners Association may enforce such lien, when any assessment or other charge is delinquent, by suit, judgment, and foreclosure.

The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, a Mortgagee holding a first Mortgage of record or other purchaser of a Lot who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Lot due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under Section 10.7, including such acquirer, its successors and assigns.

10.9 Acceleration. In any case where an assessment or other charge is payable in installments, upon a default by such Owner in the timely payment of any two (2) consecutive installments, the maturity of the remaining total of the unpaid installments of such assessment or other charge may be accelerated, at the option of the Board, and the entire balance of the assessment or other charge may be declared due and payable in full by the service of such notice to such effect upon the defaulting Owner.

10.10 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 Assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time the Hickory Run at River Trace Property Owner Association may retroactively assess any shortfalls in collections.

10.11 Exempt Hickory Run at River Trace, Phase I Property. The following property shall be exempt from payment of Assessments:

- (a) all Hickory Run at River Trace, Phase I Common Areas;
- (b) all property dedicated to and accepted by any governmental authority or Utility Company;
- (c) all property owned by the Declarant during the Development Period;
- (d) Omitted
- (e) Omitted
- (f) Any property which has not been annexed into the Subdivision.

In addition, Declarant and/or the Hickory Run at River Trace Property Owners Association shall have the right, but not the obligation, to grant exemptions to certain Persons qualifying for Section 501(c) status under the Internal Revenue Code so long as such Persons own property subject to this Declaration for purposes listed in Section 501(c).

Article 11. Architectural and Design Standards (Exterior and Interior).

11.1 General. No exterior improvements, staking, clearing, excavation, grading and other site work, exterior alteration of existing improvements (including painting), **the interior of screened porches, patios and other portions of a Lot visible from other Lots,** Common Areas or Streets, placement or posting of any object or thing on the exterior of any Lot, Dwelling Unit, other structure or the Hickory Run at River Trace, Phase I Common Area (e.g., signs, antennae, clotheslines, playground equipment, temporarily or permanently installed basketball goals, pools, propane tanks, lighting, temporary structures, and artificial vegetation), planting or removal of Landscaping, or installation or removal of an irrigation system shall take place except in compliance with this Declaration, and with the approval of Declarant or the appropriate Reviewing Body, as the case may be, under Section 11.2.

As hereinafter provided, any Owner may remodel, paint or redecorate the interior of structures with materials and finishes similar or better in quality as those included as part of the initial construction, including the Dwelling Unit on his or her Lot, without approval. However, modification of the exterior and modifications to the interior of screened porches, patios, and similar portions of a Lot visible from other Lots, Common Area or streets (public or private) within the Hickory Run at River Trace, Phase I Property shall be subject to this Article and approval as set forth below.

This Article shall not apply to the activities of Declarant or to improvements to the Hickory Run at River Trace, Phase I Common Area by or on behalf of the Hickory Run at River Trace Property Owners Association.

This Article may not be amended without Declarant's written recorded consent.

11.2 Architectural and Design Review.

(a) New Construction. Declarant shall have exclusive authority to administer and enforce architectural standards under this Article and to review and act upon all applications for original construction within the Hickory Run at River Trace, Phase I Property and any property subsequently annexed. There shall be no surrender of this right except in a written recorded instrument executed by Declarant. Upon the expiration or surrender of such right, the Board may, at its option, either assume such authority, create and appoint an Architectural Committee ("AC"), or assign such duties to the MC (as defined below). The AC, if established, shall consist of at least three (3), but not more than five (5), Persons who shall serve and may be removed in the Board's discretion. Neither the Association, the Board, the AC or the MC shall have any no rights or authority under this Article until Declarant's authority under this Article is surrendered or expires.

(b) Modifications. Declarant shall have exclusive authority to approve modifications, additions, or alterations made on or to existing structures on Lots containing Dwelling Units until such authority is surrendered by Declarant as evidenced by written instrument executed by Declarant and recorded in the Register of Deeds. Thereafter, the Board

shall establish a Modifications Committee ("MC") which shall consist of at least three (3), but not more than five (5), Persons who shall be appointed and shall serve at the discretion of the Board. The MC shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing structures on Lots or containing Dwelling Units and the adjacent open space. **(For purposes of this Article, "Reviewing Body" shall refer to either Declarant, the MC, or the AC, as appropriate under the circumstances.)**

(c) Fees. The Reviewing Body may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals. Declarant and the Hickory Run at River Trace Property Owners Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons in the Hickory Run at River Trace Property Owners Association's annual operating budget as a Common Expense.

(d) Security. The Reviewing Body may also require posting of security by any Owner, or such Owner's contractor or builder to be utilized for the payment of any fines and cost of any enforcement in accordance with Section 11.9 herein, or the repair of any damage to any Hickory Run at River Trace, Phase I Common Area, including, but not limited to, streets and sidewalks, or providing Upkeep for such Hickory Run at River Trace, Phase I Common Area in excess of normal Upkeep as may occur during the construction of any permitted improvements within the Hickory Run at River Trace, Phase I Property. The amount and type of security, as required by the Reviewing Body, may be changed from time to time and does not necessarily have to be consistent as to all Owners, contractors or builders.

11.3 Architectural Restrictions. All of the Lots within Hickory Run at River Trace, Phase I Property shall be subject to the following restrictions regarding design, construction, occupancy and use of improvements:

(a) Lots shall be used only for residential purposes. Only one (1) single-family residential dwelling designed for use as, and used as, a single-family residential dwelling, one (1) outbuilding or other appurtenant structures which are not outbuildings, all of which comply with the Declaration and all of which shall have been approved by the Reviewing Body may be constructed, erected, placed or maintained on any Lot. No improvement of any kind, other than a single-family residential dwelling and other improvements which are not prohibited herein may be constructed, erected, placed or maintained on any Lot. Only one single family may occupy a Lot at any one time.

(b) Each Dwelling Unit in the Subdivision shall contain not less than 1,800 square feet of floor heated area. The ground floor heated square footage for a two-story or a one and one-half story dwelling shall be 1,400 square feet minimum. Each Dwelling Unit shall contain, in addition to the minimum ground floor heated area, an attached enclosed garage of sufficient size to accommodate two standard automobiles. In the approval process, the Reviewing Body may require that decorative features, such as porches, shutters, varying roof

lines and contrasting exterior finishes shall be incorporated into the exterior front elevation of the Dwelling Unit on each Lot. The decorative features shall be equal in number and quality as is prevalent throughout the Subdivision as determined solely by the Reviewing Body.

(c) Omitted

(d) Any permitted outbuilding erected upon a Lot shall have the same siding material and siding color and shall have the same roof material and roof color as the Dwelling Unit located upon the Lot.

(e) Dwelling Units constructed on a Lot shall not exceed two (2) stories in height. The Reviewing Body shall have the authority to establish regulations pertaining to the height and size requirements of all other types of structures.

(f) No building, underground pool or above ground structure, except approved fences, mailboxes and paper boxes, shall be located nearer to any Lot boundary line than the building setback lines shown on the Recorded Plat. The variance provisions set forth in Section 11.7 herein shall apply to setbacks and utility easements shown on the Recorded Plat. The establishment of standard inflexible building setback lines for the location of buildings tends to force construction of structures both directly behind and directly to the side of other structures with detrimental effects on privacy, preservation of important trees and wetland areas. Therefore, no specific setback lines are established by these restrictions except as set forth above. In order to insure, however, that the location of structures will be staggered where practical and appropriate; that the maximum amount of view and attractiveness will be available to each structure; that the structures will be located with regard to the topography of each individual Lot; and that the location will take into consideration the location of large trees, lot elevations, wetland areas, Stormwater Management Facilities, and similar considerations, the Reviewing Body shall have, and hereby is granted, the right to control absolutely and to decide in its sole discretion the precise site and location of any Dwelling Unit or other structure upon any Lot; provided, however, that such location shall be determined only after reasonable opportunity is afforded the Owner of the Lot to recommend a specific site, but such location shall be within the minimum setback lines shown on the Recorded Plat. The exact location of the dwelling unit and any permitted outbuildings shall be shown on the site plan for each Lot and approved by the Reviewing Body. The provisions of these restrictions are in addition to matters set forth on the Recorded Plat.

(g) Any Dwelling Unit located on any Lot shall be "stick built" onsite; provided, however, this does not prohibit the use of trusses and similar structural items which are built offsite and transported to a Lot by vehicle and placed on the Dwelling Unit. No temporary residence, mobile home, doublewide or multiple-wide mobile home, modular home (whether built offsite on a frame or constructed offsite in modules and transported to a Lot by vehicle and placed on a permanent foundation onsite), trailer, camper, tent or other building shall be placed on or erected on any Lot. It is provided, however, that the Reviewing Body may grant permission for the use of a temporary structure for storage of materials during construction. Any

such temporary structures approved by the Reviewing Body shall not be used at any time as a residential dwelling.

(h) All Dwelling Units shall have a hard surface driveway at least ten (10) feet in width running from the pavement of the street on which the Lot fronts to the front face of the Dwelling Unit located on the Lot.

(i) To ensure ongoing compliance with the Permit as issued by the Division of Water Quality under NCAC 2H.1000, each Lot in Hickory Run at River Trace, Phase I is subject to the following restrictions:

(i) The following covenants are intended to ensure ongoing compliance with State Stormwater Management Permit Number SW7211203 as issued by the Division of Energy, Mineral and Land Resources under NCAC 2H.1000, effective January 1, 2017.

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

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

(iv) The covenants pertaining to stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Energy, Mineral and Land Resources.

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

(vi) Each lot is allowed a maximum of **5,650 square feet of built-upon area as defined in the Permit**. This allotted amount includes any built-upon area constructed within the lot property boundaries and that portion of the right-of-way between the front lot line and the edge of the pavement not shown on the approved plans. Built upon area Has the same meaning as G.S. 143-214.7 as amended.

(vii) The maximum allowable built upon area shall not be exceeded on any lot until the permit is modified to ensure compliance with the stormwater rules, permit, and the approved plans and specifications.

(viii) Filling in, piping or altering any vegetated conveyances (ditches, swales, etc.) associated with the development, except for average driveway crossings, is prohibited by any persons.

(ix) A 50-foot wide vegetative setback must be provided and maintained adjacent to all surface waters in accordance with 15A NCAC 02H.1003 (4) and the approved plans.

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

(xi) Any individual or entity found to be in noncompliance with the provisions of the stormwater rules is subject to enforcement procedures as set forth in NCGS 143, Article 21.

(j) Fences are subject to the general approval requirements and restrictions stated in this Declaration, and the specific restrictions in this Section 11.3(j). Any fence constructed on a Lot shall be no greater than six (6) feet in height, provided that an Owner may request, and the Reviewing Body may approve, but is not obligated to approve, a privacy fence of a height greater than six (6) feet but not greater than eight (8) feet in appropriate locations. All fences shall be located and constructed in a location approved by the Reviewing Body and behind the rear face of the Dwelling Unit located on the Lot. All fences shall be constructed of materials approved by the Reviewing Body, provided that no chain link fences shall be constructed on any Lot. All swimming pools shall be enclosed by an approved privacy fence meeting the criteria set forth above and shall with all applicable building code and insurance requirements.

(k) Omitted

(l) The exterior of any Dwelling Unit or other permitted outbuilding located on a Lot shall be brick, vinyl, wood, masonry fibrous cement board such as "Hardie Plank", or stone, or some combination of the above-mentioned siding materials. Any wood siding shall be juniper, cedar or cypress. No exterior surface shall consist of masonite, asbestos, metal sidings or exposed concrete blocks (except masonry fibrous cement board such as "Hardie Plank"). The elevations of all Dwelling Units shall be of a color approved by the Reviewing Body. All sidings shall be cleaned as often as is necessary to prevent the accumulation of mildew on the siding.

(m) The roofing material of any Dwelling Units or other permitted outbuilding located on a Lot shall be either "architectural style", "three-dimensional asphalt" shingles or standing seam metal roofing. All roofs on the Dwelling Unit and on any permitted outbuilding shall have at least a 5/12 roof pitch. Exterior foundation walls shall be constructed of solid brick or stone finish and shall not have an exterior finish of concrete masonry unit (CMU), parged CMU, stucco, wood, vinyl, or any other finish. All dwellings shall be constructed on a crawl space type foundation. Slab-on-grade or elevated slab foundations shall be permitted; however, exposed (visible) foundation wall height shall be a minimum of 28 inches from finish grade to the top of the foundation wall at all points around the perimeter of the structure. The elevated foundation wall construction shall comply with other requirements specified herein.

(n) At the time a Dwelling Unit is constructed on a Lot, there also shall be installed/planted either Bermuda, Centipede, St. Augustine or Zoysia grass sod, a contiguous lawn from the front face of the Dwelling Unit located on said Lot to the pavement of the road right of way in front of said Lot and from side lot line to side lot line. Further, Lots which are corner lots also shall have a lawn from the pavement in the road beside said Lot to the nearest face of the Dwelling Unit located on said Lot and from the front lot line to the rear lot

line. The remaining property of any Lot shall be seeded in a manner that will result in an established lawn during the growing season.

(o) The Subdivision is subject to North Carolina Sedimentation and Erosion Control Permits. Each Owner shall be responsible for compliance with all requirements of said permits, including the establishment of a temporary and permanent vegetation and surface stabilization on the Lot.

(p) All structures constructed or placed on any Lot shall be built of substantially new material and no used structure shall be relocated or placed on any such Lot.

(q) Once construction is started on any Lot, the improvements and landscaping shall be completed in accordance with the plans, specifications and details, as approved, within twelve (12) months from commencement, with extensions as approved by the Reviewing Body. No Dwelling Unit may be occupied until it is completed and a Certificate of Occupancy issued.

(r) All electrical, telephone, cable, gas, television service and other utility lines in the Subdivision shall be installed underground.

(s) Any Dwelling Unit or outbuilding on any Lot which is destroyed in whole or in part by fire, windstorm or by any other cause, shall be rebuilt or all debris removed and the Lot restored to a sightly condition with reasonable promptness; provided, however, that in no event shall such debris remain longer than ninety (90) days.

(t) No Lot shall be used or occupied in violation of the provisions of Sections 12.3, 12.4, 12.5 or Exhibit B.

11.4 Guidelines and Procedures. The Architectural Restrictions above shall apply to all construction activities within the Hickory Run at River Trace, Phase I Property, except by the Declarant and Hickory Run at River Trace Property Owners Association as provided in Section 11.1.

All structures and improvements constructed upon a Lot shall be constructed in strict compliance with this Declaration, unless the Reviewing Body has granted a variance in writing pursuant to Section 11.7. So long as the Reviewing Body has acted in good faith, its findings and conclusions with respect to appropriateness of, applicability of or compliance with this Declaration shall be final.

11.5 Submission of Plans and Specifications.

(a) No activities within the scope of this Article 11.1 shall commence on any Lot until an application for approval of the proposed work has been submitted to and approved by the Reviewing Body. Such application shall be in the form required by the Reviewing Body and shall include plans and specifications ("Plans") showing site layout, floor

plan, exterior elevations, exterior materials and other features of proposed construction, as applicable. The Reviewing Body may set forth the procedure and any additional information for submission of the Plans.

(b) In reviewing each submission, the Reviewing Body may consider quality of workmanship and design, visual and environmental impact, ecological compatibility, natural platforms and finish grade elevation, harmony of external design with surrounding structures and environment, and location in relation to surrounding structures and plant life.

The Reviewing Body shall, within a reasonable period of time, advise the party submitting the same, in writing, at an address specified by such party at the time of submission, of (i) the approval of Plans, or (ii) the segments or features of the Plans which are deemed by such committee to be unacceptable, or inconsistent or not in conformity with this Declaration, the reasons for such finding, and suggestions for the curing of such objections. In the event the Reviewing Body fails to advise the submitting party by written notice within forty-five (45) days of either the approval or disapproval and suggestions for curing the objections of the Reviewing Body of the Plans, approval shall be deemed to have been given. Notice shall be deemed to have been given at the time the envelope containing such notice, properly addressed, and postage prepaid, is deposited with the U.S. Postal Service, registered or certified mail, return receipt requested. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the submitting party.

(c) If construction does not commence on a project for which Plans have been approved within ninety (90) days of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to resubmit the Plans to the Reviewing Body for reconsideration provided that the Reviewing Body may grant a longer time period for expiration of the approval at the time the approval is granted.

11.6 No Waiver of Future Approvals. Each Owner acknowledges that the members of the Reviewing Body will change from time to time and that approvals, and interpretation, application and enforcement of the Architectural Restrictions included in this Declaration may vary accordingly. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

11.7 Variances. The Reviewing Body may authorize variances from this Article 11 and Sections 12.3, 12.4, 12.5 and Exhibit B but only in a written recorded document and only: (a) in accordance with duly adopted rules and regulations; (b) when unique circumstances dictate such as unusual topography, natural obstructions, hardship or aesthetic or environmental considerations; and (c) when construction in accordance with the variance would be consistent with the purposes of this Article and compatible with existing and anticipated uses of adjoining properties. Inability to obtain, or the terms of, any governmental approval, or the terms of any financing shall not be considered a hardship warranting a variance.

11.8 Limitation of Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither Declarant, the Hickory Run at River Trace Property Owners Association, the Board, the AC or the MC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither Declarant, the Hickory Run at River Trace Property Owners Association, the Board, the AC or the MC, or any member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot. In all matters, the AC and the MC and their members shall be defended and indemnified by the Hickory Run at River Trace Property Owners Association as provided in the Bylaws.

11.9 Enforcement. Any construction, alteration or other work done in violation of this Declaration shall be deemed to be nonconforming. Upon written request from the Reviewing Body, Owners shall, at their own cost and expense and within such reasonable time frame as set forth in such written notice, cure such nonconformance to the satisfaction of the requester or restore the property, Lot and/or Dwelling Unit to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, Declarant, the Hickory Run at River Trace Property Owners Association or their designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Lot and collected as a Benefited Assessment unless otherwise prohibited in this Declaration.

All approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work, Declarant or the Hickory Run at River Trace Property Owners Association shall be authorized, after notice to the Owner of the Lot and an opportunity to be heard in accordance with the Bylaws, to enter upon the Lot and remove or complete any incomplete work and to assess all costs incurred against the Lot and the Owner thereof as a Benefited Assessment unless otherwise prohibited in this Declaration.

All acts by any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed as an act done by or on behalf of such Owner. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article may be excluded from the Hickory Run at River Trace Phase I Property, subject to the notice and hearing procedures contained in the Declaration. In such event, neither Declarant, the Hickory Run at River Trace Property Owners Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this section.

In addition to the foregoing, the Hickory Run at River Trace Property Owners Association and Declarant shall have the authority and standing to pursue all legal and equitable

remedies available to enforce the provisions of this Article and the decisions of the Reviewing Body.

Article 12. Plan of Development and Use Restrictions.

12.1 Plan of Development: Applicability: Effect.

(a) Declarant has established a general plan of development and occupancy for the Hickory Run at River Trace Phase I Property under this Declaration subject to the ability of the Hickory Run at River Trace Property Owners Association and the Members to respond to changes in circumstances, conditions, needs, and desires within the community. All provisions of this Declaration and any rules shall apply to all Builders, their contractors, builders, agents, and employees and to all other Owners, their family members, occupants, tenants, guests and invitees of any Lot. Notwithstanding Declarant's establishment of a general plan of development, the Declarant shall not be liable for any failure or alleged failure to police and enforce the Association Documents.

(b) This Declaration, including the Use Restrictions set forth herein and attached hereto as Exhibit B, and the rules and resolutions adopted by the Board or the Members establish affirmative and negative covenants, easements, and restrictions on the Hickory Run at River Trace Phase I Property and the owners thereof.

12.2 Authority to Promulgate Rules.

(a) Subject to the terms of this Article and in accordance with its duties of care and undivided loyalty to the Hickory Run at River Trace Property Owners Association and its Members, after the termination or expiration of the Development Period, the Board may adopt rules not inconsistent with the Use Restrictions set forth in this Declaration, and other such rules and regulations permitted by, and not inconsistent with, the Act, including such rules and regulations relating to the use of, and parking and traffic, on public and private streets located within the Hickory Run at River Trace, Phase I Property.

(b) After the termination or expiration of the Development Period, the Owners, at a meeting duly called for such purpose, may adopt rules which modify, cancel, limit, or create exceptions to, adopted rules by a vote of Owners representing sixty-seven percent (67%) of the total vote.

(c) The Board shall send a copy of the rules to each Owner specifying the effective date of such rule within a reasonable period of time, as determined by the Board, prior to the effective date of the rule. The Hickory Run at River Trace Property Owners Association shall provide, without cost, a copy of the rules then in effect to any requesting Member or Mortgagee.

(d) Nothing in this Article shall authorize the Board or the Owners to modify, repeal or expand the Declaration, the Bylaws, or the Articles. Such documents may be amended only as provided therein.

12.3 Owners' Acknowledgment. All Owners are subject to this Declaration and are given notice that: (a) their ability to use their privately owned property is limited thereby; and (b) the Declarant, Board, and/or the Owners may adopt, delete, modify, create exceptions to, or amend the rules.

Each Owner by acceptance of a deed acknowledges and agrees that the use and enjoyment and marketability of his or her property can be affected by this provision and that the Restrictions set forth herein and the rules may change from time to time.

(a) Use Restrictions. The Hickory Run at River Trace Phase I Property is subject to the Use Restrictions described in this Section 12 and elsewhere in this Declaration including on Exhibit B: The Hickory Run at River Trace Phase I Property shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Hickory Run at River Trace Property Owners Association or business offices for Declarant or its Designees and, the Hickory Run at River Trace Property Owners Association, consistent with this Declaration and any Supplemental Declaration), subject to applicable laws. Any Supplemental Declaration or additional covenants imposed on property annexed into the Hickory Run at River Trace Phase I Property may provide for different uses and impose standards and restrictions other than those contained in this Declaration and the Hickory Run at River Trace Property Owners Association shall have standing and the power to enforce such standards and restrictions.

12.4 Rights of Owners. Except as may be specifically set forth in the restrictions, neither the Board nor the Owners may adopt any rule in violation of the following provisions:

(a) Activities Within Dwelling Units. Except as otherwise set forth herein to the contrary, no rule shall interfere with the activities carried on within the confines of Dwelling Units, except that the Hickory Run at River Trace Property Owners Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Hickory Run at River Trace Property Owners Association or other Owners, that create a danger to the health or safety of occupants of other Dwelling Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the Dwelling Unit, or that create an unreasonable source of annoyance.

(b) Omitted

(c) Rights to Develop. No rule or action by the Hickory Run at River Trace Property Owners Association or Board shall impede Declarant's right to develop the Hickory Run at River Trace, Phase I Property or the Hickory Run at River Trace Property, including, but not limited to, the rights of Declarant as set forth in Article 15.

(d) Omitted

The limitations in this Section 12.4 shall apply to rules only; they shall not apply to amendments to this Declaration adopted in accordance with Section 17.2.

12.5 Rights Regarding Flags. Owners shall be permitted to display the flag of the United States of America and/or the flag of the State of North Carolina on their Lots. Notwithstanding any provision of this Declaration, including without limitation the provisions of this Article 12, no rule or regulation adopted by the Board of Directors nor any amendment to the Declaration adopted by the Hickory Run at River Trace Property Owners Association or the Declarant shall regulate or prohibit the display of the flag of the United States of America and/or the flag of the State of North Carolina, of a size no greater than four (4) feet by six (6) feet, which is displayed in accordance with or in a manner consistent with the patriotic customs set forth in 4 U.S.C. §§ 5-10, as amended.

Article 13. Easements.

13.1 Easements of Encroachment. Declarant reserves unto itself, easements of encroachment, and for Upkeep and use of any permitted encroachment, between each Lot and any adjacent Hickory Run at River Trace Phase I Common Area and between adjacent Lots, due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with this Declaration) to a distance of not more than three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary.

13.2 Easements for Utilities, Access, Subdivision, Drainage

(a) Declarant reserves unto itself a perpetual, nonexclusive easement for ingress, egress, regress, across, the installation and maintenance of utilities, further subdivision, and the right to dedicate to public use, over, under and upon any and all streets, roads, and other rights of way shown on the Recorded Plat of Hickory Run at River Trace Phase I Property, or any property subsequently annexed, including, without limitation, those shown on the Recorded Plat, all drainage, streets, and utility easements shown on the Recorded Plat or lying on the Hickory Run at River Trace Phase I Property, and water and sewer easements shown on the Recorded Plat or lying on the Hickory Run at River Trace Phase I Property.

(b) Declarant reserves unto itself a perpetual, nonexclusive easement for the purpose of access and Upkeep upon, across, over, and under all of the Hickory Run at River Trace Phase I Property to the extent reasonably necessary to install, operate, and provide Upkeep for : roads, walkways, bicycle pathways, trails, lakes, ponds, wetlands, drainage systems, street lights, signage, and all utilities, including, but not limited to, sidewalks, water, sewers, meter boxes, telephone, gas, electricity, television, and security and similar systems. Declarant may assign these easements and rights to any Utility Company providing a service or utility to Hickory Run at River Trace Phase I Property subject to the limitations herein. Declarant reserves the right to subject to the Lots to a contract with the City of New Bern Utility

Department or other public utility or municipality for lights for the streets, Subdivision entrance signs and Common Areas which contract may require an initial payment and/or a continuing monthly payments to the City of New Bern Utility Department or other public utility or municipality by the Lot Owner. In the event such a contract is entered into which does not result in charges being made to the individual Lots, the Association shall pay such fee as a Common Expense.

Declarant specifically grants to the Utility Companies easements across the Hickory Run at River Trace Phase I Property for ingress, egress, installation, installation, maintaining, and providing Upkeep of meters and boxes. However, the exercise of this easement shall not extend to permitting entry into the Dwelling Unit on any Lot, nor shall any utilities be installed or relocated on the Hickory Run at River Trace Phase I Property, except as approved by the Board or Declarant.

13.3 Easement and Right to Dedicate Public Rights of Way and Utility Easements. Declarant reserves for itself, its successors and assigns, the perpetual right to dedicate to public use, any and all: (i) rights of way, streets, roads, and other access ways, and (ii) utilities, drainage and similar easements, located on the Hickory Run at River Trace Phase I Property and constructing and operating stormwater ponds, outlets and drainage areas for the benefit of its property, including, but not limited to the property described by Exhibit C hereof.

13.4 Easements to Serve Additional Property. Declarant hereby reserves for itself and its agents, representatives, employees, successors, assigns, licensees, and Mortgagees, a perpetual, nonexclusive easement over the Lots and the Hickory Run at River Trace Phase I Common Area and upon any property hereinafter annexed into the Subdivision for the purposes of enjoyment, use, access, and development of any real property whether or not such property is made subject to this Declaration, including without limitation the real property described on Exhibit C. This easement includes, but is not limited to, a right of ingress and egress over the Hickory Run at River Trace Phase I Common Area for construction of roads and for the construction, maintenance and repair of the Stormwater Pond, outlet and drains discharging over all streets depicted on the Recorded Plat of Hickory Run at River Trace Phase I Property for ingress, access, the installation and maintenance of utilities for the Subdivision and the right to dedicate roads to public maintenance.

13.5 Development and Other Easements. Declarant specifically reserves all of the easements identified as being so reserved in this Declaration including, but not limited to, those set forth in Article 15.

13.6 Easements for Cross-Drainage. Every Lot and the Hickory Run at River Trace Phase I Common Area shall be burdened with perpetual easements for natural drainage of stormwater runoff from other portions of the Hickory Run at River Trace Phase I Property; provided, no Person shall alter the natural drainage on any Lot to increase materially the drainage of stormwater onto adjacent portions of the Hickory Run at River Trace Phase I Property without the consent of the Owner(s) of the affected property and the Board.

13.7 Omitted

13.8 Easements for Maintenance and Enforcement. The Hickory Run at River Trace Property Owners Association also may enter a Lot to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the Declaration, any Supplemental Declaration, the Bylaws, or the rules. All costs incurred, including reasonable attorneys' fees, shall be assessed against the violator as a Benefited Assessment.

13.9 Entrance Sign. The expenses incurred by Declarant and thereafter by the Hickory Run at River Trace Property Owners Association in connection with the area of the entrance sign shall be a Common Expense.

13.10 Hickory Run at River Trace Phase I Property Benefited. The easements reserved by and for the Declarant in this Declaration are for the benefit of the Hickory Run at River Trace Phase I Property, any additional property annexed into and made subject to this Declaration which may include without limitation the real property described on Exhibit C, any real property to which the Declarant conveys the benefit of such easements.

13.11 Declarant Easements Assignable. Notwithstanding anything to the contrary herein, each and every easement and right reserved by, retained by, or granted to, the Declarant in this Declaration may be separately assigned to one or multiple parties as deemed appropriate by Declarant. Said assignments may be in connection with or separate from any assignment of Declarant Rights.

Article 14. Mortgage Provisions.

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Lots in the Hickory Run at River Trace Phase I Property. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

14.1 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage which provides written request to the Hickory Run at River Trace Property Owners Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Hickory Run at River Trace Phase I Property or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of ninety (90) days, or any other violation of the Declaration or Bylaws relating to such Lot or the Owner or Occupant which is not cured within ninety (90) days. Notwithstanding this provision, any holder of a first Mortgage is entitled to written notice upon request from the Hickory Run at River Trace Property Owners Association of any default in the performance by an Owner of a Lot of any obligation under the Declaration or Bylaws which is not cured within ninety (90) days; or

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Hickory Run at River Trace Property Owners Association.

14.2 No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Hickory Run at River Trace Phase I Common Area.

14.3 Notice to Hickory Run at River Trace Property Owners Association. Upon request, each Owner shall be obligated to furnish to the Hickory Run at River Trace Property Owners Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

Article 15. Declarant's Rights.

15.1 Declarant's Rights. Declarant's Rights are those rights reserved for the benefit of Declarant as provided for in the Act, the Association Documents and the Declarant which shall include, without limitation, the following rights:

(a) To complete improvements on the Hickory Run at River Trace Phase I Property;

(b) To maintain model homes, management offices, construction offices, sales offices, customer service offices, and signs advertising the Hickory Run at River Trace Phase I Property on any Lot owned by Declarant and within any portion of the Hickory Run at River Trace Phase I Common Area Declarant deems appropriate;

(c) Those rights set forth in this Declaration, including, but not limited to, Article 9 of this Declaration;

(d) To designate any portion of the Hickory Run at River Trace Phase I Property as Hickory Run at River Trace Phase I Common Area;

(e) To exercise all rights of architectural review and of the Reviewing body and all other rights as set forth in Article 11 of this Declaration;

(f) To construct improvements within portions of the Hickory Run at River Trace Phase I Property and to operate the same as public or private facilities in the sole discretion of Declarant;

(g) To appoint, remove and replace the members of the Board and any Reviewing Body;

(h) To disapprove actions of the Board, Reviewing Body, or any committee during the Development Period;

(i) To disapprove any amendment or change in any Association Documents during the Development Period;

(j) To enforce any covenants, restrictions and other provisions of the Association Documents (including this Declaration) during the Development Period; and

(k) To amend this Declaration as set forth in 17.2(a).

15.2 Transfer of Declarant's Rights. Any or all of Declarant's Rights and obligations of Declarant set forth in this Declaration or the Bylaws may be transferred to other Persons, separately, with regard to specific real property, or in their entirety. Notwithstanding the foregoing, each of the Declarant Rights described in subsections (g), (h), (i), and (k) of Section 15.1 above, the right to withdraw real property described in Section 9.2 and the right to establish additional covenants and easements described in Section 9.3 shall be vested in only one (1) Declarant at any time. Except as described in subsection (b) below, no such transfer shall be effective unless it is in a written instrument signed by Declarant and the transferee and duly recorded in the Register of Deeds.

15.3 Modification of Development Plan. Each Owner, by accepting title to a Lot and becoming an Owner, and each other Person, by acquiring any interest in the Hickory Run at River Trace Phase I Property, acknowledges awareness that Hickory Run at River Trace Phase I is a planned community, the development of which is likely to extend over many years, and agrees not to protest or otherwise object to (a) zoning or changes in zoning or to uses of, or changes in density of, the Hickory Run at River Trace Phase I Property, or (b) changes in any conceptual or master plan for the Hickory Run at River Trace Phase I Property, provided that such revision is or would be lawful (including, but not limited to, lawful by special use permit, variance or the like).

15.4 Development Easements. Declarant, its employees, agents and designees, reserve a nonexclusive perpetual easement over, upon, under and above the Hickory Run at River Trace Phase I Common Area, the streets, the utility easements and other portions of the Hickory Run at River Trace Phase I Property (expressly excluding a Dwelling Unit) for any and all purposes deemed reasonably necessary or desirable by Declarant for the development of the Hickory Run at River Trace Phase I Property, and the development of any additional property, whether or not it is made subject to this Declaration including without limitation any of the real

property described on Exhibit C, said easement including, but not limited to, easements of access, the installation and maintenance of utilities and easements as may be required from time to time by any governmental agency or pursuant to the Permit. Declarant and its employees, agents and designees shall also have a right and easement over and upon all of the Hickory Run at River Trace Phase I Common Area for the purpose of making, constructing, installing, modifying, expanding, replacing, and removing such improvements to the Hickory Run at River Trace Phase I Common Area as it deems appropriate in its sole discretion.

15.5 Marketing and Sales. During the Development Period, Declarant and its designees may maintain and carry on upon the Hickory Run at River Trace Phase I Common Area and any property owned by Declarant such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Lots, including, but not limited to, business offices, signs, model units, sales offices, and storage of building materials. Declarant and its designees shall have easements for access to and use of such facilities if located upon any Common Area.

15.6 Declarant Approval to Changes in Association Documents. During the Development Period, the Hickory Run at River Trace Property Owners Association shall not, without the prior written approval of Declarant, adopt any policy, rule or procedure that:

(a) Limits the access of Declarant, its successors, assigns and/or affiliates or their personnel and/or guests, including visitors, to the Hickory Run at River Trace Phase I Common Area;

(b) Limits or prevents Declarant, its successors, assigns and/or affiliates or their personnel from advertising, marketing or using the Hickory Run at River Trace Property Owners Association or its Hickory Run at River Trace Phase I Common Area or any property owned by any of them in promotional materials;

(c) Limits or prevents new Owners from becoming members of the Hickory Run at River Trace Property Owners Association or enjoying full use of the Hickory Run at River Trace Phase I Common Area, subject to the membership provisions of the Association Documents;

(d) Impacts the ability of Declarant, its successors, assigns and/or affiliates, to carry out to completion its development plans and related construction activities for Hickory Run at River Trace Phase I, as such may be amended and updated from time to time. Policies, rules or procedures affecting the provisions of existing easements established by Declarant and limiting the establishment by Declarant of easements necessary to complete Hickory Run at River Trace Phase I or any portion of the Hickory Run at River Trace Property shall be expressly included in this provision. Easements that may be established by Declarant shall include but shall not be limited to easements for development, construction and landscaping activities and utilities; or

(e) Impacts the ability of Declarant, its successors, assigns and/or affiliates to develop and conduct customer service programs and activities in a customary and reasonable manner.

15.7 Unimpeded Access. The Hickory Run at River Trace Property Owners Association shall not exercise its authority over the Hickory Run at River Trace Phase I Common Area (including, but not limited to, any gated entrances and other means of access to the Hickory Run at River Trace Phase I Property in a manner which interferes with the rights of Declarant set forth in this Declaration or impedes access to any portion of the Hickory Run at River Trace Phase I Property, or over the streets, utility easements, stormwater ponds, outlets and discharge areas and other Hickory Run at River Trace Phase I Common Area within the Hickory Run at River Trace Phase I Property.

15.8 Additional Declarations/Restrictions. No Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Hickory Run at River Trace Phase I Property without Declarant's review and written consent during the Development Period. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect.

15.9 Omitted.

Article 16. Compliance and Enforcement.

16.1 General Remedies. Every Owner and occupant of any Lot shall comply with the Association Documents, including without limitation the provisions of this Declaration, and the Act. Failure to comply shall be grounds for an action by Declarant or the Hickory Run at River Trace Property Owners Association to recover sums due, for damages, injunctive relief or any other remedy available at law and equity or under the Act.

16.2 Enforcement/Sanctions. The Board or such other Hickory Run at River Trace Property Owners Association agent with the Board's approval, may impose sanctions for violations of Association Documents after notice and a hearing in accordance with the procedures set forth in the Declaration. Such sanctions may include, without limitation:

(a) Imposing reasonable monetary fines which shall constitute a lien upon the Lot of the violator;

(b) Suspending an Owner's right to vote;

(c) Suspending any Person's right to use any Hickory Run at River Trace Phase I Common Area; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from the Lot;

(d) Suspending any services provided by the Hickory Run at River Trace Property Owners Association to an Owner or the Owner's Lot if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Hickory Run at River Trace Property Owners Association or the Lot's access to the stormwater ponds; and

(e) Levying Benefited Assessments to cover costs incurred in bringing a Lot into compliance in accordance with Section 10.6(a).

16.3 Self-Help Remedies. Declarant or the Board or such other Hickory Run at River Trace Property Owners Association agent with the Board's approval, may elect to enforce any provision of the Association Documents by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations in accordance with any applicable ordinance(s) of Craven County, North Carolina) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedures set forth in Section 16.7 or in the Bylaws.

16.4 Cumulative Remedies/Attorneys' Fees. Declarant and the Hickory Run at River Trace Property Owners Association shall have all powers and remedies under the Act and the Association Documents which shall be cumulative of any remedies available at law or in equity. In any action to enforce the provisions of the Association Documents, if Declarant or the Hickory Run at River Trace Property Owners Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

16.5 Hickory Run at River Trace Property Owners Association's Right Not to Take Action. Neither Declarant nor The Hickory Run at River Trace Property Owners Association shall be obligated to pursue enforcement action in any particular case, such decisions to be within the discretion of the Declarant or the Board, as the case may be, except that the Board shall not be arbitrary or capricious in taking or refusing to take enforcement action. Without limiting the generality of the foregoing, the Board may determine that, under the circumstances of a particular case: (a) the Hickory Run at River Trace Property Owners Association's position is not strong enough to justify taking any or further action; or (b) the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; or (c) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or justify expending Hickory Run at River Trace Property Owners Association funds; or, (d) it is not in the best interest of the Hickory Run at River Trace Property Owners Association, based upon hardship, expense or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed a waiver of the right of Declarant or the Hickory Run at River Trace Property Owners Association to enforce such covenant, restriction, rule or provision at a later time under other circumstances or preclude the Hickory Run at River Trace Property Owners Association from enforcing any other covenant, restriction, rule or provision, nor shall it preclude any Owner from taking action at law or in equity to enforce the Association Documents.

16.6 Enforcement by Owner. Nothing set forth in this Article 16 shall prevent any aggrieved Owner from instituting any available remedy in law or in equity for a violation of the Association Documents.

16.7 Hearing Procedures. Except as may be otherwise specifically authorized by the Association Documents, and permitted by the Association Documents, the Board shall not (i) impose a fine or penalty, (ii) undertake permitted remedial action, or (iii) suspend voting or infringe upon other rights of a Member or other occupant of a Lot or Dwelling Unit for violations of the Association Documents, or for assessments or other amounts due and owing to the Hickory Run at River Trace Property Owners Association remaining unpaid for a period of thirty (30) days, or longer, unless and until the following procedure is completed:

(a) Written Demand. Written demand to cease and desist from an alleged violation shall be served upon the Responsible Person specifying (i) the alleged violation; (ii) the action required to abate the violation; and (iii) a time period, not less than five (5) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation may result in the imposition of a sanction after notice and hearing if the violation is not continuing.

(b) Notice. At any time within twelve (12) months following receipt of notice of the alleged violation, the Board, or an adjudicatory panel appointed by the Board, shall serve the Responsible Person (for purposes of this Section 16.7, the "Responsible Person" shall be any Member, Owner, or occupant of a Lot or Dwelling Unit) with a written notice of a hearing to be held by the Board of the Hickory Run at River Trace Property Owners Association in executive session or an adjudicatory panel appointed by the Board; provided, however, any adjudicatory panel appointed by the Board shall be composed of members of the Hickory Run at River Trace Property Owners Association who are not officers of the Hickory Run at River Trace Property Owners Association or members of the Board. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing, which shall not be less than ten (10) days from the giving of the notice; (iii) an invitation to attend the meeting and produce any statement, evidence and witness on his or her behalf; and (iv) the possible sanction to be imposed. The notice prescribed herein may be served by mailing a copy of said notice to the alleged violator by placing said notice in the United States mail, postage prepaid, by any method as permitted for the service of summons as set forth in Rule 4 of the North Carolina Rules of Civil Procedure or by the delivery of said notice by an officer, director or agent of the Hickory Run at River Trace Property Owners Association to the Responsible Person or to any person who may be served on the Responsible Person's behalf as provided in said Rule 4.

(c) Hearing. The hearing shall be held in executive session of the Board or an adjudicatory panel appointed by the Board pursuant to the notice affording the member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of deliver, is entered by the officer, director, or agent who delivered such

notice. The notice requirement shall be deemed satisfied if the Responsible Person appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. In addition, a written statement of the results of the hearing and the sanction, if any, imposed shall be mailed by the United States mail, postage prepaid, by the Hickory Run at River Trace Property Owners Association to the violator.

(d) Appeal. If the hearing is held before an adjudicatory panel, following such hearing and notice of a decision adverse to the violator, the Responsible Person shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the managing agent of the Hickory Run at River Trace Property Owners Association, President or Secretary of the Hickory Run at River Trace Property Owners Association within fifteen (15) days after the date of the decision, said written notice to contain information by which the Board may notify the Responsible Person of the date of the appeal hearing. If no adjudicatory panel is appointed by the Board, no right of appeal shall exist.

(e) Sanction as Assessment. Pursuant to the provisions of this Section, a fine may be imposed by the Hickory Run at River Trace Property Owners Association is an amount not exceeding One Hundred and No/100 Dollars (\$100.00) (or any greater amount as may be provided otherwise by law or the Act) per violation of the Association Documents and without further hearing, for each day after five (5) days after the decision to impose such fine that the violation occurs. Any such fine shall be an assessment as set forth in this Declaration and the Act. If it is decided pursuant to the provisions of this Section that a suspension of privileges or services should be imposed, the suspension may be continued without further hearing until the violation or delinquency is cured.

Article 17. General Provisions.

17.1 Term. This Declaration shall run with and bind the Hickory Run at River Trace Phase I Property, and shall inure to the benefit of and shall be enforceable by the Hickory Run at River Trace Property Owners Association or any Owner, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded. After such time, this Declaration shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding each extension, agreeing to amend, in whole or in part, or terminate this Declaration, in which case this Declaration shall be amended or terminated as specified therein.

17.2 Amendment.

(a) By Declarant. During the Development Period, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, Declarant may unilaterally amend this Declaration if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) required by an institutional or governmental lender or purchaser of Mortgage loans,

including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable it to make or purchase Mortgage loans on the Lots; (iv) necessary to enable any governmental agency or reputable private insurance company to guarantee or insure Mortgage loans on the Lots; or (v) otherwise necessary to satisfy the requirements of any governmental agency for approval of this Declaration. However, any such amendment shall not adversely affect the title to any Lot unless the affected Owner shall consent thereto in writing.

(b) By Owners. Except as otherwise specifically provided in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners representing sixty-seven percent (67%) of the total votes in the Hickory Run at River Trace Property Owners Association. During the Development Period, the Declarant's written consent shall be required for any amendment to the Declaration.

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.

(c) Validity and Effective Date of Amendments. Amendments to this Declaration shall become effective upon recordation in the Register of Deeds unless a later effective date is specified therein. 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 Bylaws, it will be conclusively presumed that such Owner has the authority so 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.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

17.3 Termination. The Hickory Run at River Trace Phase I planned development may only be terminated: (i) in accordance with the provision of N.C.G.S. § 47F-2-118, and (ii) during the Development Period, with the written consent of the Declarant.

17.4 Litigation. Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Hickory Run at River Trace Property Owners Association unless approved by a vote of sixty-seven percent (67%) of the Members and the consent of Declarant during the Development Period. This Section shall not apply, however, to: (a) actions brought against Persons other than Declarant or its assigns by the Hickory Run at River Trace Property Owners Association to enforce the provisions of the Association Documents (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article 10; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims brought by the Hickory Run at River Trace Property Owners Association in proceedings instituted against it. This Section shall not be amended

unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

No judicial, quasi-judicial, administrative or governmental proceeding shall be commenced or prosecuted by the Hickory Run at River Trace Property Owners Association against or involving Declarant unless approved by a vote of seventy-five percent (75%) of the Members.

17.5 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.

17.6 Omitted

17.7 Omitted

17.8 Attorneys' Fees. In the event of an action instituted to enforce any of the provisions contained in the Association Documents, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorneys' fees and costs, including administrative and lien fees, of such suit. In the event the Hickory Run at River Trace Property Owners Association is a prevailing party in such action, the amount of such attorneys' fees and costs shall be a Benefited Assessment with respect to the Lot(s) involved in the action.

Article 18. Stormwater Permit.

18.1 Construction. Declarant shall, at its sole cost and expense, initially construct all stormwater ponds, outlet pipes and discharge areas to be located upon the streets or Common Area or upon any property annexed into Hickory Run at River Trace Phase I by Declarant to the standards set forth in the Permit. Upon completion of the initial construction of said stormwater ponds, Declarant may transfer the Permit and Declarant's responsibilities under the Permit to the Association subject to the provisions hereinafter set forth and the Association shall accept such transfers. Thereafter, upon completion of the initial construction of the stormwater ponds required by the applicable Permit for any additional property annexed by Declarant into the Subdivision, Declarant shall transfer the applicable Permit and Declarant's responsibilities under any Permit applicable to the property annexed by Declarant into the Subdivision to the Association and the Association shall accept the transfer from Declarant of the applicable Permit and responsibilities under the applicable Permit. Transfers of the Permit shall occur at a time selected by Declarant which is after the earlier to occur of (i) the date the North Carolina Department of Environmental and Natural Resources allows the transfer of the Permit to occur; or, (ii) the date after which at least fifty percent (50%) of the Lots are conveyed to Owners other than Declarant. With respect to property hereinafter annexed into the Subdivision by Declarant, the Permit may be transferred by Declarant after the date upon which at least fifty percent (50%) of the annexed Lots are conveyed to Owners other than Declarant. Prior to any such transfer of the Permit, the stormwater ponds for the respective area of the Subdivision

served by the Permit to be transferred, including any property annexed by Declarant into the Subdivision, shall be certified, either by state inspection or by licensed engineer, as being in compliance with the applicable Permit prior to such assignment or transfer.

18.2 Indemnity. The Association shall indemnify and hold Declarant harmless from any loss, cost, claim, fee, fine, suit, damage or expense, including reasonable attorneys' fees, incurred by Declarant in the defense of any action against Declarant as holder of the Permit from and after the date Declarant tenders transfer of the Permit to the Association following the approval of such transfer by the North Carolina Department of Environment and Natural Resources and the certification of compliance as set forth above. Further, Declarant may bring an action for specific performance of the obligations of the Association pursuant to this Section.

18.3 Association's Obligations. From and after transfer of the Permit from Declarant to the Association following the approval of the North Carolina Department of Environment and Natural Resources, the oversight, supervision, management and administration of the stormwater pond, the Stormwater Management Facility, the Permit shall be the sole responsibility of the Association. The Association duties with respect to the stormwater pond and the Permit shall be carried out in accordance with the terms and conditions of this Declaration, the Articles, the Bylaws and the Permit. Declarant for itself and its successors and assigns, reserves the right and easement to use any stormwater ponds, Stormwater Management Facility and Permit to serve the property described by Exhibit C.

18.4 Omitted.

18.5 Lot Owner's Compliance. Each Owner of each Lot in the Hickory Run at River Trace Phase I Property currently in existence or hereinafter annexed into the Subdivision, agrees that the location, construction, use and repair of any improvements on a Lot shall be constructed in compliance with the Permit and that the permissible Built Upon Area on the Lot is as set forth in the Permit and in Section 11.3 hereof. This obligation may be enforced by Declarant or the Association by an action for damages and/or an action for specific performance.

18.6 Omitted.

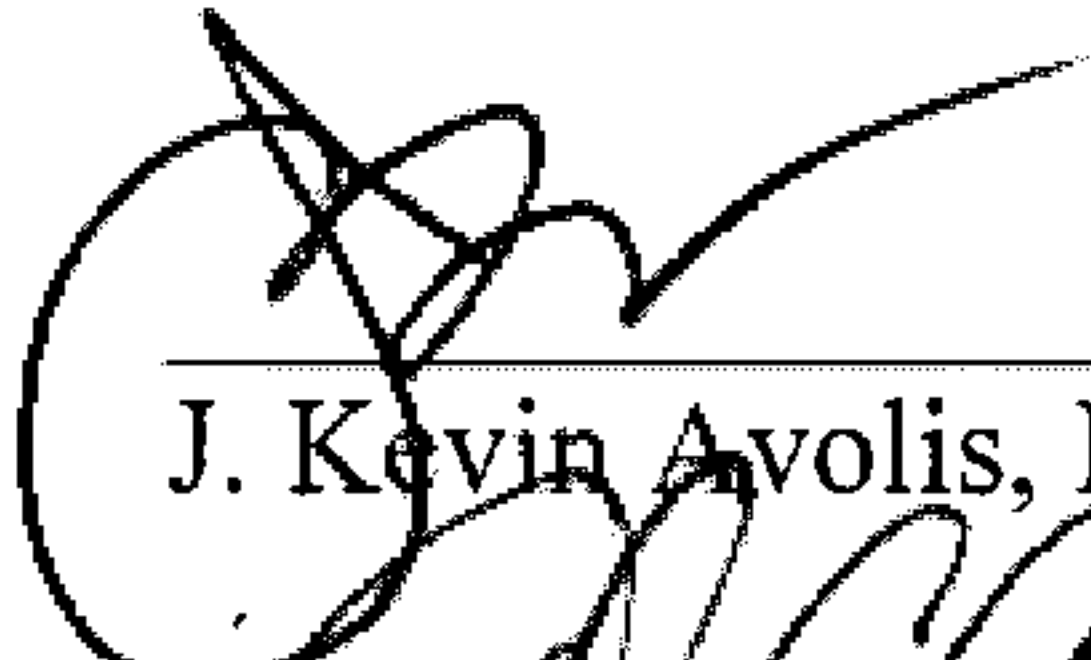
18.7 Agreement with Other Associations. The Association may enter into agreements with other property owners associations of owners of property in the area of the Subdivision.

(a) to share the costs of the expenses in operating the Stormwater Management Facility located in the Subdivision or on other property; and,

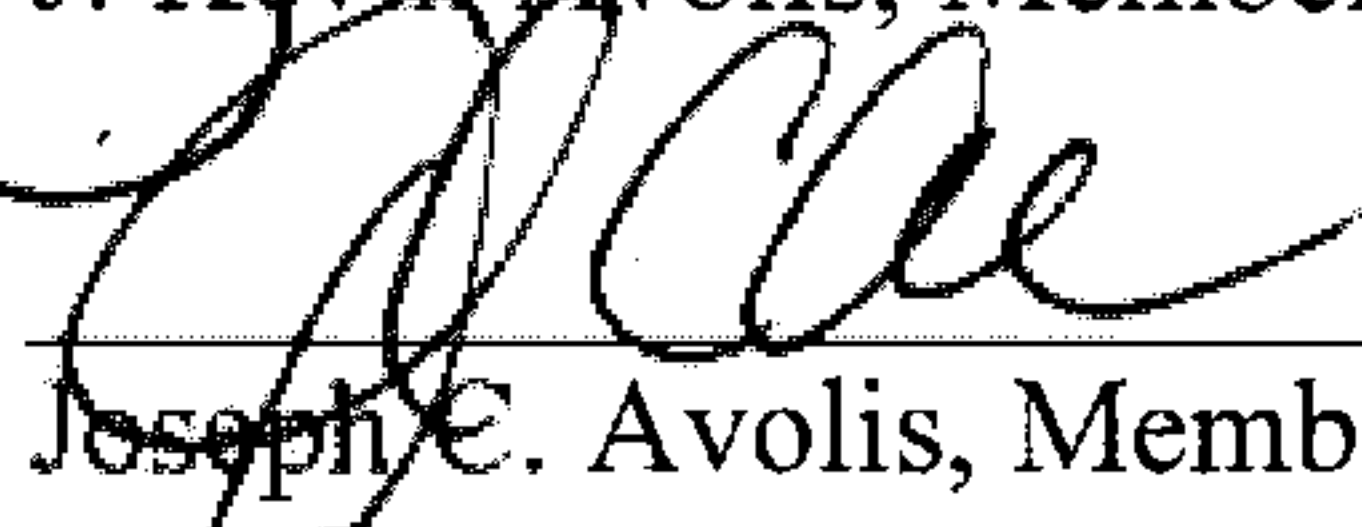
(b) to allocate the obligations to provide Stormwater Management Facilities for the Subdivision or other property.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 15 day of February, 2023.

BRICE'S CREEK MINI STORAGE, LLC (SEAL)
a North Carolina limited liability company

By: 

J. Kevin Avolis, Member/Manager

By: 

Joseph E. Avolis, Member/Manager

By: 

Dwight A. Merchant, Member/Manager

[Notary certification on the following page]

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I certify that the following person personally appeared before me this day, acknowledging to me that he signed the foregoing document for the purpose(s) stated therein and, if other than in an individual capacity, in the capacity indicated having been first authorized to do so:

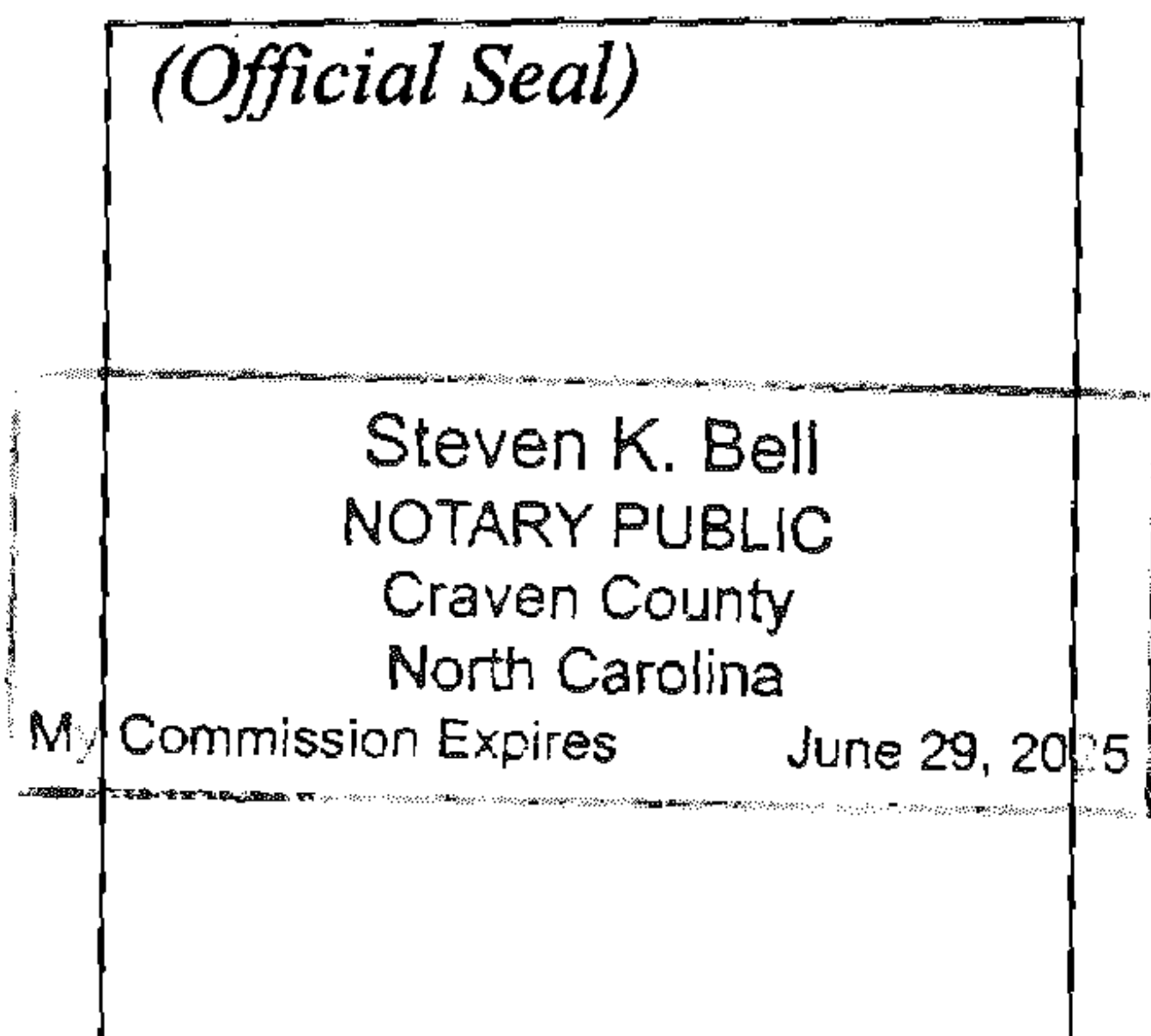
J. Kevin Auolis of Brice's Creek Mini Storage, LLC.

Date: 2/15/23

[Signature]
Signature of Notary Public

Steven K Bell
Notary's printed or typed name

My commission expires: 6/29/25



Notary seal or stamp must appear within this box.

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I certify that the following person personally appeared before me this day, acknowledging to me that he signed the foregoing document for the purpose(s) stated therein and, if other than in an individual capacity, in the capacity indicated having been first authorized to do so:

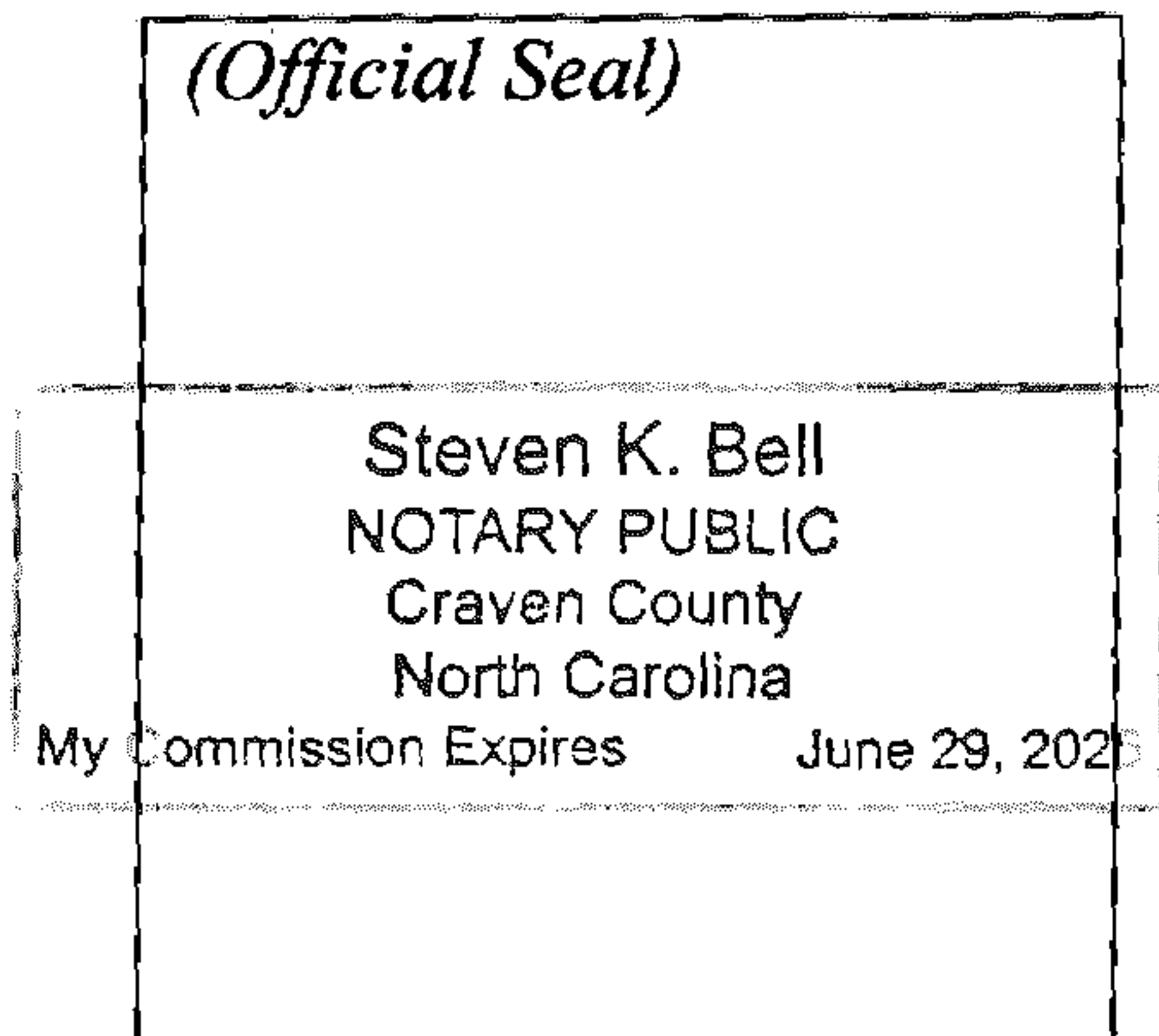
Joseph C. Avolis of Brice's Creek Mini Storage, LLC.

Date: 2/15/23

[Signature]
Signature of Notary Public

Steven K. Bell
Notary's printed or typed name

My commission expires: 6/29/25



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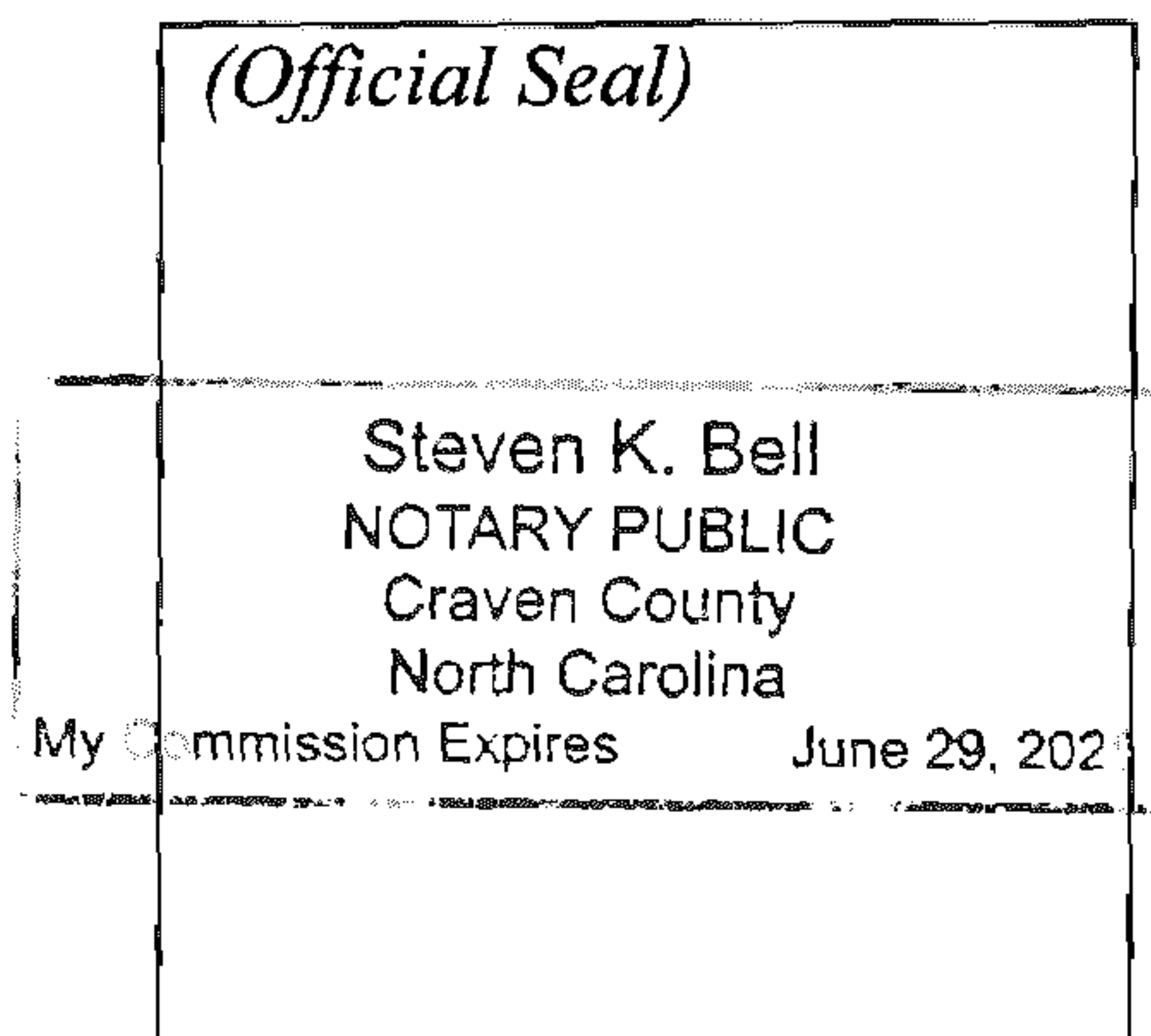
Dwight A. Merchant of Brice's Creek Mini Storage, LLC.

Date: 2/15/23

[Signature]
Signature of Notary Public

Steven K. Bell
Notary's printed or typed name

My commission expires: 6/29/25



Notary seal or stamp must appear within this box.

EXHIBIT A

Those tracts or parcels of land lying and being situate in Craven County, North Carolina, and being more particularly described as all of the Lots, Streets and Common Areas depicted as Hickory Run at River Trace Phase I on the map entitled "Final Plat of Hickory Run at River Trace, Phase I" recorded in Plat Cabinet J, Slide 43G in the office of the Register of Deeds of Craven County, North Carolina.

This conveyance is made together with and subject to the easements appurtenant to the aforesaid property described as follows:

1. This conveyance is made together with the non-exclusive perpetual rights of ways and easements which shall remain open for the purposes of ingress, egress, regress, access, the installation and maintenance of utilities, further subdivision and the right to dedicate roads in said easements to the public over the road easements, including, but not limited to, Wild Turkey Road and over the drainage, utility and stormwater drainage and stormwater pond easements, as said easements are shown and delineated on the map of Hickory Run at River Trace Phase I recorded in Plat Cabinet J, Slide 43G, in the office of the Register of Deeds of Craven County.

EXHIBIT B**Use Restrictions**

The following restrictions shall apply to all of the Hickory Run at River Trace Phase I Property currently existing or hereinafter annexed into the Subdivision until such time as the resolutions are amended, modified, repealed or limited pursuant to the provisions of this Declaration.

1. Restricted Activities. The following activities are prohibited within the Hickory Run at River Trace Phase I Property unless expressly authorized by, and then subject to such conditions as may be imposed by, the Declarant and, after the Development Period, by the Board of Directors:

(a) Any activity which tends to cause an unclean, unhealthy or unsafe condition to exist outside of enclosed structures on the Lot.

(b) Any activity which emits foul or obnoxious odors, fumes, dust, smoke, or pollution outside the Dwelling Unit or which creates noise, unreasonable risk of fire or explosion, or other conditions which are a nuisance.

(c) Any activity which violates local, state or federal laws or regulations.

(d) Omitted

(e) Outdoor storage of goods, materials, or equipment, except that outdoor storage of building materials shall be permitted during construction on the Lot on which such materials are being stored.

(f) Any activity which would constitute a public or private nuisance.

(g) Dumping grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any common area, storm sewer, drainage ditch, or other component of the storm drainage system serving the Hickory Run at River Trace Phase I Property, any stream, pond, or elsewhere within the Hickory Run at River Trace Phase I Property, except that fertilizers may be applied to landscaping on Dwelling Units provided care is taken to minimize runoff.

(h) There shall be no subdivision of a Lot into two or more Lots, or changing the boundary lines of any Lot after a Recorded Plat including such Lot has been approved and recorded, except that Declarant shall be permitted to subdivide or replat Lots which it owns and minor variations in the Lot lines are permitted so long as no additional Lots are created by such action. If two lots are owned by a common owner and the owner wishes to combine both lots into one, and the Declarant agrees to the combination, owner will be required to have the lots surveyed as one and record a new plat with the Craven County Register of Deeds.

(i) Omitted

(j) Omitted

(k) Any activities which materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within the Hickory Run at River Trace Phase I Property or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution are prohibited.

(l) Vehicles and Parking. Vehicles, including without limitation, automobiles, trucks, boats, trailers, motorcycles, campers, vans, and recreational vehicles, shall be parked in accordance with the following:

i. No camper, travel trailers or truck of greater than one (1) ton capacity nor any construction equipment including trailers may be parked on the rights-of-way of any street. No such vehicle may be parked on any Lot nearer to any side Lot line which does not abut a street than the minimum building set back lines shown on the recorded plat or nearer to any street than the face of the dwelling located on said Lot which faces the street. If no dwelling is located on a Lot, no such vehicle may be parked on such Lot. It is provided, however, that such vehicles are not prohibited on a Lot while construction is occurring on said Lot. However, such vehicles shall be parked on the Lot and not within the street rights-of-way while construction is occurring on the Lot.

ii. All vehicles parked on any Lot outside an encoded garage shall have current license plates and registration and, if the vehicle parked outside an enclosed garage is a motor vehicle, the vehicle shall have a current motor vehicle inspection sticker.

iii. Omitted

iv. Each Lot shall contain off street hard surfaced parking spaces for parking two (2) automobiles.

(m) Omitted

(n) Removal, alteration, damage or change to any of the Stormwater Management Facilities is prohibited without Declarant approval. Piping of any ditches in the rights-of-way or drainage easements, except normal driveway pipe installation, is expressly prohibited.

(o) The Hickory Run at River Trace Property Owners Association may adopt reasonable rules regarding household pets designed to minimize damage and disturbance to other Owners and occupants, including rules requiring damage deposits, waste removal, leash controls, noise controls, pet occupancy limits based on size and facilities of the Lot and fair share use of the Hickory Run at River Trace Phase I Common Area. Nothing in this provision shall prevent the Hickory Run at River Trace Property Owners Association from requiring removal of any animal that presents an actual threat to the health or safety of residents or from requiring abatement of any nuisance or unreasonable source of annoyance. No Owner shall be permitted to raise, breed or keep mammals, birds, fish, or reptiles of any kind for commercial purposes. **No animals, livestock of any kind shall be kept or maintained on any Lot or in any Dwelling except that dogs, cats, or other household pets may be kept or maintained provided they are not kept or maintained for commercial purposes. Such pets shall be reasonable in number and must be confined to the Lot on which they live unless they are on leash and accompanied by a human. All pets outside of a Dwelling must be on a leash or otherwise physically confined to the Lot upon which their Owner lives. animals or pets which bark**

incessantly, which are an annoyance or which run at large are a nuisance and are prohibited.

(p) Every storage tank, including but not limited to fuel storage tanks, and every outdoor receptacle for ashes, trash, rubbish or garbage shall be installed underground, screened with fences or shrubs or placed and kept so as not to be visible from other Lots or from any street.

(q) No outdoor clotheslines shall be located on a Lot.

(r) All Lots upon which a Dwelling Unit has been constructed shall be well maintained and no unattractive growth shall be permitted. No accumulation of rubbish or debris shall be permitted on any Lot.

(s) All driveway connections to public roadways shall be constructed in compliance with North Carolina Department of Transportation requirements.

2. Prohibited Uses. In addition to uses which are inconsistent with applicable zoning or are prohibited or restricted by other recorded covenants, conditions, restrictions or easements, the following uses are prohibited within the Hickory Run at River Trace Phase I Property:

(a) trailer courts, mobile home parks, and recreation vehicle campgrounds;

(b) oil, gas or mineral exploration; drilling, boring, excavation, development, refining, quarrying, or mining operations, and all construction and equipment incident thereto; and oil or gas wells or related equipment or facilities;

(c) commercial excavation of building or construction materials, except in the ordinary course of construction of improvements.

3. Prohibited Activities. The following shall be prohibited on the Hickory Run at River Trace Phase I Property:

(a) Plants, animals, devices or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Hickory Run at River Trace Phase I Property;

(b) Structures, equipment or other items on the exterior portions of a Dwelling Unit which have become rusty, dilapidated or otherwise fallen into disrepair;

(c) Satellite dishes, antennae and similar devices for the transmission of television, radio, satellite, or other signals of any kind, except that Declarant and the Hickory Run at River Trace Property Owners Association shall have the right, without obligation, to erect or install and maintain any such apparatus for the benefit of all or a portion of the Hickory Run at River Trace Phase I Property. Notwithstanding the foregoing, (i) antennae or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (ii) antennae or satellite dishes designed to receive video programming services via multi-point distribution services which are one meter or less in diameter or diagonal measurement; or (iii) antennae or satellite dishes designed to receive television broadcast signals which are one (1) meter or less in

diameter ("Permitted Devices") shall be permitted, *provided that* any such Permitted Device is placed in the least conspicuous location on the Lot in which an acceptable quality signal can be received and is screened from the view of adjacent Dwelling Units, streets and Hickory Run at River Trace Phase I Common Area in a manner consistent with the Community-Wide Standard and the Architectural Guidelines.

EXHIBIT C

All that certain tract or parcel of land lying and being situate in Number Seven Township, Craven County, North Carolina and being more particularly described as follows:

1. Being Tract F, consisting of 42.26 acres, more or less, as the same is shown and delineated on that certain plat titled "Division Map for Theodore L. Hanes of The Hanes Farm" as prepared by Robert Chiles Engineering dated February 10, 2020 and filed for record in Plat Cabinet I, Slide 169-G of the Craven County Register of Deeds office, reference to which is made for more complete and accurate description.

CONSENT OF LIEN HOLDER

First-Citizens Bank & Trust Company ("Lender") is the holder of the beneficial interest under that certain deed of trust dated August 23, 2021 covering all or portions of the Property described by Exhibits A and C hereof, and recorded on August 24, 2021, in Book 3686, at Page 1245, in the office of the Register of Deeds of Craven County, North Carolina (the "Security Agreement"). Lender hereby joins in the execution of this Declaration to consent to the terms hereof, and to all restrictions, covenants, terms, easements, obligations and other matters set forth in this Declaration, as the same may hereafter be amended, modified, supplemented, or changed. The execution of this Consent of Lien Holder shall not be deemed to modify, amend, diminish, impair, limit, repudiate or forgive any obligation under the Security Agreement and parties to the Security Agreement shall remain fully liable for the faithful performance of all obligations thereunder. This Declaration shall not be modified or amended without the prior consent of Lender.

IN TESTIMONY WHEREOF, the parties have properly executed this Declaration, this the 21 day of February, 2023.

First-Citizens Bank & Trust Company

By: Scott E Wilson
Name: Scott E Wilson
Title: Sr. Vice President

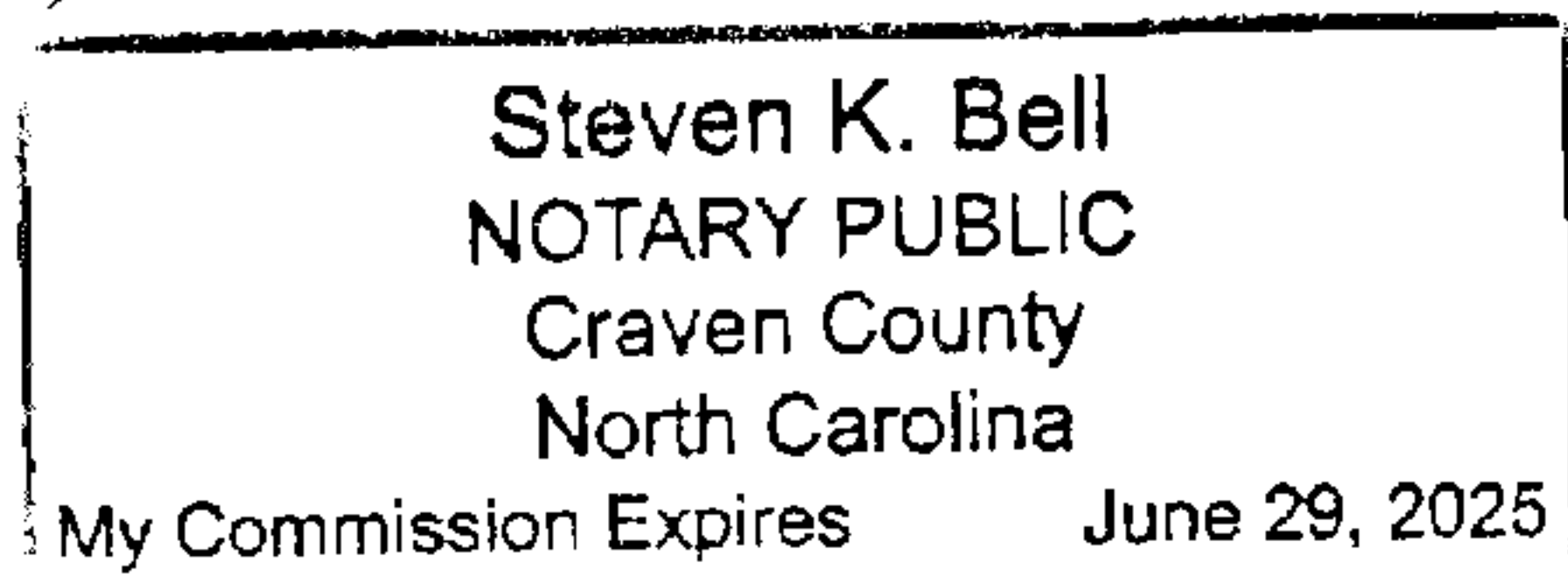
NORTH CAROLINA
COUNTY OF Craven

I certify that the following person personally appeared before me this day, acknowledging to me that he/she signed the foregoing document: Scott E. Wilson

Date: 2/21/23

[Signature]
Official Signature of Notary

(Official Seal)



Steve Bell, Notary Public
Printed or typed name

My commission expires: 6/29/25