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 J. LEE WARREN, JR.
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STATE OF NORTH CAROLINA

COUNTY OF CUMBERLAND

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
 FOR CARSON COVE**

THIS DECLARATION, made the 1 day of February, 2016, by CASTLE HAYNE HOMES, LLC, a North Carolina limited liability company, hereinafter referred to as "Declarant" or "Developer" for the purposes hereinafter stated:

WITNESSETH

WHEREAS, Declarant is the owner of that certain real property in Cumberland County, North Carolina, known as CARSON COVE, which is shown on a plat recorded in the Office of the Register of Deeds of Cumberland County, North Carolina, in Plat Book 136, Page 195, to which reference is made for a more particular description (the "Property"); and

WHEREAS, Declarant desires that the Property be uniform in its development and in furtherance of this desire hereby adopts the following Covenants, Conditions, and Restrictions for the Property; and

NOW, THEREFORE, Declarant hereby declares that the Property described above shall be held, sold and conveyed subject to the following covenants, easements, conditions, and restrictions and the North Carolina Planned Community Act as codified in Chapter 47F of the North Carolina General Statutes (the "Act"), which are for the purpose of protecting the value and desirability of the Property, and which shall run with the Property, be binding on, and inure to the benefit of all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns.

**ARTICLE I
 DEFINITIONS**

Section 1. Additional Property shall mean and refer to any lands which are now owned or may be hereafter acquired or developed by Declarant, in addition to the above described Property, and annexed to and made a part of the Development (as hereinafter defined) pursuant to Article VIII hereof.

Section 2. Architectural Control Committee shall mean the committee composed of Declarant, as long as Declarant owns at least one lot within the Property and thereafter, three (3) or more representatives appointed by the Board. The Architectural Control Committee's role is to approve alterations and improvements as set forth herein.

Section 3. Association shall mean and refer to CARSON COVE HOMEOWNERS ASSOCIATION, INC., a North Carolina nonprofit corporation, its successors and assigns, the owners association organized for the purposes set forth in Article V hereof.

Section 4. Assessments shall mean the Annual, Special, Insurance, Ad Valorem and Working Capital Assessments defined in Article VI hereof.

Section 5. Board shall mean the Board of Directors of the Association.

Section 6. Builder shall mean any persons, firms, or entities to whom or which Declarant conveys one or more Lots within the Property for the purpose of constructing a dwelling thereon.

Section 7. Common Area(s) shall mean and refer to all real property and any improvements thereon within the Development owned by the Developer or the Association for the common use and enjoyment of the Owners, including any facilities located on such real property, specifically including, but not limited to, the private streets and rights of way located on such property, common landscaping areas, storm water retention ponds and common park areas.

Section 8. Common Expenses shall mean expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

Section 9. Declarant shall be used interchangeably with Developer (which designations shall include singular, plural, masculine and neuter as required by the context) and shall mean and refer to CASTLE HAYNE HOMES, LLC, and any successor or assign designated as Declarant in a document recorded with the Cumberland County Register of Deeds executed by the immediately preceding Declarant.

Section 10. Declaration shall mean this instrument as it may be from time to time amended or supplemented.

Section 11. Development shall mean the Property plus any Additional Property.

Section 12. Limited Common Area(s) shall mean areas and facilities within any Lot which are for the exclusive use of the Lot Owner but which the Association is obligated to maintain pursuant to the terms of this Declaration. There shall be no Limited Common Area on any Lot unless the same is specifically shown on the Subdivision Map for CARSON COVE.

Section 13. Lot(s) shall mean and refer to any numbered lot within the Development.

Section 14. Owner shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 15. Property shall mean the Property as defined in the preamble to this Declaration.

Section 16. Member(s) shall mean and refer to every person or entity who has a Membership interest in the Association.

Section 17. Membership shall mean and refer to the rights, privileges, benefits, duties and obligations, which shall inure to the benefit of and burden each Member of the Association.

ARTICLE II PROPERTY RIGHTS AND EASEMENTS

Section 1. Owners' Property Rights and Easement of Enjoyment in the Common Area. Every Owner shall have and is hereby granted a right and easement of enjoyment in and to the Common Area, if any, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The Association may make and amend reasonable rules and regulations governing use of the Common Areas by the Owners, and the Owner's guests or invitees;

(b) The Association, acting through the Board of Directors, shall have the right to grant easements, rights of way, licenses and similar interests over any part of the Common Areas for any lawful purpose which it determines, in its own discretion, to be consistent with the interest of the Association provided it is approved by two-third (67%) of the voting membership of the lot owners;

(c) The right of the Association to suspend any Owner's voting rights and any Owner's right to use the Common Areas and facilities during the time period in which any assessment against said Owner's Lot remains unpaid; and

(d) Subject to other provisions of this Declaration applicable to usage of the Common Areas.

Section 2. Easements in Favor of Declarant and the Association. The following easements are reserved to Declarant and the Association, their successors and assigns:

(a) All easements in the portion of the Development constituting the Common Area and that portion of each Lot not occupied by a structure, which are necessary for the installation and maintenance of utilities and drainage facilities including swales and drainage ditches. Specifically, and not by way of limitation, there shall be a ten foot (10') non-municipal utility easement along and inside the front Lot lines of all Lots. Declarant and the Association shall have the right to go upon the ground with men and equipment to erect, maintain, inspect, repair and use electric and telephone lines, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water or other public conveniences or utilities on, in or over each Lot and such other areas as are shown on the plat of the Property or any Additional Property recorded or to be recorded in the office of the Register of Deeds of Cumberland County; the right to cut drain ways, swales and ditches for surface water whenever such action may appear to the Developer or the Association to be necessary in order to maintain reasonable standards of health, safety and appearance; the right to cut any trees, bushes or shrubbery and to mow any grass; the right to make any grading of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance; and the right to locate wells, pumping stations, and tanks within residential areas, or upon any Lot with the permission of the Owner of such Lot. No structures or plantings or other material shall be placed or permitted to remain upon such easement areas or other activities undertaken thereon which may damage or interfere with the installation or maintenance of utilities or other services, or which may retard, obstruct or reverse the flow of water or which may damage or interfere with established slope ratios or create erosion problems. Provided fences along the rear lot line will be permitted provided the fence is located within 18 inches of the rear lot lines and does not impede or restrict any water flow through a drainage ditch or swale.

(b) Easements over all private streets, if any, access easements, and Common Areas within the Development as necessary to provide access, ingress and egress between different parts of the Property and to any Additional Property.

(c) Any Lots which may be subjected to non-disturbance easements or similar easements for conservation or wet lands buffering purposes. Further, some Lots may be subjected to landscape easements for the purpose of maintaining specified plantings, levels of maintenance, signs, walls, fences, and other decorative structures. The operation of such easements shall be governed by provisions in this Declaration, other recorded instruments and by policies duly enacted by the Association and pursuant to its authority set forth in this Declaration.

Section 3. Other Easements. The following easements are granted by Declarant to others:

(a) An easement is hereby granted to all police, fire protection, ambulance and all similar persons, companies or agencies performing emergency services, to enter upon all Lots and Common Areas in the performance of their duties.

(b) In the event of an emergency originating in or threatening any Lot or the Common Areas, regardless as to whether any Lot Owner is present at the time of such emergency, the Association or any other person authorized by it shall have the right to enter any Lot for the purpose of remedying or abating the causes of such emergency and making any other necessary repairs not performed by the Lot Owners, and such right of entry shall be immediate.

Section 4. Nature of Easements. All easements and rights described herein are perpetual easements appurtenant, running with the land, and shall inure to the benefit of and be binding on the Declarant and the Association, their successors and assigns, and any Owner, purchaser, mortgagee and other person having an interest in the Property or any Additional Property, or any part or portion thereof, regardless of whether or not reference is made in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Declaration.

Section 5. Prohibition Of Permanent Structures Within Easements. No permanent structure except permitted fences allowed under Article II in Section 2(a) may be built within those easements shown on any recorded plat of the Property, or described in the Declaration, unless constructed by Declarant. Owners may not plant trees, shrubs, flowers and grass in those easements except with written approval of the Declarant or the Architectural Control Committee. Owners shall be responsible for the cost of removal, repair and/or replacement of any non-permanent structures which the Association deems necessary to remove to allow for maintenance, servicing, repair or replacement within those easements. Owners shall also be responsible for the cost of the removal of any permanent structure constructed within those easements, if removal is required by the Association. Any costs incurred by the Association for removal, repair and/or replacement of structures or vegetation in the easement areas shall be assessed to the Owner of the related Lot.

ARTICLE III RIGHTS OF DEVELOPER

The Declarant shall have, and there is hereby reserved to the Declarant, the following rights, powers and privileges which shall be in addition to any other rights, powers and privileges reserved to the Declarant herein:

Section 1. Development Activities. For as long as Declarant or a Builder owns one or more Lots within the Development, which Lot or Lots are being actively marketed for sale, Declarant or the Builder, as applicable, shall have the right to conduct development, construction, marketing and customer service operations within the Development in a customary and reasonable fashion. This includes the right to maintain construction and sales offices and model homes on Lots which Declarant or Builder owns and to park vehicles thereon, the right of access over the streets and rights of way within the Development by construction and supply vehicles and the right to store materials and equipment related to such land development and construction on Lots owned by Declarant or a Builder, and the right to make and reproduce photographs of the Common Area and of private homes in marketing, advertising, and public relations efforts. However, it shall be incumbent upon those exercising these reserved rights to conduct their activities in ways respectful of the comfort and safety of the occupants of Lots in the Development.

Section 2. The Architectural Control Committee. All duties and responsibilities conferred upon the Architectural Control Committee by this Declaration or the Bylaws of the Association shall be exercised and performed by the Declarant or its designee, so long as Declarant or a Builder shall own any Lot within the Property or any Additional Property, and thereafter by the Architectural Control Committee appointed by the Board. If the Board has not appointed the members of the Architectural Control Committee, the Board shall act as the Architectural Control Committee.

Section 3. Plan of Development. The right to change, alter or redesignate the allocated planned, platted, or recorded use or designation of any of the lands constituting the Development including, but not limited to, the right to change, alter or redesignate road, utility and drainage facilities and easements and to change, alter or redesignate such other present and proposed amenities or facilities as may in the sole judgment and discretion of Declarant be necessary or desirable. The Declarant hereby expressly reserves unto itself, its successors and assigns, the right to re-plat any one (1) or more Lots shown on the plat of any subdivision of the Property or Additional Property in order to create one or more modified Lots; to further subdivide tracts shown on any such subdivision plat into two or more Lots; to recombine one or more tracts or Lots or a tract and Lots to create a larger tract; to eliminate from this Declaration Lots that are not otherwise buildable or are needed for access or are needed for use as public or private roads or access areas, whether serving the Development or other property or are needed for Common Areas or amenities, and to take such steps as are reasonably necessary to make such re-platted Lots or tracts suitable and fit as a building site, access area, roadway or Common Area.

Section 4. Developer Control of the Homeowners' Association. Until the Declarant no longer owns any lot within the Development (the "Developer Control Period"), the Declarant or its designee(s) shall be the only member(s) of the Board of Directors. The Declarant can turn over control to the Association at any time after the sale of the first Lot in the sole discretion of the Declarant.

Section 5. Amendment of Declaration by Declarant or Board without Membership Approval. This Declaration may be amended or supplemented without Member approval by the Declarant, or the Board of the Association, as the case may be, as follows:

- (a) in any respect, prior to the sale of the first Lot;
- (b) to the extent this Declaration applies to Additional Property;

- (c) to correct any obvious error or inconsistency in drafting, typing or reproduction;
- (d) to qualify the Association or the Property and Additional Property, or any portion thereof, for tax-exempt status;
- (e) to include any platting change as permitted herein;
- (f) to conform this Declaration to the requirements of any law or governmental agency having legal jurisdiction over the Property or any Additional Property or to qualify the Property or any Additional Property or any Lots and Improvements thereon for mortgage or improvement loans made, insured or guaranteed by a governmental agency or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by, or under the substantial control of the United States Government or the State of North Carolina, regarding purchase or sale of such Lots and Improvements, or mortgage interests therein, as well as any other law or regulation relating to the control of property, including, without limitation, ecological controls, construction standards, aesthetics, and matters affecting the public health, safety and general welfare. Notwithstanding anything else herein to the contrary, only the Declarant shall be entitled to amend this Declaration pursuant to this Section during the Developer Control Period.

Section 6. Right to Transfer Declarant Rights. Any or all of Declarant's rights or obligations set forth in this Declaration or the Bylaws may be transferred in whole or in part to other persons. No such transfer or assignment shall be effective unless evidenced by a recorded document. The foregoing sentence shall not preclude Declarant from permitting other persons to exercise, on a one-time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety. In such case it shall not be necessary to record any written assignment unless necessary to evidence Declarant's consent to such exercise.

Section 7. Assignment by Declarant. Any or all of the rights, powers, easements, functions and obligations reserved or given to the Declarant in this Declaration may be assigned to the Association, and the Association shall accept and assume responsibility for any or all such rights, powers, easements, functions and obligations when requested by the Declarant. Any such assignment or transfer shall be made by a recorded document, executed by both the Declarant and the Association, and the Association shall thereupon have the same rights and powers and be subject to the same obligations and duties as are herein given to and assumed by the Declarant. The Declarant, but not the Association, shall thereupon be released from such obligations and duties.

Section 8. Dues and Assessments. Declarant shall not be responsible for paying any dues or assessments.

ARTICLE IV ARCHITECTURAL STANDARDS

Section 1. General.

(a) No improvements shall be made, placed, constructed or installed on any Lot and no exterior modifications including, but not limited to, exterior painting or changes in color schemes, changes in exterior materials or design, to existing Improvements shall be undertaken without prior approval of the Declarant so long as the Declarant or a Builder owns any Property or Additional Property and thereafter without the approval of the Architectural Control Committee in accordance with this Article, except that the Declarant's activities shall be exempt from this requirement so long as it is engaged in development or construction in the Development. All improvements constructed by a Builder shall be subject to the approval of the Architectural Control Committee, not to be unreasonably withheld. The Architectural Control Committee shall respond to a Builder's request for approval within two (2) business days after receipt of a request.

(b) All Improvements to Lots in the Development shall conform to the Declaration and the rules promulgated by the Architectural Control Committee.

(c) The Declarant during the Developer Control Period and the Architectural Control Committee thereafter shall have jurisdiction over all original construction or installation of homes or Improvements on any Lot and later changes or additions after initial approval thereof together with any modifications, additions or alterations subsequently to be constructed or installed on any Lot or made to any Improvements initially approved, including any exterior change or alteration or change of color.

(d) The Declarant during the Developer Control Period and the Architectural Control Committee thereafter shall have the right to disapprove any plans, specifications and details submitted to it in the event the same are not in accordance with any of the provisions of this Declaration or any

provision of the Architectural Control Committee which may be in effect at the time, if any maintenance obligations of the Association would be adversely impacted or if the aesthetics of the Development would be negatively impacted. Disapproval of plans may be based upon any grounds which the Declarant or the Architectural Control Committee, in their sole and uncontrolled discretion, shall deem sufficient; however, approval of plans shall not be unreasonably withheld.

Owners shall have the right to appeal disapproval of plans by the Architectural Control Committee (but not by Declarant). The decision by the Association on such appeal, upon majority vote of the members of its Board of Directors, shall be final and not subject to appeal or review.

(e) The Declarant during the Developer Control Period or the Architectural Control Committee thereafter shall have the right to inspect all construction to ensure that it is performed in strict accordance with the approved plans.

(f) Notwithstanding anything to the contrary in this Article IV, it is noted that the Declarant and the Architectural Control Committee have approved the residential building plans for new homes to be constructed on Lots by Jernigan Builders, Inc., GMC Land Development of NC, Inc., and G&G Land Development.

ARTICLE V **HOMEOWNERS' ASSOCIATION**

Section 1. Formation of Association. CARSON COVE HOMEOWNERS ASSOCIATION, INC. is a nonprofit corporation organized pursuant to the Nonprofit Corporation Act of the State of North Carolina for the purpose of establishing an association for the Owners of Lots to operate and maintain the Common Areas and to provide any other services provided in this Declaration or agreed to by a majority of the Members.

Section 2. Membership. Every Lot Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from Lot ownership.

Section 3. Voting Rights. During the Developer Control Period, the Declarant shall be entitled to one vote for each Lot owned by the Declarant and one vote for each Lot owned by another person. After the Developer Control Period, each Member shall be entitled to one vote in the affairs of the Association for each Lot they own. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as said members determine amongst themselves, but in no event shall more than one (1) vote be cast with respect to any Lot owned by more than one party.

Section 4. Powers, Privileges, Rights and Obligations. In addition to the rights and powers granted to the Association in its charter and to the rights and powers with regard to assessments set forth in Article VI of this Declaration, the Association shall have and possess and shall perform and exercise the following powers, privileges, rights and duties, subject, however, to the rights of the Declarant contained in Article VI hereof:

(a) The Association shall be entitled to make and amend the bylaws and the rules and regulations of the Association;

(b) The Association shall be responsible for the operation, upkeep, maintenance, protection, preservation, repairs, reconstruction and/or replacement of (i) the Common Areas and improvements and additions thereto, including, but not limited to, private streets and rights of way, and (ii) the Limited Common Areas, if any; (iii) any utility easements or drainage easements used for the benefit of more than one lot owner; provided, however, that in the event that any of the above activities are necessitated by the willful act or active or passive negligence of any Owner, his family, guests, invitees or tenants, or is caused by fire, wind, rain, blowing water, lightening, smoke or other hazard or casualty, and the cost of such maintenance, repair or other activity is not fully covered by insurance, then, at the sole discretion of the Board of Directors of the Association, the cost of the same shall be the personal obligation of the Owner and if not paid to the Association upon demand, may be added to the annual assessment levied against said Owner's Lot;

(c) The Association shall be responsible for the payment of property taxes for (i) the Common Areas and improvements and additions thereto, including, but not limited to, private streets and rights of way; and (ii) the Limited Common Areas, if any such Limited Common Areas exist. The Association shall also be responsible for the payment of assessments for public and private capital improvements made to or for the benefit of (i) the Common Areas and improvements and additions thereto, including, but not limited to, private streets and rights of way, and (ii) the Limited Common

Areas, if any such Limited Common Areas exist. Should the Association default upon the foregoing obligations to pay taxes and assessments, and if said default persists for a period of six months, each lot owner within Carson Cove Subdivision shall be personally obligated to pay a portion of said taxes or assessments which shall be calculated as follows: the number of lots owned by said owners divided by the number of total lots within Carson Cove Subdivision. If any lot owner fails to pay said amount within thirty days after being notified of their liability to do so, said sum shall become a continuing lien upon said owner(s) and said owner(s)' heirs, devisees, personal representatives, successors, and assigns lot(s) within Carson Cove Subdivision. The Cumberland County Tax Assessor may elect to either bring an action at law against the owner(s) personally obligated to pay said lien, or foreclose the lien against the owner(s)' lot(s) within Carson Cove Subdivision.

(d) The Association may engage in such other activities as authorized by a majority of the Members.

(e) After notice and opportunity to be heard, the Association may impose reasonable fines and/or suspend the voting rights and privileges or service provided by the Association (except access to lots) for reasonable periods for violations of the bylaws and rules and regulations of the Association.

(f) The Association may mortgage or convey the Common Areas, or dedicate or transfer all or part of the Common Areas, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by at least two-thirds (67%) of the Members.

(g) The Board of Directors on behalf of the Association, as a common expense, may at all times keep the Common Areas and other property of the Association, if any, insured against loss or damage by fire or other hazards and other such risks, including, but not limited to directors' liability and public liability insurance, upon such terms and for such amounts as may be reasonably necessary from time to time to protect such property, which insurance shall be payable in case of loss to the Association for all Members. The Association shall have the sole authority to deal with the insurer in the settlement of claims. Such insurance shall be obtained without prejudice to the right of each Member to insure his personal property for his own benefit at his own expense. In no event shall the insurance coverage obtained by the Association be brought into contribution with insurance purchased by Members or their mortgagees.

(h) The Declarant and/ or the Association shall maintain the road system in the subdivision until such time as the NCDOT has taken responsibility for the maintenance of the road system by dedication to the NCDOT, it being understood that the Declarant shall maintain the road system (instead of the Association) as long as it (or any affiliate of Declarant) continues to own at least one (1) Lot in the Development. Builders shall be responsible for keeping the road system clean of debris during any period of construction. Notwithstanding the above, it is understood that the Declarant shall have ultimate financial responsibility for ensuring the road system is constructed and maintained to NCDOT standards (and not the Lot Owners) until it is accepted for maintenance by NCDOT.

(i) All other powers which are allocated to the owners association under N.C. Gen. Stat. § 47F-3-102 are hereby incorporated by reference as if fully set out herein and in the event of any conflict between the provisions in this Declaration and those set forth in N.C. Gen. Stat. § 47F-3-102, the provisions of N.C. Gen. Stat. § 47FF-3-102 shall prevail.

Section 5. Government Permits. Obligations under all government permits for the Development shall be the obligation of the Association on the following terms and conditions:

(a) General. After completion of construction of any facilities required to be constructed by Declarant pursuant to permits, agreements and easements for the Development, all duties, obligations, rights and privileges of the Declarant under any water, sewer, storm water, erosion control and utility agreements, easements and permits for the Planned Community with municipal or governmental agencies or public or private utility companies, shall be the duties, rights, obligations, privileges and the responsibility of the Association, notwithstanding that such agreements, easements or permits have not been assigned or the responsibilities thereunder specifically assumed by the Association. During the Declarant Control Period the Declarant shall be authorized on behalf of the Association to execute any documents required or requested by appropriate governmental agencies in furtherance of the covenant.

(b) Storm water Permit(s). Any storm water retention ponds and related facilities for the Development which have or are to be constructed by or on behalf of the Declarant constitute Common Areas and the Association, at its sole cost and expense, is responsible for the operation and maintenance of such facilities. The Association and each of its Members agree that at anytime after (i) all work required under any stormwater permits for the Development have been completed, and (ii) the Developer is not prohibited under the NC Department of Environment and Natural Resources (DENR) regulations from transferring the stormwater permit(s) for the Development to the Association, the Association's

officers without any vote or approval of Lot Owners, and within 10 days after being requested to do so, will sign all documents required by DENR for the stormwater permit(s) to be transferred to the Association; provided, however, that at the time the Developer requests that the Association accept transfer of the stormwater permit(s), the Developer has delivered to the Association a certificate from an engineer licensed in the State of North Carolina, dated no more than 45 days before the date of the request, that all stormwater retention ponds, swales and related facilities are constructed in accordance with the plans and specifications therefore. The Association shall indemnify and hold harmless the Developer from any obligations and costs under any stormwater permits or for operation and maintenance of the stormwater retention ponds and related facilities, except during the Declarant Control Period, the Builder (or if no Builder, the Developer) shall be responsible for repairing any damage to such facilities caused by development activities. The Developer shall not be responsible for damages to stormwater retention ponds and related facilities caused by construction of residences or other activities by Owners, their agents and contractors, upon their Lots. If the Association fails to sign the documents required by this paragraph, the Developer shall be entitled to specific performance in the courts of North Carolina requiring that the appropriate Association officers sign all documents necessary for the stormwater permit(s) to be transferred to the Association. Failure of the officers to sign as provided herein shall not relieve the Association of its obligations under this section. In addition, each Owner for the Owner, the Owner's heirs, successors and assigns, by acceptance of a deed from the Declarant, for a Lot hereby irrevocably appoints Alan B. Gregory as the Owner's attorney in fact, on behalf of the Owner and Association, to sign all documents required by DENR necessary for the stormwater permit(s) to be transferred to the Association; provided, however, that the Declarant shall first have requested as provided above that an officer of the Association execute such documents and any officer has failed to do so within the time provided.

Section 6. Ownership of Common Areas. The Association shall own fee simple title to all Common Areas within the Property, except for any Common Areas Declarant conveys to a public authority or other utility provider for the purpose of providing utility services to the Property. The Association shall own fee simple title to all storm water permits for drainage ponds. The Association shall be responsible to for the maintenance, repair, control, and improvement of all Common Areas.

ARTICLE VI COVENANTS FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot, by acceptance of a deed for the Owner's Lot, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association the following assessments (collectively the "Assessments"):

- (a) Annual Assessments;
- (b) Special Assessments for Capital Improvements;
- (c) Insurance Assessments;
- (d) Ad Valorem Tax Assessments; and
- (e) Working Capital Assessments.

The Assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the respective Lot against which the Assessments are made. Each such Assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

Provided, however, the Declarant shall not be required to pay any fees, dues, working capital, or annual assessments on any lot owned by it during the Developer Control Period. Provided, further, any lots sold to a Builder as a vacant lot will be exempt from annual assessments or working capital assessments for a period of one year after construction of a new residence or until sold to a third party whichever occurs first.

Section 2. Purpose of Annual Assessments. The Annual Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and residents of the Property and Additional Property and for the improvement and maintenance of the Common Areas and any Limited Common Areas. The funds arising from said assessments or charges, may be used for any or all of the following purposes: operations, maintenance and improvement of the Common Areas, and any Limited Common Areas, including payment of utilities, enforcing this

Declaration, paying taxes, insurance premiums, legal and accounting fees and governmental charges, establishing working capital, and in addition, doing any other things necessary or desirable in the opinion of the Association to maintain and to keep the Common Areas and Limited Common Areas in good operating order, condition and repair.

Section 3. Annual Assessments. The Board of Directors shall adopt an annual budget at least 60 days before the beginning of each fiscal year. Within 30 days after adoption of the proposed budget for the Development, the Board of Directors shall provide to all of the Owners a summary of the budget. The budget shall be effective unless rejected by the Members as set out in the N.C. Planned Community Act. The Annual Assessment for each Lot shall be established based on the annual budget thus adopted; provided, however, that the first Annual Assessment shall be set by the Declarant prior to the conveyance of the first home to an Owner other than a Builder. The due date for payment shall be established by the Board of Directors. The Board of Directors shall have the authority to require the assessments to be paid in periodic installments.

The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 4. Special Assessments for Capital Improvements. In addition to the Annual Assessments authorized above, the Association may levy, in any assessment year, a Special Assessment applicable to the year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas and any Limited Common Areas, including but not limited to all utility rights of way, drainage easements or any other easements for the benefit of the lot owners or the association and fixtures and personal property related thereto, provided that any such assessment shall have the assent of a majority of the Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Insurance Assessment. All premiums on insurance policies purchased by the Board of Directors or its designee pursuant to Article V and any deductibles payable by the Association upon loss shall be a common expense, and the Association may in any assessment year levy against the Owners equally an "Insurance Assessment", in addition to the Annual Assessments provided for under Section 3 above, which shall be in an amount sufficient to pay the annual cost of all such deductibles and insurance premiums not included as a component of the Annual Assessment.

Section 6. Ad Valorem Tax Assessments. All ad valorem taxes levied against the Common Areas, if any, shall be a common expense, and the Association may in any assessment year levy against the Owners equally an "Ad Valorem Tax Assessment", in addition to the Annual Assessments provided for under Section 3 above, which shall be in an amount sufficient to pay such ad valorem taxes in such year not included as a component of the Annual Assessment.

Section 7. Working Capital Assessments. At the time title to a Lot is conveyed to an Owner by Declarant, the Owner shall pay to the Association as working capital an amount equal to two months' assessments. Provided, however, that builders shall not be required to pay any working capital until the lot is sold to a third party or the property is occupied as a residence or one year after sale to a builder, whichever occurs first. Such funds shall be used solely for initial operating and capital expenses of the Association such as prepaid insurance, supplies, and furnishings, fixtures and equipment for the Common Areas, etc. Amounts paid into the working capital fund are not to be considered as advance payment of the Annual or any other assessments. Any working capital funds remaining after the last Lot has been sold by Declarant shall be transferred to and become part of the general funds of the Association, in the discretion of the Board of Directors.

Section 8. Notice and Quorum For Any Action Authorized under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 of this Article shall be sent to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty percent (50%) of all votes of each class of Membership shall constitute a quorum. The required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 9. Uniform Rate of Assessment. The Assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 10. Commencement of Assessments. Except as otherwise provided in Article VI, Section 1, Assessments for each Lot shall commence upon the date of acceptance by an Owner of a deed from Declarant.

Section 11. Effect of Nonpayment of Assessments and Remedies of the Association. Any Assessment or installment thereof not paid within thirty (30) days after the due date shall bear interest

from the due date at the highest rate allowable by law or eighteen percent (18%) per annum, whichever is lower. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Owner's Lot in the same manner as a deed of trust under power of sale as allowed under North Carolina Law. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his Lot. All unpaid installment payments of Assessments shall become immediately due and payable if an Owner fails to pay any installment within the time permitted.

Section 12. Subordination Of The Lien To Mortgage. The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

Section 13. Lien for Assessments. The Association may file a lien against a Lot when any Assessment levied against said Lot remains unpaid for a period of 30 days or longer.

(a) The lien shall constitute a lien against the Lot when and after the claim of lien is filed of record in the office of the Clerk of Superior Court of the county in which the Lot is located. The Association may foreclose the claim of lien in like manner as a mortgage on real estate under power of sale under Article 2A of Chapter 45 of the General Statutes. Fees, charges, late charges, fines, interest, and other charges imposed pursuant to Sections 47F-3-102, 47F-3-107, 47F-3-107A and 47F-3-115 of the Act are enforceable as assessments.

(b) The lien under this section shall take priority over all liens and encumbrances on a Lot except (i) liens and encumbrances (specifically including, but not limited to, a mortgage or deed of trust on the Lot) recorded before the docketing of the claim of lien in the office of the Clerk of Superior Court, and (ii) liens for real estate taxes and other governmental assessments and charges against the Lot.

(c) The lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within three years after the docketing of the claim of lien in the office of the Clerk of Superior Court.

(d) Any judgment, decree, or order in any action brought under this Article shall include costs and reasonable attorneys' fees for the prevailing party.

(e) Where the holder of a first mortgage or deed of trust of record, or other purchaser of a Lot obtains title to the Lot as a result of foreclosure of a first mortgage or first deed of trust, such purchaser and its heirs, successors and assigns shall not be liable for the assessments against the Lot which became due prior to the acquisition of title to the Lot by such purchaser. The unpaid assessments shall be deemed to be Common Expenses collectible from all of the Lot Owners including such purchaser, its heirs, successors and assigns.

(f) A claim of lien shall set forth the name and address of the Association, the name of the record Owner of the Lot at the time the claim of lien is filed, a description of the Lot, and the amount of the lien claimed.

ARTICLE VII

USE RESTRICTIONS AND ARCHITECTURAL CONTROL

Section 1. Building and Site Improvement. No dwelling, wall or other structure, including fences, shall be commenced, erected, or maintained upon any Lot, nor shall any exterior addition to or change in or alteration therein (including painting or repainting of exterior surfaces) be made until the plans and specifications showing the nature, kind, shape, heights, materials, colors and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Declarant during the Developer Control Period and the Architectural Control Committee thereafter. In the event that the Declarant during the Developer Control Period or the Architectural Control Committee thereafter, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Refusal or approval of any such plans, location or specification may be based upon any ground, including purely aesthetic and environmental considerations that in the sole and uncontrolled discretion of the Declarant during the Developer Control Period or the Architectural Control Committee thereafter shall be deemed sufficient. One copy of all plans and related data shall be furnished to the Declarant during the Developer Control Period and to the Architectural Control Committee thereafter, as the case may be, for its records. The Declarant during the Developer Control Period and the Architectural

Control Committee thereafter shall not be responsible for any structural or other defects in plans and specifications submitted to it or any structure erected according to such plans and specifications.

Section 2. Approval of Plans.

(a) All Lots shall be detached single family dwellings of not more than two stories in height, with a private garage for at least two vehicles, and any other outbuildings in the rear of the dwelling which may be incidental to normal residential use. Any such outbuildings must be approved by the Declarant during the Developer Control Period and the Architectural Control Board thereafter.

(b) No house plans will be approved unless the proposed house shall have a minimum of 1,800 square feet of enclosed heated dwelling area, of which at least 900 square feet must be on the first floor and the dwelling unit must contain an enclosed two-car garage. The term "enclosed, heated dwelling area" as used in the minimum requirements shall be the total enclosed area within a dwelling which is heated by a common heating system; provided, however, that such term does not include garages, terraces, decks, open porches, and like areas. Heated-area living space shall mean the ordinary living space in a house which is designed and constructed so as to be capable of being heated for regular living use in cold weather. In the computation of floor space, furnace room areas, garages, carports, and porches shall not be counted. No residence or other building, and no fence, wall, utility yard, driveway, swimming pool or other structure or improvement, regardless of size or purposes, whether attached to or detached from the main residence, shall be commenced, placed, erected, or allowed to remain on any building or lot, nor shall any addition to or exterior change or alteration thereto be made, unless and until building plans and specifications covering the same, showing the nature, kind, shape, height, size, materials, floor plans, exterior color schemes with paint samples, location, and orientation on the building lot and approximate square footage, construction schedule, on-site sewage and water facilities, and such other information as the Declarant shall require during the Developer Control Period and the Architectural Control Board thereafter, including, if so required, plans for the grading and landscaping of the building lot showing any changes proposed to be made in elevation of surface contours of the land, have been submitted to and approved in writing by Declarant during the Developer Control Period and the Architectural Control Board thereafter, and until a copy of all such plans and specifications as finally approved by the Declarant during the Developer Control Period and the Architectural Control Board thereafter, have been lodged permanently with the Declarant during the Developer Control Period and the Architectural Control Board thereafter.

During the Developer Control Period, the Declarant shall have the absolute and exclusive right to refuse to approve any such building plans and specifications and lot-grading and landscaping plans which are not suitable or desirable in its opinion for any reason, including purely esthetic reasons connected with future development plans of Declarant of the Property, Additional Property, and contiguous lands. In passing upon such building plans and specifications and lot-grading and landscaping plans, the Declarant may take into consideration the suitability and desirability of the proposed construction and of materials of which the same are proposed to be built to the building lot upon which the owner proposed to erect the same, the quality of the proposed workmanship and materials, the harmony of the external design with the surrounding neighborhood and existing structures therein, and the effect and appearance of such construction as viewed from neighboring properties. In the event the Declarant fails to approve or disapprove such building plans and specifications within thirty days after the same have been fully submitted to it as required above, or the foundation of the building has been completed and approved by the local building inspection department, the approval of the Declarant shall be presumed, and the provisions of this paragraph shall be deemed to have been complied with. However, no residence or other building, structure, or improvement which violates any of the covenants and restrictions contained herein or which is not in harmony with the surrounding neighborhood and the existing structures therein shall be erected or allowed to remain on any part of a lot. All driveways shall be constructed of concrete. All siding shall be no less than four and one half (4.5) inches in width. All roofing material shall consist of architectural shingles (metal or copper accents will be permitted). Vinyl, linoleum, or VCT flooring shall not be allowed. Modular homes or manufactured homes shall not be allowed.

(c) All structures shall comply with (i) a front setback of thirty feet, a total side yard setback of ten feet (each side yard setback may be less than ten, as long as the total of the side yard setbacks do not exceed ten feet), and a rear yard setback of thirty feet; and (ii) any setback requirements that are not covered by in this paragraph shall comply with all applicable Cumberland County, North Carolina ordinances.

(d) The exterior of all houses and other structures must be completed within twelve (12) months after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the Owner or builder, due to strikes, fires, national emergency or natural calamities.

(e) No structure shall be erected, altered, placed or permitted to remain on any Lot, except one single family dwelling not to exceed the height permitted by local zoning ordinances. No garage apartments are allowed.

(f) All service utilities, including, but not limited to, HVAC, fuel tanks, trash receptacles, and wood piles are to be enclosed within a wall or plant screen of a type and size approved by the Declarant, the Board or the Architectural Control Committee, so as to preclude the same from causing an unsightly view from any highway, street or way within the subdivision, or from any other residence within the subdivision. All mail and newspaper boxes shall be uniform in design. Design for mail and newspaper boxes shall be furnished by Declarant. Fences shall be permitted on any Lot; provided, however, that the design and materials of any fence are approved by the Declarant, the Board, or the Architectural Control Committee, as the case may be, and provided further, that no fence shall be over six feet in height; and provided further, that no chain link or vinyl fences are permitted on any Lot. Clotheslines are not permitted on any Lot.

(g) Off street parking for not less than two (2) passenger automobiles must be provided on each Lot prior to the occupancy of any dwelling constructed on said Lot which parking areas and the driveways thereto shall be constructed of concrete, brick, asphalt, or turf stone, or any other material approved by Declarant, the Board or Architectural Control Committee.

Section 3. Land Use and Building Type. No Lot shall be used for any purpose except for residential purposes. All numbered Lots are restricted for construction of single family dwellings only. Different and amended land use restrictions and architectural control guidelines may be established for Additional Property added to the Development by Declarant; provided, however, that no Lot may be used for other than single family dwellings except pursuant to approval of the Members in accordance with this Declaration.

Section 4. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. There shall not be maintained any plants or animals, nor device or thing of any sort whose normal activities or existence are in any way noxious, dangerous, unsightly, unpleasant or other nature as may diminish or destroy the enjoyment of other Lots by the Owners thereof. It shall be the responsibility of each Owner to prevent the development of any unclean, unsightly or unkept condition of buildings or grounds on the Owner's Lot which would tend to substantially decrease the beauty of the neighborhood as a whole or the specific area.

Section 5. Lot Maintenance. Each Lot Owner shall keep his Lot free from weeds, underbrush or refuse piles, or unsightly growth or objects. In the event the Owner fails to do so, then, after thirty days notice from the Architectural Control Committee, the Association or its designee may enter upon the Lot and remove the same at the expense of the Owner, and such entry shall not be deemed a trespass, and in such event a lien shall arise and be created in favor of the Association for the full amount of the cost thereof chargeable to such Lot, including collection costs and such amounts shall be due and payable within thirty (30) days after the Owner is billed therefor. Such lien shall be enforceable by Court proceedings as provided by law for enforcement of liens.

Section 6. Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot any time as a residence either temporarily or permanently without the written consent of the Association or its designee; provided, however, that this shall not prevent the Declarant, its designees or assigns from maintaining a construction trailer or office on any part of the Development until the construction of dwellings on all Lots is completed. Provided that any temporary structure must comply with all governmental laws regulations whether state or local pertaining to said structures. However, nothing herein shall be meant to prevent the construction (with Developer's consent) of storage and utility buildings. It is the express intention of the Developer that no trailer or mobile home (including a double-wide mobile home) shall be allowed on the Property. Nothing herein shall be construed to prevent the use, upon Developer's approval, as set forth above, of a prefabricated or modular home as long as same is consistent with the general development and the standards of quality of said subdivision and is not materially detrimental to the value of the subdivided lots in said subdivision.

Section 7. Vehicles/Boats. No watercraft, boat, motor boat, camper, school bus, trailer, motor or mobile homes, tractor/trailer, (including vehicles rated to handle over one ton) or similar type vehicle, shall be permitted to remain on any Lot or on any street at any time, without the written consent of the Association or its designee. All operational vehicles of any lot owner or lot occupant shall be parked on driveways or other parking areas for the vehicles located on the lot to keep streets open for emergencies and other vehicular traffic. Provided the Association can condition consent on keeping vehicles and boats in an area which is screened or not visible from the street. No inoperable vehicle or vehicle without current registration and insurance, will be permitted on any Lot, street or Common Area. The Association shall have the right to have all such vehicles towed away at the owner's expense. No

repairs to any vehicle may be made on streets or in driveways but only in garages or other areas and not visible from the street. Due to noise concerns, safety, liability and property damage reasons, no motorized, gas or electric vehicles, including dirt bikes and all terrain vehicles (ATV's) are permitted on the Common Area/Open Space or grounds of the properties or on lots yet to be built on. Only maintenance equipment needed to maintain the grounds is exempt from this rule.

Section 8. Animals. No animals, livestock or poultry 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 that they are not kept or maintained for commercial purposes and do not exceed three (3) pets in one household, and provided further that they are not allowed to run free, are at all times kept properly leashed or under the rule of their owner and do not become a nuisance to the neighborhood. No dog that has at any time bitten a person, nor any dog that has been trained as an attack dog, shall be permitted on the Development.

Section 9. Statuary, Television Satellite Dishes and Antennas. No yard statuary or TV satellite signal receiving dishes are permitted on any Lot and no outside radio or television antennas shall be erected on any Lot or dwelling unit unless and until permission for the same has been granted by the Board of Directors of the Association or its Architectural Control Committee. Provided, however, an owner may install a satellite dish not exceeding 24 inches without further approval provided said satellite dish is installed in the rear portion of the yard or the rear portion of the dwelling.

Section 10. Exterior Lights. All light bulbs or other lights installed in any fixture located on the exterior of any building or any Lot for the purpose of illumination shall be clear, white or non-frost lights or bulbs.

Section 11. Landscaping. Prior to initial occupancy of the residence constructed on each Lot, all yard area of such Lot must be sodded; provided, however, that any areas to be used as planting beds for trees and shrubs need not be sodded so long as such beds are planted prior to initial occupancy of the Lot. The Declarant, the Board or the Architectural Control Committee, as the case may be, may on account of adverse weather conditions or for other good cause shown permit such landscaping to be done within a period of six months after initial occupancy of the residence. Owners shall keep all Lots mowed and maintained regularly, including the area from the Lot line to the edge of any paved or gravel street and clear of any unsightly objects. Grass and weeds on all Lots, including vacant Lots, must maintained and cut at a height of no more than twelve (12) inches.

Section 12. Signs. Except for lots upon which are located model homes constructed by builders approved by the Declarant, no signs of any type or description shall be placed on or displayed on any residential lot except signs "For Rent" or "For Sale," which signs shall not exceed six square feet in size. Model homes, including unrestricted signage, may remain in use as models as long as there are lots available for sale in said subdivision. Notwithstanding any language to the contrary, builders may erect in common areas temporary directional signs or signage not larger than ten square feet in size. During the construction phase of a home real estate and mortgage signs may be displayed on a lot, which shall not exceed six square feet.

Section 13. Alterations. No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Areas except at the direction or with the express written consent of the Association.

Section 14. Subdividing. Subject to the provisions of Article III hereof, no Lot shall be subdivided, or its boundary lines changed except with the prior written consent of the Declarant during the Developer Control Period and thereafter by the Board of Directors of the Association.

ARTICLE VIII ANNEXATION OF ADDITIONAL PROPERTY

Section 1. Assent of Members. Declarant may annex to and make a part of the Development any other real property which Declarant now owns or which Declarant may hereafter acquire or develop (the "Additional Property"), as follows:

(a) Except as provided in subparagraph B, below, annexation of Additional Property to the Development shall require the assent of a majority of the Members who are voting in person or by proxy at a meeting called for this purpose, written notice of which shall be sent to all Members not less than 30 days nor more than 60 days in advance of the meeting.

(b) Additional Property may be annexed to the Development without the assent of the Members so long as the Additional Property can be used only for residential purposes and related facilities usually appurtenant to residential developments, recreational facilities and Common Areas.

Section 2. Recording. Annexation of Additional Property shall occur upon the recording, in the Office of the Register of Deeds for the county where the Additional Property is located, of (i) a subdivision plat for the Additional Property and (ii) a supplemental declaration stating that the Additional Property is made a part of the Development and is subject to this Declaration. Upon recording of such plat and supplemental declaration, the Additional Property shall become fully subject to the terms of this Declaration, except to the extent that pursuant to Article V, Section 4 hereof, the Declarant amends the applicability of this Declaration to the Additional Property.

Section 3. Name. Nothing herein shall prevent Declarant from using the name "CARSON COVE" in conjunction with the development of other real property which is not made part of the Development and subject to this Declaration.

ARTICLE IX GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall be entitled to recover its reasonable attorney fees and costs incurred enforcing these restrictions, conditions, covenants, reservations, liens, and charges from the party or parties in violation of the same.

Section 2. Enforcement of Storm Water Runoff Regulations. The covenants contained in this section are intended to ensure continued compliance with storm water runoff rules adopted by the State of North Carolina and, therefore, may be enforced by the State of North Carolina. Any Owner may, in accordance with applicable governmental regulations, borrow from another Owner any Built Upon Area which is not being utilized by the other Owner. Such transaction need not be approved by any Owners, other than those involved in the transaction and by the Declarant or by the Association.

(a) Swales shall not be filled in, piped, or altered except as necessary to provide driveway crossings.

(b) Built-upon area in excess of the permitted amount requires state stormwater management permit modification prior to construction.

(c) All permitted runoff from out parcels or future development shall be directed into the permitted stormwater control system. These connections to the stormwater control system shall perform in a manner that maintains the integrity and performance of the system as permitted.

(d) Nothing other than grass shall be allowed or permitted to be placed within any drainage, water or sewer easement that is established on any lot by the map of said Section referenced above. Not by way of limitation, but by way of example, shrubs, trees and other vegetation, fences, walls, storage buildings and all other structures and improvements, of whatever nature or kind, are prohibited from being located within any such easement area.

(e) Although not required, owners are encouraged to grade and maintain along the side lot lines of their lots a swale or depression sufficient in size to encourage surface water drainage. Owners shall not alter or impede in any way a naturally occurring drainage way or a swale constructed or provided by the Developer along lot lines.

(f) Any and all erosion from said lot occurring at the time of occupancy of any residence constructed on said lot must be stabilized and controlled as described hereinabove within sixty (60) days of occupancy of said residence by the owner of record.

(g) All stormwater drainage areas and retention ponds shall be conveyed to the Association and maintained by the Association as common property. All stormwater permits for such locations shall be transferred to the Association upon transfer of title. Any owner seeking to transfer such an area must first obtain a stormwater permit and the area must be in compliance with applicable law at the time of transfer.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 4. Lots Subject to Declaration. All present and future Owners, tenants and occupants of Lots and their guests or invitees, shall be subject to, and shall comply with the provisions of the Declaration, and as the Declaration may be amended from time to time. The acceptance of a deed of

conveyance or the entering into of a lease or the entering into occupancy of any Lot shall constitute an agreement that the provisions of the Declaration are accepted and ratified by such Owner, tenant or occupant. The covenants and restrictions of this Declaration shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot, their respective legal representatives, heirs, successors and assigns, and shall run with and bind the land and shall bind any person having at any time any interest or estate in any Lot, as though such provisions were made a part of each and every deed of conveyance or lease, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless terminated by the Owners in accordance with the Act.

Section 5. Amendment of Declaration. Except as provided elsewhere herein, the covenants and restrictions of this Declaration may be amended only by an instrument duly recorded in the Office of the Register of Deeds of the county where the Development is located, executed by the duly authorized officers of the Association upon the vote of not less than sixty-seven percent (67%) of the Lot Owners; provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements, as herein provided, or affect any lien for the payment thereof established herein. In no event may the Declaration be amended so as to deprive the Declarant of any rights herein granted or reserved unto Declarant.

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IN WITNESS WHEREOF, this Declaration has been executed by the Declarant this the 2 day of February, 2016.

CASTLE HAYNE HOMES, LLC

By: mandywilliams

By: _____
Print Name: mandy g. williams
Title: manager

STATE OF NC
COUNTY OF Cumberland

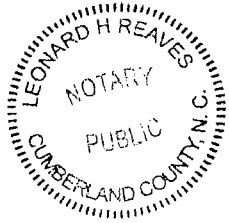
I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Mandy G. Williams, of Castle Hayne Homes, LLC

Date: 2-2-2016 Castle Hayne, NC
Cumberland County, NC

Official Signature of Notary: _____
Notary's Printed or Typed Name: _____ Notary Public
My Commission Expires: _____

(Official Seal) Leonard H. Reaves

My Commission Expires August 25, 2019



(N.P. SEAL)