

30

BK: RB 6320
PG: 1407-1437



RECORDED:
06-11-2020
04:44:51 PM
BY: SAMANTHA SPEAKER
DEPUTY

2020021534
NEW HANOVER COUNTY, NC
TAMMY THEUSCH BEASLEY
REGISTER OF DEEDS

NC FEE \$86.00

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

DECLARATION OF COVENANTS, CONDITIONS and RESTRICTIONS for
1415 South Lake Park Townhomes

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, made the
1st day of June, 2020, by Rimer Development, LLC, a NC limited liability
company, hereinafter referred to as "Declarant".

WITNESSETH:

Whereas, Declarant is the owner of certain real property in New Hanover County, North
Carolina, known as "1415 South Lake Park Townhomes" which is described in that deed
recorded in the Office of the Register of Deeds of New Hanover County, North Carolina in Book
6207 at Page 1747 and described on that plat recorded in Map Book 2 at Pages 30, having the
Tax Parcel ID Number R09018-005-009-000*, to which reference is made for a more particular
description and further described as follows: *R09018-005-019-000, R09018-005-020-000 &
R09018-005-021-000

BEING all of Lots 4 and 19, Block 4, Wilmington Beach, as the
same is shown on a map thereof recorded in Map Book 2 at Page
30 of the New Hanover County Registry, reference to which map
is hereby made for a more particular description; and being in all
respects the same property described in the deed to Anne L.
Lemon, Trustee for the Anne L. Lemon Revocable Trust, dated
September 3, 1991 (and updated April 1, 2005) by deed recorded
in Book 4513 at Page 784 of the New Hanover County Registry,
the said Anne L. Lemon, deceased, having been replaced by her
son, Glenn P. Lemon.

And

Whereas, Declarant has recorded a preliminary map of the proposed 1415 South Lake
Park Townhomes in Map Book 66 at Page 146, New Hanover County; and

RETURN TO Chiaki Ito

Whereas, Declarant has recorded a final map showing the townhomes as-built in Map Book 68 at Page 98, New Hanover County; and

Whereas, Declarant desires to place certain Covenants and Restrictions upon the lands described above as shown in Map Book 68 at Page 98, New Hanover County Registry.

NOW, THEREFORE, Declarant declares that the Property described above shall be held, sold and conveyed subject to the North Carolina Planned Community Act set forth in Chapter 47F of the North Carolina General Statutes (the "Act"), as well as the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value of the desirability of, and which shall run with the land and be binding on and shall 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. Association shall mean and refer to 1415 South Lake Park Townhome Owners Association, Inc., a North Carolina non-profit corporation, its successors and assigns, the owners association organized for the purposes set forth herein.

Section 2. Declarant shall be used interchangeably with Developer (which designations shall include singular, plural, masculine and neuter as required by context).

Section 3. Declaration shall mean this instrument as it may be from time to time amended or supplemented.

Section 4. Lot(s) shall mean and refer to any subdivided lot within the confines of the land described above together with any dwelling situated thereon.

Section 5. 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 6. Property shall mean the Property as defined in the preamble to this Declaration.

Section 7. Member(s) shall mean and refer to every person or entity who has a Membership in the Association.

Section 8. 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.

Section 9. Home or Townhome shall mean the dwelling located on a Lot.

Section 10. Common Elements shall mean and refer to all lands and easements within or appurtenant to the Planned Community owned or enjoyed by the Association, other than a Lot, and intended for the common use and enjoyment of the Owners.

Section 11. Common Expenses means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

Section 12. Common Expense Liability means the liability for Common Expenses allocated to each Lot as permitted by the Act, this Declaration or otherwise by law.

Section 13. Limited Common Elements shall mean areas and facilities 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. LCE as shown on the map recorded in Map Book 68, Page 98, means Limited Common Element(s).

ARTICLE II PROPERTY RIGHTS AND EASEMENTS

Section 1. Owner's 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 existing and any future Common Areas, if any, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following:

(a) The Association may make and amend reasonable rules and regulations governing the use of any future Common Areas by the Owners, and limiting the number of guests of Members;

(b) The Association may levy fines in accordance with applicable statutes.

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) Any as shown upon that map of the property recorded in Map Book 68 at Page 98, of the New Hanover County Registry.

(b) An easement of unobstructed access over, on, upon, through and across each Lot and the Limited Common Elements located thereon, if any, at all reasonable times to perform any lawn, landscape and irrigation maintenance, maintenance and repair to the structures located upon each Lot or to the Limited Common Elements required by this Declaration. This easement shall also run in favor of the Association and the Association's agents, employees, successors and assigns.

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 in the performance of their duties;

(b) in case of any emergency originating in or threatening any Lot or Common Areas, regardless of 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;

(c) the Association is granted an easement over each Lot for the purposes of providing Lot maintenance, including, but not limited to, lawn, landscape, and irrigation maintenance, when an Owner fails to provide maintenance and upkeep in accordance with this Declaration.

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.

ARTICLE III AMENDMENTS

Section 1. Amendment of Declaration by the Declarant. This Declaration may be amended 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 from the Declarant;
- (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 of 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 control, construction standards, aesthetics, and matters affecting the public health, safety and general welfare. A letter from an official of any such corporation or agency, including, without limitation, the Veterans Administration, U.S. Department of Housing and Urban Project, the Federal Home Loan Mortgage Corporation, Government National Mortgage Corporation, or the Federal National Mortgage Association, requesting or suggesting an amendment necessary to comply with the requirements of such corporation or agency shall be sufficient evidence of the approval of such corporation or agency, provided that the changes made substantially conform to such request or suggestion. Notwithstanding anything else herein to the contrary, only the Declarant, during the Developer Control Period, shall be entitled to amend this Declaration pursuant to this Section.

ARTICLE IV
HOMEOWNER'S ASSOCIATION

Section 1. Formation of Association. The Association 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 (i) own, operate and maintain the Common Areas, (ii) to maintain the Designated Common Areas, (iii) to maintain the Limited Common Areas, and (iv) serve as a member of 1415 South Lake Park Townhome Owners Association, Inc., all in accordance with this declaration, the Association's Charter and Bylaws.

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

Section 4. Government Permits. All duties, obligations, rights and privileges of the Declarant under any water, sewer, storm water, and utility agreements, easements, and permits for the Project with municipal or governmental agencies or public or private utility companies are at all times the responsibility of the Association.

SECTION 5: Maintenance and Repair

A. Individual Lots. All maintenance of and repairs to each individual lot, structural or non-structural, ordinary or extraordinary, (other than maintenance of and repairs to any common elements contained therein not necessitated by the negligence, misuse, or neglect of the owner of such lot) shall be made by the owner of such lot with the exception that the Association shall maintain all front and side yard landscaping (to include irrigation) and all exterior maintenance to include the roof, but excluding doors and windows. Each lot owner shall be responsible for all damages to any other lot and to the common elements resulting from his failure to effect such maintenance and repairs. The Association shall only be responsible for repairs and maintenance not covered by the insurance required to be maintained by the unit owners, and prior to making repairs, which are or may be covered by insurance, the owner is required to submit a claim with their insurance carrier. Any structural damage is to be replaced with the same or similar products in order to maintain the continuity of appearance of 1415 South Lake Park Townhomes.

B. Common Elements. All maintenance, repairs and replacements to the common elements, whether located inside or outside of the lots (unless necessitated by the negligence, misuse, or neglect of a lot owner, in which case such expense shall be charged to such lot owner), shall be made by the Board of Managers/Directors and be charged to all the lot owners as a common expense, to include the stormwater management system.

SECTION 6: Damage or Destruction Except as hereinafter provided, damage to or destruction of a lot shall be promptly repaired and restored by the lot owner using the proceeds of any insurance for that purpose.

SECTION 7: Use of Lots In order to provide for continual occupancy of the lots and for the protection of their values, the lots shall be used for residential purposes only.

SECTION 8: Additions, Alterations, or Improvements by Board of Managers/Directors

Whenever in the judgment of the Board of Managers/Directors, the common elements shall require additions, alterations, or improvements costing in excess of \$1,000.00, and the making of such additions, alterations, or improvements shall have been approved by the lot owners, the Board of Managers shall proceed with such additions, alterations, or improvements and shall assess all lot owners for the cost thereof as a common charge. Any additions, alterations or improvements costing \$1,000.00 or less may be made by the Board of Managers/Directors without special approval of the lot owners.

SECTION 9: Additions, Alteration, or Improvements by Lot Owners No Lot owner shall make any structural addition, alteration or improvement, to include color, roofing and/or landscaping in or to his unit without prior written consent thereto of the Board of Managers/Directors. The Board of Managers/Directors shall have the obligation to answer any written request by a lot owner for approval of a proposed structural addition, alteration, or improvement in such lot owner's lot within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers/Directors to the proposed addition, alteration or improvement. The Board of Managers/Directors shall not be liable to any contractor, subcontractor, or materialman or to any person sustaining personal injury or property damage, for any claim arising in connection with such addition, alteration, or improvement.

SECTION 10: Description of Common Elements The Common Elements consist of the entire property so designated and shown on a map recorded in Map Book 68, Page 98, of the New Hanover County Registry. They include, without limitation, the following:

- A. All land, lawns, gardens, roads, parking, stormwater drainage system and other improved or unimproved areas not within any lot,
- B. All installations or power, lights and water, including, but not limited to, irrigation systems, existing for common use and all other parts of the property necessary or convenient to its existence, maintenance and safety or normally in common use,
- C. All common sewer and drainage pipes,
- D. All other apparatus, equipment and installations existing without the lots for common use or necessary or convenient to the existence, maintenance or safety of the building and/or common elements.

SECTION 11: Right of Access A lot owner shall grant a right of access to his lot to any person authorized by the Board of Directors/Managers, to make inspections; to correct any condition originating in his lot and threatening another lot or a common element, to install, alter or repair mechanical or electrical services or other common elements in his lot or elsewhere in the building, and to correct any condition which violates the provisions of any mortgage covering another lot. Requests for such entry shall be made in advance and such entry shall be scheduled for a time reasonably convenient to the Lot Owner. However, in case of an emergency, such right of entry shall be immediate whether the lot owner is present at the time or not.

ARTICLE V INSURANCE AND BONDS

Section 1. Insurance.

- (a) Insurance Obtained by the Association. The Association may obtain liability insurance to cover losses not insured by the policies of the Unit Owners, particularly those potentially arising from occurrences on the Common Area, to the extent deemed necessary or desirable by the Association. The determination of whether or not to obtain liability insurance shall be made by the Association after the last lot has been conveyed from the Developer.
- (b) Premiums. Any and all premiums on such insurance policies obtained by the Association and any deductibles payable by the Association upon loss shall be a common expense.
- (c) Proceeds. All insurance policies purchased pursuant to these provisions shall provide that all proceeds thereof shall be payable to the Board as insurance trustee or to such attorney-at-law or institution with trust powers as may be approved by the Board of Directors.
- (d) Policies. All insurance policies purchased by the Board of Directors shall be with a company or companies permitted to do business in the State of North Carolina. All insurance policies shall be written for the benefit of the Board of Directors and the Lot Owners and any mortgagees as their respective interests may appear, and shall provide that all proceeds thereof shall be payable to the Board of Directors and duplicates of said policies and endorsements and all renewals thereof, or certificates thereof, together with proof of payment of premium, shall be delivered to the Owners at least ten (10) days prior to the expiration date with respect to the then current policies. Duplicates shall also be obtained and issued by the Association to each mortgagee, if any, upon request of such mortgagee.
- (e) Individual Policies. The insurance coverage for the individual lots and the structure(s) thereon, including, but not limited to, the exterior of the structure and roof, shall be purchased as individual policies under such terms and conditions as the Association may prescribe by the individual Lot Owners. Each Lot shall be insured for its full replacement value; and each Lot Owner must provide proof of insurance upon request by the Association. If a Lot Owner fails to comply with the insurance requirements set forth above the Association shall have the right to purchase insurance on the Lot at the non-complying Lot Owner's expense.

(f) Master Policy. The Association, if it deems necessary, reserves the right to purchase a Master Policy to cover all improvements upon the land including the individual Lots to be prorated, apportioned and paid by the Lot Owners.

(g) Distribution of Insurance Proceeds. Proceeds of insurance policy for the Common Areas shall be distributed to or for the benefit of the beneficial owners in the following manner:

(1) all reasonable expenses of the insurance trustee shall be paid or provision made thereof;

(2) the remaining proceeds shall be used to defray the cost of repairs for the damage or reconstruction for which the proceeds are paid. Any proceeds remaining after defraying such cost shall be distributed to the beneficial owners, including lien holders of record, or retained by the Association for such common expenses or purposes as the Board shall determine.

Section 2. Fidelity Bond. The Association may maintain blanket fidelity bonds for all officers, directors, employees, and all other persons handling or responsible for funds of the Association, as follows (provided, however, that if the Association shall delegate some or all of the responsibility for the handling of its funds to a management agent, such fidelity bonds shall be maintained by such management agent for its officers, employees and agents handling or responsible for funds or administered on behalf of the Association).

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 is shall be so expressed in such deed, covenants and agrees to pay to the Association the following assessments (collectively the "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.

Section 2. Annual Assessments. The Board of Directors shall adopt a proposed annual budget at least 90 days before the beginning of each fiscal year. Within 30 days after adoption of the proposed budget for the Project, the Board of Directors shall provide all of the Lot Owners a summary of the budget and notice of a meeting to consider its ratification including a statement that the budget may be ratified without a quorum. The budget is ratified unless, at the meeting, a majority of all the Lot Owners in the Association rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Lot Owners shall be continued until such time as the Lot Owners ratify a subsequent budget proposed by the Board of Directors. The annual assessment for each Lot shall be established based on the annual budget thus adopted. 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 3. 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 any future Common Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of a majority of the members of the Association.

Section 4. Insurance Assessments. All premiums on insurance policies purchased by the Board of Directors or its designee 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, 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 5. Rate of Assessment. The Association may differentiate in the amount of Assessments charged when a reasonable basis for distinction exists, such as between vacant Lots of record with completed dwelling for which certificates of occupancy have been issued by the appropriate governmental authority, or when any other substantial difference as a ground of distinction exists between Lots. However, Assessments must be fixed at a uniform rate for all Lots similarly situated.

Section 6. Commencement of Assessments. Assessments for each Lot shall commence upon the date of acceptance by an Owner of a deed from Declarant.

Section 7. Effect of Nonpayment of Assessments and Remedies of the Association. Any assessment or installment thereof not paid within (30) days after the due date shall bear interest from the due date at the highest rate allowable by law. 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. No Owner may waive or otherwise escape liability of 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. The Association may also establish and collect late fees for delinquent installments.

Section 8. 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 be prior to 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 docking 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 tax lien are instituted within three years after the docketing of the claim of lien by the office of the Clerk of Superior Court.

(d) Any judgment, decree, or order in any action brought under this section shall include costs and reasonable attorney's 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 for title to the Lot by such purchaser. The unpaid Assessments shall be deemed to be Common Expenses collectible from all 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, ARCHITECTURAL CONTROL AND MAINTENANCE

Section 1. Approval of Plans for Building and Site Improvements. No dwelling, wall, fence or other structure 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 (including site plan) showing the nature, kind, shape, height, 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, or its designee, or, after the sale of all Lots by Declarant, by the Board of Directors of the Association, or by an Architectural Control Committee composed of three (3) or more representatives appointed by the Board.

Section 2. Minimum Standards for Site Improvements.

(a) Each dwelling shall have a minimum of 1500 square feet of enclosed, heated dwelling area. 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.

(b) All service utilities, fuel tanks, 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 mailboxes must be uniform in design. Design for and location of mail boxes shall be furnished by Declarant. The design, placement and materials of any fence must be approved by the Declarant, the Board, or the Architectural Control Committee, as the case may be.

(c) All light bulbs or other lights installed in any fixture location on the exterior of any building for the purpose of illumination shall be clear, white or non-frost lights or bulbs. Exterior spot/flood lights must be approved by the Association. Any approved spot/flood lights shall be aimed to the greatest extent possible to direct light away from adjoining property.

Section 3. Use Restrictions.

(a) Land Use and Building Type. No Lot shall be used for any purpose except for residential purpose. All numbered Lots are restricted for construction of one single-family Townhome dwelling.

(b) Nuisances. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may 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 Owner thereof. It shall be the responsibility of each Owner to prevent any unclean, unsightly or unkempt condition of buildings or grounds on the Owner's Lot which would tend to decrease the beauty of the neighborhood as whole or the specific area.

(c) Temporary Structures. No structure of a temporary character, trailer, basement, tent, garage, barn, or other outbuilding shall be used on any Lot at 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 Project until the construction of dwelling on all Lots and improvements are completed.

(d) Vehicles/Boats. No boat, camper, trailer, motor or mobile homes, tractor/trailer, or similar type vehicle, shall be permitted to remain on any Lot at any time. No inoperable vehicle or vehicle without current registration and insurance will be permitted on any Lot. 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 in driveways.

(e) Animals. No animals, livestock, 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 provided further that they are not allowed to run free, are at all times kept properly leashed or under the control of their owner and do not become a nuisance to the neighborhood.

(f) Statuary, TV Satellite Dishes and Outside Antennas. No yard statuary, yard art, 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, satellite dishes not over eighteen (18) inches in diameter which cannot be seen from the street are permitted.

(g) Construction in Any Future Common Area. No person shall undertake, cause or allow alteration or construction in or upon any portion of future Common Areas except at the direction or with the express written consent of the Association or as permitted by this Declaration.

(h) Subdividing. Subject to any right reserved to the Declarant herein, no Lot shall be subdivided, or its boundary lines changed except with the prior written consent of the Declarant

during the period of Declarant control of the Association and thereafter by the Board of Directors of the Association.

(i) Trash Cans. Trash cans must be removed from the street within 24 hours of trash pickup.

Section 4. Maintenance. To the extent the association is not obligated to provide maintenance pursuant to this Declaration, each Lot Owner shall keep his Lot free from weeds, underbrush or refuse piles, or unsightly growth or objects, and any improvements upon said Lot shall be maintained in a proper manner. The exterior appearance of the improvements shall be maintained, repaired and cleaned as needed. In the event the Owner fails to do so, then after thirty days' notice, the Association or its designee may enter upon the Lot and remove the same or make any needed exterior repairs or cleaning 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 full amount of the cost thereof chargeable to the Owner's Lot, including collection costs and such amounts shall be due and payable within thirty (30) days after the Owner is billed therefore. Such lien shall be enforceable by Court proceedings as provided by law for enforcement of liens. In the event that any maintenance activities are necessitated to any future Common areas or to the exterior of the Building by the willful act or active or passive negligence of any Owner, his family, guests, invitees or tenants and the cost of such maintenance, repair, cleaning, or other activity is not fully 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 and shall become a lien against the Lot.

ARTICLE VIII PARTY WALLS

Section 1. Definition. For purposes of this section, "party wall" is defined as follows: The party wall consists of 2 separate walls separated by a one (1) inch air gap between the walls. This double wall construction which separates the units shall be considered the party wall.

Section 2. General Rules of Law to Apply. Each wall is built as a part of the original construction of the townhomes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 3. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 4. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, an Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 5. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act caused the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such element.

Section 6. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 7. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decisions shall be made by a majority of all the arbitrators.

ARTICLE IX GENERAL PROVISIONS

Section 1. Enforcement of Storm Water Runoff Regulations. No Lot nor that portion of the street right of way between the edge of the pavement and the front Lot line, shall be covered by impervious structures, including asphalt, gravel, concrete, brick, stone, slate or similar material (but excluding wood decking and the water surface of swimming pools), in excess of the square footages permitted by applicable governmental rules and regulations. Roadside or lot line swales may not be filled, piped or altered except as necessary to provide a minimum driveway crossing. These covenants are intended to insure continued compliance with the storm water permit for the property issued by the State of North Carolina and therefore may not be changed or deleted without the consent of the state. For curb and gutter projects, no one may pipe, fill in, or alter any Lot line swale used to meet North Carolina Storm Water Management Permit requirements.

Section 2. Enforcement of Storm Water Runoff Regulations. No Lot nor that portion of the front Lot line, shall be covered by impervious structures, including asphalt, gravel, concrete, brick stone, slate or similar material (but excluding wood decking and the water surface of swimming pools), in excess or the square footages permitted by applicable governmental rules and regulations. Roadside or lot line swales may not be filled, piped or altered except as necessary to provide a minimum driveway crossing. These covenants are intended to insure continued compliance with the storm water permit for the Property issued by the State of North Carolina and, therefore, may not be changed or deleted without the consent of the State. For curb and gutter project, no one may pipe, fill in, or alter any Lot line swale used to meet North Carolina Storm Water Management Permit requirements.

Section 3. Rights of Institutional Note Holders. Any institutional holder of a first lien on a Lot will, upon request, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive an annual audited financial statement of the Association within ninety (90) days following the end of its fiscal year, (c) receive written notice of all meetings of the Association and right to designate a representative to attend all such meetings,

(d) receive written notice of any condemnation or casualty loss that affects either a material portion of the Project or the Property securing its loan, (e) receive written notice of any sixty-day (60) delinquency in the payment of assessments or changes owed by any Owner of any property which is security for the loan, (f) receive written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association, (g) receive written notice of any proposed action that requires the consent of a specified percentage of mortgage holders, and (h) be furnished with a copy of any master insurance policy.

Section 4. Utility Service. Declarant reserves the right to subject the Property for contracts for the installation of utilities, irrigation systems, cable TV and street lighting, which may require an initial payment and/or a continuing monthly payment by the Owner of each Lot. Each Lot Owner will be required to pay for any water connections, sewer connections, impact fees or other utility service to the Lots. In the alternative, the Developer may collect such connection, impact and other fees, charges directly from the Lot Owners. All Lot Owners shall be required, for the household purposed, to use water and sewer supplied by the companies/governmental units servicing the Project. Separate water systems for outside irrigation and other outdoor uses shall not be permitted without the consent of the Declarant or the Association.

Section 5. Severability. Invalidation of any one of these covenant or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 6. Lots Subject to Declaration/Enforcement. 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 proceedings at law or in equity) 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 any Lot, as though such provision 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 Lot Owners. 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.

Section 7. Liability of Declarant. The unanimous vote of all votes entitled to be cast by the Association Members shall be required in order for the Association to (1) file a complaint, on account of an act or omission of the Declarant, with any governmental agency which has regulatory or judicial authority over the Project or any part thereof; or (2) assert a claim or sue the Declarant.

Section 8. 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 New Hanover County, executed by the duly authorized

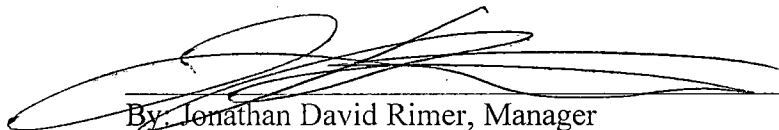
officers of the Association upon the unanimous vote of the Lot Owners; provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements, as herein provided, or affect any lien for the payment thereof established herein.

Section 9. North Carolina Planned Community Act. It is the intent of the Declarant to comply with the requirement imposed on the Planned Community by the Act and to the extent any of the terms of this Declaration violate the Act, the terms of the Act shall control.

Section 10. Joinder and Consent. BUILDER FINANCE GROUP, LLC, the holder of a Deed of Trust dated April 12, 2019, and recorded in Book 6207, Page 1752 of the New Hanover County Registry, a Deed of Trust dated April 12, 2019, and recorded in Book 6207, Page 1762, and a Deed of Trust dated April 12, 2019, and recorded in Book 6207, Page 1772 of the New Hanover County Registry, signs this Declaration to evidence their consent to be bound by the terms hereof.

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed the day and year first above written.

RIMER DEVELOPMENT, LLC, a NC limited liability company

 (seal)
By: Jonathan David Rimer, Manager

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I, Chiaki Ito, the undersigned, a Notary Public for the State and County aforesaid, do hereby certify that Jonathan David Rimer, personally appeared before me this day and acknowledged that he is the Manager of Rimer Development, LLC and that by authority duly given and as the act of the limited liability company, the foregoing instrument was signed in its name by its Manager.

Witness my hand and official stamp or seal, this the 1st day of June, 2020.

(seal) Chiaki Ito
Notary Public
My Commission Expires: 6-8-2023

