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2007 AUG 01 10:25:33 AM  
BK:5214 PG:1860-1903 FEE:\$140.00

INSTRUMENT # 2007038567

COUNTY OF NEW HANOVER  
STATE OF NORTH CAROLINA

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR CAMDEN FOREST TOWNHOMES**

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NORTH CAROLINA  
NEW HANOVER COUNTY

KNOW ALL MEN BY THESE PRESENTS, that this Declaration of Covenants, Conditions and Restrictions for CAMDEN FOREST TOWNHOMES is made and entered into on this the \_\_\_ day of July, 2007, by BryCour Wilmington, LLC, a North Carolina limited liability company (hereinafter referred to as the "Declarant").

RECITALS

1. Declarant is the owner of the real property described in Article One of this Declaration and desires to create thereon a residential community (the "Community") of single-family townhomes (*the* "Townhomes") together with any private streets, roads, bike paths, footways, open spaces, common areas, landscaping, entrances, drainage facilities, access easements, site lighting and signage, and any recreation area(s) and any other common facilities shown on any Recorded Plat (as hereinafter defined) (sometimes referred to collectively herein as the "Facilities") for the benefit of the Community.

2. Declarant desires to provide for the preservation of the values and amenities in the Community and for the maintenance of the Facilities and Common Area (as hereinafter defined) and, to this end, desires to subject the real property described in Article One, and any additions thereto, to the covenants, conditions, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is, and are, for the benefit of said real property and each owner of a portion thereof.

3. The Declarant's present intention, stated here for information of present intent only and not as a warranty or representation of a future fact, is to develop the Community with single family attached residential units.

4. Declarant has deemed it desirable, for the efficient preservation of the values and amenities in the Community, to create an entity to which should be delegated and assigned the powers of maintaining, administering, operating and replacing the Community properties and Facilities, administering and enforcing the covenants, conditions and restrictions, and collecting and disbursing the assessments and charges hereinafter created.

5. Declarant has caused or will cause to be incorporated under the laws of the State of North Carolina, prior to the sale of any Lot (as hereinafter defined) in the Community, a non-profit corporation to be known as the **Camden Forest Homeowners Association, Inc.**, for the purpose of exercising the functions aforesaid.

DECLARATION

NOW THEREFORE, the Declarant declares that the real property described in Article One and any additions thereto is and shall be held, used, transferred, sold, conveyed and occupied subject to the terms, conditions and provisions of the covenants, conditions, restrictions, charges and liens (sometimes referred to herein as "covenants and restrictions") as hereinafter set forth.

**ARTICLE ONE**  
**PROPERTY SUBJECT TO THIS DECLARATION**

Section 1.1 Existing Property. The real property which is, and shall be, held, used, transferred, sold, conveyed and occupied subject to this Declaration (the "Property") is located in New Hanover County,

North Carolina, is or will be commonly known as CAMDEN FOREST TOWNHOMES, and is more particularly described on Exhibit A, attached hereto and incorporated herein by reference.

Section 1.2 Additions to Property. Real property in addition to the Property may hereafter become subject to this Declaration in the following manner:

(a) Additions in Accordance with a Master Plan of Development. The Declarant, its successors and assigns, shall have the right but not the obligation, without further consent of the Association or its Members, to bring within the scheme and operation of this Declaration all or any portions of the real property that are contiguous to the Property, as the Property is increased from time to time under the terms hereof, but such right shall cease to exist on January 31, 2017.

The additions authorized under this and the succeeding subsection shall be made by filing of record, in the Office of the Register of Deeds of New Hanover County, one or more supplementary Declarations of Covenants, Conditions and Restrictions with respect to such additional property or properties, executed by the Declarant and, if different, the owner(s) of the additional property, which shall extend the operation and effect of this Declaration to such additional property or properties (hereinafter sometimes referred to as a "Supplemental Declaration").

Any Supplemental Declaration(s) may specify such specific use restrictions and other covenants, conditions and restrictions to be applicable to the added property and may contain such complementary additions and modifications of this Declaration as may be necessary or convenient, in the sole judgment of the Declarant and, if different owner(s), the owner(s) of the additional property, to reflect and adapt to any difference in character of the added properties. In no event, however, shall any such Supplemental Declaration modify or add to the covenants and restrictions established by this Declaration so as to negatively affect the Property; however, this provision shall not be interpreted to prohibit or prevent any properly instituted change in the amount of the Assessments (as hereinafter defined) payable by a Member of the Association by reason of any such additions.

Other Additions. Upon approval in writing of the Association, pursuant to authorization by a two-thirds (2/3) or more vote of each class of Members, voting as provided in Section 7.2 hereof at a duly called meeting, the owner of any property who desires to add such property to the scheme of this Declaration and subject such property to the jurisdiction of the Association must file of record a Supplemental Declaration as described in subsection (a) above. Any approval by the Association pursuant to this subsection shall be evidenced by the Association executing any such Supplemental Declaration(s). The Declarant shall have the right to approve any such addition to the scheme of this Declaration except during such times when Class B membership is terminated pursuant to Section 7.2(b).

(b) Mergers, Combinations or Consolidations. Upon merger, combination or consolidation of the Association with another association, the properties, rights and obligations of the Association may, by operation of law, be transferred to another surviving or consolidated association, or, in the alternative, the properties, rights, and obligations of another association may, by operations of law, be added to those of the Association as the surviving corporation pursuant to a merger, combination or consolidation. The surviving or consolidated association may administer the restrictions established upon any other properties, as one scheme. No such merger, combination or consolidation, however, shall effect any revocation, change or addition to the covenants and restrictions established by this Declaration within the Property, except as herein provided.

(c) Conveyance of Common Areas and/or Common Properties. Following the recording of a Supplemental Declaration but prior to the conveyance of the first Lot within the additional property, the

owner of the additional property shall convey to the Association title to all Common Areas located within the additional property. Title shall be conveyed to the Association in the same manner as set forth in Section Si.

Section 1.3 Access Easement Reserved. The Declarant reserves unto itself for the benefit of Declarant, its successors and/or assigns, a non-exclusive and alienable easement and right of ingress, egress and regress over and across all *private* streets and roads within the Property, if any, for access to and from other real property of Declarant or its successors and/or assigns. Such easement shall include the ability for the Declarant to complete any development obligations or other improvements on Common Area previously conveyed to the Association. Furthermore, such easement shall continue until that time when all new construction has ceased on additions to the Property acquired under Section 1.2, and any damage caused by Declarant, its agents, successors and/or assigns to the private streets and roads within the Property when exercising its rights created by this Section shall be repaired at the expense of Declarant, its successors, or assigns. In addition, an easement and right of ingress, egress and regress over and across all private streets and roads, as and where they are located from time to time within the Property, if any, is hereby granted to any applicable government agency, for the purpose of fulfilling their duties, including, without limitation, law enforcement, fire protection, garbage collection, delivery of the mail, and any other service related to keeping the peace and preserving collection, delivery of the mail, and any other service related to keeping the peace and preserving the general welfare.

## ARTICLE TWO DEFINITIONS

The following words when used in this Declaration or any amended or Supplemental Declaration (unless the context shall require otherwise) shall have the following meanings:

"Act" shall mean the North Carolina Planned Community Act, General Statutes of North Carolina Chapter 47F et al.

"Architectural Guidelines" shall have the meaning assigned to it in Section 4.4 of this Declaration.

"Assessment(s)" shall mean and refer to the assessment(s) and charges levied by the Association against Members who are the Owners of Lots in the Property and shall include annual, special and Special Individual Assessments as described in Article Nine of this Declaration.

"Association" shall mean and refer to the **Camden Forest Homeowners Association, Inc.**

"Board" shall mean and refer to the Board of Directors of the Association.

"Boundary Plat" shall mean and refer to that certain plat of survey recorded in **Book 50, Page 360, and Book 51, Page 217**, New Hanover County Registry, which survey depicts all of the property to be encumbered and benefited by this Declaration at the time of recording hereof.

"Builder" shall refer to any general contractor who purchases a Lot to construct a Building.

"Building" shall mean and refer to any building located upon the Property that contains Dwelling Units.

"Bylaws" shall mean and refer to the bylaws of the Association and all amendments thereto.

"Committee" shall mean and refer to the architectural control committee established pursuant to Article Four hereof.

"Common Area(s) or "Common Properties)" shall mean and refer to those areas of land described or referred to as "Amenity Area", "Amenity Areas", "Common Open Space", "Common Open Spaces", "COS", "Common Property", "Common Properties", "Common Area", "Common Areas" or stormwater device or any other term indicating that the area is intended as open space for the Community in any declaration of covenants, conditions and restrictions to which the Property is submitted or subjected by the Declarant, or shown on any Recorded Plat, executed by the Declarant and any other owner of such areas of land, of the Property and labeled thereon as "Amenity Area", "Amenity Areas", "Common Open Space", "Common Open Spaces", "COS", "Common Property", "Common Properties", "Common Area", "Common Open Spaces", "COS", "Common Property", "Common Properties", "Common Area" or "Common Areas", or shown on a Recorded Plat as play area open space, private streets, roads, bike paths, or pedestrian walkways (together with all improvements located thereon) which are a part of the Property and as such are intended to be devoted to the common use and enjoyment of the Members, subject to special rights and limitations, if any, granted to or imposed on Owners of particular Lots. The Common Areas shall also include any stormwater device that serves more than one (1) Lot, any utility line located outside public street rights-of-way and any utility line located outside public street rights-of-way and public utility easements, and any shared facility or property required to be shared by governmental regulations. The Common Areas shall include any Facilities, if any, constructed by the Declarant or the Association. It is intended that the Common Area shall be conveyed to the Association for the benefit of each of the Owners.

"Common Expenses" shall mean and refer to:

- (i) Expenses of administration, operation, utilities, maintenance, repair or replacement of the Common Areas, including payment of taxes and public assessments levied against the Common Areas;
- (ii) Expenses declared Common Expenses by the provisions of this Declaration or the Bylaws;
- (iii) Expenses agreed upon from time to time as Common Expenses by the Association and lawfully assessed against Members who are Owners in the Property, in accordance with the Bylaws or this Declaration;
- (iv) Any valid charge against the Association or against the Common Areas as a whole;
- (v) Any expenses incurred by the Association in connection with the discharge of its duties hereunder and under the Bylaws and its articles of incorporation;
- (vi) Any contribution of funds required of the Association pursuant to contracts entered into by the Association, or entered into by the Declarant during the Declarant control period.

"Community" shall have the meaning assigned to it in the Recitals of this Declaration.

"Declarant" shall mean and refer to BRYCOUR WILMINGTON, LLC, its successors and assigns, and any person or entity who is specifically assigned the rights and interests of Declarant hereunder or under a separate instrument executed by the Declarant and recorded in the New Hanover County Registry.

"Dwelling Unit" shall mean and refer to any improvement or portion thereof situated on a Lot intended for use and occupancy as one (1) single-family dwelling, irrespective of the number Lot intended for use and occupancy as one (1) single-family dwelling, irrespective of the number of Owners thereof (or the form of ownership) located within the Property and shall, unless otherwise specified, include within its meaning (by way of illustration, but not limitation) a single family unit of an attached homes structure, such as individual townhouses and condominium units, and patio or zero lot line homes. Where appropriate by context, the term shall include both the improvements and the real property on which the improvements are situated.

"Facilities" shall have the meaning assigned to it in the Recitals of this Declaration. Facilities may be located on Common Area but need not be. "Facilities" shall include all improvements made to Common Area.

"FHA" shall mean and refer to the Federal Housing Authority of the United States Department of Housing and Urban Development

"HUD" shall mean and refer to the United States Department of Housing and Urban Development.

"Lot" shall mean and refer to any improved or unimproved numbered parcel of land within the Property which is intended for use as a site for a Dwelling Unit, as shown upon any Recorded Plat of any part of the Property and labeled thereon as a "Lot", and shall not include Common Areas or any property in the Property not yet subdivided for sale as an individual lot. No property in the Property shall be developed as a Dwelling Unit until designated as a Lot on a Recorded Nat. Property designated as a Lot may later be designated for some other use on a Recorded Plat, including a roadway linking the Community to adjacent land or developments.

"Member" shall mean a member of the Association and shall refer to an Owner in the Property.

"Mortgagee" shall mean the mortgagee of any first priority loan on a Lot.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon the Property. Notwithstanding any applicable theory of any lien or mortgage law, "Owner" shall not mean or refer to any mortgagee or trust beneficiary unless and until such mortgagee or trust beneficiary has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. (Note: the words "Member" and "Owner" are meant to describe all of the owners within the Community interchangeably as semantics dictate throughout this Declaration.)

"Property" shall have the meaning assigned to it in Article One of this Declaration and any additions thereto as are made subject to this Declaration by any Supplemental Declaration(s) under the provisions of this Declaration.

"Recorded Instrument" shall mean and refer to any document relating to the Property, or any portion thereof, recorded in the New Hanover County Registry and executed by the Declarant (during Class B (as hereinafter defined in Section 7.2 (b)) membership and until two years after termination thereof, and by the Association otherwise) to show its consent thereto (and by any other Owner(s) of property described therein and affected thereby if different). In any case in which the designation or description of the same property described in two different Recorded Instruments is different (for example, property is designated as a Lot in one instrument and a street in another, or legal boundaries of areas are described differently in different Recorded Instruments), the designation and description on the later-recorded of the Recorded Instruments shall control.

"Recorded Plat" shall mean and refer to any map of the Property, or any portion thereof, recorded in the New Hanover County Registry and executed by the Declarant or the Association to show its consent thereto (and any Owner(s) of such property, if different). In any case in which the designation and/or boundary lines of the same property shown on two different Recorded Plats are different (for example, property is designated as a street on one plat and as a Lot on the other, or boundary lines are shown differently on two different Recorded Plats), the designation and boundary lines on the later-recorded of the Recorded Plats shall control.

"Rules and Regulations" shall have the meaning assigned to it in Section 7.8 of this Declaration.

"Special Individual Assessments" shall have the meaning assigned to it in Section 9.5 of this Declaration.

"Supplemental Declaration" shall have the meaning assigned to it in Section 1.2 of this Declaration.

"Townhomes" shall have the meaning assigned to it in the Recitals of this Declaration.

"VA" shall mean and refer to the United States Department of Veterans Affairs.

### **ARTICLE THREE GENERAL PROVISIONS**

Section 3.1 Duration. The covenants and restrictions of this Declaration shall run with the land, and shall inure to the benefit of, and be enforceable by, the Association or any Owner, its and their respective legal representatives, heirs, successors, and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended in accordance with the provisions of Article Twelve hereof. Amendments made in conformity with that Article may alter any portion of the Declaration hereof, including but not limited to the duration and amendment provisions hereof.

Section 3.2 Termination. The termination of this Declaration shall require the assent of at least eighty percent (80%) of the votes in the Association, taken at a meeting duly called and of at least eighty percent (80%) of the votes in the Association, taken at a meeting duly called and held for this purpose, and shall be evidenced by a termination agreement recorded in the New Hanover County Registry and otherwise complying with the terms of North Carolina General Statutes Section 47F-2- 118.

Section 3.3 Notices. Any notice required to be sent to any Member or Owner, under the provisions of this Declaration, shall be deemed to have been properly sent when mailed, postage prepaid, registered or certified mail, return receipt requested, or deposited with an overnight courier (such as, but not limited to Federal Express) and addressed to the person at the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing. In the event that a Member or Owner's address is absent from the Association's records, the notice may be sent to the address listed on the New Hanover County tax records at the time of the mailing. The sender shall not be required to cause title to any Lot to be examined. Notice to any one of the Owners, if title to a Lot is held by more than one, shall constitute notice to all Owners of that Lot.

Section 3.4 Enforcement. The Association, Declarant and/or any Owner may enforce these covenants and restrictions. Furthermore, notwithstanding any provision granting the Association the right to specifically act hereunder when an Owner fails to comply with the covenants and restrictions contained herein, the Declarant and/or any Owner are entitled to enforce the terms hereof. In addition to specific rights granted herein to the Association to act in response to a violation of the covenants and restrictions contained herein, enforcement of these covenants and restrictions may be by an appropriate civil proceeding against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, or both, and against the land to enforce any lien created by these covenants and restrictions; and failure by the Association, Declarant or any Owner to enforce any covenant or restriction herein contained shall not be deemed a waiver of the right to do so thereafter.

The Association or the Declarant may impose fines or suspend Community privileges or services in the event of an Owner's failure to comply with the requirements of this Declaration or any architectural guidelines or rules promulgated by the Declarant, the Committee or the Association. In such circumstances, a hearing shall be held before an adjudicatory panel appointed by the Board to determine if an Owner should be fined or if Community privileges or services should be suspended. If the Board fails to appoint an adjudicatory

panel to hear such matters, hearings under this Section shall be held before the Board. The Owner charged shall be given notice of the charge, opportunity to be heard and to present evidence, and notice of the decision. If the Board, after weighing any evidence provided by the Owner, decides that a fine should be imposed, a fine not to exceed one hundred dollars (\$100.00) or such higher amount as may be allowed by the Act may be imposed for the violation and without further hearing, for each day after the decision that the violation occurs or continues. Such fines shall be Assessments secured by liens as more particularly described in Article Nine hereof. If it is decided that a suspension of Community privileges or services should be imposed, the decided that a suspension of Community privileges or services should be imposed, the suspension may be continued without further hearing until the violation or delinquency is cured. The proceedings imposing fines shall be conducted in accordance with the provisions of the North Carolina Planned Community Act (North Carolina General Statutes Chapter 47F) as it may be amended from time to time.

Section 3.5 Severability. Invalidation of any one of these covenants and restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

## **ARTICLE FOUR ARCHITECTURAL CONTROL**

Section 4.1 Purposes. The Declarant desires to provide for the preservation of the values in the Property with respect to vegetation and any improvements to be constructed or altered on any Lot constituting a portion of the Property, and to that end, will establish an architectural control committee, in accordance with Section 4.4 hereof, in order to provide, enforce and maintain certain standards as to harmony of exterior design and location of the improvements on the Lot in relation to surrounding structures, natural features and topography.

Section 4.2 Architectural Restrictions.

(a) No fence, other than a fence constructed by Declarant, shall be constructed or erected upon any Lot.

(b) Only one (1) Dwelling Unit may be constructed on any Lot.

(c) No Dwelling Unit containing more than two (2) stories.

(d) No structure shall be constructed, placed or installed upon any Lot, in any location which encroaches beyond any front, side or rear building set-back line applicable to any Lot.

(e) No building, wall, patio, playhouse, mail-box, pool, basketball hoop or other structure shall be commenced, constructed, installed, erected or maintained upon any Lot, nor shall any exterior addition to, change in (including, without limitation, any change in the type of roofing material or in the color of the paint, stain or varnish), or alteration of, any Dwelling Unit located on any Lot be made until complete and final plans and specifications, setting forth the information hereinafter described, shall have been submitted to, and approved in writing by, the Committee. It shall be duty of the Committee to approve or disapprove each request for approval of the construction of a structure on a Lot, or the alteration of an existing structure located on any Lot.

Section 4.3 Architectural Control. Unless expressly authorized in writing by the Committee, no Dwelling Unit, fence, wall, driveway, patio, swimming pool, building or other structure or improvement whatsoever shall be constructed or maintained, nor shall any exterior addition or alteration to any Dwelling Unit, fence, wall, driveway, patio or other building or structure or improvement be started, nor shall any clearing or site work be commenced or maintained upon any Lot in the Property, until plans and specifications therefor showing the shape, dimensions, materials, basic exterior finishes and colors, location on site, driveway, parking, decorative landscape planting, floor plans and elevations therefor (all of which are hereinafter referred to collectively as the "Plans"), and any application fee set by the Association, shall have

been submitted (the Plans in triplicate) to, and approved in writing by, the Committee, as to harmony of external design and location in relation to any surrounding structure, natural features and topography. The Committee shall have the absolute and exclusive right to refuse to approve any such Plans which are not suitable or desirable in the opinion of the Committee for any reason, including purely aesthetic reasons, which in the sole and uncontrolled discretion of the Committee shall be deemed sufficient. The Committee may promulgate design standards from time to time to be adhered to by the Plans for the Lots or Dwelling Units in the Property. A current copy of all design standards shall be kept on file in the principal office of the Association.

In no event shall the Committee approve any Plans in which the height or setback of the improvements on the Lot violates the limits established by the City of Wilmington.

(a) The plans and specifications which must be submitted to the Committee prior to the alteration of any existing Dwelling Unit on any Lot, as hereinabove provided, shall contain at least the following information:

(i) An as-built survey of the Lot (consisting of the final survey of the Lot, if available) clearly depicting the location, shape and size of the proposed structure; and

(ii) Building plans of the proposed structure which shall include an exterior elevation drawing of the proposed structure; and

(iii) In the case of a proposed alteration to or change in a Dwelling Unit, a description of the proposed alteration or change, including a color and material sample, if applicable; and

(iv) In either case, such additional information as the Committee may require concerning the proposed structure or alteration.

(b) All approvals and disapprovals by the Committee of the plans and specifications for any structure to be constructed or altered on any portion of the Property shall be conclusive and binding upon all Owners.

(c) The Association shall upon demand at any time, furnish to any Owner of any Lot a certificate in writing signed by an officer of the Association, stating whether any building, wall, patio, playhouse, mail-box or other structure erected upon such Owner's Lot, or any exterior addition to, change in, or alteration of any Dwelling Unit or any other structure owned by such Owner on a Lot, is in compliance with the provisions of this Section, and such certificate shall be conclusive as to whether the same is in such compliance as of the date the certificate was issued.

(d) In the event that any construction or alteration work is undertaken or performed upon any Lot without application having been first made and approval obtained as provided in paragraph (a) of this Section, said construction or alteration work shall be deemed to be in violation of this covenant, and the person upon whose Lot said construction or alteration work was undertaken or performed may be required to restore to its original condition, at its sole expense, the property upon which said construction or alteration was undertaken or performed. Upon the failure or refusal of any person to perform the restoration required herein, the Committee or their authorized agents or employees, may, after fourteen (14) days' notice to such person, enter upon the property upon which such unauthorized construction or alteration work has been performed, and make such restoration as the Committee, in the exercise of its discretion, may deem necessary or advisable. The person upon whose Lot such restoration work shall have been so performed shall be personally liable to the Association for all direct and indirect costs that the Association may incur in the performance of such restoration work, and the liability for such cost shall be secured by all the liens, and shall be subject to the same means of collection, as the Assessments provided for in Article Nine of this Declaration. Such costs shall be paid to the Association by the person liable for the same at the same time as the next due annual Assessment

payment, as provided in Section 9.8 of this Declaration, or at such earlier time, and in such installments, as the Committee shall determine.

Section 4.4 Architectural Control Committee. The Board shall be authorized to appoint an architectural control committee (the "Committee") to advise it and assist it in connection with its performance of its responsibilities wider Section 4.3 of this Article. The functions which may be performed by the Committee shall include reviewing plans and specifications which are submitted in connection with proposals to construct or alter improvements upon the Lots and to make recommendations with respect to such plans and specifications. The Committee shall also be authorized to promulgate from time to time design guidelines and/or rules and regulations governing construction on or alteration of the Dwelling Units within the Property (the "Architectural Guidelines").

Section 4.5 Application of this Article.

(a) This Article shall apply to any additions to the Property subsequently made subject to this Declaration and the terms and provisions of any Supplemental Declaration.

(b) Repainting using an existing paint color, re-roofing, minor repairs, and the like shall not require the approval of the Committee if done or made in accordance with the construction or design guidelines promulgated or adopted by the Committee or the Association.

(c) Notwithstanding anything to the contrary contained herein, **Tidewater Construction, Inc.** or the **Declarant's** construction of improvements on any Lot or on any Common Area shall be exempt from the provisions of this Article. Nothing contained in this Article shall be construed as prohibiting or conditioning any construction by Tidewater Construction, Inc. or Declarant upon any Lot or Common Area while such property is owned by the Declarant. The exemption of Tidewater Construction, Inc. and Declarant from the provisions of this Article shall survive the termination of the Class B membership.

**ARTICLE FIVE  
RESTRICTIONS ON USE AND RIGHTS OF THE  
ASSOCIATION, DECLARANT AND OWNERS**

The following restrictions are placed on the Property (including without limitation all Lots and Common Areas) and the use thereof:

Section 5.1 Permissible Uses. No Lot shall be used except for single-family residential purposes allowed under applicable zoning regulations (with the exception of any sale center or model home constructed or used by the Declarant, or his agent who has received the prior written permission of Declarant). The term single-family shall include four unrelated people as provided in the Wilmington City Code. No Lot shall be used for any commercial, business or professional purposes. Specifically, no "Model Home" or "Open House" type of operation shall be allowed within the Property other than with Declarant's explicit written permission, notwithstanding Declarant's right to operate such "Model Home" or "Open House", at its discretion, anywhere within the Property at any time prior to **January 31, 2012**. Notwithstanding the foregoing, however, nothing set forth in this Section shall prohibit: (a) the Declarant from conducting such sales, leasing and promotional activities on any Lot or any Dwelling Unit as the Declarant shall determine; or (b) the Owner of any Dwelling Unit from using a portion of such Dwelling Unit as a home office, provided that such use does not create regular customer or client traffic to and from such Dwelling Unit and no sign, logo, symbol, or nameplate identifying such business is displayed anywhere on such Dwelling Unit or Lot.

No building of any type shall be erected, altered, placed, or permitted to remain on any Lot other than a Dwelling Unit and accessory structures that comply with any applicable zoning regulations and the requirements of Articles Four and Five of this Declaration. *The Lots within the Property shall be limited to one single-family attached Dwelling Unit and accessory structures with appropriate setbacks approved in*

accordance with the terms of this Declaration structures with appropriate setbacks approved in accordance with the terms of this Declaration and complying with the requirements of the Wilmington City Code and the site plan for the Property approved by the City of Wilmington.

Section 5.2 General Care and Maintenance. Each Owner shall (a) keep the interior of its Dwelling Unit including, but not limited to, all appliances and utility systems, and the exterior of its Dwelling Unit in a safe condition at all times; (b) permit no unsafe or unsanitary conditions in its Dwelling Unit or on its Lot; (c) comply with any and all obligations imposed upon Owners by applicable laws, statutes, ordinances, rules and regulations of federal, state or municipal governmental authorities, and building and housing codes for the use, occupancy, contraction of and maintenance of any improvements upon or within its Lot or Dwelling Unit; and (d) not deliberately or negligently destroy, deface, damage or remove any part of any Dwelling Unit, or the Common Areas, or knowingly permit any person to do so. If an Owner fails to comply with the standards or requirements of the Association relative to maintenance after written notice to do so the Association shall have the right to undertake the necessary maintenance or repairs at the expense of the defaulting Owner, as provided in Section 7.9. (See also Article Eleven.)

Section 5.3 Offensive Activity. No noxious or offensive activity shall be conducted upon any portion of the Property, nor shall anything be done thereon which may be or may become an embarrassment, discomfort, annoyance or nuisance to any other Owner, tenant or guest thereof or which may endanger the health or safety of any other Owner, tenant or guest thereof within the Property.

Section 5.4 Noise and Disorderly Conduct. No Owner shall engage in any disorderly conduct on the Property, or cause or allow any disturbance, including, but not limited to, shouting, singing, or playing any musical instruments, radio, stereo, or television, in a manner that unreasonably disturbs any other Owner within the Property.

Section 5.5 Fire Hazards. No Owner shall make any alterations to its Dwelling Unit or bring or keep anything therein which will increase the risk of fire, conflict with fire laws or the regulations of the applicable governmental entity, or increase the premiums of any insurance policy on the Buildings or portions thereof on the Property maintained by the Association,

Section 5.6 Rubbish. All trash, garbage and other waste shall be kept in clean and sanitary containers within each Dwelling Unit or appropriate containers on the Lot but which shall be screened from public view except on garbage collection days. The Owner of each Lot shall be responsible for placing such garbage in a roll-out container and rolling the container out to the designated trash pick-up area on a regular basis.

Section 5.7 Animals. No livestock, poultry or other animals shall be kept or maintained in any Dwelling Unit or on any Lot, except for a reasonable number of common household pets, such as cats and dogs which otherwise comply in all respects with the provisions of this Declaration. No pets may be kept or bred for any commercial purposes, and no savage or of this Declaration. No pets may be kept or bred for any commercial purposes, and no savage or dangerous pets may be kept on the Property. All pets shall be controlled so as not to create a nuisance or unreasonable disturbance (including loud and excessive barking) on the Property. All pets must be housed inside a Dwelling Unit, and no pet shall be permitted upon the Common Area unless carried or leashed by a person that can control the pet. Pets shall not be permitted to defecate in the Common Area, or urinate on the shrubbery, and each Owner shall clean up immediately after its pet if an accident occurs. All pets shall be registered and/or inoculated as required by law. Each Owner shall hold the Association harmless from any claim resulting from any action of its pet, and shall repair at its expense any damage to the Common Area caused by its pet. If any Owner violates these rules more than twice in any twelve (12) month period, then in addition to any fines provided in the Bylaws, the Association shall have the right to require the Owner to remove the pet permanently from the Property upon not less than ten (10) days' written

notice.

Section 5.8 Decks; Patios; Porches. Any deck, patio or porch that is a part of any Dwelling Unit shall be kept in a clean, neat, and orderly condition at all times, and shall not be used for the overnight storage of garbage, or for the drying of laundry. In particular, towels, blankets, sheets or banners shall not be hung on the deck, porch or balcony railings, and any dead plants shall be removed promptly. No indoor-outdoor carpeting hot tub, or other pool shall be installed on any deck, patio or porch. Any furniture on the deck, patio or porch shall be appropriate outdoor furniture and shall be maintained in a neat, tidy, and good condition. If permitted by applicable building codes and zoning ordinances, an Owner may use or store a cooking grill on a rear deck, patio or porch, but such Owner shall be responsible for complying with all applicable laws, ordinances, and regulations in connection with such storage and use. All other personal property (such as bicycles, lawn care equipment and recreational equipment) shall be stored inside a Dwelling Unit.

Section 5.9 Signage. No commercial signs or billboards of any kind (except one sign per Lot of not more than four square feet containing the words "for rent" or "for sale" and located in the window of the affected Dwelling Unit, provided, however, that in no event shall such "for sale" or "for rent" sign be permitted until such time as the last Lot within the Property has been conveyed by Declarant) shall be displayed in public view on any Lot, facility, appurtenance, short or long term parked vehicle, accessory building or structure unless approved by the Committee, who may also from time to time provide design criteria and color schemes for approved signage. Notwithstanding the foregoing, the Declarant, subject to the regulations or ordinances promulgated by the City of Wilmington, shall have the right to locate sign or signs indicating the location of sales and rental centers, identify model homes or living units, any Facilities and such other informational signs of any type as may be necessary or desirable, in Declarant's sole opinion, to facilitate Declarant's plans for development and sales at the Community. The provisions of this Section shall not prevent the placement of permanent signs identifying the Property at its entrances. The provisions of this Section shall not prohibit small signs customarily incidental to residential use, subject to reasonable rules and limitations established by the Board or the Committee.

Section 5.10 Fences. No fence, wall or patio enclosure shall be erected, maintained or permitted upon the Property, other than those installed by Declarant prior to the initial conveyance of each Lot.

Section 5.11 Clotheslines. No clothesline of any type shall be placed, used or allowed to remain on any Lot.

Section 5.12 Use of Common Area in General. No Owner shall obstruct the entrances, streets, sidewalks, driveways, parking areas and other facilities in the Common Area in any way, or use them for other than their intended purposes. The Common Area shall not be used for the storage of supplies, personal property or trash or refuse *Many kind except in Common Area trashreceptacles* placed at the discretion of the Board. There shall be no bicycles, tricycles, wagons, toys or other miscellaneous personal property parked or left in the Common Area at any time. All bicycles shall be parked in the *areadesignated* for bicycles. In general, no activity shall be carried on nor conditions maintained by any Owner either in its Dwelling Unit, on its Lot or upon the Common Areas which despoils the appearance of the Property.

Section 5.13 Vehicles; Parking. All vehicles must be parked in garages or driveways on the Lots in parking spaces designated by the Association, and must not obstruct or interfere with the ingress or egress of others. All parking in the Common Areas shall be on a first-come, first served basis, and subject to any rules or regulations that may be promulgated by the Association. No house trailer or mobile home, school bus, truck or commercial vehicle over three-fourths (3/4) ton capacity or having ladder or pipe or similar racks or utility beds, boat or boat trailer, motor home, camper, or van (*not to include passenger vans for non-commercial use*), junked or wrecked vehicle, or vehicle on blocks shall be kept, stored or parked