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NEW HANOVER COUNTY, NC

MORGHAN GETTY COLLINS

REGISTER OF DEEDS

NC FEE \$254.00

Prepared by: This instrument prepared by Kara J. Keith of Bellamy, Rutenberg, Copeland, Epps, Gravely & Bowers, P.A., a licensed North Carolina attorney.

Return to: 1000 29th Avenue North, Myrtle Beach, SC 29577

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

**DECLARATION OF PROTECTIVE COVENANTS,
RESTRICTIONS, EASEMENTS, CHARGES AND LIENS**

FOR

COTTAGES AT BRADLEY CREEK

***THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF
THE FLAG OF THE UNITED STATES OF AMERICA OR STATE OF
NORTH CAROLINA. THIS DOCUMENT REGULATES OR PROHIBITS
THE DISPLAY OF POLITICAL SIGNS***

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**DECLARATION OF PROTECTIVE COVENANTS,
RESTRICTIONS, EASEMENTS, CHARGES AND LIENS**

FOR

COTTAGES AT BRADLEY CREEK

NEW HANOVER COUNTY, NORTH CAROLINA

THIS DECLARATION OF PROTECTIVE COVENANTS, RESTRICTIONS, EASEMENTS, CHARGES AND LIENS FOR COTTAGES AT BRADLEY CREEK (this "Declaration") is made by Clayton Properties Group, Inc., a Tennessee corporation, doing business as Mungo Homes (the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain real estate, located in New Hanover County, North Carolina, which is more particularly described in Exhibit A (hereafter the "Property") attached hereto and by this reference, made a part hereof, upon which Declarant intends to develop a residential subdivision.

WHEREAS, the undersigned Declarant desires to develop on the Property, a residential subdivision (hereinafter, together with any property added thereto, called the "Subdivision"); and

WHEREAS, the Declarant desires to maintain design criteria, location and construction specifications, and other controls to assure the integrity of the Subdivision; and

WHEREAS, each owner of a Lot in the Subdivision will be required to maintain and construct homes in accordance with the design criteria herein contained; and,

WHEREAS, the Declarant desires to provide for the preservation of the values and amenities in the Subdivision and for the maintenance of common lands and facilities, if any, and to this end, desires to subject the Property to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and,

NOW THEREFORE, pursuant to Chapter 47F of the North Carolina General Statutes (the "Planned Community Act"), the Declarant declares that the Property is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE I: NAME

The Subdivision of the Property created by this Declaration shall be known and designated as Cottages at Bradley Creek.

ARTICLE II: DEFINITIONS

Unless otherwise specified, the capitalized terms in this Declaration and the attached exhibits shall be defined as follows:

- a. "Act" shall mean and refer to Chapter 47F of the North Carolina General Statutes, known as the North Carolina Planned Community Act, as the same may be amended from time to time.
- b. "Architectural Review Committee" or "ARC" shall mean and refer to the Architectural Review Committee established under Article XV, Section 1, hereof.
- c. "Articles" means the Articles of Incorporation of the Association (as hereinafter defined) filed, or to be filed, with the Office of the Secretary of State of North Carolina, as the same are or hereafter may be amended from time to time.
- d. "Association" shall mean and refer to Cottages at Bradley Creek Homeowners' Association, Inc., its successors and assigns.
- e. "Builder" means a person or entity engaged in and responsible for the original construction of a residence on a Lot.
- f. "Common Area" shall mean and refer to those areas of land, including the facilities and amenities to be constructed thereon, if any, shown and specifically designated as private streets and/or private rights-of-way, "Open Space", "Common Area", "CA" or similar designation on any subdivision map of Cottages at Bradley Creek, filed by Declarant or by any other means so designated by Declarant. Such areas are intended to be devoted to the common use and enjoyment of the members of the Association as herein defined, and are not dedicated for use by the general public. Subject to the provisions of Article VIII hereof, any existing and future greenways, median strips, cul-de-sac centers, planting areas, lakes, bike trails, recreational areas and facilities, playgrounds, entrance signage, gate houses, open spaces, walking trails, sidewalks, and any other areas designated as "Open Space", "Common Area", "CA" or similar designation on the plat of the Subdivision referred to in Exhibit A hereto shall become Common Areas upon conveyance by Declarant to the Association.

Provided however, the recording and reference to said plat shall not in and of itself be construed as creating any dedications, rights or easements (negative, reciprocal or otherwise), and all such dedications, rights and/or easements being made only

specifically by this Declaration, any amendment or supplement hereto or any deed of conveyance from Declarant, its successors or assigns.

- g. “Common Expenses” shall mean and refer to expenses of administration of the Association, and expenses for the upkeep, maintenance, repair and replacement of all Common Area, and all sums lawfully assessed against the Owners by the Association, and all sums, costs and expenses declared by this Declaration to be Common Expenses.
- h. “Declarant” shall mean and refer to Clayton Properties Group, Inc., a Tennessee corporation, doing business as Mungo Homes, its successors and/or assigns. A person or entity shall be deemed a “successor and assign” of Declarant only if specifically so designated in a duly recorded written instrument as a successor or assign of Declarant under this Declaration and/or a Supplemental Declaration and shall be deemed a successor and assign of Declarant only as to the particular rights or interests of Declarant under this Declaration or under such Supplemental Declaration which are specifically designated in the recorded written instrument.
- i. “Declarant Control Period” shall mean the period of time during which the Declarant is entitled to appoint at least a majority of the members of the Board of Directors.
- j. “Declaration” shall mean and refer to this Declaration of Protective Covenants, Restrictions, Easements, Charges and Liens for Cottages at Bradley Creek, as it may be amended from time to time.
- k. “Deed of Trust” a mortgage, deed of trust or other similar security interest recorded in the records of New Hanover County, North Carolina, which grants, creates or conveys a lien upon one or more of the Lots.
- l. “Designated Builder” shall mean Clayton Properties Group, Inc., doing business as Mungo Homes, or such other builder or builders as designated by Declarant.
- m. “Development Period” means the period of time commencing with Declarant's acquisition of the Property and ending when Declarant has completed the development and sale of, and no longer owns, any Lot or any other portion of the Property. The Development Period shall recommence each time the Declarant acquires additional land.
- n. “Dwelling Unit” shall mean and refer to a completed single-family home located upon a Lot.
- o. “Governing Documents” shall mean and refer to the Declaration, the Articles of Incorporation of the Association (“Articles”), the By-Laws of the Association (“By-Laws”), the Architectural, Construction Management, Landscaping Design

and Environmental Standards (“ARC Guidelines and Procedures”), and the rules and regulations of the Association.

- p. “Lake Area(s)” means any Common Area on which a lake now exists or is later constructed by Declarant and “Lake” means a body of water which now exists or is later constructed by Declarant in a Lake Area.
- q. “Lake Maintenance Easement” means those areas, if any, identified on the recorded plat(s) of the Property as “Lake Maintenance Easement” or similar designation which shall be reserved to the Association or its assigns for the purpose of performing maintenance of the Lakes in accordance with the terms and provisions of this Declaration.
- r. “Lender” shall mean the holder of any recorded Deed of Trust, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the Lots. As used in this Declaration, the term “Institutional Lender” or “Institutional Holder” shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), all corporations and any agency or department of the United States Government or of any state or municipal government, or any other organization or entity which has a security interest in any Lot. In the event any Deed of Trust is insured by the Federal Housing Administration (“FHA”) or guaranteed by the Veterans Administration (“VA”), then as to such Deed of Trust the expressions “Lender” and “Institutional Lender” include the FHA or the VA as the circumstances may require, acting, respectively, through the Federal Housing Commission and the Commissioner of Veterans' Benefits or through other duly authorized agents.
- s. “Lot” or “Lots” means, as the context requires, any parcel or parcels of land designated as such upon the Plat (as hereinafter defined) or, after construction, that parcel of land upon which there is constructed a Dwelling Unit that is conveyed to an Owner (as hereinafter defined) by the Declarant. Subject to any necessary approval of the appropriate governmental authority, a “Lot” may contain portions of real estate greater or less than its originally platted dimensions should the Declarant deem it advisable in order to accommodate the construction of a Dwelling Unit.
- t. “Member” shall mean and refer to an Owner who is a member of the Association as provided in Article IV hereof.
- u. “Operating Deficit” shall mean and refer to funds necessary to meet the budgeted and/or immediate cash obligations of the Association as may be forecast in the annual budget or as may arise during the fiscal year, which cannot be met by application or use of funding through Regular Assessments, Special Assessments, or any other sources of revenues available to the Association.

- v. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee-simple title to any Lot(s) later developed, but shall not mean or refer to any Lender or subsequent holder of a Deed of Trust, unless and until such Lender or holder has acquired title pursuant to foreclosure or any proceedings in lieu of foreclosure. Said term "Owner" shall also refer to the heirs, successors and assigns of any Owner.
- w. “Parcel” shall mean a separately described subdivision of the Property, which may be held as a separate tract. If an easement exists on all or a portion of a Parcel as an appurtenance to another Parcel, such appurtenant easement shall also be considered a part of the Parcel to which the easement is appurtenant.
- x. “Plat” means the subdivision plats of the Property, which are recorded with the Register of Deeds of the county in which the Property is located, as the same may be hereafter amended or supplemented pursuant to this Declaration.
- y. “Provider” shall mean and refer to the entity or entities which provides Provider Services.
- z. “Provider Services” shall mean, without limitation, television, cable, computer connection and/or internet connection by line, wire, cable, fiber optic, main, duct, pipe conduit, pole, antenna, microwave, satellite dish, or wire or wireless technology.
- aa. “Setback” shall mean an area along the boundary of a Lot where no building or other structures including, without limitation, fences, patios or decks shall be permitted, without the express written permission of Declarant. However, the location of normal air handling and heat, ventilation and air conditioning units within such Setback area shall be permissible so long as it is in conjunction with an approved residential building or other structure located on a Lot.
- bb. “Subsequent Amendment” or “Supplemental Declaration” shall mean an amendment to this Declaration which adds property to this Declaration and makes it subject to the Declaration. Such Subsequent Amendment may, but is not required to, impose, expressly or by reference, additional restrictions and obligations on the land submitted by that Subsequent Amendment to the provisions of the Declaration.
- cc. “Wetland Areas” shall mean and refer to those areas delineated as wetland by the U.S. Army Corps of Engineers and shown and referred to as "Wetlands", “Wetland Fill Area”, “existing wetland”, and/or "Wetlands Buffer", or any similar designation, if any, on the recorded plat of the Subdivision.

ARTICLE III: PROPERTY RIGHTS, EASEMENTS AND ENCROACHMENTS

Section 1. Owner's Easements of Enjoyment of Common Area. Subject to the provisions of Section 2 of this Article, every member shall have a right and easement of enjoyment in and to the Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot. This right and easement shall be for use in common with all other such members, their tenants, guests and invitees. In the event that Declarant incorporates additional land under the provisions of this Declaration pursuant to Article XI, Section 2 of this Declaration, all Owners of Lots within such additional phases shall have the same rights and privileges with regard to use of the Common Areas as the Owners of Lots originally made subject to this Declaration.

Section 2. Extent of Member's Easements. The rights and easements created hereby shall be subject to the following:

a. The right of the Association to charge reasonable admission and other fees for the use of recreational facilities, if any, situated upon the Common Area owned by the Association;

b. The right of the Association to suspend the voting rights and right to use of any recreational facilities, if any, by any Owner (i) for any period during which any assessment remains unpaid and (ii) for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

c. The right of the Association to promulgate reasonable rules and regulations governing the use of the Common Area owned by the Association including, without limitation, parking, swimming, boating, fishing, (including the denial thereof of any such activities) and upon improvements, additions or alterations to the Lots and the Common Area owned by the Association;

d. The rights of Declarant as provided in this Declaration, as the same may be amended from time to time;

e. The right of the Association to mortgage any or all of the Common Area owned by the Association, upon the approval of two-thirds ($\frac{2}{3}$) of the membership of each class of members of the Association;

f. The easements reserved elsewhere in this Declaration and the right of the Association through its Board of Directors to grant further reasonable utility easements across and through the Common Area owned by the Association for the benefit of its members;

g. Subject to Article XIII, Section 2, the right of the Association through its Board of Directors to dedicate or transfer all or any part of the Common Area owned by the Association to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors or otherwise allowed pursuant to this Declaration, as amended;

h. If ingress or egress to any Lot is through the Common Area, any conveyance or encumbrance of such Common Area is subject to such Lot Owner's easement for ingress and egress;

i. The right of the Declarant to erect any signs (i) advertising the sale of the Property or any Lot and/or (ii) identifying the Subdivision;

j. The right, but not the obligation, of the Declarant and its assigns to install, or cause to be installed, Technology Infrastructure in Common Areas;

k. The right of the Declarant and the Association to add amenities or alter existing amenities from time to time; and

l. All other rights, obligations and duties as set forth in this Declaration, as the same may be from time to time amended or supplemented.

Section 3. Delegation of Use.

a. Family. The right and easement of enjoyment granted to every Owner in Section 1 of this Article may be exercised by members of the Owners' family who occupy the residence of the Owner within the Subdivision.

b. Tenants. The right and easement of enjoyment granted to every Owner in Section 1 of this Article may be delegated by the Owner to the Owner's tenants who occupy a residence within the Subdivision.

c. Guests. Any recreational facilities and other Common Areas may be utilized by guests of Owners or tenants subject to this Declaration, the By-Laws of the Association and to the rules and regulations of the Association governing said use and as established by its Board of Directors.

Section 4. Certain Obligations and Access Rights to the Common Area.

a. Except as otherwise set forth in this Declaration, the Association, subject to the rights of the Owners as set forth in this Declaration, shall be responsible for the management and control, for the exclusive benefit of the Owners as provided herein, of the Common Area owned by the Association and for the maintenance of the same in good, clean, attractive, safe and sanitary condition, order and repair.

b. The Association shall have and is hereby granted a general right of access and easement to all of the Common Area owned by the Association and across the Lots, at reasonable times and at any time in case of emergency, as reasonably required by its officers, directors, employees and their agents and independent contractors, to the full extent necessary or appropriate to perform its obligations and duties as set forth in this Declaration. The easements and rights specified herein also are reserved for the benefit of Declarant so long as Declarant owns any portion of the Property and for so long as Declarant may be liable under any builder's warranty.

Section 5. Rules and Regulations. The use of the Common Areas by an Owner or Owners, and all other parties authorized to use same, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established by the Association governing such use, or which may hereafter be prescribed and established by the Association.

Section 6. General Drainage, Utility, Sewer and Other Development Easements. The following rights and easements reserved in this Section 6 shall not be exercised with respect to a Lot, after the conveyance of such Lot, in a manner that (i) unreasonably and adversely affects any Dwelling Unit or portion thereof located upon such Lot or the Owner's use or enjoyment thereof, or (ii) unreasonably restricts the rights of ingress and egress to such Lot. The following rights and easements reserved by Declarant in this Section 6 shall run with the land, and Declarant's right to further alter or grant easements shall automatically terminate and pass to the Association one (1) year after Declarant shall have conveyed the last Lot within the Property. The following rights and easements reserved in this Section 6 are not intended to permit, and shall not be construed to permit, (i) any Provider to enter any easement reserved in this Section 6, or (ii) the Association to install or authorize to be installed, in any easement reserved in this Section 6, any Technology Infrastructure or any other equipment, facilities, or installations of any type for the purpose of bringing Provider Services to any Lot, Dwelling Unit, and/or any improvements on a Common Area.

a. Declarant hereby reserves unto itself, and unto any public or private utility, a utility/drainage easement (the "Utility/Drainage Easement"), as designated on the Plat, or any similar designation thereof, for drainage, utility and sewer purposes in, on and over all of the Common Area and any Lot, so as to permit Declarant to properly install and allow to be installed and maintained all electrical, telephone, water, gas, and sanitary and storm sewer, to serve any Dwelling Unit constructed on the Property. This Utility/Drainage Easement shall include all areas of the Property outside any Dwelling Units, with the exception of any areas covered by chimneys, or patios. Improvements or permanent structures installed within the Common Area are subject to the rights (including the right to remove where reasonably necessary without duty of replacement or reimbursement) of the Declarant and any public or private utility to construct, maintain, repair or remove any necessary facilities. By virtue hereof, Declarant reserves the right to install a lake(s) or pond(s) on any Common Area. The rights hereunder and easements hereby reserved survive the conveyance, by the Declarant to the Association, of any Common Area. This easement shall be in addition to any easement identified or designated upon a Plat as a drainage, sewer, utility, cable, landscape, sign, transmission, flowage or similar type easement.

b. Declarant reserves unto itself during the Development Period, and thereafter unto the Association, an easement ("Lake Easement") and right-of-way in and to any Lake Area (s) or areas now or hereafter shown on the Plat as a "Common Area", "Lake Maintenance Easement" or "Lake" or similar wording or any other Common Area within the Property used as a water retention or detention area, or on which a Lake now exists or is later constructed, for the purpose of fulfilling any maintenance obligations set forth in this Declaration and/or establishing and maintaining proper surface water drainage throughout the Property, and an easement of ingress and egress, without permission or approval of any Owner, through so much of the remainder of the Property as is reasonably necessary or appropriate to perform such actions as Declarant or the Association deem necessary or appropriate, for the purpose of establishing and maintaining proper surface

water drainage throughout the Property, which such actions shall include the construction, repair and maintenance of retention and detention ponds or lakes in accordance with the requirements of applicable law and of all governmental agencies having jurisdiction (without undertaking any obligation or duty to exceed such requirements).

c. Declarant reserves unto itself during the Development Period, and thereafter unto the Association, the right and an undefined sign and facilities easement ("Sign and Facilities Easement") to install, erect, construct and maintain an entryway sign or signs, directional signs, advertising signs advertising the Property or the Lots therein, lighting, walkways, pathways, fences, walls and any other landscaping, architectural and recreational features or facilities considered necessary, appropriate, useful or convenient, anywhere upon the Property (except upon any Lot after the first conveyance thereof). Any such signs shall comply with any applicable zoning requirements and all such facilities shall be maintained by the Association as a part of its Common Area maintenance obligations.

d. Declarant reserves unto itself during the Development Period, and thereafter unto the Association, the full right, title and authority to:

- i. Relocate, alter or otherwise change the location of any Drainage, Flowage, Utility, Sewer and Lake, Sign and Facilities Easement, or any facility at any time located therein or thereon;
- ii. Grant such further easements, licenses and rights-of-way, temporary or permanent, exclusive or non-exclusive, surface or otherwise, as Declarant may deem necessary or appropriate; for ingress and egress, utility and similar purposes on or within any portion of the Property, for the benefit of the Property or any portion thereof; and,
- iii. Describe more specifically or to change the description of any Drainage, Flowage, Utility, Sewer, Lake, Sign and Facilities Easement or any other easement, license or right-of-way now or hereafter existing on the Property, by written instrument, amended Plat or amendment to the Plat recorded in the Office of the Register of Deeds of the County in which the Property is located.

e. The title of the Association (as to the Common Area owned by the Association during the Development Period) and of any Owner of any Lot shall be subject to the rights and easements reserved herein.

Section 7. Declarant's General Network Easement. The following rights and easements reserved and retained in this Section 7 shall not be exercised with respect to a Lot, after the conveyance of such Lot in a manner that (i) unreasonably and absolutely affects any Dwelling Unit or portion thereof located upon such Lot or the Owners use or enjoyment thereof or (ii) unreasonably affects the rights of ingress and egress to such Lot. The Declarant hereby forever reserves, retains, and is granted a blanket, exclusive, perpetual easement over, above, across, under, upon, along, and through the Property and all Lots, Common Areas, and streets located

therein (iii) for the purpose of owning, installing, maintaining, repairing, replacing, relocating, removing, improving, expanding and otherwise servicing the Technology Infrastructure, and any other equipment, facilities, and installations of any type bringing Provider Services to any Lot, Dwelling Unit, and/or any improvements on the Common Area. This General Network Easement may be conveyed, assigned, and transferred by the Declarant, in the Declarant's sole discretion, without notice or consent of the Association, the Owners, or any other person. The General Network Easement is for the exclusive benefit of the Declarant, and its successors, designees and assigns, and is an appurtenant easement which runs with the Property and all Lots, Common Areas, and streets therein. Only those Providers which receive the Declarant's explicit written permission shall be permitted within the General Network Easement. The Declarant's right under this Section 7 shall survive beyond the Development Period and exist in perpetuity, and this General Network Easement shall be in addition to any easement identified or designated on a plat. Nothing herein or otherwise shall prevent Declarant from continuing existing relationships for services or entering into ongoing relationships for services, which relationships shall be binding upon the Association.

Section 8. Easement for Emergency Purposes. An easement is hereby dedicated and granted for use, in the case of an emergency, by emergency vehicles such as fire trucks, police cars and ambulances and emergency personnel, public and private, over and upon the Common Area.

Section 9. Fee Title to Lot. The fee title to any Lot described as bounded by any street, lane, walkway, park, pond, lake, or any other common property which has not been dedicated or accepted by the public and the fee title to any Lot shown on any Plat as abutting upon any such common property shall not extend upon such common property and the fee title to such common property is reserved to the grantor to be conveyed to the Association for the common enjoyment of all residents in the Subdivision.

Section 10. Designated Drainage, Utility, and Sewer Easements. There are strips of ground designated on the Plat as drainage easements, utility easements, sewer easements, sanitary sewer easements and storm sewer easements, or any combination thereof (hereafter collectively "DU&E Easements"), which are hereby reserved to the appropriate governmental entities, public utilities, private utilities and Provider(s) or Declarant for the installation and maintenance of swales, ditches, pipes, drains, sanitary sewers, manholes, detention and retention areas or other drainage facilities, the Community Network and Technology Infrastructure; provided, however, that the only Providers which receive the Declarant's explicit written permission shall be permitted to be within the DU&E Easements. Purchasers of Lots in this Subdivision shall take title subject to such easements hereby created and subject at all times to the rights of proper authorities to service and maintain such drainage facilities and easements, and no permanent structure of any kind and no part thereof except fences which do not retard or impede the flow of drainage water and which are approved pursuant to Article XV, Section 5, below, shall be built, erected or maintained on said drainage easements, except by the Declarant or its assigns. It shall be the responsibility of the Association and the Owners of the areas enclosed within such easements to maintain such areas in such conditions that the flow of storm drainage waters on, across and from said areas shall not be impeded, diverted or accelerated. Such use for storm water movement or retention or detention is hereby declared to be an easement and servitude upon said land for the benefit of the Owners of other land included within the Plat, upstream or downstream, affected by such use and for any proper governmental agency or department or any private or public utility. All proper

governmental agencies or departments and public and private utilities are hereby given the right to obtain access to such areas to perform maintenance and to perform such maintenance as may be necessary to protect that easement and servitude rights. It shall be the responsibility of the Association and the Owner of any Lot or parcel of land within the Plat to comply at all times with the provisions of the drainage plan as approved for the applicable Plat by the appropriate governmental agency or department and the requirements of all drainage permits for such Plat issued by those agencies. Failure to so comply shall operate as a waiver and release of the Declarant, the developer, or their engineers and agents from all liability as to damage caused by storm waters or storm drainage.

Further, there are easements and servitudes upon the land within the Plat in favor of surface water runoff along natural valleys and drainage channels running to Owners of other land contained within the Plat, upstream and downstream. It shall be the responsibility of the Association and the Owners of these natural valleys and channels to use their land and maintain said natural valleys and channels in such manner and condition that the flow of storm drainage waters on, across, from and to such areas shall not be impeded, diverted or accelerated.

Section 11. Designated Easements for Landscaping, Mounding, Screening and Signage. Within any strips of ground shown or designated on a Plat as a landscape easement, berm easements, landscape maintenance easement, landscape maintenance access easement, or by any similar language indicating a landscaping purpose, Declarant hereby reserves unto itself during the Development Period and thereafter unto the Association, the exclusive and sole right to (i) erect signs which advertise the Property or availability of Lots, and/or identify the Subdivision and (ii) install landscaping, mounding, walls, and screening. Notwithstanding anything in this Declaration to the contrary, except as approved by Declarant or the Architectural Review Committee, no planting shall be done, and no hedges, walls, signs, fences or other improvements shall be erected or maintained in the area of such easements, except by the Declarant during the Development Period and thereafter by the Association. Furthermore, notwithstanding anything in this Declaration to the contrary, no planting shall be done, and no hedges, walls, fences, structures, signs, or other improvements shall be erected between (iii) the area of any such easements and (iv) any perimeter roadway, public highway or right-of-way along the perimeter or boundary of the Property, except by the Declarant.

Section 12. Designated Network Easement. Any strips of ground identified on a Plat as a Network Easement are hereby forever exclusively for the Declarant, and the Declarant's successors, designees and assigns, for the purpose of installing, maintaining, repairing, replacing, improving, relocating, expanding, removing or otherwise servicing the Technology Infrastructure and Community Network, and any other equipment, facilities, and installations of any type bringing Provider Services to any Lot, Dwelling Unit, and/or any improvements on the Common Areas. Notwithstanding anything in the Declaration to the contrary, no planting, hedges, walls, structures, signs, fences, or any other improvements shall be constructed, placed, or erected within such Designated Network Easement. Only those Providers which receive the Declarant's explicit written permission shall be permitted within the Designated Network Easement. The Declarant's rights under this Section 12 shall survive beyond the Development Period and exist in perpetuity, and may be conveyed, assigned, or transferred by the Declarant, in the Declarant's sole discretion, without notice to or consent of the Association, Owners, or any other person.

Section 13. Street Dedication. All streets now or hereafter located upon the Property are hereby private. The Declarant shall have the right, but not the obligation, to cause such streets and/or roads to be dedicated to any governmental entity.

Section 14. Easement Work. Notwithstanding any architectural approval under Article VI, below, during the course of any maintenance, service, repair or work upon any easement, the Declarant, the Association, any private utility, any public utility, and/or any governmental entity shall have the right and the authority, without any obligation or liability whatsoever planted, to any owner, to remove, damage, or destroy any fence or other structure or landscaping built, erected, maintained or planted in any easement described in Sections 9 and 10 above.

Section 15. No Access. There may be strips of ground designated on the Plat as “no access strips”, “no access”, “no access easement”, “no access esmt”, or by other similar language. Vehicular ingress, egress, and traveling and/or the construction of improvements for such ingress, egress and/or traveling, is prohibited on, over, or across any such strips or areas. Furthermore, vehicular access to any Lot shall only be from the adjoining public street and shall not cross any Common Area(s).

Section 16. Reservation of Right to Grant Easement. The Declarant hereby reserves the right, in its discretion, to (i) grant easements upon, under, over and across the Property for the benefit of land which is adjacent to the Property and/or (ii) to obtain, for the benefit of the Property, easements upon, under, over and across the real estate which is adjacent to the Property. Nothing herein or otherwise shall prevent Declarant from continuing existing relationships for services or entering into ongoing relationships for services, which relationships shall be binding upon the Association.

Section 17. Sales Offices, Rental Offices, Property Management Offices and Construction Offices. Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Declarant and Designated Builder, its successors and assigns, the perpetual, alienable and transferable right and easement in and to the Subdivision for the maintenance of signs, sales offices, rental offices, property management offices and construction offices, together with such other facilities as in the sole opinion of Declarant reasonably may be required, convenient or incidental to the completion, management, rental, improvement and/or sale of Lots or Common Area. A person or entity shall be deemed a “successor or assign” for this purpose only if so designated in a written instrument executed by Declarant or Designated Builder (as applicable). The Declarant also reserves the right to grant to any builder or builders the right to operate and maintain builder sales offices at any location within the subdivision upon such terms and conditions as the Declarant in the Declarant's sole discretion may determine.

Section 18. Displays. No rule shall abridge an Owner's right to display political, religious, or holiday symbols and decorations on his or her Dwelling Unit of the kinds normally displayed in single-family residential neighborhoods, nor shall any rule regulate the content of political signs. However, the Association may adopt time, place, and manner restrictions with respect to signs, symbols, and displays visible from outside structures on the Dwelling Unit, including reasonable limitations on size and number. Owners may display one "For Sale" or "For Rent" sign on their

Dwelling Units provided such signs are in compliance with the Association's approved template, are a similar size and quality as those used by local real estate brokers and agents and in no event exceed six square feet of surface area.

Section 19. Household Composition. No Rule shall interfere with an Owner's freedom to determine household composition, except that the Association may impose and enforce reasonable occupancy limitations and conditions based on Dwelling Unit size and facilities and its fair share use of the Common Area.

ARTICLE IV: MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Initially, the person(s) who serve as incorporator(s) of the Association shall be the member(s) (the "Initial Member(s)"). The Initial Member(s) shall remain member(s) of the Association until the Association Articles of Incorporation are accepted by the North Carolina Secretary of State, at which time the Initial Member(s) shall cease to be member(s) unless they also qualify as Class A or Class B members. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Apart from the Initial Member(s), a membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. Board of Directors. The Owners shall elect a Board of Directors of the Association as prescribed by the Association's Articles and By-Laws. The Board of Directors shall manage the affairs of the Association. Directors must be members of the Association.

Section 3. Articles of Incorporation and Bylaws. A copy of the Articles of Incorporation of the Association and Bylaws of the Association are attached hereto as Exhibit B and Exhibit C respectively, and made a part and parcel hereof.

Section 4. Professional Management. No contract or agreement for professional management of the Association, nor any other contract between Declarant and the Association, shall be for a term in excess of three (3) years. Any such agreement or contract shall provide for termination by either party with or without cause and without payment of any termination fee upon written notice of not less than sixty (60) days.

Section 5. Classes of Membership and Voting Rights. The Association shall have the following two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant. Class A members shall be entitled to one (1) 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 the members holding an interest in such Lot determine among themselves, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant. During the Declarant Control Period, the Class B Member shall have the right to appoint the members of the Board.