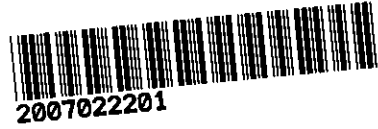


21

FOR REGISTRATION REGISTER OF DEEDS  
REBECCA P. SMITH  
NEW HANOVER COUNTY, NC  
2007 MAY 01 04:53:08 PM  
BK:5176 PG:2832-2859 FEE:\$92.00



INSTRUMENT # 2007022201

STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

**DECLARATION OF COVIL CROSSING  
AT COVIL ESTATES**

THIS DECLARATION, made this 1st day of May, 2007, by COVIL CROSSING GROUP, L.L.C., a North Carolina corporation hereinafter referred to as "Declarant", (whether one or more);

**WITNESSETH**

WHEREAS, Declarant is the owner of certain property in New Hanover County, North Carolina, which is more particularly described as follows:

BEING all of Lots 1 through 63, COVIL CROSSING AT COVIL ESTATES according to the official plan as shown on a map recorded in the Registry of New Hanover County in Map Book 51 at Pages 148-150 also referenced herein and elsewhere as "Covil Crossing".

NOW, THEREFORE, Declarant hereby submits the above described property (herein the "Property"), to ownership pursuant to North Carolina General Statutes and hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, conditions, uses and obligations which are for the purpose of protecting the value and desirability of and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

**ARTICLE I.**

**DEFINITIONS**

A. Act. The North Carolina Planned Community Act, Chapter 47F, North Carolina General Statutes. The provisions of said Act are incorporated herein except where the same may conflict with the provisions contained herein controlling.

B. Association. The COVIL CROSSING OWNERS ASSOCIATION, INC., a North Carolina non-profit corporation, sometimes referred to herein as COVIL CROSSING HOA, composed of the owners of patio home units in COVIL CROSSING AT COVIL ESTATES, as the same is recorded in Book \_\_\_\_\_, Page \_\_\_\_\_ et. seq. of the New Hanover County Registry.

C. Board. The Board of Managers of the Association.

D. By-Laws. By-Laws of the Association which are recorded in Book 5176, Page 2847 et. seq. of the New Hanover County Registry.

E. Common Elements. Shall be used interchangeably with "common areas" and shall mean or refer to all portions of a patio home except the units to include any areas designated as "open space" on the map; and

F. Limited Common Elements. Shall be used interchangeably with limited common areas and shall refer to all portions of the common elements which are designated for use with a particular unit.

G. Common Expenses. The expenditures made by or financial liabilities of the Association, together with any allocations to reserves. Said funds shall be applied to maintenance and upkeep of front yards, fences, irrigation systems and street lights and the amenities package for Covil Farms Amenities, Inc.

H. Declarant. Declarant or "Developer" shall mean and refer to COVIL CROSSING GROUP, L.L.C., a North Carolina limited liability company, its successors and assigns. All references to "Covil" in Article VI hereinbelow shall also mean Covil Crossing Group, LLC, its successors and assigns.

I. Development. Shall mean and refer to the whole of the planned residential development to be known as COVIL CROSSING AT COVIL ESTATES, sometimes referred herein as COVIL CROSSING, which shall consist of all the real property, which has been subdivided into lots shown on maps of COVIL CROSSING AT COVIL ESTATES, referred to hereinabove, the common elements, plus the improvements to the common elements, as described hereinabove.

J. Lot. Shall mean and refer to any of the numbered lots on each map of property within COVIL CROSSING as is recorded in the New Hanover County Registry, with the exception of the common areas.

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

L. Properties. Shall mean and refer to that certain real property hereinabove described, and such phases or additions thereto as may hereafter be brought within the jurisdiction of the Association by Declarant. The use of the term "Properties" in Article VI below, shall include the real property within Covil Crossing, Snug Harbour and Peppertree.

M. Miscellaneous Definitions.

1. "Snug Harbour HOA" shall mean Snug Harbour at Covil Estates HOA, Inc. and its successors, assigns, heirs, executors, administrators, trustees in bankruptcy, agents, servants, insurers, employees, officers, directors, shareholders, members, legal representatives, owners, subsidiaries, sister and parent corporations and affiliated corporations, and all other affiliated or related persons, firms or corporations which may have an interest by or through it.
2. "Pepper Tree HOA" shall mean Pepper Tree at Covil Estates, HOA, Inc. and its successors, assigns, heirs, executors, administrators, trustees in bankruptcy, agents, servants, insurers, employees, officers, directors, shareholders, members, legal representatives, owners, subsidiaries, sister and parent corporations and affiliated corporations, and all other affiliated or related persons, firms or corporations which may have an interest by or through it.
3. "Covil Crossing" shall mean the real property owned by Covil pursuant

to a Warranty Deed filed and recorded with the New Hanover County Register of Deeds at Map Book 4963, Pages 2018-2022.

4. "Snug Harbour" shall mean that certain real property located in New Hanover County, North Carolina and bounded on one side by Covil Crossing and on another side by a public roadway designated as Covil Farm Road and further shown upon those maps recorded in the New Hanover County Registry in Map Book 33, at Page 60, Map Book 33 at Page 254, and Map Book 41 at Page 133.
5. "Pepper Tree" shall mean that certain real property located in New Hanover County, North Carolina and bounded on one side by Covil Crossing and on another side by a public roadway designated as Covil Farm Road and further shown upon those maps recorded in the New Hanover County Registry in Map Book 34, at Page 59, Map Book 34 at Page 384, and Map Book 35 at Page 192.
6. "Covil Estates Amenities, Inc." shall mean and refer to an additional nonprofit corporation which owns, maintains, manages, operates and collects assessments for the operation of the amenities at Covil Estates, including the pool, tennis courts, and clubhouse and the common area related thereto. All members of Covil Crossing Owners Association, Inc. shall also be members of Covil Estate Amenities, Inc., and shall be subject to its Covenants, Conditions and Restrictions, By-Laws, Rules and Regulations.

## ARTICLE II

There currently exists an Owner's Association, known as "Covil Crossing Owners Association, Inc. " for the purpose of maintaining the common areas, drainage system, streets, and entrances to and in COVIL CROSSING, all sections and phases. Every lot or patio home unit owner shall automatically become a member of the Association upon the acceptance and the recording of a Deed to any lot or townhouse unit.

(1) Membership and Voting Rights. The qualifications for membership in the Association, the manner of admission to membership in the Association, the manner of termination of such membership and the voting rights of the members of the Association shall be set forth in the Articles of Incorporation and By-Laws of the Association which are recorded in Book 5176, at Page 2847, in the Office of the Register of Deeds of New Hanover County, North Carolina, the provisions of said Articles being incorporated herein by reference.

(2) Assessments, Liability, Lien and Enforcement. The Association has heretofore been given the authority to administer the operation and management of the common areas, easements and drainage system of the property, it being recognized that the delegation of such duties to one entity is in the best interest of the owners of all residential lots in COVIL CROSSING. To properly administer the operation and management of the common areas, easements and drainage system, the Association will incur, for the mutual benefit of all the owners of residential lots and patio home units, costs and expenses sometimes herein referred to as "common expenses". To provide the funds necessary for such proper operation, management and capital improvement, the Association has heretofore been granted the right to make, levy and collect assessments against the members of the Association and their residential lots. In furtherance of this grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation of, the management of, and for capital improvements to the common areas and drainage system, which for the purpose of these Articles shall be deemed to include, but not be limited to, the private streets and roads of COVIL CROSSING and all other improvements, the following shall

be operative and binding upon the owners of all residential lots and patio home units. Declarant and its successors shall be entitled to assess and collect special assessments as deemed appropriate subject to the provisions of Article VI.

(3) The Association shall be responsible for paying any and all ad valorem taxes assessed against the Common Areas, including "open space".

### ARTICLE III

**DESCRIPTION OF LOTS/UNITS.** The Declarant owns the real property which Declarant has divided into sixty-three (63) lots (herein "The Patio Home Units" or "The Units"), to be used for residential purposes. A plat of survey by Hanover Designs showing the location of said lots is recorded in Map Book 51, at Page 148-150, of the New Hanover County Registry and is incorporated herein by reference.

The general common elements are shown on that Plat of Survey by Hanover Designs recorded in Plat Book 51, Page 148-150. Each lot owner will receive with the conveyance of his unit an undivided interest in the general common elements and the common elements shall be available to all property owners.

### ARTICLE IV.

**USE RESTRICTIONS.** The use of the property shall be in accordance with the following provisions:

A. Each of the Units shall be occupied only by a family and for no other purposes. No Unit may be divided or subdivided into a smaller unit nor any portion thereof sold or otherwise transferred.

B. The Common Elements shall be used for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the patio home Units.

C. No use or practice shall be permitted on the patio home Property which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No Unit Owner shall permit any use of his Unit or of the Common Elements which will increase the rate of insurance upon the patio home Property or any part thereof. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. No single rooms may be rented.

D. Reasonable regulations concerning the use of the patio home Property may be made and amended from time to time by COVIL CROSSING OWNERS ASSOCIATION (herein referred to as the "Association") in the manner provided by its By-Laws. Copies of the By-Laws and regulations are recorded in Book 5176, Page 2847 et. seq. of the New Hanover County Registry.

### ARTICLE V.

**EASEMENTS.** Each of the unit owners shall have an easement in common with the other unit owner to use common elements. Each unit shall be subject to an easement in favor of the owner of the other unit to use all common elements serving such other units and located in such unit. The Association shall have the right, to be exercised by the Board of Managers or its Designee, to enter each unit from time to time, at reasonable hours as may be necessary for the operation of the property to inspect the same, to remove violations therefrom, and to maintain, repair or replace the common elements, if any, contained therein.

The Declarant hereby reserves and subjects the lands which are the subject to this Declaration to an easement of use and enjoyment by the owners and occupants of the respective patio home units for ingress and egress to and from all of the common elements and roads pertaining to COVIL CROSSING. Easements are also hereby created for installation, use, maintenance, repair and replacement of all necessary public utilities, including but not limited to sewer, water lines, gas, electricity, telephone and cable television for the use of the above described property known as COVIL CROSSING. In addition thereto, easements for ingress, egress, & regress and utilities within, over, under, upon and across the road/streets for COVIL CROSSING, SNUG HARBOR, and PEPPERTREE are hereby granted to all owners of lots in COVIL CROSSING, SNUG HARBOUR, and PEPPERTREE, their heirs, successors, assigns and invitees.

**ADDITIONAL EASEMENTS.** (1) Easements for installation and maintenance of utilities and drainage facilities are reserved over all lots and easements for drainage and utilities are reserved as shown and designated on the plat of said property. No structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by COVIL CROSSING OWNERS ASSOCIATION, except for those improvements for which a public authority or utility company is responsible.

All easements herein created and described shall be easements appurtenant to, and shall run with the land by whomsoever owned, whether or not the same shall be contained or referred to in any future deed or conveyance, and shall at all times inure to the benefit and be binding upon the undersigned, all its grantees and their respective heirs, successors, personal representatives or assigns.

The Association shall maintain the thirty (30') foot private right of way access for ingress and egress as shown in Map Book 51 Page 148-150, of the New Hanover County Registry.

## **ARTICLE VI.**

### **AFFIRMATIVE OBLIGATIONS OF ASSOCIATION AND DECLARANT**

1. Covil shall pay to Snug Harbour HOA the sum of FIFTY THOUSAND DOLLARS (\$50,000.00) on or before April 30, 2009 under the following terms: Covil shall pay to Snug Harbour HOA the sum of amount of ONE THOUSAND DOLLARS (\$1,000.00) upon the sale of each lot in Covil Crossing, but in no event less than TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) on or before April 30, 2008 and the balance of TWENTY-FIVE THOUSAND DOLLARS (\$25,000) on or before April 30, 2009.

2. Covil shall pay to Pepper Tree HOA the sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) on or before April 30, 2009 under the following terms: Covil shall pay to Pepper Tree HOA the amount of FIVE HUNDRED DOLLARS (\$500.00) upon the sale of each lot in Covil Crossing, but in no event less than TWELVE THOUSAND FIVE HUNDRED DOLLARS (\$12,500.00) per year.

3. Covil Crossing HOA will pay to Snug Harbour HOA the amount of EIGHT DOLLARS (\$8.00) per month road maintenance assessment upon the sale or lease of each lot in Covil Crossing. All property owners in Covil Crossing HOA shall pay said amount to Snug Harbour HOA as a monthly road maintenance assessment plus any special assessments for road maintenance. Said road maintenance assessment shall

be collected monthly by Covil Crossing HOA and paid quarterly to Snug Harbour HOA. The Covil Crossing HOA shall pay the assessment (regular or special) for each lot subject to assessments regardless of whether the Covil Crossing HOA actually collects the assessment from each lot owner. Snug Harbour HOA shall charge the same assessment to all property owners in Snug Harbour and shall maintain all funds in a separate banking account or a separate ledger designated for the repair and maintenance of the roadways in Snug Harbour. Snug Harbour reserves the right to increase or decrease the monthly road maintenance assessment described herein and to assess a special assessment for road maintenance, but any such modification or special assessment shall be uniform and inure equally to the property owners of Snug Harbour and Covil Crossing.

4. Covil Crossing HOA will pay to Pepper Tree HOA the amount of FOUR DOLLARS (\$4.00) per month road maintenance assessment upon the sale or lease of each lot in Covil Crossing. All property owners in Covil Crossing HOA shall pay said amount to Pepper Tree HOA as a monthly road maintenance assessment plus any special assessments for road maintenance. Said road maintenance assessment shall be collected monthly by Covil Crossing HOA and paid quarterly to Pepper Tree HOA. The Covil Crossing HOA shall pay the assessment (regular or special) for each lot subject to assessments regardless of whether the Covil Crossing HOA actually collects the assessment from each lot owner. Pepper Tree HOA shall charge the same assessment to all property owners in Pepper Tree and shall maintain all funds in a separate banking account or separate ledger designated for the repair and maintenance of the roadways in Pepper Tree. Pepper Tree reserves the right to increase or decrease the monthly road maintenance assessment described herein and to assess a special assessment for road maintenance, but any such modification or special assessment shall be uniform and inure equally to the property owners of Pepper Tree and Covil Crossing.

5. Covil currently possesses unrecorded easement rights of access for construction traffic to Covil Crossing in a manner that does not utilize the roadways of Snug Harbour or Pepper Tree. Covil will use its best efforts to maintain the easement rights of access for construction traffic during the development and construction of Covil Crossing until ninety percent (90%) of the construction of Covil Crossing is completed or December 31, 2009, whichever comes first. Should this easement right of access for construction traffic be interrupted or extinguished, Covil shall have the easement right of access for construction traffic over and through and across the roadways of Snug Harbour and Pepper Tree under the following conditions:

- a. Construction traffic shall be allowed the easement right of access over and across and through the roadways of Snug Harbour and Pepper Tree on weekdays during the hours of 7:00 A.M. and 6:00 P.M. and on Saturdays during the hours of 7:00 A.M. to 12:00 P.M.; no construction traffic shall be allowed on Sundays or legal holidays;
- b. Covil shall make monthly payments in the amount of ONE THOUSAND DOLLARS (\$1,000.00) to Snug Harbor HOA and FIVE HUNDRED DOLLARS (\$500.00) to Pepper Tree HOA for the right of easement access for construction traffic beginning on the date of first written notice of its exercise of easement right of access pursuant to this Agreement and continuing until either (i) ninety percent (90%) of the construction of Covil Crossing is completed or December 31, 2009, whichever comes first, or (ii) Covil obtains other rights of easement access for construction traffic that do not utilize the roadways of Snug Harbour and/or Pepper Tree;
- c. Covil will assume financial responsibility for any damages to the roadways and to any real or personal property within the fifty (50)

foot right of way of the roadways of Snug Harbour and/or Pepper Tree which are directly attributable to the utilization of said roadways by construction traffic.

- d. Snug Harbor HOA and Pepper Tree HOA shall provide written notice to Covil of any damage to its roadways which either or both directly attribute to construction traffic. Covil shall, within thirty (30) days of receipt of said written notice, begin the repair of any damage to the roadways of Snug Harbor and/or Pepper Tree which proximately and directly results from the use of said roadways by construction traffic and said repair shall restore said roadways to their pre-existing condition.

6. Covil will utilize the services of a single trash hauler or waste disposal company to service Covil Crossing. Covil Crossing HOA, Snug Harbour HOA and Pepper Tree HOA will endeavor to utilize the services of the same waste management company and/or trash hauler for the Properties.

7. Snug Harbour HOA shall retain sole discretion of the means to control speed limits and the operation of vehicular traffic including, but not limited to, parking, over and along and across the roadways of Snug Harbour so long as this discretion does not limit or eliminate the easement right of access granted Covil to Covil Crossing.

8. Pepper Tree HOA shall retain sole discretion of the means to control speed limits and the operation of vehicular traffic, including but not limited to, parking, over and along and across the roadways of Pepper Tree so long as this discretion does not limit or eliminate the easement right of access granted Covil to Covil Crossing.

9. Covil shall have the sole discretion of the means to control speed limits and the operation of vehicular traffic including but not limited to parking over and along and across the roadways of Covil Crossing so long as this discretion does not limit or eliminate the right of access by Pepper Tree and/or Snug Harbour. The residents of Pepper Tree and Snug Harbour have the rights of access, egress and ingress over the roadways of Covil Crossing, subject to reasonable nondiscriminatory rules and regulations.

10. All roadways within the Properties shall be maintained and preserved to allow two-way traffic. All owners or operators of vehicles using the roadways in the Properties shall be subject to fines for violations of the rules and regulations adopted by Snug Harbour HOA, Pepper Tree HOA and/or Covil as applicable pertaining to the use of the roadways on the Properties pursuant to the provisions of N.C.G.S 47F-3-107.1. This specifically includes, but is not limited to, the authority to fine Covil for violations of Paragraph 5 above.

11. Mailboxes in Covil Crossing shall be similar to those used in Snug Harbour.

12. The easement rights of access granted by the Snug Harbour HOA and Pepper Tree HOA are perpetually and exclusively for the lots in Covil Crossing. Covil agrees that it will not develop any other properties beyond the boundaries of Covil Crossing and that it will not connect its roadways to any properties (other than Snug Harbour and Pepper Tree as set forth herein) unless required by law.

13. Covil reserves the right to develop its property identified as Lot 63 on the preliminary plat presented to the Planning Department of New Hanover County, but in the event that any development or construction occurs on Lot 63 it will be in conformity with and subject to the jurisdiction of the Architectural Review Committee of the Snug Harbour HOA, and upon the completion of construction and conveyance, shall be subject to all dues and assessments applicable to all property owners in Snug Harbour.

14. Covil retains the exclusive right and authority to develop, or not, in its sole discretion, a maximum of 63 single family lots within Covil Crossing pursuant to the specifications and conditions concurrently approved by the Planning Department of New Hanover County.

15. Any disagreement regarding the terms and conditions of this Article, the duties of the parties referred to in this Article, and enforcement and/or violations of the terms of this Article shall be resolved by binding arbitration which shall be conducted in accordance with the provisions of the Revised Uniform Arbitration Act, Article 45C, Chapter 1, North Carolina General Statutes, and the Parties shall be bound by the decision of the arbitrator or arbitrators. Provided however, that monetary disputes between the Parties referred to in this Article under the jurisdictional limits of the small claims court pursuant to G.S. § 7A-210 may, at the election of any Party, be determined by that court.

#### **ARTICLE VII.**

**ENFORCEMENT.** The Association or any Owner, shall have the right to enforce, by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

#### **ARTICLE VIII.**

**NOTICE.** The name and address of the process agent to receive service of process in any matters affecting the property is as follows: COVIL CROSSING GROUP, L.L.C., 2446 Harbor Lane, Wilmington, North Carolina, 28411.

#### **ARTICLE IX.**

**TAXES.** Each individual lot shall be deemed to be a separate parcel and shall be separately assessed and taxed for all types of taxes authorized by law, including but not limited to special ad valorem levies and special assessments. Each lot owner shall be liable solely for the amount of ad valorem taxes against his individual lot and shall not be affected by the consequence resulting from the tax delinquency of any other lot owner. Any ad valorem property taxes on the common elements, if any, shall be the responsibility of the Association.

#### **ARTICLE X.**

**ASSESSMENTS.** Assessments against unit owners by the Board of Managers made pursuant to the By-Laws shall, if not paid when due, create a lien in favor of the Association against the unit of the defaulting owner as provided in Chapter 47F of the North Carolina General Statutes, and shall be collected as provided therein and in the By-Laws hereto attached. It is expressly provided, however, that in consideration of the Declarant's prior construction of the amenities and improvements on the real estate which is to constitute the common area in this development, that the DECLARANT shall be exempt from and shall not have to pay assessments on any lots owned by it within this development and all future phases, if any.

## ARTICLE XI.

**LIENS.** All liens provided for herein shall be subordinate, and are hereby subordinated, to the lien of any first mortgage or deed of trust given to any lender to secure a loan, the proceeds of which are used to finance the purchase of any unit or units, unless any such lien provided for herein shall have been recorded in the Office of the Clerk of Superior Court of New Hanover County prior to recordation to the said first lien mortgage or deed of trust in the Office of the Register of Deeds of New Hanover County, North Carolina.

## ARTICLE XII.

**BINDING EFFECT.** The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the owner of any unit subject to this Declaration, their respective legal representatives, heirs, successors and assigns.

## ARTICLE XIII.

### STORMWATER MANAGEMENT

The following covenants are intended to ensure ongoing compliance with the State Management Permit Number \_\_\_\_\_ as issued by the Division of Water Quality under NCAC 2H.1000. The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the stormwater management permit.

The following covenants are to run with the land and be binding on all persons and parties claiming under them and may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality.

a. The allowable built-upon area per lot shall be limited to the square footage described on Exhibit A attached hereto and incorporated. This allotted amount includes any built-upon area constructed within the lot boundaries and that portion of the right of way between the front lot line and the edge of the pavement. Built upon area includes, but is not limited to, structures, pavement, asphalt, concrete, gravel, brick, stone, slate and coquino, walkways, or patios of brick, stone, or slate, but does not include raised, open wood decking or the water surface of swimming pools.

b. Filling in or piping of any vegetative conveyances (ditches, swales, etc.) associated with the development except for average driveway crossings, is strictly prohibited by any persons. Driveways must be piped in such a manner so as to not impede flow.

c. Any and all covenants pertaining to stormwater regulations may not be changed or deleted without concurrence of the Division of Water Quality;

d. Each lot will maintain a 30' wide vegetated buffer between all impervious areas and surface waters.

e. All roof drains shall terminate at least 30' from the mean high water mark.

f. Alteration of the drainage as shown on the approved plan may not take place without the concurrence of the State.

g. Low Density Subdivision with Curbs and Gutters: (In addition to I.1-I.5, I I.1-I I.4 and all others that apply)

1. Filling in, piping or altering any designated 5:1 curb outlet swale associated with the development is prohibited by any persons.

2. This project proposes a curb outlet system. Each designated curb outlet swale shown on the approved plan must be maintained at a minimum of 100' long with 5:1 (H:V) sides slopes or flatter, have a longitudinal slope no steeper than 5% carry the flow from a 10 year storm in a non-erosive manner, and maintain a dense vegetated cover.

h. Project lies within CAMA's AEC: (In addition to I.1-I.5 and all others that apply)

1. Lots within CAMA's Area of Environmental Concern may have the permitted maximum built-upon area reduced due to CAMA jurisdiction within the AEC.

i. The areas shown on the recorded plat as wetland conservation areas shall be maintained in perpetuity in their natural or mitigated condition. No person or entity shall perform any of the following activities:

- a. fill, grade, excavate or perform other land disturbing activities;
- b. cut, mow, burn, remove or harm any vegetation;
- c. construct or place any roads, trails, walkways, buildings, mobile homes, signs, utility poles or towers, or any other permanent or temporary structures;
- d. drain or otherwise disrupt or alter the hydrology or drainage ways of the conservation area;
- e. dump or store soil, trash or other waste; or
- f. graze or water animals or use for any agricultural or horticultural purpose.

This covenant is intended to ensure continued compliance with the mitigation condition of a Clean Water Act authorization issued by the United States of America, U.S. Army Corps of Engineers, Wilmington District, Action ID \_\_\_\_\_, and therefore may be enforced by the United States of America. This covenant is to run with the land and shall be binding on the Owner, and all parties claiming under it.

#### **ARTICLE XIV.**

**SUBDIVISION OF LOTS.** No lot may be subdivided, or its boundary lines changed except with the prior written consent of the DECLARANT. However, the DECLARANT hereby expressly reserves to itself, its successors and assigns, the right to replat any two (2) or more lots in order to create a modified building lot or lots, and to take such steps as are reasonably necessary to make such replatted lot suitable and fit as a building site, said steps to include but not be limited to, the relocation of easements, walkways, and right of ways to conform to the new boundaries of the replatted lots.

#### **ARTICLE XV.**

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#### **ARTICLE XVI.**

SUBSEQUENT INVALIDATION. Invalidation of any one of these covenants by judgments or court order shall in no way effect any of the other covenants herein, which shall remain in full force and effect.

**ARTICLE XVII.**

AMENDMENT. This Declaration may be amended at any time prior to December 31, 2015 by the Declarant, at its discretion, but not to impair the property value of the lot owners; however, no portion of Article XIII, Paragraph (i) shall be amended without the express written consent of the U.S. Army Corps of Engineers, Wilmington District, nor shall any portion of Article VI be amended without the express written consent of the Snug Harbour at Covil Estates HOA, Inc. and the Pepper Tree at Covil Estates HOA, Inc. Thereafter, these restrictions, except those contained in Article VI, may be amended by vote of the owners of all of the members of the Homeowners Association, provided, however, no amendment shall be made to the last sentence of Article IX without unanimous consent of the Homeowners Association and the declarant/developer.

IN WITNESS WHEREOF, Declarants have hereunto set their hands and seals, all the day and year first above written.

DECLARANT  
COVIL CROSSING GROUP, L.L.C.

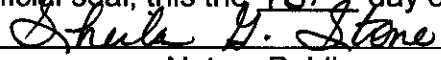
By:   
Martin Sorensen

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

I, Sheila G. Stone, a Notary Public, do hereby certify that Martin Sorensen personally appeared before me this day and acknowledged that he is a Member/Manager of COVIL CROSSING GROUP, L.L.C., a North Carolina Limited Liability Company and as the act of COVIL CROSSING GROUP, LLC., he signed the foregoing instrument in its name on its behalf as its act and deed.

Witness my hand or official seal, this the 1st day of MAY, 2006.

  
Notary Public

My Commission Expires: 2/3/2009



EXHIBIT A

MAXIMUM IMPERVIOUS SURFACE COVERAGE PER LOT

LOT NO.	MAX. IMPERVIOUS AREAS (SF)
1-63	3,064

STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

JOINDER, CONSENT AND SUBORDINATION  
OF MORTGAGEE AND TRUSTEE

This consent and joinder of Mortgagee and Trustee is made and entered into as of the 1<sup>st</sup> day of May 2007 by Wachovia Bank, National Association (Wachovia), as the holder of existing mortgage loans on the property described in the Warranty Deed recorded with the New Hanover County Register of Deeds at Map Book 4963, Pages 2018 through 2022, and COVIL CROSSING GROUP, L.L.C., a North Carolina Limited Liability Company qualified to do business in North Carolina, as Trustee, under that Deed of Trust securing the loan;

WITNESSETH:

WHEREAS, COVIL CROSSING GROUP, L.L.C., owner of that property pursuant to a Warranty Deed filed and recorded with the New Hanover County Register of Deeds at Map Book 4963, Pages 2018 through 2022, entered into that certain Deed of Trust with Wachovia as evidenced by that Deed of Trust recorded in Book 5062 at Page 770-781, in the office of the Register of Deeds of New Hanover County; and

WHEREAS, COVIL CROSSING GROUP, L.L.C. is developing the property described in and encumbered by the Deed of Trust referenced in the foregoing paragraph for submission as a single family residential development to be called Covil Crossing at Covil Estates;

NOW, THEREFORE, in consideration of the sum of \$10.00 and the mutual benefits to be derived herefrom, Wachovia Bank, National Association, as holder of the Promissory Note for the aforementioned Deed of Trust, does hereby agree to and does hereby subordinate and subject the lien of that Deed of Trust given by COVIL CROSSING GROUP, L.L.C. to TRSTE, Inc., Trustee for Wachovia Bank, National Association, and recorded in Book 5062 at Pages 770 to 781 of the New Hanover County Registry, to the Declaration of Covil Crossing at Covil Estates recorded in Book 5176 at Page 2032 of the New Hanover County Registry. The extent of this subordination shall apply to and be effective only on the property described in that Warranty Deed filed with the Register of Deeds of New Hanover County at Book 4963, Pages 2018 through 2022. Further, the said Wachovia Bank National Association as owner and holder of the Promissory Note, specifically subordinate and subject the said Deed of Trust to the terms and provisions of the Declaration of Covil Crossing at Covil Estates.


IN WITNESS WHEREOF, Wachovia Bank National Association has caused this instrument to be signed in its respective corporate name by its duly authorized representative, Michael J. Keenan, and Corporate Seal affixed, as of this 1<sup>st</sup> day of May, 2007.

MORTGAGEE:

(CORPORATE SEAL)

*Seal*

WACHOVIA BANK, NATIONAL ASSOCIATION

By   
Michael J. Keenan, Senior Vice President

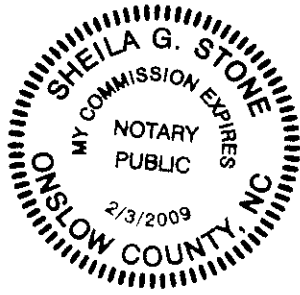
STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

I, Sheila G. Stone, a Notary Public of the County of New Hanover and State of North Carolina, do hereby certify that Michael J. Keenan personally came before me this day and acknowledged that he is Senior Vice President of Wachovia Bank, National Association, and that by authority duly given and as the act of the Bank, the foregoing instrument was signed in its name by its Senior Vice President, sealed with its corporate seal and attested by him as its Senior Vice President.

Witness my hand and official stamp or seal, this 1<sup>st</sup> day of May, 2007.

*Sheila G. Stone*  
NOTARY PUBLIC

My commission expires: 2/3/2009.



**BY-LAWS**  
**OF**  
**COVIL CROSSING OWNERS ASSOCIATION, INC.**  
**(A NON-PROFIT CORPORATION)**

**ARTICLE I**

**GENERAL**

**Section 1. TITLE TO LOTS.** Title to Lots may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants, or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary.

**Section 2. APPLICABILITY OF BY-LAWS.** The provisions of these By-Laws are applicable to COVIL CROSSING AT COVIL ESTATES, and its common elements and to the use and occupancy thereof. The term "COVIL CROSSING AT COVIL ESTATES" and its common elements, as defined in the Declaration of COVIL CROSSING AT COVIL ESTATES, (the "Declaration") as used herein shall include the land, the buildings and all other improvements thereon, all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith.

**Section 3. APPLICATION.** All present and future owners, mortgagees, lessees and occupants of Lots and their employees and any other persons who may use the facilities in any manner are subject to these By-Laws, the Declaration and Rules and Regulations pertaining to the use and operation of the Lots. The act of occupancy of a lot shall constitute an acceptance of the provisions of these instruments and an agreement to comply therewith.

**Section 4. OFFICE.** The Office of the Owner's Association and the Board of Directors shall be located at: Covil Crossing Group, L.L.C., 2446 Harbor Lane, Wilmington, NC 28411.

**ARTICLE II**

**OWNERS' EASEMENTS OF ENJOYMENT**

**Section 1.** Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- A. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common area and Covil Farms Amenities Package.
- B. The right of the Association to limit the number of guests of members;