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BY: CAROL HUGHLEY

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**NEW HANOVER COUNTY,**

**TAMMY THEUSCH BEASLEY**

REGISTER OF DEEDS

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ELECTRONICALLY RECORDED

Prepared by and Return to:  
Fuss Law Firm, PC  
1904 Eastwood Road, Suite 315  
Wilmington, NC 28403

STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

**MASTER DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS FOR  
GABLE RUN SUBDIVISION**

THIS DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS ("Declaration") is made this the 20<sup>th</sup> day of June, 2016 by HOKE DEVELOPERS, LLC, a North Carolina limited liability company ("Declarant");

WITNESSETH:

WHEREAS, Declarant is the owner of a certain tract of land situated in Wilmington, New Hanover County, North Carolina, being more particularly described on Exhibit "A" being hereinafter referred to as the "Development Area;"

WHEREAS, Declarant intends to construct, or have constructed, on the Development Area, a residential subdivision, complete with certain improvements, infrastructure and single family dwellings, hereinafter referred to as the "Project,;" and

WHEREAS, Declarant desires to provide for the preservation and enhancement of the property values and to provide for the maintenance of certain improvements located thereon, and to this end desires to subject the Project property to the covenants, restrictions, easements, charges and liens as are hereinafter set forth, each and all of which are for the benefit of said real property and each present and future owner thereof; and

WHEREAS, Declarant desires to provide and allow for the possible annexation of additional "sections" or "phases" to the Project as said "sections" or "phases" may be developed and completed, and to provide for equality of rights, privileges and obligations of all lot owners in all "sections" or "phases" of the Project by adding and annexing such "sections" or "phases" to the Project by recordation of "Supplemental Declarations" to this Declaration.

Drawn by & return to:  
Fuss Law Firm, PC  
256-8252

submitted electronically by "Fuss Law Firm, PC"  
in compliance with North Carolina statutes governing recordable documents  
and the terms of the submitter agreement with the New Hanover County Register of Deeds.

ARTICLE I  
PROJECT PROPERTY

NOW, THEREFORE, it is hereby declared that the Project property described herein is, and shall be, held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth; said Project property being more particularly described as follows:

BEING that certain tract of land, being Lots 1-45, as shown and described on that certain Subdivision Plat entitled, "GABLE RUN SUBDIVISION, Phase I, dated March 23, 2016," and recorded in Map Book 61, Page 343 in the Office of the Register of Deeds of New Hanover County, North Carolina.

Together with the remainder of the real property conveyed to Declarant and described in a certain General Warranty Deed recorded in Book 5939 Page 111, in the Office of the Register of Deeds New Hanover County, not depicted in the said plat and which is immediately contiguous to the Lots described above.

and hereinafter referred to as the "Property" or "GABLE RUN SUBDIVISION," or "Subdivision."

ARTICLE II  
DEFINITIONS

- (A) Association shall mean and refer to "THE GABLE RUN HOA, INC.," a North Carolina non-profit corporation, its successors and/or assigns.
- (B) Board shall mean and refer to the Board of Directors of the Association.
- (C) Common Expenses shall mean and refer to:
- a. the actual and estimated expenses of operating the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Articles of Incorporation of the Association and its By-Laws;
  - b. all amounts expended by the Association in accordance with Article XVII in holding and being responsible for the obligations of the Stormwater Management Permit SW8-141207 overseeing, supervising, administering, managing, repairing, replacing and insuring all Stormwater Management Facilities located within the Property as required by this Declaration and all amounts expended in enforcing the provisions of the Permit;
  - c. all amounts expended or reserved by the Association for the maintenance, repair and replacement of any Common Areas, signs, fences, sidewalks, or other improvements, including the landscaping thereof, within the Subdivision, and any expenditures required to maintain compliance with the North Carolina Erosion and Sedimentation Control Permit for the Property.

(D) Declaration shall mean the covenants, conditions, restrictions and easements and all other provisions set forth in this entire document, as may from time to time be modified or amended.

(E) Declarant shall mean and refer to HOKE DEVELOPERS, LLC, a North Carolina limited liability company, or any successor in title or any successor in interest of HOKE DEVELOPERS LLC, or all of the Property then owned by HOKE DEVELOPERS, LLC, or if it is provided in writing by the Declarant that the successor in title or successor in interest is to assume the rights and obligations of Declarant, then to any successor in title or successor in interest to any portion of the Property then subject to this Declaration.

(F) Fence Easement shall mean any area of the Property designated as “Fence Easement” on any recorded subdivision map of any portion of the Properties.

(G) Lot shall mean any separately described parcel of land, other than streets, roadways or areas designated as easements, shown on any recorded subdivision map of the Property.

(H) Permit shall mean the State of North Carolina Stormwater Management Permit Number SW8- 141207 issued by the Division of Water Quality under NCAC 2H.1000, and any subsequent modification thereto or other stormwater management permit hereafter issued for any property annexed to the Subdivision by the Declarant.

(I) Property or Properties shall mean and refer to any real property which is, or may be, subject to this Declaration, or any Supplemental Declaration.

(J) Sign Easement shall mean any area of the Property designated as “Sign Easement” on any recorded subdivision map of any portion of the Properties.

(K) Supplemental Declaration shall mean and refer to any declaration of covenants, restrictions, easements, charges and liens recorded by the Declarant, or its successors and assigns, which applies to a specific Parcel within the Development Area.

### ARTICLE III PURPOSES

No Lot or Lots shall be put to any use other than for residential purposes, except that any Lot, including, but not limited to a Reserved By Owner Lot, which is owned by Declarant may be used by the Declarant for a private street or roadway or improvements that are part of a water supply system, storm water management or sewer system.

### ARTICLE IV LAND USE AND BUILDING TYPE

No building shall be used except for residential purposes or to house equipment for the systems noted above. No structure shall be erected, placed, altered, or permitted to remain on any such lot, other than single family dwellings not to exceed three stories in height, a private garage which may contain living quarters for occupancy by the lot occupant only, and such other

outbuildings as may be reasonably appurtenant to the dwelling, provided that the same are constructed with the general architectural design and construction standards used for the dwelling itself. This covenant shall not be construed as prohibiting the use of a new single family dwelling as a model home for sales purposes.

#### ARTICLE V DWELLING QUALITY AND SIZE

The minimum heated square footage of each dwelling shall be not less than 1,500 square feet. All exterior colors of the structure (i.e. exterior walls, window frames, soffit and shingles) and mailbox designs must be approved by the Declarant or its assign prior to construction.

#### ARTICLE VI BUILDING LOCATION

Gable Run is deemed to be a Performance Residential Development under the New Hanover County Zoning Ordinance. Accordingly, the following rules apply and govern regarding the locations of dwellings and structures on the lots:

(1) Buildings on the periphery of a Performance Residential Development shall setback no less than Twenty (20) feet from the adjoining property line.

(2) In no case shall any part of a detached single- family dwelling unit be located closer than ten (10) feet to any part of any other detached single-family dwelling and in no case shall any part of a multiple dwelling unit be located closer than twenty (20) feet to any part of another dwelling unit.

#### ARTICLE VII NUISANCES

No obnoxious, loud or offensive activity shall be carried on upon any lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No continuous dog barking shall be tolerated.

#### ARTICLE VIII EASEMENTS

Easements for installation and maintenance of utilities, including, but not limited to water, gas, power, cable TV, phone, septic system facilities, and drainage facilities are reserved as shown on the recorded plat and over the rear ten feet of each lot. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which the Association, a public authority, or utility company is responsible.

The Declarant reserves for itself, its successors and assigns, an easement and right at any time in the future to grant a right of way under, over and along the side, rear and front property lines of each and every lot in the subdivision described herein, for the installation and maintenance of poles, lines, conduits, pipes, and other equipment necessary to or useful for furnishing electric power, gas, telephone service, drainage or other utilities, including water and sanitary sewer or storm water sewer services.

#### ARTICLE IX ANIMALS, LIVESTOCK AND POULTRY

No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other customary household pets may be kept provided that they are not a noise or smell nuisance to adjoining neighbors. Owners shall be obligated to construct fences in compliance with the fence requirements set forth in Article X, infra, or invisible fencing, to insure pets remain confined on the owner's lot. Pets shall not be restrained on lots by any chains, ropes or other leash type device anchored or fastened to a temporarily or permanently immovable object or structure. Any and all pets shall not be allowed off the owner's lot, unless same are leashed, under the direct physical control of the owner at all times, and are not creating a nuisance to the other owners within the subdivision. Any structure built to house or protect allowed animals shall be connected to the principal structure and be no larger than 3' X 3', a minimum of 15 feet from side and rear property lines, and not be in front of the principal structure.

#### ARTICLE X BUILDING PLANS AND SPECIFICATIONS

No dwelling or other building shall be erected upon any lot unless the plans and specification thereof meet or exceed the requirements of "minimum property standards for one and two living units," (FHA, No.300), Federal Housing Administration.

#### ARTICLE XI ERECTION OF FENCES

Fences, not to exceed six (6) feet in height, constructed of wood or vinyl materials may be constructed. No chain link fences shall be permitted. No fence shall be erected between the front of the primary dwelling and the street right of way, except as may be approved by Declarant. Fencing traversing a Lot shall be parallel to the front lot line and shall connect to the rear corner, or corners, of the home. Provided however, that with respect to corner lots, no fencing shall be erected or maintained without the prior written approval of the Declarant, its successor or assign. All fences, if any, must be maintained and kept in good appearance and repair at all times.

#### ARTICLE XII GARBAGE AND REFUSE DISPOSAL

No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers which shall be kept in a clean and sanitary condition.

### ARTICLE XIII SIGHT DISTANCE AT INTERSECTION

No fences, wall, hedge or shrub planting which obstructs sight lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply upon any lot within 10 feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersection, unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

### ARTICLE XIV TEMPORARY STRUCTURES

No structure of a temporary character, trailer, basement, tent, shack, garage, storage barn, or other outbuilding is allowed temporarily or permanently except that a builder may make use of a construction trailer during the original construction process. No trailer, mobile home, or camper shall be stored or parked on any lot at any time for any purpose, nor shall any recreational vehicle be allowed to remain on any lot at any time for any purposes, unless it is parked in a privacy fenced area behind the main dwelling structure or placed inside the carport or garage. Notwithstanding the foregoing, above ground pools or spas and, storage buildings and or workstations which aesthetically compliment the dwelling in design and colors, may be allowed with the written permission of Declarant and /or the Association after Declarant control has ceased, **provided** any and all necessary/required governmental permits and approvals are also obtained by the lot owner.

### ARTICLE XV DRAINAGE

If applicable all driveways shall have drainage tile in the street ditches installed and sized in accordance with the North Carolina Department of Transportation recommendations, if required by the NCDOT or Declarant.

### ARTICLE XVI MISCELLANEOUS RESTRICTIONS

(A) No boat or boat trailer or camper, RV shall be parked in the area between the front of the

dwelling situated on any lot and the street right of way, unless it is parked in the paved driveway for such dwelling.

(B) No trampoline(s) or other large recreational equipment or devices shall be permitted in the area between the front of the dwelling situated on any lot and the street right of way.

(C) No portable basketball goals shall be permitted within the right of way adjacent to such lot.

(D) Each Lot Owner shall be responsible for maintaining their entire lot and keeping vegetation in an esthetic landscaped appearance in such a manner so as to not create an unsightly or detrimental overall appearance of the neighborhood. Wet lands and bottom land, if any, is to be left in a natural state but cleaning, limbing and removal of dead trees and small bush/trees shall be allowed provided they are within NCDENR regulations of those areas.

#### ARTICLE XVII STORMWATER MANAGEMENT

(A) The following covenants and restrictions set forth in this Article XVI are intended to insure continued compliance with State Stormwater Management Permit Number SW8-141207 issued by the Division of Water Quality under NCAC 2H.1000.

(B) The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the Stormwater Management Permit,

(C) The covenants set forth in this Article XVII pertaining to stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality.

(D) Alteration of the drainage as shown on the approved plans may not take place without the concurrence of the Division of Water Quality.

(E) The maximum allowable built-upon area ("BUA") per lot is 4000 square feet. This allotted amount includes any built-upon area constructed within the Lot property 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, asphalt, concrete, gravel, brick, stone, slate, coquina and parking areas, but does not include raised, open wood decking or the water surface of swimming pools.

(F) In case of a Lot within CAMA's regulated Area of Environmental Concern, where the Division of Coastal Management calculates a different maximum allowable built-upon area for that Lot than as shown herein, the governing maximum built-upon area for that Lot shall be the most restrictive of the two amounts.

(G) Filling in or piping of any vegetative conveyances (such as ditches, swales, etc.) associated with the development, except for the minimum amount necessary under driveways to pro-

vide access to lots and the minimum amount necessary to direct runoff beneath an impervious surface such as a road, is strictly prohibited by any person.

(H) Each Lot will maintain a fifty (50) foot wide vegetated buffer adjacent to impounded structures, rivers and streams and tidal waters.

(I) All roof drains shall terminate at last fifty (50) feet from the normal pool of impounded structures, the bank of each side of rivers and streams, and the mean high water line of tidal waters.

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

(K) These covenants are to run with the land and be binding on all persons and parties claiming under them.

(L) Placement of dredged or fill material, or development within the waters of the United States and/or wetlands without a Department of the Army permit may constitute a violation of Section 301 of the Clean Water Act. This activity also requires notification to the Division of Water Quality, Stormwater and Wetlands Sections.

(M) All permitted runoff from future development of the Property shall be directed into the permitted stormwater control system. These connections to the stormwater control system shall be performed in a manner that maintains the integrity and performance of the stormwater control system as permitted.

(N) Declarant, the Association, the State of North Carolina and their respective successors and assigns, reserve and retain the right to go upon any Lot to inspect for the compliance of such Lot with the Permit and to maintain, repair, replace and construct ditches and devices necessary to insure that such Lot is in compliance with the Permit.

#### ARTICLE XVIII RESERVATION OF EASEMENTS AND RIGHTS BY DECLARANT

Declarant hereby reserves for itself, its successors and assigns, for any purposes it deems useful to its development of the Property, the development of other property now owned, or which may be owned in the future by Declarant, or the development of other property to which Declarant may grant the benefit of such easements, those easements shown on any recorded subdivision map of the Property, or subsequently annexed property, and the following additional easements and rights:

a. a perpetual easement for ingress, egress, regress, access, the installation and maintenance of utilities, further subdivision, and the right to dedicate to public use, over, under and upon all streets and drainage and utility easements shown on any recorded map of the Property or lying within the subdivision and the water and sewer easements lying within the subdivision;

b. the right to grant easements for the purposes of ingress, egress, regress, access, the installation, use and maintenance of utilities and further subdivision, over, under and upon (i) all streets shown on any recorded map of the Property and (ii) the drainage and utility easements and easements for the water and sanitary sewer systems located within the Property, to any property outside the Subdivision and Property to which Declarant deems the grant of such easements desirable, whether or not the property to which the easements are granted is owned by Declarant;

c. a perpetual easement over, under and upon all streets and drainage and utility easements shown on any recorded subdivision map of the Property for the purpose of establishing, constructing and maintaining any underground utility, conduits and wires for telephone, electric power and other purposes and of laying, installing and maintaining facilities for sewage, potable and non-potable water, gas, storm drainage and other utilities therein. This reservation shall not be construed as an obligation of Declarant to provide or maintain any such activity or services;

d. a perpetual access easement over, under and upon the Lots to trim, cut and remove any trees and brush necessary for the installation, operation and maintenance of utility lines, gas, water and sewer mains and other services for the convenience of the property owners and appurtenances thereto;

e. a perpetual and exclusive easement for the installation and maintenance of radio and television transmission cables within the rights-of-way and easement areas reserved and defined above; and

f. a perpetual easement for the erection, maintenance, repair and replacement of a sign or signs within any Sign Easement and a fence or fences within any Fence Easement as shown on the recorded map of the Property.

#### ARTICLE XIX

#### OWNER'S MAINTENANCE OBLIGATIONS AND RIGHT OF DECLARANT AND ASSOCIATION TO PERFORM CERTAIN MAINTENANCE

(A) On each Lot, the rights-of-way and easement areas reserved by Declarant, except for any Sign Easement or Fence Easement area, or dedicated to public utilities purposes shall be maintained continuously by the Lot owner. No structure, plantings or other material shall be placed or permitted to remain, or other activities undertaken which may damage or interfere with the installation or maintenance of utilities, or which may change the direction of the flow of water through drainage channels in the easements, or which damage or interfere with established slope ratios or which create erosion problems. It is provided, however, that where the existing location of an easement or drainage channel reserved in this Declaration or shown on any recorded subdivision map of the Property would hinder the orderly development of the Lot on which the easement is located, the easement or drainage channel may be relocated by Declarant. Improvements within such areas also shall be maintained by the Lot owner, except for those for which the Association, a public authority or utility is responsible.

(B) In the event the owner of any Lot shall fail to maintain the Lot, and/or the improvements situated thereon in a manner in keeping with this Declaration, in addition to any other rights set forth herein or provided by law, the Declarant and the Association shall have the right, but not the obligation, through their agents and employees, to enter upon said Lot and clear, clean, repair, maintain and restore the Lot, the exterior of any building and any other improvements

erected thereon. There is included in the authority herein granted the power to clear Lots of undergrowth, rubbish, debris, weeds or grass. In the event the owner of any Lot shall damage or through negligent failure to act allow damage to occur to the Off-Site Drainfield Easement areas, Exclusive Sewer Easement area, or Stormwater Management Facilities, located on said owner's Lot, or fail to comply with all applicable North Carolina Sedimentation and Erosion Control Permits, in addition to any other rights set forth herein or provided by law, the Declarant, and the Association shall have the right, but not the obligation, through their agents and employees, to enter upon said Lot and clear, clean, repair, maintain and restore the easement area, and Stormwater Management Facilities, and to bring the Lot into compliance with the applicable North Carolina Sedimentation and Erosion Control Permits. There is included in the authority herein granted the power to clear Lots of undergrowth, rubbish, debris, weeds or grass.

(C) The costs of the maintenance or repair authorized by this Article shall be considered the legal obligation of the Lot owner. The Declarant, or the Association, as applicable, may maintain an action in court having jurisdiction for such costs, together with all collection costs, including reasonable attorney's fees, and expenses incurred in pursuing such action, The costs shall not constitute a lien on said Lot, unless and until the final judgment of such court shall be entered in the office of the Clerk of Court of Pender County. Any such lien obtained shall be subordinate to any first deed of trust.

ARTICLE XX  
THE GABLE RUN HOA, INC.

(A) THE GABLE RUN HOA, INC. (the "Association") has been or will be formed at the direction of the Declarant pursuant to the rules and requirements of the Nonprofit Association Act (Chapter 55A) of the General Statutes of North Carolina as an association of the owners of the Lots. Its purposes are to: (1) oversee, inspect, maintain, repair and replace the Stormwater Management Facilities constructed pursuant to the Permit; (2) enforce the provisions of the Permit; (3) enforce each Lot owner's obligations with respect to the Stormwater Management Facilities pursuant to this Declaration; (4) enforce each Lot owner's obligations with respect to all applicable North Carolina Sedimentation and Erosion Control Permits; said authority to be exercised, if and only if, and when and only when, Declarant transfers the Permit to the Association; (5) inspect, maintain, repair and replace signs, fences and landscaping located within any Sign Easement and / or Fence Easements ; and (6) inspect, maintain, repair and inure the Common Areas, improvements, private streets and sidewalks within the subdivision and generally act in the best interests of the lot owners and to preserve the value of the subdivision. The Association shall have no authority with respect to the Lots located in the Subdivision until such time as Declarant transfers such rights to the Association.

(B) The Declarant shall have the right, but not the obligation, to annex into the Subdivision additional property now, or in the future, owned by Declarant. From and after the date of such annexation, the annexed Lots shall be subject to the jurisdiction of the Association and the owners of the annexed Lots shall be members of the Association.

(C) Each owner of each Lot within the Subdivision shall be a member of the Association. The Declarant, by this Declaration, and the owners of each individual Lot, by their acceptance of

a deed thereto, covenant and agree with respect to the Association:

a. that for so long as each is an owner of a Lot within the Subdivision, each will perform all acts necessary to remain in good and current standing as a member of the Association; and

b. that any unpaid assessment, whether general or special, levied by the Association in accordance with this Declaration, the Articles of Incorporation (herein called the "Articles") or the Bylaws of the Association (herein called the "Bylaws") shall be a lien upon the Lot upon which such assessment was levied and also shall be the personal obligation of the person who was the owner of the Lot at the time the assessment fell due. The original builder shall not be obligated to pay HOA fees during the construction and sale process for a period of up to 12 months from taking title to any lot in the Subdivision, but thereafter will be subject to the then current HOA fees.

(D) Each membership in the Association shall relate to and have a unity of interest with an individual Lot which may not be separated from the ownership of said Lot. The books and all supporting documentation, the Declaration, the Articles, the Bylaws, and all amendments thereto shall be available for examination by all Lot owners, and their lenders or their lenders' agents during normal business hours at the principal office of the Association.

(E) The Association shall have one class of members. The members shall be all the owners of a Lot, and they shall be entitled to one vote for each Lot owned; provided, however, when more than one person holds an interest in any Lot, all such persons shall be members; however, the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote or any fraction of a vote be cast with respect to any Lot.

(F) The Declarant shall, at its sole cost and expense, initially construct all Stormwater Management Facilities required to be located upon the Lots and Property or upon any property annexed into the Subdivision by the Declarant to the standards required by the applicable Permit. Upon completion of the construction of said Stormwater Management Facilities located in the Subdivision, the Declarant shall transfer the applicable Permit to the Association and the Association shall accept the transfer of the applicable Permit from the Declarant upon the earlier to occur of (i) the date the North Carolina Department of Environment and Natural Resources allows such transfer to occur; or, (ii) the date upon which at least fifty percent of the Lots in the Subdivision are conveyed to owners, other than Declarant. Prior to any such transfer, the Stormwater Management Facilities for the Subdivision, including any property annexed by Declarant into the Subdivision, shall be certified, either by state inspection or by a licensed engineer, as being in compliance with the applicable Permit prior to such assignment or transfer. The Association shall indemnify and hold Declarant harmless from any loss, cost, claim, fee, fine, suit, damage or expense, including reasonable attorneys' fees, incurred by Declarant in the defense of any action against Declarant as the holder of the Permit occurring after Declarant tenders transfer of the Permit to the Association following the approval of such transfer by the North Carolina Department of Environment and Natural Resources and the certification of compliance as set forth above. Further, Declarant may bring an action for specific performance of the obligations of the Association pursuant to this paragraph. From and after the transfer of the Permit from the Declarant following the approval of the North Carolina Department of Environment and Natural Resources, the oversight, supervision, management and administration of the Permit shall be the

sole responsibility of the Association. The Association's duties with regard to the Permit shall be carried out in accordance with the terms and conditions of this Declaration, the Articles, the By-laws and the Permit. The Association hereby is granted and conveyed an easement over, under and upon each Lot and future lots in the Subdivision for the purpose of access to and inspection, maintenance, repair and replacement of all Stormwater Management Facilities located upon each Lot and future subdivided lot. In the event the Declarant annexes additional property into the Subdivision and transfers the applicable Permit to the Association, the Association shall have, and hereby is granted and conveyed, an easement over, under and upon each annexed Lot for the purpose of access to and inspection, maintenance, repair and replacement of all Stormwater Management Facilities located upon each annexed lot.

(G) The expenses of the Association shall include:

a. all amounts expended by the Association in holding and being responsible for the obligations of the Permit and overseeing, supervising, administering, managing, repairing, replacing and insuring all Stormwater Management Facilities and Sedimentation and Erosion Control facilities located within the Subdivision as required by this Declaration; all amounts expended by the Association in enforcing the provisions of this Declaration, as may be amended; all amounts expended by the Association in the performance of its duties hereunder from and after the time Declarant transfers the Permit, and all amounts expended by the Association in legal, engineering or architectural fees and all similar fees which may be incurred by the Association from time to time in performing the functions delegated to the Association by this Declaration.

b. all amounts expended by the Association in carrying out any duty or obligation as maybe required or allowed by this Declaration, the Articles or the Bylaws.

c. all amounts expended by the Association in operating, administering, managing, repairing, replacing, improving, paying all taxes imposed on Common Areas and insuring, (including liability insurance), the Common Areas, private streets, sidewalks and other improvements within the subdivision, including landscaping, situated in any Sign of Fence Easements.

d. all amounts expended by the Association for the maintenance, repair and replacement of any fence erected in any Fence Easement as shown on the recorded plat of the Subdivision.

(H) Each owner of any Lot by acceptance of a deed for the same (whether or not it shall be so expressed in such deed) is deemed to covenant and agree to pay to the Association annual general assessments or charges as hereinafter provided. The annual general assessments, together with interest, costs and reasonable attorneys' fees, shall be a separate charge and lien on the land and, subject to the limitations set forth herein, shall be a continuing lien upon the property against which each such assessment is made. Furthermore, each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of the Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to a successor in title to a Lot, unless expressly assumed by them, but, subject to the provisions of this Declaration, delinquent assessments shall continue to be a lien upon such Lot.

a. Until January 1, 2017, the annual general assessment shall be Two Hundred Fifty Dollars (\$250.00) per Lot.

b. From and after January 1, 2017, the annual general assessment may be increased

upon the vote of a majority of the Board of Directors of the Association by no more than fifteen percent (15%) of the annual general assessment for the preceding year.

c. Any increase of the annual general assessment exceeding fifteen percent (15%) of such assessment for the preceding year must be approved by the owners of at least two-thirds (2/3) of the Lots subject to such assessment, who are voting in person or by proxy at a meeting called for this purpose.

d. Once the annual general assessment has been set, notice of the annual general assessment shall be given to all Lot owners. It is provided, however, that no owner is relieved from the obligation to pay the assessment because of failure to give such notice. After the initial notice of the assessment, no bills for such assessment will be forwarded to any owner, but such assessment thereafter shall become due and payable as provided by the Board of Directors.

e. As provided in the Bylaws, and subject to the restrictions and limitations provided herein, the Board of Directors shall establish an Annual Budget in advance for each fiscal year. Such budget shall project all expenses for the forthcoming fiscal year which may be required for the proper operation, management and maintenance of the Common Areas, private roads leading to the Subdivision, the Stormwater Management Facilities, the North Carolina Sedimentation and Erosion Control Permits, the "Entrance Signs" situated in any Sign Easement, any fence situated in any Fence Easement, and the Association, including a reasonable allowance for contingencies and reserves. The budget shall take into account any projected or anticipated income. Upon adoption of such Annual Budget by the Board of Directors, copies of the Budget shall be delivered to each owner together with a statement of the applicable assessment(s) for each Lot as provided herein, based upon such budget; however, the nondelivery of a copy of said Budget shall not affect the liability of any owner for such assessment(s). The Annual Budget for the annual general assessment shall be divided by the number of Lots subject to the annual general assessments at the time of the annual meeting of the members and the quotient shall be the annual general assessment per Lot for the succeeding fiscal year.

f. All monies collected by the Association shall be treated as the separate property of the Association and such monies may be applied by the Association to the payment of any expense of operating and managing the Association or the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles and the Bylaws. As monies for any assessment are paid into the Association by any owner, the same may be commingled with monies paid to the Association by the other owners. Although all funds and any increments thereto or profits derived therefrom shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer said owner's membership interest therein, except as an appurtenance of said owner's Lot. When the owner of a Lot shall cease to be a member of the Association by reason of said owner's divestment of ownership of such Lot, by whatever means, the Association shall not be required to account to such owner for any share of the fund or assets of the Association, including any monies which said owner may have paid to the Association, as all monies which any owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Association.

g. Written notice of any meeting called for the purpose of taking any action requiring a meeting shall be sent to all members not less than thirty (30) days, or more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast thirty percent (30%) of the votes of all members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same

notice requirement, and the required quorum at the subsequent meeting shall be one-half ( $\frac{1}{2}$ ) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

(I) Annual general assessments and special assessments shall, except as otherwise provided herein, be fixed at a uniform rate for all Lots.

(J) The annual general assessments provided for herein shall commence as to each Lot upon which a residential dwelling has been constructed on the date of recordation of the deed for such Lot in the Office of the Register of Deeds of New Hanover County and shall be prorated on a calendar year basis through the date of such recordation. The annual general assessments shall be assessed for each calendar year thereafter and shall be payable annually, or more frequently, with the due date for such payments and payment frequency, being as established by the Board of Directors.

(K) The annual general assessment levied by the Association shall be used exclusively to oversee, inspect, maintain and repair the Stormwater Management Facilities, Sign Easement and Fence Easement areas, if any; to enforce the provisions of this Declaration relating to the Stormwater Management Facilities, the Permit, and the applicable North Carolina Sedimentation and Erosion Control Permit; and to pay the expenses of the Association from and after the time, if ever, Declarant transfers the Permit to the Association. The Association's functions shall be to oversee, inspect, maintain and repair Common Areas, private streets and sidewalks, the Stormwater Management Facilities, Sign Easement and Fence Easement areas; to enforce the provisions of this Declaration relating to the Stormwater Management Facilities, the Permit, the applicable North Carolina Sedimentation and Erosion Control Permits, and operation and use of facilities and improvements situated in the sanitary sewer (septic system) and access easement areas. The powers of the Association may not be expanded beyond those purposes. Nothing herein relieves the owner of a Lot from said owner's obligation to maintain the areas upon said owner's Lot upon which the Stormwater Management Facilities and sanitary sewer (septic system) and access easements are located as provided herein and not to damage or allow damage to occur to said Stormwater Management Facilities, and to comply with the provisions of all applicable North Carolina Sedimentation and Erosion Control Permits.

(L) The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

(M) General special assessments and specific special assessments may be levied against Lots for such reasons as are provided in this Declaration, the Articles or the Bylaws, and on such terms as provided by the directors and the members. Upon a two-thirds ( $\frac{2}{3}$ ) vote of the Directors and a two-thirds ( $\frac{2}{3}$ ) vote of the owners of Lots who are voting in person or by proxy at a meeting duly called for this purpose, the Association may levy and impose special assessments. The purposes for which special assessments may be levied are limited to providing funds to pay for the oversight, inspection, maintenance and repair of Common Areas, including the private streets within the subdivision and the private roads that give access to the Subdivision, side-

walks, Stormwater Management Facilities, Sign Easement and Fence Easement areas, if any, to enforce the provisions of this Declaration relating to the Stormwater Management Facilities, the Permit and all applicable North Carolina Sedimentation and Erosion Control Permits, maintenance of the Sign Easement and Fence Easement areas and for insuring all of the foregoing, including liability insurance, which exceed the general assessment funds then on hand to pay same and to provide a contingency fund for capital improvements and extraordinary expenses. General special assessments shall be levied at a uniform rate for all Lots to which such assessments maybe charged as set forth in this Declaration. Specific special assessments may be assessed against the owner of a Lot after written notice has been given by the Association to the owner of said Lot at the address of the owner appearing upon the records of the Association by United States mail, postage prepaid, that the Stormwater Management Facilities located on said Lot have been damaged by the act or negligent failure to act of said owner or that said owner has failed to comply with all applicable North Carolina Sedimentation and Erosion Control Permits and that, as a result, such Stormwater Management Facilities are in need of repair or replacement in order to comply with the Permit or actions must be taken in order to comply with the applicable North Carolina Sedimentation and Erosion Control Permits and the owner of said Lot has not taken the necessary action to bring the Stormwater Management Facilities, if any, located on said owner's Lot into compliance with the Permit or to comply with the provisions of all applicable North Carolina Sedimentation and Erosion Control Permits within thirty (30) days after the mailing of said notice. If said owner commences the necessary action to repair or replace the Stormwater Management Facilities located on said owner's Lot and to bring the Stormwater Management Facilities into compliance with the Permit or to bring the Lot into compliance with the applicable North Carolina Sedimentation and Erosion Control Permits, within the thirty (30) day period set forth above, the imposition of a specific special assessment shall be deferred by the Association for the period during which said owner diligently pursues to completion the repair or replacement of the Stormwater Management Facilities located on said Lot or compliance with the applicable North Carolina Sedimentation and Erosion Control Permits. Specific special assessments shall be limited to the amount of funds actually expended, or in the discretion of the Board of Directors, the amount of funds reasonably estimated by the Board of Directors will be expended, by the Association to repair or replace the Stormwater Management Facilities located upon the Lot or to comply with the applicable North Carolina Sedimentation and Erosion Control Permit applicable to the Lot, upon which the specific special assessment is assessed. Special assessments, either general or specific, together with interest, costs and reasonable attorneys' fees, shall be a charge and lien on the land and, subject to the provisions set forth in this Declaration, shall be a continuing lien upon the Lot against which each such assessment is made. The personal obligation of an owner of a Lot for delinquent special assessments, whether general or specific, shall not pass to a successor in title to a Lot, unless expressly assumed by the successor, but, subject to the provisions of this Declaration, delinquent special assessments shall continue to be a lien upon such Lot.

(N) Any annual general assessment, general special assessment, or specific special assessment, if not paid within thirty (30) days after the date such assessment is due, together with interest at the rate of ten percent (10%) per annum, costs of collection, court costs, and reasonable attorneys' fees shall constitute a lien against the Lot upon which such assessment is levied, The Association may record notice of the same in the Office of the Clerk of Superior Court of Onslow County or file a suit to collect such delinquent assessments and charges. The Association