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NEW HANOVER COUNTY, NC
TAMMY THEUSCH BEASLEY
REGISTER OF DEEDS

NC FEE \$42.00

Declaration of Covenants and
Condition for Peregrine Way Subdivision

THIS Declaration of Covenants and Condition For Peregrine Way Subdivision (herein called "Declaration") is made this 17th day of February, 2020, by Finally Close, LLC, hereinafter referred to as "Declarant";

WITNESSETH

WHEREAS, Declarant is the fee simple owner of certain property in New Hanover County, North Carolina, known as all of Peregrine Way Subdivision as the same is shown on a map recorded in Map Book ___ at Page ___ in the Office of the Register of Deeds of New Hanover County, showing seven residential lots ("the Lots"), common areas and limited common areas; and

WHEREAS, the Lots are so situated as to comprise a neighborhood unit and it is the intent and purpose of the Declarant to convey the aforesaid lots to persons who will erect thereon residences to be used for family purposes, subject to the provisions hereinafter set forth; and

WHEREAS, Declarant has agreed to establish a general plan of development as herein set out to restrict the use and occupancy of the property made subject to these Restrictions for the benefit and protection of the property and for the mutual protection, welfare and benefit of the present and the future owners thereof; and

WHEREAS, Declarant desires to provide for the preservation of the value of Peregrine Way made subject to these Restrictions and for the construction, maintenance and preservation of the Common Property.

NOW THEREFORE, Declarant hereby declares that all the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of, and which shall run as appurtenances to real property and be binding on all parties having any right, title or interest in the described property or any part thereof, their heirs, successors in title, and assigns and shall inure to the benefit of each owner of any interest in the said Peregrine Way Subdivision.

ARTICLE I DEFINITIONS

As used herein, the following terms shall mean:

Section 1. ASSOCIATION shall mean and refer to Peregrine Way HOA, Inc., a North Carolina non-profit corporation.

Section 2. ARCHITECTURAL REVIEW COMMITTEE (or Architectural Control Committee) shall mean and refer to a committee of no less than three Lot owners elected at an annual meeting of the Association, or at a Special Meeting duly called for that purpose. The initial committee shall be elected at a special meeting called for that purpose after the period of

Developer control has ended. The committee shall, after the period of Declarant control, exercise the architectural review and controls established by this Declaration, and all amendments hereto. During the period of Declarant Control, the Declarant shall serve as the Architectural Review Committee, and shall have all powers and responsibilities of the Architectural Review Committee.

Section 3. OWNER or "Lot Owner" shall mean and refer to the record owner(s), whether one or more persons or entities, of fee simple title to any Lot which is part of the Properties, including Owners who are under contract to sell their Lot(s), but excluding those having such interest merely as security for the performance of an obligation, and excluding any parties holding a contract to purchase a Lot but not yet having fee simple title to such Lot.

Section 4. PROPERTY or PROPERTIES shall mean and refer to all of Peregrine Way Subdivision, including the property shown on a map recorded in Map Book _____ at Page _____ in the Office of the Register of Deeds of New Hanover County, and also the easements, the Boat Facilities, and any Additional Properties that may hereafter be annexed or otherwise brought under this Declaration, as amended, and within the jurisdiction of the Association as herein provided.

Section 5. ADDITIONAL PROPERTIES shall mean and refer to any lands adjoining the Properties, which now are owned or may be hereafter acquired or developed by the Declarant and annexed to and made a part of the properties by the Declarant and subjected to this declaration. No additional properties may be annexed without prior approval of HUD/VA, if so required. The annexation of such additional properties shall become effective by the recording in NEW HANOVER County by the Declarant, during the Declarant Control period, or the Association after the Declarant Control Period, of an amended or supplemental declaration for each new section annexed.

Section 6. BOAT FACILITIES shall mean and refer to the pier, docks, and floating dock for the use of all lots in Peregrine Way Subdivision, the access thereto, and all related improvements thereto, including those areas shown as the easement providing access to, and the easement for, the Boat Facilities, and the pilings, pier, floating docks (or boat slips or finger piers, by whatever name called), in the attached Exhibit B, which is incorporated herein as if set out in full.

Section 7. COMMON AREA or COMMON AREAS (sometimes referred to herein as "Common Elements") shall mean and refer to all real property owned or maintained by the Association for the common use and enjoyment of the Owners, specifically including all roads, streets, drives, easements for utilities and for access to the Lots and to the Boat Facilities, and rights of way in Peregrine Way Subdivision. The term shall also include any Additional Property or Lot owned by the Declarant and designated as Common Area by the Declarant, during the Declarant Control Period as provided for herein, or by the Association and the owner of the fee simple interest in the Additional Property or Lot, thereafter.

Section 8. COMMON EXPENSE means expenditure made by or financial liabilities of the Association, together with any allocations to reserves. Common Expenses specifically

include costs for maintaining and insuring any Common Areas, including present or future retention, and/or detention pond(s), and all roads, streets, drives and rights of way, utility and access easements, and Boat Facilities in Peregrine Way Subdivision, including any Additional Properties, and any property to which the Association may now or in the future hold fee simple title or an easement.

Section 9. DECLARANT shall be used interchangeably with Developer (which shall include singular, plural, masculine and neuter as required by the context) and shall mean and refer to Finally Close, LLC, and its successors and assigns, if such successors and assigns should acquire Additional Properties and the Special Declarant Rights from the Declarant for the purpose of development as a part of Peregrine Way Subdivision.

Section 10. DECLARATION shall mean this instrument as it may be from time to time amended or supplemented.

Section 11. EXECUTIVE BOARD shall be used interchangeably with the board of directors and means the body, regardless of name, designated in this Declaration, the Bylaws, or otherwise to govern the Association.

Section 12. MEMBERSHIP shall mean and refer to every person or entity that has a membership in the Association, and shall be limited to Owners of Lots. "Member" shall mean each Owner of a Lot.

Section 13. SPECIAL DECLARANT RIGHTS means rights reserved under this Declaration for the benefit of the Declarant for the duration of the Declarant Control Period, including without limitation the right (i) to complete improvements intended or planned by Developer for the property or additional property; (ii) to exercise any development or other right reserved to the Declarant by this Declaration or otherwise; (iii) to maintain within the Subdivision sales offices, management offices, construction offices/trailers, signs advertising the Subdivision, and models; (iv) to use the Common Areas for the purpose of making improvements within the subdivision; (v) to make the subdivision part of a larger subdivision or group of planned communities; (vi) to make the subdivision subject to a master association; (vii) to appoint or remove any officer or Executive Board member of the Association or any other Master Association; (viii) to maintain architectural control as the Architectural Control Committee; and (ix) to delegate any or all of the Declarant's rights permanently or for limited time periods by amendment to this Declaration.

Section 14. LIMITED COMMON AREAS AND FACILITIES. Are those Common Areas which are reserved for the use of less than all of the Members. Every boat slip assigned to a Lot in Peregrine Way Subdivision shall be Limited Common Area for the Lot to which it is assigned.

Section 15. ADDITIONAL SPECIAL DECLARANT RIGHTS Declarant reserves the right during the Declarant Control Period, in its sole discretion, to construct improvements, or to allow construction of improvements, including, but not limited to, piers, docks, a swimming pool and related facilities, upon a portion of the Common Area. Upon completion of such

improvements Association Dues shall be recalculated to include the costs of insuring and maintaining such improvements, if they do not already so include.

Section 16. LOT OR LOTS shall mean and refer to Lots 1, 2, 3, 4, 5, 6 and 7 as shown on a map recorded in Map Book ____ at Page ____ in the Office of the Register of Deeds of New Hanover County and any additional lots included in Additional Properties.

Section 17. MAP. Shall mean the map recorded in Map Book ____ at Page ____ in the Office of the Register of Deeds of New Hanover County.

Section 18. DECLARANT CONTROL PERIOD. Shall mean the period ending upon the earlier of: (a) sale by Declarant all of Lots (b) January 1, 2030; or (c) the date upon which the Declarant shall record in the Office of the Register of Deeds of New Hanover County a written release and voluntary termination of the Declarant Control Period.

ARTICLE II PROPERTY RIGHTS AND EASEMENTS

Section 1. Owners Property Rights and Easement of Enjoyment. Every Owner shall have and is hereby granted a right and easement of enjoyment in and to the Common Areas, specifically including all access easements, access over all roads, streets, drives and rights of way in Peregrine Way Subdivision, which shall be appurtenant to and shall run with the title to every Lot, subject to the following provisions:

A. The Declarant, and after the termination of the Declarant Control Period, the Association, may make and amend reasonable rules and regulations governing use of the Common Areas;

B. The right of the Declarant, and after the termination of the Declarant Control Period, the Association, to suspend the voting rights and privileges of an Owner for any period during which any assessment against the Owner's Lot remains unpaid;

C. The Declarant, and after the termination of the Declarant Control Period, the Association, may grant a security interest in or convey the Common Areas, or dedicate or transfer all or part of the Common Areas, to any public agency, authority or utility for public utility purposes, and may grant easements, leases, licenses and concessions through or over the Common Areas for utility or communications service to any Lot or Common Area. Provided, however, no conveyance or encumbrance of Common Area shall deprive any Lot of its rights of access or support, including rights of use of, and access to, the Boat Facilities.

D. The right of the Declarant, and after the termination of the Declarant Control Period, the Association, to impose regulations for the use and enjoyment of the Common Areas, if any, and improvements thereon, which regulation may further restrict the use of the Common Area, provided such regulation shall not reduce access of the Lot owners to the Common Area, including the Boat Facilities.

Section 2. Easements in Favor of Declarant and The Association. The following easements are reserved to Declarant and the Association, their agents, contractors, employees, successors and assigns:

A. The Declarant reserves the right unto itself, its successors and assigns, a perpetual, alienable, and releasable easement and right of way, on, over, and under the ground for men and equipment to erect, maintain, inspect, repair, and use electric and telephone pole, wires, cables, conduits, fences, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water or other public conveyances or utilities on, in or over the easements as shown on the recorded plat(s); provided further, that the Declarant may cut drain ways for surface water whenever such action may appear to the Developer to be necessary in order to maintain reasonable standards of health, safety, and appearance. These easements and rights of way expressly include the right to cut any trees, bushes or shrubbery, make any grading of the soil, or take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. The Declarant further reserves the right to locate wells, pumping stations, and tanks within or on any easement, or on any Lot owned by Declarant and now or subsequently designated for such use or to locate same upon any Lot not owned by the Declarant only with the written consent and permission of the Owner of such Lot. Such rights may be exercised by any licensee of the Declarant, but this reservation shall not be considered an obligation of the Declarant to provide or maintain any such utility or service.

B. The Developer reserves the right to subject the real property in this subdivision to a contract with Duke Progress Energy, their successor or assigns, for the installation of street lighting, notwithstanding that such contract may require a continuing monthly payment to such utility company by each Owner.

C. Easements over all private streets and roads, access easements, and the Common Areas within the subdivision as necessary to provide access, ingress and egress to and the installation of utilities for any Lot and for Common Area, and for all emergency agencies, including, but not limited to Police and Firemen.

D. All easements and rights described herein are perpetual easements appurtenant, running with the land, and shall inure to the benefit of and be binding on the Declarant and the Association, their successors and assigns, and any Owner, purchaser, Mortgagee, and other person having an interest in the Subdivision, or any part or portion thereof, regardless of whether or not reference is made in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Declaration.

Section 3. Assignment of Boat Slips/ Piers/Floating Docks located on Lots 1 and 2. The following slips are assigned to the listed lots:

Slip# 1	assigned to	Lot# tbd
Slip# 2	assigned to	Lot# tbd
Slip# 3	assigned to	Lot# tbd
Slip# 4	assigned to	Lot# tbd
Slip# 5	assigned to	Lot# tbd
Slip# 6	assigned to	Lot# tbd
Slip# 7	assigned to	Lot# tbd

The location of each boat slip/finger pier/floating dock is set out on that Exhibit B attached hereto and incorporated herein by reference.

Section 4. Easements To Owners and Association.

A. Declarant, for themselves, and their heirs, successors and assigns, grant to all the Owners of Lots and to the Association, and their heirs, successors and assigns, a 6-foot-wide easement between Lots 1 and 2 for access to the Boat Facilities, as shown on Exhibit B.

**ARTICLE III
MEMBERSHIP AND VOTING RIGHTS**

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B members shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership, and the period of Declarant Control will cease, on the happening of either of the following events, whichever occurs earlier:

- (a) The sale of all Lots by Declarant;
- (b) on December 31, 2030; or
- (c) Or such time as the Declarant elects to assign its Declarant rights to the Association, in its sole discretion.

**ARTICLE IV
MANAGEMENT AND CONTROL**

Management for the affairs of the Association, excepting architectural control (which shall be managed by the Architectural Control Committee), shall be the right and responsibility of the Members, through the board of directors in accordance with the Declaration and the by-laws of the Association; PROVIDED, HOWEVER, that all of the powers and duties of the Board of Directors may be exercised by the Declarant during the Declarant Control Period.

**ARTICLE V
COVENANTS AND ASSESSMENTS**

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments

for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to maintain, repair and improve the private street and road system; the private storm water pond and storm water ditches and storm water retention facility within the planned community; the wetlands within the planned community; and the Common Area.

Section 3. Special Assessments for Capital Improvements. In addition to the assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that such assessment shall have the assent of two thirds (2/3) of the vote of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 4. Notice and Quorum of Any Action Authorized Under Section 3. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 shall be sent to all members not less than thirty (30) days nor 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 sixty percent (60%) of all the votes of each class of membership 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 of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5. Rate of Assessment. The Association may differentiate in the amount of Assessments charged when a reasonable basis for distinction exists, including but not limited to as between vacant Lots of record and Lots of record with completed dwellings for which certificates of occupancy have been issued by the appropriate governmental authority, or when any other substantial difference as a ground of distinction exists between Lots. However, Assessments much be fixed at a uniform rate for all Lots similarly situated.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to each Lot upon the date of acceptance by an Owner of a deed from Declarant. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand,

and for a reasonable charge, furnish a certificate signed by an office 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.

Section 7. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 18% per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non- use of the Common Area or abandonment of his Lot.

Section 8. Subordination of Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu therefore, shall extinguish the lien of such assessment as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VI RIGHTS OF DEVELOPER

The Declarant shall have during the Declarant Control Period, and there is hereby reserved to the Declarant, the Special Declarant Rights as herein defined and the following rights, powers, and privileges which shall be in addition to the Special Declarant rights and any other rights, powers, and privileges reserved to the Declarant herein:

Section 1. The Architectural Control Committee/Board of Directors/Executive Board. All duties and responsibilities conferred upon the Architectural Control Committee by this Declaration or the Bylaws of the Association shall be exercised and performed by the Declarant or its designee, during the Declarant Control Period. The Declarant shall be entitled, during the Declarant Control Period, to appoint and remove the officers and the members of any Board of Directors or Executive Board of the Association.

Section 2. Plan of Subdivision. The right to change, alter or re-designate the allocated planned, platted, or recorded use or designation of any of the lands constituting the Subdivision including, but not limited to, the right to change, alter or re-designate road, utility, stormwater, and drainage facilities and easements and to change, alter or re-designate such other present and proposed amenities, common elements, or facilities as may in the sole judgment and discretion of Declarant be necessary or desirable. The Declarant hereby expressly reserves unto itself, its successors and assigns as Declarant, the right to re-plat any one (1) or more Lots owned by Declarant and shown on the plat of any subdivision of the Property or Additional Property in order to create one or more modified Lots; to further subdivide tracts or Lots shown on any such subdivision plat into two or more Lots; to recombine one or more tracts or Lots or a tract and Lots to create a larger tract or Lot (any lot resulting from such combination shall be treated as

one Lot for purposes of assessments): to eliminate from this Declaration any Lots shown on the Map that are not otherwise buildable or are needed or desired by Declarant for access or are needed or desired by Declarant for use as Common Area, as a public or private roads, or as access areas, whether serving the Subdivision or other property owned by the Declarant or others, or which are needed for the installation of utilities, Common Areas or amenities, and to take such steps as are reasonably necessary to make such re-platted Lots or tracts suitable and fit as a building site, access area, roadway or common elements. Declarant specifically reserves the right, but shall not be obligated (except as otherwise provided herein), to convert any Lot or any part of any Lot owned by the Declarant, or its successor as Declarant, to Common Area for the subdivision.

Section 3. Amendment of Declaration by the Declarant. This Declaration may be amended without Member approval, by the Declarant, or the board of the Association, as the case may be, as follows:

- A. In any respect, prior to the sale of the first Lot.
- B. To the extent this declaration applies to Additional Property.
- C. To correct any obvious error or inconsistency in drafting, typing, or reproduction.
- D. To qualify the Association or the Property and Additional Property, or any portion thereof, for tax-exempt status.
- E. To incorporate or reflect any platting change as permitted by this article or otherwise permitted herein.
- F. To conform this Declaration to the requirements of any law or governmental agency having legal jurisdiction over the Property or any Additional Property or to qualify the Property or any Additional Property or any Lots and improvements thereon for mortgage or improvement loans made, insured or guaranteed by a governmental agency belonging to, sponsored by, or under the substantial control of the United States Governmental or the State of North Carolina, regarding purchase or sale of such Lots and improvements, or mortgage interests therein, as well as any other law or regulation relating to the control of the property, including, without limitation, ecological controls, construction standards, aesthetics, and matters affecting the public health, safety and general welfare. A letter from the official of any such corporation or agency, including, without limitation, the Department of Veteran affairs, U.S. Department of housing and urban development, the federal home loan mortgage corporation, Government National mortgage corporation, or the Federal National Mortgage Association, requesting or suggesting an amendment necessary to comply with the requirements of such corporation or agency, provided that the changes made substantially conform to such request or suggestion. Notwithstanding anything else herein to the contrary, only the Declarant, during the Declarant Control Period, shall be entitled to amend this Declaration pursuant to this section.

Notwithstanding the foregoing, there shall be no changes or amendments to any part or portion of the Boat Facilities easement or access easements or affecting the right of use of the Boat Facilities and pier/dock/slip serving Lots by any Owner unless unanimously approved in writing by the Owners of all affected Lots.

ARTICLE VII
USE RESTRICTIONS, ARCHITECTURAL CONTROL AND MAINTENANCE

Section 1. Architectural Control and Maintenance. The Declarant shall serve as the Architectural Control Committee during the Declarant Control Period, and the Association shall appoint the Architectural Control Committee after termination of the Declarant Control Period. During the Declarant Control Period, references in this Article to the Architectural Control Committee shall mean the Declarant, and the Declarant shall be under no obligation to form an Architectural Control Committee. After the termination of the Declarant Control Period, the Association shall have the right and obligation to control the development and appearance in the Subdivision, subject to the following minimum guidelines:

A. Approval of plans for building and site improvements. No house plans will be approved unless the proposed house shall have a minimum 2400 square feet of enclosed heated area, which shall be the total enclosed area within a dwelling, provided, however, that such term does not include terraces, decks, open porches, and like areas, provided further, that shed-type porches, even though attached to the house are specifically excluded from the definition of the aforesaid term "heated square footage".

The approval process shall commence upon the delivery to the Architectural Control Committee of a complete plot plan showing the proposed location of the house, driveway, parking areas, permitted outbuildings, any other improvements to the property, and a sample of all exterior materials to be used (including roof shingle, siding material, brick, stain, paint, etc.) Additional items to be submitted for approval include, but are not limited to, copies of house plans, specification sheets, and any other items and documents necessary or desirable, in the Architectural Control Committee's sole discretion to assure that the improvements placed on all Lots are of such a nature as to protect the values of other lots in Osprey Landing. There shall be no changes to the submitted plans and specifications that affect the exterior appearance, or the location of any improvements on the property, after the plans and specifications are approved by the Architectural Control Committee, unless the same are approved by the Architectural Control Committee in writing.

B. In order to preserve as much natural wooded area as practical, construction of residence must be within the building envelope designated by Architectural Control Committee. (Unless written approval is obtained from the Architectural Control Committee to adjust the building envelope.) Clearing of trees must be limited to those within the building envelope and driveway location. Notwithstanding the foregoing, Owners may trim and top trees and shrubs to preserve water views and attractive landscaping.

C. Acceptable roofing materials include architectural shingles, cedar shake, terra cotta, slate, metal or any other approved material.

D. No concrete block, concrete brick, asbestos siding, synthetic stucco, T 111 plywood siding, aluminum siding, unapproved vinyl siding, cinder block nor tar paper composition shall be used for the exterior of any residence construction on any building lot herein conveyed, it

being intended that only conventional cedar, wood or hardy-board, clay brick, masonry stucco, or architectural upgraded vinyl siding (i.e. Certainteed, Cedar Impressions) be constructed on the Lots.

E. Since the establishment of inflexible building setback lines for location of houses on Lots tends to force construction of houses directly to the side of other homes with detrimental effects on privacy, view, preservation of important trees and other vegetation, ecological and related considerations, no specific setback lines shall be established by this Declaration. In order to assure, however, that the foregoing considerations are given maximum effect, the site and location of any house or dwelling or other structure upon any Lot shall be controlled by and must be approved absolutely by the Architectural Control Committee; provided, however, that no structure shall be constructed closer to a Lot line than is permitted by applicable governmental regulations.

F. The exterior of all dwellings and other structures must be completed within eighteen (18) months after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the Owner or builder, due to strikes, fires, national emergency, natural calamities, or complexity of design and construction.

G. Fences shall be permitted on any Lot; provided, however, that the design, placement, and materials of any fence are approved by the Architectural Control Committee. No chain link fences are allowed. Clotheslines are not permitted on any lot.

H. Off street parking for not less than (2) two passenger automobiles must be provided on each lot prior to the occupancy of any dwelling constructed on said lot which parking areas and the driveways thereto shall be constructed of concrete, brick, asphalt, gravel, stone, river stone, slate, coquina, turf stone, or similar materials, or any other material approved by the Architectural Control Committee.

I. The Declarant may, at its option, construct and install sprinkler systems upon some or all of the Lots in the development. However after a Lot with a sprinkler system has been conveyed by Declarant, it shall be the sole duty and responsibility of the Lot owner to thereafter operate and maintain the said system in good operational order and repair, including the repair and replacement of all parts and materials for the irrigation wall and the entire system,

J. It shall be the continuing duty and responsibility of the Lot Owners to landscape and maintain their lawns and environment in the manner that has been approved by the Architectural Control Committee.

K. All driveways and parking areas shall be constructed of concrete, brick, asphalt, , stone, river stone, slate, coquina, turf stone, or similar materials, or any other material approved by the Architectural Control Committee.

L. All utilities will be underground.

M. All mailboxes and mailbox posts shall be either of a design approved by Architectural Control Committee, or shall be those furnished by Declarant.

N. Modular and prefabricated homes and previously constructed houses may not be erected or placed on any lot.

O. Any accessory building, storage facility or other structures on any Lot shall conform in style and building materials to the main structure on the Lot. Architectural Control Committee approval must be obtained for any such building to be placed on or built on any Lot in the subdivision, prior to construction or placement.

Section 2. Use Restrictions.

A. LAND USE AND BUILDING TYPE. No Lot shall be used for any purpose other than residential purposes, subject, however, to the rights of the Declarant contained herein, and the right to convert Lots or parts of Lots to Common Area, or a Lot for access to adjacent property. All Lots are restricted for construction of one single family dwelling (plus such detached garages and other accessory buildings as may be approved in the sole discretion of the Architectural Control Committee. No duplex or other multifamily structure is permitted. No business, trade, vocation or occupation shall be permitted to be conducted at, or pursued from an office, formal or informal, on any lot; this is to include children's daycare. However, this restriction shall not restrain Declarant in any way from pursuing its rightful business of developing, marketing and selling any and all Lots and real estate within the development.

B. NUISANCES. No noxious or offensive activity shall be carried on upon any Lot, pier, common areas, dock or slip, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. There shall not be maintained any plants or animals, nor device or thing of any sort whose normal activities or existence are in any way noxious, dangerous, unsightly, or of other nature as may significantly diminish or destroy the enjoyment of other Lots by the Owners thereof. It shall be the responsibility of each Owner to prevent the development of any unclean, unsightly or un-kept condition of buildings or grounds on the Owner's Lot which would tend to decrease the beauty of the neighborhood as a whole or the specific area. The association, with the affirmative vote of seventy five percent of all votes, shall have the right to cure any nuisance, and charge the cost of such cure or abatement to the Owner of the said Lot.

C. TEMPORARY STRUCTURES. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuilding shall be used on any lot any time as a residence whether temporarily or permanently without the written consent of the Architectural Control Committee.

D. ANIMALS. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except non-violent domestic dogs and cats, or other household pets, provided they are not kept or maintained for commercial purposes, or in such numbers as to create a nuisance prohibited by subsection B., above. No dog shall be allowed to run free, nor shall any dog be housed outside the dwelling. Barking must be controlled.

E. TELEVISION SATELLITE DISHES AND OUTSIDE ANTENNAS. No yard statuary or TV satellite signal receiving dishes are permitted on any lot and no outside radio or television antennas shall be erected on any lot or dwelling unit unless and until permission for the same has been granted by the Architectural Control Committee; provided, however satellite dishes under 18" in diameter which cannot be seen from Peregrine Way are permitted.

F. EXTERIOR LIGHTS. All light bulbs and other lights installed on any fixture located on the exterior of any building or any lot shall be of clear, white, non-frost or yellow bug bulbs.

G. SIGNS. No signs (other than "for sale" signs of the standard size used in the community for real estate broker signs advertising the sale of residences) shall be permitted on any Lot or in the Common Area without permission of the Executive Board, provided, however the Declarant may, so long as it owns any Lot, maintain for sale signs on Declarant's Lots and signs on its Lots and in the Common Area generally advertising the subdivision.

H. RECREATIONAL, JUNK AND INOPERABLE VEHICLES. No junk or inoperable vehicle will be permitted to be kept on any Lot. The Association shall have the right to have all vehicles towed away at the owner's expense.

I. SUBDIVIDING. Subject to any rights reserved by the Declarant herein, no Lot may be subdivided, or its boundary lines changed, without the prior express written approval of the Architectural Control Committee, which approval shall not be unreasonably withheld with respect to any application to combine two Lots into a single Lot or to combine all portions of one Lot into two or more other lots in the subdivision.

J. FENCING. In order to maintain compliance with all stormwater permits, no fencing will be allowed on, or along, any drainage or access easement between any Lot and any Common Area, conservative area, or recreation area without the express written consent of the Architectural Control Committee.

K. IMPERVIOUS SURFACE. c. It is expressly understood and agreed that each lot may have no more than 4,500 square feet of impervious surface. The allotted amount includes any built upon areas constructed within the property boundaries, and that portion of the road right-of-way between the front Lot line and the edge of the pavement. Impervious materials include, but are not limited to, structures, asphalt, concrete, brick, stone, river stone, slate, coquina, parking areas, or similar material but do not include raised open wood decking or the water surface of swimming pools. Built upon area in excess of the permitted amount requires a state storm water management permit modification prior to construction. This covenant is intended to ensure continued compliance with stormwater runoff rules adopted by the City of Wilmington and therefore regulations and requirements may be enforced by the City of Wilmington.

L. BOATS AND RECREATIONAL VEHICLES. No recreational vehicles, boats (except boats on a trailer for maintenance, storm preparation and recovery, preparation for launch or preparation for winter storage), motor homes, trucks (except pickup trucks of reasonable size), or

machinery may be kept or stored on any lot unless garaged or screened, so as not to be viewed from any other lot, right of way, or road. The Association shall have the right to have all offending vehicles towed away at the owner's expense.

M. LEASES. No dwelling shall be leased for a period of less than 6 months. No Lot may be leased, unless a dwelling located thereon is leased for the same term and by the same parties.

N. MODULAR AND MOBILE HOMES. No modular or mobile homes shall be placed on any lot.

O. EXTERIOR MAINTENANCE. Each Lot Owner shall maintain the exterior of all buildings, walls, and other improvements on his lot in good condition and repair, and shall replace worn and rotten parts and shall regularly repaint all painted surfaces and shall not permit the roofs, rain gutters, downspouts, exterior walls, windows, doors, or other exterior portions of the improvements to deteriorate in an unattractive manner. The maintenance referenced herein may be supervised and regulated by the Association. In the event that the lot owner shall fail to comply with these maintenance requirements, the Association is hereby expressly authorized, and the Lot Owner hereby expressly agrees, that said maintenance and/or repair may be effected by the said Association with the expenses incurred for the same to be assessed against the individual Lot Owner as a special assessment and subject to the regulations regarding liens and assessments as herein set forth.

P. FUEL TANKS AND GARBAGE RECEPTACLES. All fuel tanks, garbage cans, antennas, or satellite dishes shall be screened from view from all other Lots, right of ways and roads.

Q. MOWING. Every lot owner shall keep his lot mowed regularly and clear of any unsightly objects and debris. In the event any Lot Owner fails to do so, Declarant, its agent, or the Association, after notifying Lot Owner, shall have the right to enter the offending property and mow or clear it at the owner's expense.

R. SLIP COMMERCIAL USE. No commercial use of any kind may be made of any part or portion of the Boat Facilities, nor the pier/dock/slips.

S. MAINTENANCE. Owners are responsible for all maintenance and insurance on their own watercraft and personal belongings left on the Boat Facilities. The Association is responsible for maintaining dock structure and utilities. Owners are responsible for condition/maintenance of individual lifts.

T. SLIP RENTALS. There shall be no slip rentals, unless the associated dwelling unit and Lot are also rented to the same tenant.

U. LIVING ABOARD. Living on board a boat in the boat facility is strictly prohibited for any length of time at all.