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

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

DECLARATION OF COVENANTS, RESTRICTIONS
AND EASEMENTS FOR RIVERWALK POINTE AT
MALLORY CREEK PLANTATION

THIS DECLARATION of Covenants Restrictions and Easements (hereinafter the "Declaration"), is hereby made this 13 day of May, 2026 by **RABON NC, LLC**, a Virginia limited liability company, hereinafter referred to as "Declarant" for the purposes hereinafter stated;

WITNESSETH:

WHEREAS, Wilmington West, Inc. (hereinafter "WWI") recorded a Declaration of Covenants, Conditions and Restrictions for Mallory Creek Plantation (hereinafter the "Master Declaration") in Book 1990, Page 138, Brunswick County Register of Deeds, as amended (all capitalized terms not otherwise herein defined shall have the meaning set forth in the Master Declaration); and

WHEREAS, by that certain Partial Assignment of Declarant's Rights recorded on 5/22/26 in Book 5562 at Page 1385 Brunswick County Registry, WWI conveyed to Declarant its rights as declarant relative to the certain real property more particularly defined therein (hereinafter, the "Rabon Property"); and

WHEREAS, the portion of the Rabon Property more particularly described in **Exhibit "A"** attached hereto and incorporated herein as if fully set out (the "Property") and shown on that certain subdivision plat entitled "Final Plat of Riverwalk Pointe Phase 1 Lots 194 – 275", recorded in Map Cabinet 170 at Pages 42 - 47 of the Brunswick County Register of Deeds (the "Plat") was annexed into and subjected to the terms of the Master Declaration in a Supplemental Declaration



to the Master Declaration recorded in Book 5563 Page 201 of the Brunswick County Register of Deeds; and

WHEREAS, Declarant desires to facilitate the provision of additional services to the Property, other than those provided to the Property and other properties subject to the Master Declaration; and

WHEREAS, Declarant desires to impose and subject the Property to separate and additional covenants and restrictions as set forth herein from those covenants and restrictions established by WWI and imposed upon the Property and other properties pursuant to the Master Declaration; and

WHEREAS, in the event of any conflict between the separate and additional restrictions set forth in this Declaration and the Master Declaration, the Master Declaration shall control.

NOW, THEREFORE, the above recitals being incorporated as a part and parcel hereof, Declarant declares that the Property described above shall be held, sold and conveyed subject to the North Carolina Planned Community Act set forth in Chapter 47F of the North Carolina General Statutes (the "Act"), as well as the following easements, restrictions, covenants, and conditions.

**ARTICLE I.
DEFINITIONS**

In addition to other terms defined herein, the following capitalized terms shall have the following meanings as used herein:

SECTION 1. Additional Property shall mean and refer to any lands, in addition to the above described Property, which are located within one (1) mile of the Property and which are annexed to and made a part of the Planned Community in accordance with the Declaration, whether such lands are now owned or hereafter acquired by Declarant or others, and whether developed by Declarant or others.

SECTION 2. Allocated Interest shall mean the Common Expense Liability and votes in the Association allocated to each Lot as is more specifically set forth in this Declaration. The Allocated Interest for the Common Expense Liability need not be the same as the Allocated Interest for voting purposes. The votes allocated to each Lot are set forth in Article III herein and the Common Expense Liability allocation for each Lot is set forth in Article V herein.

SECTION 3. Architectural Control Committee shall mean the committee established pursuant to Article III Section 7 and Article VII of the Declaration.

SECTION 4. Association shall mean and refer to **Riverwalk Pointe Townhome Association, Inc.**, a North Carolina non-profit corporation, its successors and assigns, the association organized pursuant to the Act for the purposes set forth herein.

SECTION 5. Common Areas shall mean and refer to all lands and easements within or appurtenant to the Planned Community owned, enjoyed, maintained or leased by the Association, other than a Lot, and intended for the common use and enjoyment of the Owners, and all facilities



located thereon, including, without limitation, stormwater retention ponds, wetlands/flood control systems and stormwater runoff system, drainage easements, sign easement areas, private roads, or sidewalks within the Planned Community. Common Areas shall also include any areas designated on any plats for the Planned Community as "Open Space", "Common Area", "Common Element", "Recreation Area", "Amenity Area", "Conservation Area(s)", "Wetlands", "Park" or "Park Area", or other designation, whether owned by the Association, the Declarant, or any other Person.

SECTION 6. Common Expenses means expenditures made by, or financial liabilities of, the Association together with any allocations to reserves.

SECTION 7. Common Expense Liability means the liability for Common Expenses allocated to each Lot as permitted by the Act, this Declaration or otherwise.

SECTION 8. Declarant shall be used interchangeably with Developer and shall mean and refer to **RABON NC, LLC**, its successors, and its assign(s), if such assign(s) acquire a Special Declarant Right in accordance with N.C.G.S. §47F-3-104. Provided, however any such assignment of a right or portion of Declarant's rights hereunder shall be in a written assignment recorded in the Office of the Brunswick County Register of Deeds. In the event of a partial assignment, the assignee shall not be deemed the Declarant, but may exercise such rights of Declarant specifically assigned to it. Any such assignment may be made on a nonexclusive basis.

SECTION 9. Declarant Control Period shall have the meaning set forth in Article III hereof.

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

SECTION 11. Executive Board or Board shall mean the Board of Directors of the Association, who shall be the body designated in this Declaration to act on behalf of the Association.

SECTION 12. Governing Documents shall mean collectively this Declaration (including any Supplemental Declaration or amendments hereto), the Bylaws of the Association, as well as any and all Architectural Control Guidelines and Rules and Regulations of the Association which may be established and recorded by the Declarant or the Association, as more particularly described hereinbelow, and all exhibits to any of the foregoing, all as they may be amended, restated or supplemented from time to time.

SECTION 13. Improvement means any structure or artificially created condition or appurtenance located on the Property, including any building constructed on any Lot, any additions and structural alterations to any Unit or Lot, any walkway, sprinkler pipe, road, driveway, parking area, fence, screening wall, retaining wall, stairway, deck, landscaping, hedge, fountain, tree, planting, shrub, windbreak, pole, swimming pool, pool deck, sign, screen enclosure, sewer, drain, disposal system, grading, paving, or exterior heating, ventilating or air-conditioning equipment or water softener fixture or equipment.



SECTION 14. Lot(s) shall mean and refer to any numbered lot shown on the Plat, and any numbered lot that may be shown on any plats of any part of the Additional Property that may be hereafter recorded in the office of the Register of Deeds of Brunswick County. The Lot(s) are the portions of the Planned Community designated for separate ownership by a Lot Owner or Lot Owners. Each "Lot" within the Planned Community shall also exist as a Lot as described in the Master Declaration.

SECTION 15. Lot Owner or Owner shall mean the Declarant or other Person who owns a fee simple title to any Lot, or who owns fee simple title to an undivided interest in a Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 16. Master Association means a master association as defined in the Act and shall refer to **MALLORY CREEK PLANTATION HOMEOWNERS ASSOCIATION, INC.**

SECTION 17. Mortgagee means the holder of a first real estate mortgage or deed of Trust on a Lot.

SECTION 18. Person means a natural person, a business or nonprofit corporation, limited liability company, trustee(s) of a business trust, trustee(s) of charitable or non-charitable trust, limited or general partnership, joint venture, government, governmental subdivision, governmental agency, or other legal entity.

SECTION 19. Party Wall means a shared wall separating one Unit from another.

SECTION 20. Planned Community shall mean and refer to the Property plus any Additional Property made a part of the Riverwalk Pointe at Mallory Creek Plantation townhome community by the annexation in accordance with this Declaration.

SECTION 21. Purchaser means any Person, other than the Declarant or a Person in the business of selling real estate for the purchaser's own account, who by means of a voluntary transfer acquires a legal or equitable interest in a Lot, other than (i) a leasehold interest (including renewal options) of less than twenty (20) years, or (ii) as security for an obligation.

SECTION 22. Reasonable Attorneys' Fees means attorneys' fees reasonably incurred without regard to any limitations on attorneys' fees which otherwise may be imposed by law.

SECTION 23. Special Declarant Rights means any and all rights, powers, and privileges reserved for the benefit of the Declarant in this Declaration, including, but not limited to, (i) the right to complete improvements intended or planned by Developer for the Property or Additional Property; (ii) the right to exercise any development or other right reserved to the Declarant by this Declaration or otherwise; (iii) the right to maintain within the Planned Community sales offices, management offices, construction offices/trailers, signs advertising the Planned Community, and models; (iv) the right to use the Common Areas for the purpose of making improvements within the Planned Community; (v) the right to make the Planned Community part of a larger planned community or group of planned communities; (vi) the right to make the Planned Community subject to a Master Association; (vii) the right to appoint or remove any officer or Executive Board member of the Association or any Master Association during the Declarant Control Period (viii)



the right to permit or cause other land to be annexed to the Planned Community in accordance with this Declaration, (ix) Development rights pursuant to §47F-1-103 (11) of the Act, and (x) the rights reserved to the Declarant in Article VI of this Declaration.

SECTION 24. Stormwater Permit shall mean **Permit Number(s) LSW 23-04 and LSW23-04 MOD** issued by the Town of Leland Stormwater Management Division, a copy of which is attached hereto as part of **Exhibit "B"**.

SECTION 25. Townhome means a Unit which has no Units located immediately above or below it and which shares one or more Party Walls with adjacent Unit(s).

SECTION 26. Townhome Building shall mean an improvement consisting of two or more Townhomes notwithstanding that each Townhome therein is located on a separate Lot.

SECTION 27. Unit means a Lot on which has been constructed an Improvement intended for use as a single residential dwelling unit and as used in this Declaration refers to a Townhome.

**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, if any, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The Association may make and amend reasonable rules and regulations governing use of the Common Areas and the Lots by the Owners;

(b) The Association may grant a security interest in, including as collateral for a loan, or convey the Common Areas, or dedicate or transfer all or part of the Common Areas, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Owners of Lots to which at least eighty percent (80%) of the votes in the Association are allocated, excluding the Developer; provided, however, that the Association may without the consent of the Owners grant easements, leases, licenses and concessions through or over the Common Areas. No conveyance or encumbrance of Common Areas shall deprive any Lot of its rights of access or support.

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) Easements as necessary in the lands constituting the Common Areas and the Lots for the installation and maintenance of utilities and drainage facilities, including the right to go upon the ground to erect, maintain, inspect, repair and use electric and telephone lines, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone, broadband service, gas, sewer, water or other public conveniences or utilities on, in or over each Lot and such other areas as are shown on the Plat of the Property or any Additional Property recorded or to be recorded in the office of the Register of Deeds of Brunswick County; the right to cut drain ways, swales and ditches for surface water whenever



such action may appear to the Developer or the Association to be necessary in order to maintain reasonable standards of health, safety and appearance; the right to cut any trees, bushes or shrubbery; the right to make any grading of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. No structures or plantings or other material shall be placed or permitted to remain upon such easement areas or other activities undertaken thereon which may damage or interfere with the installation or maintenance of utilities or other services, or which may impede, obstruct or reverse the flow of water or which may damage or interfere with established slope ratios or create erosion. These easement areas (whether or not shown on the recorded Plats for the Planned Community) and any improvements within such areas shall be maintained by the respective Owner except those for which the Association or a public authority or utility company is responsible.

(b) The right to locate wells, pumping stations, and tanks within Common Areas, or upon any Lot with the permission of the Owner of such Lot.

(c) Easements over, under, and across all streets, sidewalks, walkways, walking trails and paths within the Planned Community as necessary to provide access, ingress and egress to and from any Additional Property, and for the installation of utilities for any Additional Property.

(d) Easements shown and depicted on any recorded map or plat and which affect any Lot or which serve the Planned Community or are necessary for the development of the Planned Community.

(e) An easement of unobstructed access over, on, upon, through and across each Lot at all reasonable times to perform any maintenance and repair to the Lot or Townhome Building required by this Declaration.

(f) During the Declarant Control Period, an easement in favor of the Declarant for unobstructed access over, on, upon, through and across each Lot at all reasonable times deemed necessary or convenient for the development and use of the Planned Community and for the conduct of any construction, sales and marketing activities.

SECTION 3. Easement for Encroachments: If (1) any improvement on the Common Areas encroaches upon any Lot; (2) any improvement on any Lot encroaches upon the Common Areas or another Lot; or (3) any encroachment shall hereafter occur as a result of (a) construction of a Townhome Building; (b) settling or shifting of a Townhome Building or other improvement; (c) any alteration or repair to Townhome Building or other improvement made by or with the consent of the Owner, Association or the Declarant, as appropriate, or (d) any restoration or rebuilding of the improvements to a Lot, Townhome Building, or Common Area (or any portion thereof) damaged by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Lot, Townhome Building or Common Area, then, in such event, a valid easement is granted and shall exist for such encroachment and for the maintenance of the same so long as the improvements causing the encroachment shall stand. This provision shall not entitle any Owner to intentionally construct Improvements which encroach upon any other portion of the Property and no easement for encroachment shall exist if such encroachment occurred due to



the willful and knowing conduct on the part of, or with the knowledge and consent of, an Owner, the Declarant, or the Association.

SECTION 4. Other Easements. The following additional easements are granted by Declarant:

(a) an easement to all police, fire protection, ambulance and all similar persons, companies or agencies performing emergency services, to enter upon all Lots and Common Areas in the performance of their duties.

(b) in case of any emergency originating in or threatening any Lot or Common Areas, regardless of whether any Lot Owner is present at the time of such emergency, the Association or any other Person authorized by it, shall have the immediate right to enter any Lot for the purpose of remedying or abating the causes of such emergency and making any other necessary repairs not performed by the Lot Owners.

(c) the Association is granted an easement over each Lot for the purposes of performing Building and Lot maintenance and upkeep.

(d) Each Townhome shall have the following easements: (1) for lateral and subjacent support of, in and to all exterior walls, Party Walls, structural members, roof, footings and foundations of the Unit or other Improvements which abut or support the Townhome; (2) for maintenance of common construction improvements, such as footings, supports and foundations, which abut or support the Townhome; (3) for attachment of the Townhome to the Party Wall(s) it shares with the adjacent Townhome(s); and (4) of necessity in favor of, all other Units within Townhome Building in which it is located and any other structure or improvement which abuts or supports a Townhome.

SECTION 5. Nature of Easements. 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 Planned Community, 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 6. Communications Services and Related Easements. If **Exhibit "C"** – **Communications Services**, is attached to this Declaration, then all terms, provisions, and easements described therein are incorporated herein, and shall apply, and are hereby highlighted and reserved for avoidance of doubt.

**ARTICLE III.
HOMEOWNERS' ASSOCIATION**

SECTION 1. Formation of Association. The Association is a North Carolina nonprofit corporation organized pursuant to the Act for the purpose of establishing an association for the Owners of Lots to operate and maintain the Common Areas and facilities located on the Common Areas, the stormwater runoff system, sign easement areas and other property and facilities



maintained by the Association to enforce covenants, conditions and restrictions of this Declaration; and to make and enforce rules and regulations governing the Owners' use and occupation of Lots. The Association shall perform its functions in accordance with this Declaration, its Articles of Incorporation, and Bylaws. The Association shall be empowered to perform and/or exercise those powers set forth in the Act as it may be amended from time to time, in addition to any powers and authority otherwise granted to it.

SECTION 2. Membership. Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from fee simple ownership of a Lot or fee simple ownership of an undivided interest in a Lot.

SECTION 3. Voting Rights. The Association shall have two classes of voting Membership:

Class A. All Owners (excepting the Declarant during Class B Membership) shall be Class A Members 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. Fractional voting with respect to any Lot is prohibited.

Class B. The Declarant shall be a Class B Member and shall be entitled to three (3) votes for each Lot owned and for each planned but currently unplatted Lot to be developed and annexed into the Planned Community. The total number of planned Lots for the Planned Community is currently two hundred thirty six (236) Lots; provided however, that the actual number of Lots may be more or less, and the Class B Member makes no representation whatsoever regarding the actual number of Lots to be included in the Planned Community. The Class B Membership shall cease and be converted to Class A Membership on the happening of any of the following events, whichever occurs earlier:

- (a) on December 31, 2056;
- (b) on the date three (3) months after the date upon which the total vote outstanding in the Class A Membership equals 100% of the total vote outstanding in the Association (taking into account all Lot(s), including Lots(s) shown on the Plat and Lot(s) added or which are may be added to the Planned Community through the annexation of Additional Property as provided in this Declaration); or
- (c) on the date the Declarant executes a voluntary surrender of all Class B Membership.

SECTION 4. Declarant Control Period.

(a) The Declarant Control Period shall commence on the date this Declaration is executed, and shall end on the earlier of:

- (i) on December 31, 2056;
- (ii) on the date three (3) months after the date upon which the total vote outstanding in the Class A Membership equals 100% of the total vote outstanding in the Association



(taking into account all Lot(s), including Lots(s) shown on the Plat and Lot(s) added or which are may be added to the Planned Community through the annexation of additional land as provided in this Declaration); or

(iii) on the date the Declarant executes a voluntary surrender of all Class B Membership.

(b) During the Declarant Control Period, the Declarant shall have the right to designate and appoint the Executive Board, the right to remove any Person or Persons designated and appointed by the Declarant to serve on the Executive Board, and the right to designate and appoint a Person or Persons to serve on the Executive Board for the remainder of the term of any Person serving on the Executive Board who may resign, die, or be removed by the Declarant.

SECTION 5. Government Permits. After completion of construction of any facilities required to be constructed by Declarant pursuant to permits, agreements and easements for the Planned Community, all duties, obligations, rights and privileges of the Declarant under any water, sewer, land use, stormwater and utility agreements, easements and permits for the Planned Community with municipal or governmental agencies or public or private utility companies, shall be the duties, rights, obligations, privileges and the responsibility of the Association, notwithstanding that such agreements, easements or permits have not been assigned or the responsibilities thereunder specifically assumed by the Association. Declarant reserves the right to assign any such permits, easements, or agreements to the Association, in which case the Association shall be required to assume the same. There are additional provisions made in this Declaration concerning stormwater facilities and the Stormwater Permit. The Association shall be responsible for the maintenance of all roads until such time as the roads have been accepted by the Town of Leland as well as all stormwater matters including but not limited to the stormwater pond and the Stormwater Permit.

SECTION 6. Additional Responsibilities of Association. The Association, subject to the rights of the Owners set forth in this Declaration, shall at its sole cost and expense be responsible for the exclusive operation, maintenance, management and control of each Common Area within the Planned Community from the date of completion of its construction or improvement by the Developer, whether or not (i) such Common Area has actually been deeded to the Association, or (ii) any permit issued by a governmental agency to Declarant for the construction and operation of the Common Area has been transferred from the Declarant to the Association or assumed by the Association. If the Declarant is required by any government agency to provide any operation or maintenance activities to a Common Area for which the Association is unable to perform such operation and maintenance pursuant to this section, then the Association agrees to reimburse the Declarant the cost of such operation and maintenance within thirty (30) days after Declarant renders a bill to the Association therefore. The Association agrees to levy a Special Assessment within thirty (30) days of receipt of such bill to cover the amount thereof if it does not have other sufficient funds available. Declarant shall be entitled to specific performance to require the Association to levy and collect such Special Assessment. Notwithstanding the preceding, stormwater facilities shall be maintained by the Association upon transfer of the Stormwater Permit to the Association in accordance with Article VIII hereinbelow.



(a) Maintenance & Upkeep of Common Areas. The Association shall maintain the Common Areas, including any open space, any amenity areas, the roadways and parking areas, in good, clean and proper condition, order and repair. Such maintenance shall include, but is not limited to, mowing, edging, fertilizing, weeding, applying pine straw and pruning of trees and shrubs within the Common Areas; maintaining the irrigation system for the Common Area (if any); and repairing and replacing paved areas within the Common Areas, as needed.

(b) Maintenance & Upkeep of Buildings. The Association shall provide exterior maintenance of the Townhome Buildings constructed upon the Lots as follows: paint, repair, replace and maintain roofs, gutters, downspouts, all exterior building surfaces and supports, decks, walks, driveways and other exterior improvements. Such exterior maintenance shall not include landscape planting replacements, doors, or glass surfaces. Owners shall be responsible for repair, maintenance, upkeep and replacement of all windows, window encasements, doors, door encasements and any modifications thereto.

(c) Maintenance of Lot Landscaping. The Association shall maintain each Lot, including any open, landscaped and paved portions thereof in good, clean and proper condition, order and repair. Such maintenance shall include, but is not limited to, mowing, edging, fertilizing, weeding, applying pine straw or mulch and pruning of trees and shrubs and repairing and replacing paved areas within such Lot, as needed. Owners shall be responsible for the replacement of any landscape plantings. Provided, however, if such actions are approved in advance by the Architectural Control Committee, the Owner of a Lot may add to or alter the landscaping on his or her Lot.

(d) Responsibility of Owner. Notwithstanding the preceding, or anything else in this Declaration to the contrary, in the event that the need for maintenance, repair or replacement to the Common Areas (including, specifically, any Stormwater Facilities) or Townhome Buildings is caused by the willful or negligent act of an Owner, his or her family, their tenants, or the invitees or guests of any of the preceding, at the sole discretion of the Executive Board, the cost of the same shall be the personal obligation of the Owner and if not paid to the Association upon demand, and may be added to and become an Individual Assessment levied against said Owner's Lot.

SECTION 7. Architectural Control Committee. The Executive Board shall perform all duties of the Architectural Control Committee if no such committee is appointed by it, subject, however, to the Special Declarant Rights. Any Architectural Control Committee appointed by the Executive Board shall consist of at least (3) three members.

SECTION 8. Right of Association to Contract Duties and Functions. The Association may contract with any person, corporation, firm, trust company, bank or other entity for the performance of its various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management agreements with other associations, condominiums and cooperatives. The Association may employ a professional management agent or agents at such compensation as the Executive Board may establish, to perform such duties and services as the Board shall authorize. The fees, costs and expenses of the



management agent shall be a Common Expense. The Executive Board may delegate such powers as are necessary to perform the manager's assigned duties. Any contracts with the management agent shall be for a reasonable term and shall contain reasonable provisions regarding the right of the Association to terminate said contracts. The Declarant, or an affiliate of same, may serve as management agent, and during the Declarant Control Period, the Declarant shall have the authority to hire a management agent on behalf of the Association.

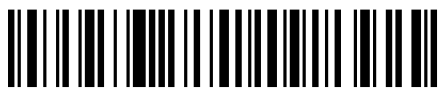
SECTION 9. Distribution of Condemnation Awards. In the event all or part of Association Property is taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Association. The Board of Directors shall arrange for the repair and restoration of such Association Property and shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. If there shall be a surplus of such proceeds, or if the Board of Directors shall elect not to repair or restore the Association Property, then the proceeds shall be distributed in the same manner as insurance proceeds are distributed, in accordance with the provisions of the insurance policies of the Association maintained pursuant to Article IV of this Declaration. The Board of Directors shall promptly send written notice of any pending condemnation or eminent domain proceeding to all institutional holder of a first mortgage or deed of trust of record first mortgagees of Lots whose names appear on the books or records of the Association.

SECTION 10. Additional Rights of Association: Implied Rights. The Association may exercise any other right or privilege and take any action authorized by this Declaration, the Townhome Association's Articles or Bylaws, or the Act or the North Carolina Nonprofit Corporation Act (Chapter 55A), as from time to time amended, and every other right or privilege reasonably necessary to effectuate the exercise of any right or privilege or the taking of any action authorized herein or therein.

**ARTICLE IV.
INSURANCE**

SECTION 1. Requirements for Insurance Policies Maintained by the Association. The Association shall maintain in full force and effect casualty insurance (e.g. hazard and flood), if applicable, and liability and fidelity bond coverage. All insurance policies purchased for the Property shall be with a company or companies permitted to do business in the State of North Carolina. All insurance providers shall issue certificates or memoranda of insurance to the Association and, upon written request, to any Owner or Mortgagee.

(a) **Casualty Insurance on the Townhome Buildings.** The Association shall maintain all-in replacement insurance coverage for all Townhome Buildings. This obligation shall be in addition to, and not in conflict with, any insurance requirements under the Master Declaration, provided that in the event of any inconsistency between the Master Declaration and this Section 1(a) of the Declaration, the broader coverage requirement shall apply. The Association shall obtain and maintain at all times a policy or policies of property insurance (ISO special form or its equivalent) covering all Townhome Buildings located on the Property in an amount not less than one hundred percent (100%) of the replacement cost of the Townhome Buildings including all individual and insurable original interior fixtures, in accordance with the plans and specification



for the original development of the Property, at the time such insurance is purchased and at the time of each renewal thereof, exclusive of the costs of excavation, paving, formations and footings, with a commercially reasonable deductible. Each policy shall show the Association as the named insured, but shall provide that each Owner is an insured person with respect to his Lot and Townhome located upon such Lot, and that the Association is an insured person with respect to the Common Areas;

Any portion of a Townhome Building which is damaged or destroyed shall be repaired or replaced promptly by the Association unless: (1) repair or replacement would be illegal under North Carolina or local health or safety statute or ordinance; or (2) the Owners decide not to rebuild by a one hundred percent (100%) vote of the Association. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If any portion of the Townhome Building is not repaired or replaced: (1) the insurance proceeds attributable to the damaged Townhome Building shall be paid to the Association as Insurance Trustee, to be held and ultimately disbursed to the Owners of the destroyed or damaged Townhomes and if applicable, to the Association by the Insurance Trustee as more particularly described hereinbelow.

(b) Casualty Insurance on the Common Areas. A policy of casualty insurance shall be obtained and maintained and, as applicable, a policy of property insurance shall also be obtained and maintained by the Association. The policy or policies shall cover all of the Common Areas, except for those that are normally excluded from coverage, such as land, foundation, excavation, etc. Fixtures and building service equipment that are considered part of the Common Areas, as well as personal property of the Association, shall be covered. The Association shall also maintain property insurance on the Common Areas insuring against all risks of direct physical loss commonly insured against including fire and extended coverage perils. The total amount of insurance after application of any deductibles shall be not less than eighty percent (80%) of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date.

Any portion of the Common Areas which is damaged or destroyed shall be repaired or replaced promptly by the Association unless: (1) repair or replacement would be illegal under any State or local health or safety statute or ordinance; or (2) the Owners decide not to rebuild by an eighty percent (80%) vote of the Association. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If any portion of the Common Areas is not repaired or replaced: (1) the insurance proceeds attributable to the damaged Common Areas shall be used to restore the damaged area to a condition compatible with the remainder of the Planned Community; and (2) the remainder of the proceeds shall be distributed to all the Owners or lienholders, as their interests may appear, in proportion to the Common Expense liabilities of all Owners.

(c) Flood Insurance. If any part of the Property is in a flood hazard zone (as defined by the Federal Emergency Management Agency), the Association may maintain a "master" or "blanket" policy of flood insurance. The policy may cover any improvements on Common Areas and any other real or personal property of the Association.



(d) Liability Insurance. A comprehensive general liability insurance policy covering all Common Areas which are under the Declarant's and/or Association's supervision shall be maintained. The policy shall provide coverage of at least One Million Dollars (\$1,000,000.00) for bodily injury and property damage for a single occurrence. The liability insurance shall provide coverage for bodily injury and property damage that results from the operation, maintenance or use of the Common Areas and any facilities thereon.

(e) Directors/Officers Coverage. Directors and officers liability insurance in amounts approved by the Board on an annual basis shall be maintained for all officers, directors, employees, and all other persons handling or responsible for funds of the Association.

(f) Additional Insurance. Declarant or the Association, as applicable, shall maintain any additional insurance as the Board, in exercise of its business judgment, deems advisable.

SECTION 2. Additional Required Provisions. Insurance policies maintained by the Association shall include the following provisions, as applicable:

(a) A waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent or employee of the Association, the Owners, occupants, and their agents, guests, and invitees;

(b) A waiver by the insurer of its right to repair and reconstruct instead of paying cash;

(c) Coverage may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior notice to the named insured, and all Owners and all Mortgagees;

(d) Coverage will not be prejudiced by act or neglect of the Owners when said act or negligence is not within the control of the Association or by any failure of the Association to comply with any warranty or condition regarding any portion of the Property over which the Association has no control;

(e) Coverage may not be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Board without prior written demand that the Board cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured;

(f) Coverage may not be cancelled, invalidated or suspended on account of the conduct of any one or more individual Owners;

(g) All insurance proceeds thereof shall be payable to the Association as the insurance trustee for the Owners or to such attorney-at-law or institution with trust powers as may be approved by the Board;

(h) Each policy shall contain an inflation guard endorsement and a construction code endorsement if available;



(i) Each policy shall provide that adjustment of loss shall be made by the Association as insurance trustee and shall provide for the issuance of certificates of mortgagee endorsements to all Mortgagees.

(j) Each Policy shall provide that if, at the time of a loss under the policy, there is no other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

(k) The inability to obtain the insurance carrier's agreement to any of the above provisions shall not be considered a breach of a duty by the Declarant, Association or its individual directors.

SECTION 3. Premiums and Deductibles. All premiums on such insurance policies held by the Association and any deductibles payable by the Association upon a loss or claim shall be a Common Expense, except that the applicable Owner(s) shall also be liable for payment of any claim made against the Association caused solely by the negligent or willful act or behavior of the Owner, Occupants, or their guests and/or invitees as determined in the sole discretion of the Board.

SECTION 4. Insurance Trustee. The Executive Board, acting on behalf of the Association, shall receive any insurance proceeds payable to the Association as Insurance Trustee, and shall maintain such funds in such capacity, for the benefit of the Association and Owners to be benefited thereby. No Owner, nor any party claiming through any Owner shall have any claim against the Association, the Executive Board, or the officers, managers, employees or agents of the Association, relating to the collection and disposition of any insurance proceeds, as long as such collection and disposition was made by the Board in good faith. Any such collection or disbursement made following receipt of an opinion from an attorney licensed to practice law in the State of North Carolina, engaged independently by the Association, shall be conclusively deemed a collection or disbursement made in good faith to the extent made in reliance thereon. To the extent there are any expenses incurred by the Association acting as Insurance Trustee, such expenses shall be deemed a Common Expense, and may be deducted from any insurance proceeds received prior to disbursement or may be collected as an Assessment.

SECTION 5. Insurance by Owners. Each Owner may obtain insurance, at his or her own expense, covering personal property, additional living expense, personal liability and any other coverage obtainable, to the extent and in the amount such Owner deems necessary to protect his or her own interests; provided that any such insurance shall contain waivers and shall provide that it is without contribution as against the insurance purchased by the Association. If a casualty loss is sustained and there is a reduction in the amount of the proceeds that would otherwise be payable on the insurance purchased by the Association due to the proration of the insurance purchased by an Owner under this Section, such Owner shall be liable to the Association to the extent of such reduction and shall pay the amount of such reduction to the Association upon demand, and assign the proceeds of his insurance, to the extent of such reduction, to the Association.



SECTION 6. Party Walls. Subject to the provisions of Article III Section 6(d) (concerning the acts or negligence of an Owner that damage portions of a Townhome Building) Townhome Units shall be separated from one another by walls which are Party Walls and shall be subject to the following special provisions.

(a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Townhome Units and placed on the dividing line between the Townhome Lots shall constitute a Party Wall, and to the extent not inconsistent with provisions of this Section the general rules of law regarding party walls and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Easement. Each Party Wall Co-Owner hereby grants to the other Party Wall Co-Owner, its successors and assigns, a perpetual non-exclusive easement and right of entry over and across its respective Lot and Unit for the purposes of performing maintenance and restoration to the Party Wall, provided that any such easement is exercised after prior notice and during reasonable hours.

(c) Restoration. A Party Wall Co-Owner shall perform restoration of its Party Wall whenever a condition exists which may result in damage or injury to Person or property if the restoration work is not undertaken. The cost of reasonable repair or maintenance of a Party Wall shall be shared by the Party Wall Co-Owners on each side of such Party Wall. If a Party Wall is destroyed or damaged by fire or other casualty, a Party Wall Co-Owner on either side of the Party Wall may restore it, and if the Party Wall Co-Owner on the other side thereafter makes use of the Party Wall, such other Party Wall Co-Owner shall contribute to the cost of restoration thereof in proportion to such use; provided that the forgoing provision shall not prejudice the right of any Party Wall Co-Owner to seek a larger contribution from the other under any rule of law regarding liability for negligent or willful acts or omission

(d) Interest. Any amounts due and unpaid under this Section shall bear interest at the rate of eighteen (18%) percent per annum from the date due until paid in full.

(e) Association Step-In Rights. If at any time any Owner (hereinafter in this Subsection, the "Non Performing Owner") shall not be proceeding diligently with any restoration required of it under Article IV Section 6, then the other Owner(s) shall give written notice to the Association specifying the respect in which such Non Performing Owner is not proceeding diligently with his or her restoration work. If, upon expiration of thirty (30) days after the giving of notice, the restoration work is not proceeding diligently, then the Association may, but shall not be required to perform, such restoration in accordance with the then existing building plans and may take all appropriate steps to carry out the same, including entry onto the Lot of any Owner to the extent necessary to perform the restoration work. The Association shall be entitled to impose an Individual Assessment on the Party Wall Co-Owners responsible for the cost of such restoration.

(f) Co-Owner Negligence. Notwithstanding any other provision of this Section, any Owner, his or her family, their tenants, or the invitees or guests of any of the preceding, who by



negligence or willful act causes the Party Wall to be exposed to the elements, or otherwise damaged or destroyed, shall bear the whole cost of furnishing the necessary protection against such element, or of the repair of such damage of destruction.

(g) Contribution Right Runs With Land. The right of any Townhome Owner to contribution from any other Townhome Owner under this Paragraph shall be appurtenant to the land and shall pass to such Townhome Owner's successors in title.

(h) Indemnity. Each Owner agrees to indemnify the Declarant, the Association and the other Party Wall Co-Owner for injury or personal or property damage, when such injury or damage shall result from, arise out of, or be attributable to its failure to perform or comply with its duties and obligations under this Article.

**ARTICLE V
COVENANTS FOR ASSESSMENTS**

SECTION 1. Creation of the Lien and Personal Obligation of Assessments. Each Lot Owner covenants and agrees to pay to the Association the following assessments (collectively the "Assessments" or "Assessment"):

- (a) Annual Assessments;
- (b) Special Assessments;
- (c) Insurance Assessments;
- (d) Ad Valorem Tax Assessments;
- (e) Working Capital Assessments; and
- (f) Individual Assessments.

The Assessments, together with late fees, costs, and Reasonable Attorneys' Fees, shall be a charge on the land and shall be a continuing lien upon the respective Lot against which the Assessments are made. Each such Assessment, together with late fees, costs and Reasonable Attorneys' Fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the Assessment fell due.

Notwithstanding the preceding, and in addition to the Assessments described hereabove, assessments as more particularly described in the Master Declaration (hereinafter, "Master Association Assessments") shall be due and payable to the Master Association and shall exist as a charge on the land and shall be a continuing lien upon the respective Lot against which the same are made. As of the date hereof, the Master Association Assessments include, but are not limited to, the following one-time assessments, which shall be collected from the first purchaser from Declarant of an improved Lot within the Planned Community; (i) a "Developer/Builder Amenity Contribution" in the amount of \$1,000.00; and (ii) a "Master Association Working Capital Contribution" in the amount of \$200.00. In the event that Declarant pays either of the Developer/Builder Amenity Contribution or Master Association Working Capital Contribution to the



Master Association, each Owner shall reimburse Declarant at the closing of the sale of the respective Lot from Declarant to Owner.

SECTION 2. Purpose of Annual Assessments. The Annual Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and residents of the Planned Community and for the maintenance, repair, improvement, and replacement of the Common Areas. The funds arising from said assessments or charges, may be used for any or all of the following purposes: operation, maintenance and improvement of the Common Areas, including payment of utilities; enforcing this Declaration; paying taxes, insurance premiums, legal and accounting fees and governmental charges; establishing and funding reserve accounts; establishing working capital; paying dues and assessments to any organization or Master Association or other association of which the Association is a member; and in addition, doing any other things necessary or desirable as determined by the Executive Board to keep the Common Areas in good operating order and repair.

SECTION 3. Annual Assessments. The Executive Board shall adopt a proposed annual budget at least sixty (60) days before the beginning of each fiscal year of the Association. Within thirty (30) days after adoption of the proposed budget for the Planned Community, the Executive Board shall provide to all of the Lot Owners a summary of the budget and notice of a meeting to consider its ratification, including a statement that the budget may be ratified without a quorum. The budget is ratified unless at the meeting a majority of all of the Lot Owners in the Association rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Lot Owners shall be continued until such time as the Lot Owners ratify a subsequent budget proposed by the Executive Board. The Annual Assessment for each Lot shall be established based on the annual budget thus adopted; provided, however, that the first Annual Assessment may be set by the Declarant prior to the conveyance of the first Lot to an Owner. The date in each Fiscal Year upon which the Annual Assessment shall become due and payable shall be established by the Executive Board. The Executive Board shall have the authority to require the Assessments to be paid in periodic installments. 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.

SECTION 4. Special Assessments. In addition to the Annual Assessments authorized above, the Association may levy, in any assessment year, a Special Assessment applicable to such year only for the following purposes:

(a) To defray, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas including fixtures and personal property related thereto, provided that any such Special Assessment shall have the assent of at least fifty one percent (51%) of the Owners who are voting in person or by proxy at a meeting duly called for this purpose. Written notice of any meeting of Owners called for the purpose of approving such Special Assessment shall be sent to all Members not less than ten (10) days or more than sixty (60) days in advance of the meeting.

(b) Without a vote of the Members, to provide funds to pay an insurance deductible that the Association, in the Board's discretion, is not adequately funded to cover the expense.



(c) Without a vote of the Members, to provide funds to reimburse the Declarant as provided for in these Declarations.

SECTION 5. Insurance Assessments. All premiums on insurance policies purchased by the Executive Board or its designee and any deductibles payable by the Association upon loss shall be a Common Expense, and the Association may at any time levy against the Owners equally an "Insurance Assessment", in addition to the Annual Assessments, which shall be in an amount sufficient to pay the cost of all such deductibles and insurance premiums not included as a component of the Annual Assessment.

SECTION 6. Ad Valorem Tax Assessments. All ad valorem taxes levied against the Common Areas, if any, shall be a common expense, and the Association may at any time of year levy against the Owners equally an "Ad Valorem Tax Assessment", in addition to the Annual Assessments, which shall be in an amount sufficient to pay ad valorem taxes not included as a component of the Annual Assessment.

SECTION 7. Working Capital Assessments.

(a) To the Master Association. Pursuant to the Master Declaration, upon acquisition of record title to a Lot by the first Owner other than the Declarant, such first Owner shall pay the sum of one thousand no/100 Dollars (\$1,000.00) to the Master Association as working capital to be used for operating and capital expenses of the Master Association. Such amounts paid for working capital are not to be considered as advance payment of the Annual or any other Assessments. Working Capital Assessment amounts may be adjusted by the Master Association in accordance with its processes at its sole discretion.

(b) To the Association. Upon acquisition of record title to a Lot by the first Owner other than the Declarant, such first Owner shall pay the sum of one thousand no/100 Dollars (\$1,000.00) to the Association as working capital to be used for operating and capital expenses of the Association. Such amounts paid for working capital are not to be considered as advance payment of the Annual or any other Assessments. Working Capital Assessment amounts may be adjusted by the Board at its sole discretion.

SECTION 8. Individual Assessments. In addition to the other Assessments set forth in this Article V, the Executive Board may levy an Individual Assessment against specific Lot(s) for the following purposes:

- (a) For the payment of those amounts levied against any Lot pursuant to Article III Section 6(d);
- (b) For the payment of those amounts levied against any Lot pursuant to Article IV Section 6 (e);
- (c) For the payment of those amounts levied against any Lot pursuant to Article VIII Section 3; or
- (d) For the payment of those amounts levied against any Lot pursuant to Article IX, Sections 2(a) and (b); and



(e) For the payments of those amounts levied against any Lot pursuant to provisions of this Declaration, as the same may be amended from time to time, that authorize the Executive Board to levy Individual Assessments.

SECTION 9. Rate of Assessment. All Assessments except Individual Assessments shall be levied at a uniform rate against all Lots.

SECTION 10. Commencement of Assessments.

(a) **Master Association Assessments.** Master Association Assessments shall be administered pursuant to the Master Declaration, and shall commence against a Lot, upon the submission of that Lot to the terms and conditions of the Master Declaration.

(b) **Association Assessments.** Assessments pursuant to this Declaration for each Lot shall commence upon the date of acceptance by an Owner of a deed from Declarant. Notwithstanding any other provisions of this Declaration, the Declarant shall not be obligated for, nor subject to, any Annual Assessment or Special Assessment for any Lot or other property that it owns within the Planned Community provided, however, that the Declarant shall be responsible for paying the difference between: (i) the operating expenses of the Association; and (ii) the total operating revenues of the Association from all sources (said difference being hereinafter referred to as the "Operating Deficit"). For purposes of this Section, the term "operating expenses" shall not include contributions to any reserves for replacement, operating reserves, depreciation reserves, capital expenditures, or special assessments.

SECTION 11. Effect of Nonpayment of Assessments and Remedies of the Association. Any Assessment or installment thereof not paid within thirty (30) days after the due date shall be subject to late fees in accordance with the Act. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Owner's Lot, pursuant to applicable law. The Association may collect Reasonable Attorneys' Fees from any Owner for attorney's fees incurred by the Association as a result of any Owner's failure to timely pay any Assessment or installment thereof. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Areas or abandonment of his Lot. All unpaid installment payments of Assessments shall become immediately due and payable if an Owner fails to pay any installment within the time permitted. The Association may also establish and collect late fees for delinquent installments.

SECTION 12. Lien for Assessments. The Association may file a lien against a Lot when any Assessment levied against said Lot remains unpaid for a period of thirty (30) days or longer.

(a) The lien shall constitute a lien against the Lot when and after the claim of lien is filed of record in the office of the Clerk of Superior Court of the county in which the Lot is located. The Association may foreclose the claim of lien in like manner as a mortgage on real estate under power of sale under Article 2A of Chapter 45 of the General Statutes. Fees, charges, late charges, fines, interest, and other charges imposed pursuant to (but not limited to) N.C.G.S. §47F-3-102, §47F-3-107, §47F-3-107.1, §47F-311, and §47F-3-116, of the Act are enforceable as Assessments.



(b) The lien under this section shall be prior to all liens and encumbrances on a Lot except (i) liens and encumbrances (specifically including, but not limited to, a mortgage or deed of trust on the Lot) recorded before the docketing of the claim of lien in the office of the Clerk of Superior Court, and (ii) liens for real estate taxes and other governmental assessments and charges against the Lot.

(c) The lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within three years after the docketing of the claim of lien in the office of the Clerk of Superior Court.

(d) Any judgment, decree, or order in any action brought under this section shall include costs and Reasonable Attorneys' Fees for the prevailing party.

(e) Where the holder of a first mortgage or deed of trust of record, or other Purchaser of a Lot obtains title to the Lot as a result of foreclosure of a first mortgage or first deed of trust, such Purchaser and its heirs, successors and assigns shall not be liable for the Assessments against the Lot which became due prior to the acquisition of title to the Lot by such Purchaser. The unpaid Assessments shall be deemed to be Common Expenses collectible from an of the Lot Owners including such Purchaser, its heirs, successors, and assigns.

(f) A claim of lien shall set forth the name and address of the Association, the name of the record Owner of the Lot at the time the claim of lien is filed, a description of the Lot, and the amount of the lien claimed.

**ARTICLE VI.
RIGHTS OF DECLARANT**

In addition to any and all other rights, powers and privileges reserved to the Declarant in this Declaration, the Declarant shall have, and there are hereby reserved to the Declarant, as part of the Special Declarant Rights defined in Article I, Section 23, of this Declaration, the following rights, powers and privileges.

SECTION 1. Architectural Control Committee/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, until expiration of the Declarant Control Period. The Declarant shall be entitled during the Declarant Control Period to appoint and remove the officers of the Association and members of the Executive Board.

SECTION 2. Plan of Planned Community. The right to change, alter or redesignate the allocated planned, platted, or recorded use or designation of any of the lands constituting the Planned Community including, but not limited to, the right to change, alter or re-designate road, utility and drainage facilities and easements and to change, alter or re-designate such other present and proposed amenities, Common Areas, or facilities as may in the sole judgment and discretion of Declarant be necessary or desirable. The rights reserved in this Section specifically include, but are not limited to, the right of the Declarant to redesignate, change or alter any platted Lot(s) into road(s).The Declarant hereby expressly reserves unto itself, its successors and



assigns, the right to re-plat any one (1) or more Lots 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 recombination shall be treated as one Lot for purposes of Assessments); to eliminate from this Declaration or any plats of the Planned Community Lots that are not otherwise buildable or are needed or desired by Declarant for access or are needed or desired by Declarant for use as public or private roads or access areas, whether serving the Planned Community 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 Areas. The Declarant need not develop, or develop in any particular manner, any lands now owned or hereafter acquired by the Declarant, including any lands shown on plats of the Planned Community as "Future Development". Any such lands shall not be subject to this Declaration unless Declarant expressly subjects them hereto by filing of a supplemental declaration in the Register of Deeds office of the county where the Planned Community is located. Declarant is required by the North Carolina Division of Energy, Mineral, and Land Resources ("DENR") to state herein the maximum allowed built-upon area for all Lots, which Declarant has planned to develop within the Planned Community. By listing the maximum built-upon area herein for all such Lots, Declarant does not obligate itself to develop in any particular manner or for any particular uses any lands now owned or hereinafter acquired by Declarant which are not shown as Lots on the recorded Plat, or which are not shown as Lots on any subsequently recorded plats showing Lots that are made part of the Planned Community.

SECTION 3. Amendment of Declaration by the Declarant. This Declaration may be amended by the Declarant without approval of the Members or the Board of the Association, as the case may be, as follows:

- (a) in any respect at any time during the Declarant Control Period;
- (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 as otherwise permitted under this Declaration;
- (f) to accomplish the purposes of Article VI, Section 2 above; and,
- (g) to conform, by amendment or otherwise, 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 or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by, or under the substantial control of the United States Government 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 property, including, without limitation, ecological controls, construction standards, aesthetics, and matters affecting the public health, safety and general welfare. A letter from an official of any such corporation or agency, including, without limitation, the Department of Veterans 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 shall be sufficient evidence of the approval of such corporation or agency, provided that the changes made substantially conform to such request or suggestion. The Declarant may at any time amend this Declaration to change the maximum allowable built-upon area as permitted by DENR. 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.

SECTION 4. Annexation of Additional Property. Declarant may annex to and make a part of the Planned Community any Additional Property without the consent of the Association or any Lot Owners. Except for the annexation of Additional Property by the Declarant, the annexation of Additional Property to the Planned Community shall require the assent of the Owners of Lots to which at least sixty-seven percent (67%) of the votes of the Class A Members who are voting in person or by proxy at a meeting called for this purpose are allocated; provided, however, Additional Property may be annexed to the Planned Community by the Declarant or any assignee of Special Declarant Rights without the assent of the Owners of Lots so long as the Additional Property is used for residential purposes, roads, utilities, drainage facilities, amenities, landscape areas, and other facilities not inconsistent with residential developments. Subdivisions or Planned Communities formed from Additional Property need not have the same name as prior portions of the Planned Community.

SECTION 5. Conveyance of Property to the Association. Declarant may convey to the Association, any real property or interest in real property owned by Declarant and intended to exist as a Common Area hereunder. Title to such Common Areas shall be conveyed to the Association at such time as may be determined by Declarant in its sole discretion, or when required by the Code or Act. The Association shall accept all Common Areas deeded to it and/or dedicated to it on any recorded Subdivision Plat of the Property, including any improvements installed thereon by Declarant. The Association shall be responsible for the Maintenance of all Common Areas (whether or not conveyed or to be conveyed to the Association) in a continuous and satisfactory manner provided, however, Declarant, in its sole discretion may elect, but shall not be obligated, to maintain such Common Areas in such manner as Declarant deems reasonable prior to its conveyance of such Common Area(s) to the Association. The conveyance or transfer of Common Areas shall be by recordable deed, with the real property in a completed and well maintained condition. Subject to any rights it may have under the Act, the Association shall be deemed to have assumed and agreed to pay all continuing obligations and services and similar contracts relating to the ownership, maintenance and operation of the Common Area and



other obligations relating to the Common Area imposed herein. The Association hereby accepts such dedication(s) or conveyance(s) without setoff, condition, or qualification of any nature.

ARTICLE VII.

USE RESTRICTIONS. ARCHITECTURAL CONTROL AND MAINTENANCE

SECTION 1. Approval of Plans for Building and Site Improvements. No dwelling, wall or other structure shall be commenced, erected, or maintained upon any Lot, nor shall any exterior addition to or change in or alteration therein (including painting unpainted exterior surfaces or painting of exterior surfaces involving a color change) be made until the plans and specifications showing the nature, kind, shape, heights, materials, colors and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Control Committee. If the Architectural Control Committee fails to approve or disapprove such design and location within forty-five (45) days after said plans and specifications have been submitted to it, approval will not be required and full compliance with this Article will be deemed to have occurred. Refusal or approval of any such plans, location, or specification may be based upon any ground, including purely aesthetic and environmental considerations that in the sole and uncontrolled discretion of the Architectural Control Committee shall be deemed sufficient. One copy of all plans and related data shall be furnished to the Architectural Control Committee for its records. The Architectural Control Committee shall not be responsible for any structural or other defects in plans and specifications submitted to it or in any structure erected according to such plans and specifications. Notwithstanding the preceding, or anything else contained in the Governing Documents to the contrary, an Owner's right to submit any application to the Architectural Control Committee shall be suspended for any period during which any Assessments against the Owner's Lot remain unpaid for at least thirty (30) days or for any period that the Owner or Owner's Lot is otherwise in violation of any Governing Documents as more particularly described in Article IX Section 2 (c). Further, a failure to abide by any conditional approval of the Architectural Control Committee or an unapproved alteration or modification performed without Architectural Control Committee approval shall be deemed a violation of the Governing Documents.

SECTION 2. Minimum Standards for Site Improvements.

(a) 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 Townhome 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.

(b) Architectural Control Guidelines. During the Declarant Control Period, Declarant shall have the right to establish, revise and amend certain Architectural Control Guidelines applicable to the Planned Community. Any such document shall be recorded in the Brunswick



County Registry. Upon the end of the Declarant Control Period, such rights shall be exercisable by the Association.

SECTION 3. Use Restrictions.

(a) Land Use and Building Type. No Lot shall be used for any purpose except for residential purposes, subject, however, to the rights of the Declarant contained herein. All Lots are restricted for construction of one single family dwelling.

(b) Nuisances. No noxious 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 Planned Community. 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, unpleasant or other nature as may 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 unkept condition of buildings or grounds on the Owner's Lot which would tend to decrease the beauty of the Planned Community as a whole or the specific area.

(c) Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, shed, barn or other outbuilding shall be used on any Lot any time as a residence either 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 Townhome except that domesticated dogs, domesticated cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and provided further that they are not allowed to run free, are at all times kept properly leashed or under the control of their owner and do not become a nuisance. No more than three (3) household pets per Townhome shall be permitted at any time. For purposes of this restriction, offspring born to a permitted animal may be kept for a period not to exceed twelve (12) weeks after birth.

(f) TV Satellite Dishes and Outside Antennas. No TV satellite signal receiving dishes are permitted on any Lot and no outside radio or television antennas shall be erected on any Lot or Townhome unless and until permission for the same has been granted by the Architectural Control Committee; provided, however, satellite dishes not over eighteen inches (18") in diameter which cannot be seen from the street or any Common Area are permitted.

(g) Construction in Common Areas. Other than Declarant, no Person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Areas except at the direction or with the express written consent of the Executive Board. Owners' personal items may not be placed in the Common Areas without prior approval of the Board of Directors.

(h) Signs. No signs (including "for sale" or "for rent" signs), other than political signs (as defined in §47F-3-121 of the Act), shall be permitted on any Lot or in the Common Areas without permission of the Executive Board; provided, however, the Declarant may, so long as Declarant owns any Lot, maintain for sale signs on Declarant's Lots and maintain signs and



marketing materials on the Common Areas advertising the Planned Community. Additionally, Declarant, and its successors and or assigns shall have the ability to maintain marketing materials in the subdivision as long as they or the developer owns lots.

(i) Subdividing. Subject to any rights reserved to the Declarant herein, no Lot shall be subdivided, or its boundary lines changed except with the prior written consent of the Declarant during the Declarant Control Period and thereafter by the Executive Board.

(j) Flags/Statuary. No flags, outdoor statuary, or other decorative objects may be placed on any Lot unless and until permission for the same has been granted by the Architectural Control Committee. Notwithstanding any other provision in this Section, either the American Flag or the North Carolina flag having the maximum dimensions of four feet by six feet (4' x 6') may be flown on a pole no longer than 5 feet 6 inches from a pole holder attached to the home in an approved location which can be reached by hand from the ground below so as to be easily installed and removed. No flagpoles shall be installed in any other locations on any Lot. Flags will be displayed in accordance with traditional rules and patriotic customs set forth in 4 U.S.C. §5-10, as amended, governing the display and use of the American Flag. The Association may display the American Flag or the North Carolina flag from flagpoles or otherwise on any Common Area. However, any Lot used as a Model Home shall be allowed to have any size, type, or number of flags.

(k) Rules & Regulations. During the Declarant Control Period, Declarant shall have the right to establish, revise and amend certain additional Rules and Regulations applicable to the Planned Community. Any such document shall be recorded in the Brunswick County Registry. Upon the end of the Declarant Control Period, such rights shall be exercisable by the Association.

ARTICLE VIII. STORMWATER PERMIT/FACILITIES

SECTION 1. Stormwater Permit. The Association and each of its Members agree that at any time after (i) all work required under the Stormwater Permit has been completed (other than operation and maintenance activities), and (ii) the Developer is not prohibited under DENR regulations from transferring the Stormwater Permit for the Planned Community to the Association, the Association will cause its officers, without any vote or approval of Lot Owners, and within 10 days after being requested to do so, to sign all documents required by DENR for the Stormwater Permit to be transferred to the Association and will accept a deed conveying such facilities to the Association (if not already deeded); provided, however, that at the time the Developer requests that the Association accept transfer of the Stormwater Permit, the Developer has delivered to the Association a certificate from an engineer licensed in the State of North Carolina, dated no more than forty-five (45) days before the date of the request, that all stormwater retention ponds, swales and related facilities are constructed in accordance with the plans and specifications therefor and are otherwise in compliance with the applicable Permit. If the Association fails to cause the documents required by this paragraph to be signed by its officers or to accept a deed conveying such facilities, the Developer shall be entitled to specific performance in the courts of North Carolina requiring that the Association's officers sign all documents necessary for the Stormwater Permit to be transferred to the Association and accept



a deed conveying such facilities to the Association. Failure of the Association's officers to sign as provided herein shall not relieve the Association of its obligations to operate and maintain the stormwater facilities covered by the Stormwater Permit.

SECTION 2. Stormwater Facilities Operation and Maintenance. Any stormwater retention ponds and related facilities (except drainage swales and drainage related improvements on private lots) for the Planned Community which have or are to be constructed by or on behalf of Declarant constitute Common Areas and, subject only to the provisions of Section 3 of this Article VIII, the Association, at its sole cost and expense, is responsible for the operation and maintenance of such facilities. Such operation and maintenance shall include, but not be limited to, compliance with all of the terms and obtaining any renewals of the Stormwater Permit.

(a) **Indemnification of Declarant.** Except as provided in Section 3 of this Article VIII, 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 holder of the Permit from and after the date Declarant tenders transfer of the Permit to the Townhome Association following the approval of such transfer by DENR 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 Section 2(a).

SECTION 3. Damage to Stormwater Facilities. The Declarant shall, at its sole cost and expense, be responsible for repairing any damage to stormwater facilities caused by the Declarant's development activities. The Declarant shall not be responsible for damages to stormwater retention ponds and related facilities caused by any other cause whatsoever, including but not limited to construction of residences or other activities by Owners, their agents and contractors, upon their Lots, acts of God, or the negligence of others. Lot Owners shall be responsible for damages to such stormwater facilities caused by Owners activities. Each Owner, shall within thirty (30) days after receipt of notice of damage to stormwater facilities, repair the damage at the Owner's sole cost and expense to return them to the state required by the stormwater plans and specifications for the Planned Community. If the Lot Owner fails to do so within said thirty (30) day period, the Association shall perform the work and the cost of the work shall be added to the Annual Assessment due from the Lot Owner or assessed against such Owner and his or her Lot as an Individual Assessment.

SECTION 4. Enforcement of Stormwater Runoff Regulations.

(a) The following covenants are intended to ensure ongoing compliance with the Stormwater Permit attached hereto as **Exhibit "B"**.

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

(d) The covenants pertaining to stormwater may not be altered or rescinded without the express written consent of DENR.



(e) Alteration of the drainage as shown on the approved plan may not take place without the concurrence of DENR.

(f) The maximum allowable built-upon area per Lot is as follows:

Lots	BUA
1-47	3500 sf

Lots	
48,50-52, 54, 56, 57, 59, 61, 62, 64, 67, 69, 71, 96, 98, 100, 101, 103, 104, 141, 142, 144, 146, 148, 149, 150, 153, 154, 155, 156, 159-161, 163, 165-167, 170-173, 176, 177, 200, 201, 204-206, 208, 210, 211, 213-215, 218-220, 223-226, 229-231, 233-236, 238, 239, 241-244, 247-250, 253-256, 259-262, 264, 265, 267, 269-271, 274-276, 278-280, 282, 283	2,100 sf

Lots	
49, 53, 55, 58, 60, 63, 65, 68, 70, 97, 99, 102, 143, 147, 151, 152, 158, 162, 164, 168, 169, 174, 175, 202, 203, 207, 209, 212, 216, 217, 221, 222, 227, 228, 232, 237, 240, 245, 246, 251, 252, 257, 258, 263, 266, 268, 272, 273, 277, 281	1,650 sf

Lots	
72-95, 105-140, 178-193	1450 sf

This allotted amount includes any built-upon area constructed within the Lot property boundaries, and that portion of the right-of-way between any Lot line and the edge of the pavement. Built upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, and coquina, but does not include raised, open wood decking, or the water surface of swimming pools.

(g) All runoff from the built-upon areas on the lot must drain into the permitted system. This may be accomplished through providing roof drain gutters, which drain to the pond or street, grading the lot to drain toward the street or directly into the pond, or grading perimeter swales and directing them into the pond or street.



(h) Built-upon area in excess of the permitted amount will require a permit modification to ensure compliance with the permit and stormwater rules.

(i) A 50-foot wide vegetative setback must be provided and maintained adjacent to all surface waters, measured horizontally from the normal pool elevation of impounded structures, from the top of bank of each side of streams or rivers, and from the mean high waterline of tidal waters, perpendicular to the shoreline.

(j) Any individual or entity found to be in noncompliance with the provisions of a stormwater management permit or the requirements of the Stormwater Rules is subject to enforcement procedures as set forth in N.C.G.S. 143, Article 21.

**ARTICLE IX.
LOTS SUBJECT TO DECLARATION / ENFORCEMENT**

SECTION 1. Lots Subject to Declaration. The covenants and restrictions contained in this Declaration are for the purpose of protecting the value and desirability of the Planned Community and the Lots. All present and future Owners, tenants and occupants of Lots and their guests or invitees, shall be subject to, and shall comply with the provisions of the Declaration and any other Association governing documents, and as the Declaration may be amended from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any Lot shall constitute an agreement that the provisions of the Declaration are accepted and ratified by such Owner, tenant, or occupant. The covenants and restrictions of this Declaration shall run with and bind the land and shall bind any Person having at any time any interest or estate in any Lot, their heirs, successors and assigns, as though such provisions were made a part of each and every deed of conveyance or lease, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless terminated by the Lot Owners.

SECTION 2. Enforcement and Remedies. The covenants and restrictions of this Declaration shall inure to the benefit of and be enforceable (by proceedings at law or in equity) by the Association, or the Owner of any Lot, their respective legal representatives, heirs, successors and assigns. The Association shall be entitled to enforce its Articles of Incorporation, Bylaws, and rules and regulations and this Declaration, and any other Association governing documents and to collect from any Owner the Reasonable Attorneys' Fees incurred by Association in enforcing the same. In addition to the remedies otherwise provided for herein concerning the collection of Assessments, the following remedies shall be available:

(a) **Association to Remedy Violation.** In the event an Owner (or other occupant of a Lot) is in violation of or fails to perform any maintenance or other activities required by this Declaration, the Association's Bylaws, Articles of Incorporation, or rules and regulations, and any other Association Governing Documents, the Executive Board, after thirty (30) days' notice, may enter upon the Lot and remedy the violation or perform the required maintenance or other activities, all at the expense of the Owner. The full amount of the cost of remedying the violation or performing such maintenance or other activities shall be chargeable to the Lot, including collection costs and Reasonable Attorneys' Fees. Such amounts shall be due and payable within thirty (30) days after Owner is billed. If not paid within said thirty (30) day period, the amount



thereof may immediately be added to and become an Individual Assessment levied against said Owner's Lot. In the event that any maintenance activities are necessitated to any Townhome Building or Common Areas due to the willful or negligent act of an Owner, his or her family, their tenants, or the invitees or guests of any of the preceding, at the sole discretion of the Executive Board, the cost of the same shall be the personal obligation of the Owner and if not paid to the Association upon demand, and may be added to and become an Individual Assessment levied against said Owner's Lot.

(b) Fines. The Association may, in accordance with the procedures set forth in the Act, establish a schedule of and collect fines for the violation of any Governing Documents. If an Owner does not pay the fine when due, the fine shall immediately become an Individual Assessment against the Owner's Lot and may be enforced by the Association as all other Assessments provided for herein.

(c) Suspension of Services and Privileges. The Association may, in accordance with the procedures set forth in the Act suspend all services and privileges provided by the Association to an Owner (other than rights of access to Lots) specifically including the right to submit any application to the Architectural Control Committee for any period during which any Assessments against the Owner's Lot remain unpaid for at least thirty (30) days or for any period that the Owner or the Owner's Lot is otherwise in violation of any Governing Documents.

SECTION 3. Miscellaneous. Failure by the Association or by an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The remedies provided herein are cumulative and are in addition to any other remedies provided by law.

**ARTICLE X.
GENERAL PROVISIONS**

SECTION 1. Rights of Institutional Note Holders. Any institutional holder of a first lien on a Lot will, upon request, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive an annual audited financial statement of the Association within ninety (90) days following the end of its fiscal year, (c) receive written notice of all meetings of the Association and right to designate a representative to attend all such meetings, (d) receive written notice of any condemnation or casualty loss that affects either a material portion of the Planned Community or the property securing its loan, (e) receive written notice of any sixty (60) day delinquency in the payment of Assessments or charges owed by any Owner of any Lot which is security for the loan, (f) receive written notice of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association, (g) receive written notice of any proposed action that requires the consent of a specified percentage of mortgage holders, and (h) be furnished with a copy of any master insurance policy.

SECTION 2. Utility Service. Declarant reserves the right to subject the Property or any Additional Property to contracts for the installation of utilities, including but not limited to cable TV and other services such as street lighting, which may require an initial payment and/or a continuing monthly payment by the Owner of each Lot. Each Lot Owner will be required to pay for any water connections, sewer connections, power connections, impact fees or any other



charges imposed by any entity furnishing water, sewer, power, or other utility service to the Lot(s). In the alternative, the Declarant may collect such connection, impact and other fees, and charges directly from the Lot Owners. All Lot Owners shall be required, for household purposes, to use water and sewer and power supplied by the companies/governmental units servicing the Planned Community. Separate water systems for additional outside irrigation and other outdoor uses shall not be permitted without the consent of the Architectural Control Committee.

SECTION 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

SECTION 4. Amendment of Declaration. Except in cases of amendments that may be executed by the Declarant as provided by this Declaration or by certain Lot Owners under Section 47F-2-118(b) of the Act, this Declaration may be amended by affirmative vote or written agreement signed by Owners of Lots to which at least sixty seven percent (67%) of the votes in the Association are allocated, or by the Declarant if necessary for the exercise of any Special Declarant Right or any other development right reserved to the Declarant herein.

SECTION 5. Limitations on Amendments Affecting Declarant's Rights. No amendment shall be permitted which changes the rights, privileges and obligations of the Declarant without the prior written consent of Declarant.

SECTION 6. Conflict. In the event of a conflict between the provisions of this Declaration and the Bylaws of the Association, this Declaration shall prevail, except to the extent this Declaration is inconsistent with the Act.

SECTION 7. North Carolina Planned Community Act. It is the intent of the Declarant to comply with the requirements imposed on the Planned Community by the Act and to the extent any of the terms of this Declaration violate the Act, the terms of the Act shall control.

SECTION 8. Gender and Number. As used in this Declaration, the masculine, feminine and neuter gender, and the singular and plural numbers, whenever the context requires or permits, shall each be deemed to include the other genders or numbers respectively.

SECTION 9. Captions. The captions in this Declaration are inserted only as a matter of convenience and for reference and they in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

SIGNATURE APPEARS ON THE FOLLOWING PAGE

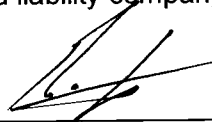


IN WITNESS WHEREOF, Declarant has caused this Declaration to be signed as of the day and year first above written.

DECLARANT

RABON NC, LLC, a Virginia limited liability company

By: **TMPR, LLC**
a Virginia limited liability company,
its Manager

By:  (SEAL)
Raymond L. Gottlieb
Manager of TMPR, LLC

COMMONWEALTH OF VIRGINIA

CITY OF VIRGINIA BEACH

I, the undersigned Notary Public do hereby certify that Raymond L. Gottlieb, the Manager of TMPR, LLC, a Virginia limited liability company, the Manager of Rabon NC, LLC, personally appeared before me this day and acknowledged to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated.

Date: 5/13/2024


Notary Public Signature

Cynthia G. Shank
Notary Public Printed Name

My Commission Expires: 10/31/2028

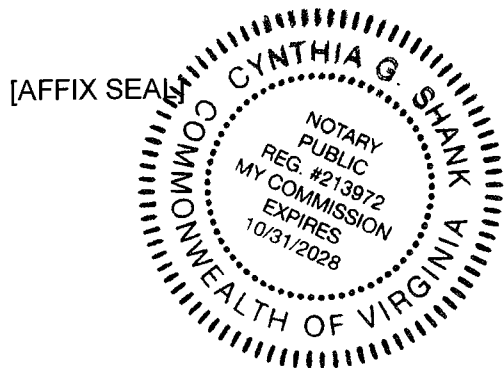




EXHIBIT "A"

ALL AND SINGULAR, those certain pieces, parcels or tracts of land situate, lying and being in Leland Township, Brunswick County, North Carolina being more particularly shown and depicted as **LOTS 194 through 210 inclusive and LOTS 215 through 218 inclusive**, on that certain map or plat entitled "*Final Plat of Riverwalk Pointe Phase 1 Lots 194 – 275*" prepared by Timmons Group and recorded on September 12, 2025 in Map Cabinet 170 at Pages 42 - 47, records of Brunswick County, North Carolina.

Derivation: This being a portion of the property conveyed to Rabon NC, LLC by Deed recorded in Book 4725 at Page 988, Records of Brunswick County, North Carolina.



EXHIBIT "B"

Stormwater Permit



TOWN OF LELAND
STORMWATER MANAGEMENT DIVISION
STORMWATER MANAGEMENT PERMIT
PERMIT NO. LSW 23-04-MOD
HIGH DENSITY DEVELOPMENT

In accordance with the provisions of Chapter 26 of the Town of Leland Code of Ordinances

PERMISSION IS HEREBY GRANTED TO

Rabon NC, LLC
448 Viking Drive, Suite 220
Virginia Beach, VA 23452

Riverwalk Pointe

For the construction, operation and maintenance of four wet detention ponds in compliance with the provisions of Chapter 26 of the Town of Leland Code of Ordinances (hereafter referred to singly and collectively as the “stormwater rules”) and approved stormwater management plans and specifications, and other supporting data as attached and on file with and approved by the Stormwater Management Division and considered a part of this permit.

The permit shall be effective from the date of issuance until rescinded and shall be subject to the following specific conditions and limitations:

I. Design Standards

1. This permit is effective only with respect to the nature and volume of stormwater described in the application and other supporting data.
2. This stormwater system has been approved for the management of stormwater runoff as described in sections I.8 and I.9 of this permit. The stormwater control has been designed to handle runoff from **928,030** square feet of impervious area.
3. The tract will be limited to the amount of built-upon area indicated in sections I.8 and I.9 of this permit and as shown on the approved plans.
4. All stormwater collection and treatment systems must be located in either dedicated common areas or recorded easements. The final plats for the project will be recorded showing all such required easements in accordance with the approved plans.
5. The runoff from all built-upon area within the permitted drainage area of this project must be directed into the permitted stormwater control system.



6. The project will maintain a minimum 50-foot-wide undisturbed vegetative buffer adjacent to surface waters, if applicable, as required by Section 26-126 of the Town of Leland Code of Ordinances.
7. All runoff directed into wetlands shall flow into and through the wetlands at a non-erosive velocity.
8. The following design criteria have been permitted for the wet detention pond and must be provided and maintained at design condition.

		DA 1	DA 2	DA 3
A	Drainage Area, acres:	5.77	8.56	25.27
	Onsite, ft ² :	157,894	327,574	1,047,745
	Offsite, ft ² :	93,631	45,153	53,243
B	Total Impervious, ft ² :	66,528	166,804	694,698
	Onsite Buildings, ft ² :	45,500	119,000	422,800
	Onsite Streets, ft ² :	12,420	34,884	183,060
	Onsite Parking, ft ² :	0	0	0
	Onsite Sidewalks, ft ² :	4,600	12,920	58,220
	Onsite Other, ft ² :	4,008	0	29,618
	Future, ft ² :	0	0	1,000
C	Design Storm, inches:	1.5	1.5	1.5
D	TSS removal efficiency:	Primary	Primary	Primary
E	Temporary Pool Elevation, FMSL:	18.77	12.34	15.76
F	Permanent Pool Elevation, FMSL:	18.00	11.50	14.25
G	Depth of Main Pool, ft:	4.00	4.73	4.79
H	Permanent Pool Surface Area, ft ² :	9,485	20,424	40,842
I	Sediment Cleanout Elevation Main Pond, FMSL:	13.00	5.00	8.00
J	Bottom Elevation Main Pond, FMSL:	12.00	4.00	7.00
K	Permitted Storage Volume, ft ³ :	37,897	96,562	195,821
L	Controlling Orifice Diameter, inches:	1.5	2.5	3.5
M	Permitted Forebay Volume, ft ³ :	5,854	16,975	31,965
N	Receiving Stream/River Basin:	Mallory Creek	Mallory Creek	Mallory Creek
O	Stream Index Number:	18-78	18-78	18-78
P	Classification of Water Body:	C	C	C



II. SCHEDULE OF COMPLIANCE

1. The Stormwater Management System shall be constructed in its entirety, vegetated, and operational for its intended use prior to the construction of any built-upon surface.
2. During construction, erosion shall be kept to a minimum and any eroded areas of the system will be repaired immediately.
3. The permittee shall at all times provide the operation and maintenance necessary to ensure the permitted stormwater system functions at optimum efficiency. The approved Operation and Maintenance Plan must be followed in its entirety and maintenance must occur at the scheduled intervals including, but not limited to:
 - a. Semiannual scheduled inspections (every 6 months).
 - b. Sediment removal.
 - c. Mowing and revegetation of slopes and vegetative filters.
 - d. Immediate repair of eroded areas.
 - e. Maintenance of all slopes in accordance with approved plans and specifications.
 - f. Debris removal and, as applicable, unclogging of bypass structure, outlet structure, orifice device, flow spreader, catch basins and piping.
 - g. A clear access path to the outlet structure must be available at all times.
4. The facilities shall be constructed as shown on the approved plans. This permit shall become voidable unless the facilities are constructed in accordance with the conditions of this permit, the approved plans and specifications, and other supporting data.
5. If the stormwater system is used as an erosion control device, it must be restored to design condition prior to operation as a stormwater treatment device, and prior to occupancy of the facility.
6. A copy of the approved plans and specifications shall be maintained on file by the Permittee for a minimum of ten years from the date of completion of construction.
7. Records of maintenance activities must be kept for each permitted SCM. The reports will indicate the date, activity, name of person performing the work, and what actions were taken.
8. Upon completion of construction, prior to the issuance of a Certificate of Occupancy, and prior to operation of this permitted facility, a certification must be received from an appropriate designer for the system installed certifying that the permitted facility has been installed in accordance with this permit, the approved plans and specifications, and other supporting documentation. Any deviations from the approved plans and specifications must be noted on the certification. A modification may be required for those deviations.
9. Access to the stormwater facilities shall be maintained via appropriate easements at all times.
10. The Permittee shall submit to the Town's Stormwater Administer and shall have received approval for revised plans, specifications and calculations prior to construction, for any modification to the approved plans, including but not limited to:
 - a. Any revision to the approved plans regardless of size.
 - b. Project name change.
 - c. Transfer of ownership.
 - d. Redesign or addition to the approved amount of built-upon area.
 - e. Further subdivision, acquisition, or sale of the project area, in whole or in part. The project area is defined as all property owned by the permittee, for which a Sediment and Erosion Control plan approval, CAMA Major permit or Stormwater Management permit was sought.
 - f. Filling in, altering or piping any vegetative conveyances shown on the approved plan, except the minimal driveway crossings.



11. The permittee shall submit final site layout and grading plans for any permitted future areas shown on approved plans, prior to construction.
12. The Town's Stormwater Administer may notify the permittee when the permitted site does not meet one or more of the minimum requirements of the permit. Within the timeframe specified in the notice, the permittee shall submit a written time schedule to the director for modifying the site to meet the minimum requirements. The permittee shall provide copies of revised plans and certification in writing to the Town's Stormwater Administer that the changes have been made.
13. Before any lot may be recorded with the Register of Deeds Office, the appropriate deed restrictions and protective covenants must be approved by the Town's Stormwater Administer and recorded with the Register of Deeds.
14. Before any lot may be recorded with the Register of Deeds Office, the appropriate SCM Operation and Maintenance Agreements will be filed with the Town's Stormwater Administer.



III. General Conditions

1. Failure to abide by the conditions and limitations contained in this permit may subject the permittee to an enforcement action by the Town of Leland, in accordance with Chapter 26 of the Town Code.
2. The permit issued shall continue in force and effect until revoked or terminated.
3. The permit may be modified, revoked, and reissued or terminated for cause. The filing of a request for permit modification, revocation and reissuance, or termination does not stay in any permit condition.
4. The issuance of this permit does not prohibit the Town's Stormwater Administer from reopening and modifying the permit, revoking and reissuing the permit, or terminating the permit as allowed by laws rules and regulations.
5. Unless specified elsewhere, permanent seeding requirements for stormwater controls must follow the guidelines established in the latest version of the North Carolina Erosion and Sediment Control Planning and Design Manual.
6. This permit is not transferable to any person or entity except after notice to and approval by the Town's Stormwater Administer. The Town's Stormwater Administer may require modification or revocation and reissuance of the permit to change the name and incorporate such other requirements as may be necessary. In the event of a name or ownership change, a completed Name/Address Change form or a Stormwater Permit Transfer Application must be submitted to the Town, signed by the parties involved, and accompanied by the appropriate documentation listed on the form. The approval of this request will be considered on its merits and may or may not be approved.
7. The permittee is responsible for compliance with all permit conditions until the Town's Stormwater Administer approves the permit transfer. Neither the sale of the project, in whole or in part, nor the transfer of common area to a third party, shall be considered an approved permit transfer request.
8. The permittee grants permission to Town of Leland staff to enter the property for the purpose of inspecting all components of the stormwater management facility.
9. The permittee shall notify the Town in writing of any name, ownership or mailing address changes at least 30 days prior to making any such changes.
10. The issuance of this permit does not preclude the permittee from complying with and obtaining any and all permits or approvals as required by any statutes, rules, regulations, or ordinances, which may be imposed by any Local, State or Federal government agency having jurisdiction. Any activities undertaken at this site prior to receipt of necessary permits or approvals to do so is considered a violation of Chapter 26 of the Town of Leland Code of Ordinances and is subject to enforcement procedures contained therein.
11. In the event that the facilities fail to perform satisfactorily, including the creation of nuisance conditions, the Permittee shall take immediate corrective action, including those as may be required by the Town, such as the construction of additional or replacement stormwater management systems.
12. An approved plan shall become null and void if the applicant fails to make substantial progress on the site within 18 months after the date of approval. The Town's Stormwater Administrator may grant a single, one-year extension of this time limit, for good cause shown, upon receiving a written request from the applicant before the expiration of the approved plan. In granting an extension, the stormwater administrator may require compliance with standards adopted since the original application was submitted unless there has been substantial reliance on the original permit and the change in standards would infringe the applicant's vested rights.



13. The Contractor is required to hold a pre-construction meeting and notify the Town of Leland inspector at engineering@townofleland.com 48 hours in advance of meeting and prior to starting work.

Permit issued the 24th day of June, 2025.

Signature of Approval,

Kevin Knapp, P.E.
Town Engineer



EXHIBIT "C"

Communications Services

All of the following are part of this Declaration and shall apply in addition to all other terms and provisions herein:

The Association has entered into an Agreement to Obtain Communications Services with Riverwalk Services NC, LLC, a Virginia limited liability company ("RSNC"), of even date herewith, a memorandum of which is intended to be recorded in the Office of the Register of Deeds for Brunswick County contemporaneously herewith. Such Agreement, as the same may be modified or amended, is hereinafter referred to as the "Communications Services Agreement". By a Deed of Easements intended to be recorded in the Office of the Register of Deeds for Brunswick County contemporaneously herewith, the Declarant has also granted private easements to RSNC for the exclusive provision of communications services for Riverwalk Pointe at Mallory Creek Plantation. For so long as the Communications Services Agreement remains in effect, the assessments owed by every Lot or Unit Owner to the Association will include, without limitation, provision for the payment of the "Basic Services" as defined in the Communications Services Agreement, which payment will be required regardless of whether a Lot or Unit Owner uses such Basic Services. The Communications Services Agreement requires that every Lot or Unit Owner sign and deliver to the Association, the Homeowner Agreement in the form attached to the Communications Services Agreement on or before settlement of such Lot or Unit Owner's purchase of a Lot or Unit or acquisition of record title to a Lot or Unit, whichever first occurs. The Communications Services Agreement contains additional provisions describing the services to be provided and the rights, obligations, and restrictions applicable to Lot or Unit Owners and their Lots or Units.