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FOR REGISTRATION REGISTER OF DEED
JENNIFER H. MACNEISH
NEW HANOVER COUNTY, NC
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Return to
Scott Avent
Bald Eagle Development LLC
338 Main Street
Clayton, NC 27520

STATE OF NORTH CAROLINA

DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS
FOR THE RESERVE AT SPRING
CREEK

COUNTY OF NEW HANOVER

THIS DECLARATION made the ___ day of February, 2012, by Bald Eagle Development, LLC, a North Carolina Corporation (hereinafter called "DECLARANT") for the purposes hereinafter stated

WITNESSETH

WHEREAS, Declarant is the owner of certain real property in Harnett Township, City of Wilmington, New Hanover County, North Carolina, (hereinafter referred to as the "Property") which is more particularly described as follows

All those certain lots in THE RESERVE AT SPRING CREEK, being Lots 14A and 14B according to map recorded in Map Book 52 at Page 9, together with Lots 15A and 15B according to map recorded in Book 52 at Page 11, in the New Hanover County Registry

WHEREAS, Declarant desires to subject said Property to certain protective covenants, conditions, restrictions, liens and charges as hereinafter set forth for the mutual benefit of Declarant and succeeding property owners and desires that said covenants, conditions, restrictions, liens and charges run with the land and be binding upon the Declarant, its successors and assigns

Scott Avent

NOW, THEREFORE, Declarant hereby declares that all of the Property described above shall be held, sold and conveyed subject to the North Carolina Planned Community Act as set forth in Chapter 47F of the North Carolina General Statutes (the "Act") as well as the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the Property and be binding on all parties having any right, title or interest in the described Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof

ARTICLE I
DEFINITIONS

SECTION 1 **Additional Property** shall mean any property adjacent to or within one mile of the Property which is now owned or hereafter acquired by the Declarant for purposes of development and is annexed to the Property, without the joinder or consent of the members of the Association as hereinafter provided

SECTION 2 **Allocated Interest** shall mean the Common Expense Liability and votes in the Association allocated to each lot

SECTION 3 **Architectoral Control Committee (the "ACC")** shall mean and refer to the Architectural Control Committee of the Association established under Article VII of this Declaration

SECTION 4 **Association.** shall mean and refer to THE RESERVE AT SPRING CREEK HOA, Inc , a North Carolina non-profit corporation, its successors and assigns, the owners association organized, or to be organized, for the mutual benefit and protection of the Property

SECTION 5 **Common Area** shall be used interchangeably to mean and refer to all land within the property owned by the Association, along with facilities and improvements erected or constructed thereon, for the use and enjoyment of the members of the Association, including, without limitation, any easement rights to the Community Boating Facility of ARJEAN BY THE SOUND EXTENSION in New Hanover County, North Carolina (hereinafter "Community Boating Facility") In addition, all private streets, water lines located outside public rights-of-way and individual lots, all sewer lines located outside public rights-of-way and individual lots, and public sanitary sewer easements where sewer lines serve the Property are declared to be Common Areas Common Areas shall also include any landscaping, sidewalks, lighting, and irrigation located within the boundaries of any public roads Said Common Areas shall be maintained by the Association, pursuant to the terms and conditions of this Declaration The Declarant reserves, for itself and the Association, the right to convey water and sewer lines, facilities and easements to public authorities (when and if County or City water service becomes available to the subdivision) or to public utilities Declarant reserves the right to alter and amend the recorded Map to amend, delete or relocate such Common Areas and facilities (except the Community Boating Facility) as Declarant, in its sole discretion, deems appropriate

SECTION 6 **Common Expenses** shall mean expenditures made by or financial liabilities of the Association, together with any allocations to reserves, and shall include, without limitation, the following

- a All sums lawfully assessed by the Association against its members
- b Expenses of administration, maintenance, repair or replacement of the Common Areas, including, without limitation, the Community Boating Facility, private streets and bulkheads
- c Expenses declared to be common expenses by the provisions of this Declaration or the Bylaws
- d Liability for such insurance premiums as the Declaration or Bylaws may require the Association to purchase,
- e Expenses agreed by the members to be common expenses of the Association including but not limited to the maintenance and landscaping of yards and other areas which may be included within a lot,
- f Any ad valorem taxes and public assessments levied against the Common Areas

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

SECTION 8 **Common Profits** shall mean and refer to the balance of all income, rents, profits and revenues of the Association remaining after the deduction of the common expenses or reserves therefore. Common profits shall not mean or include any sums lawfully assessed against members by the Association

SECTION 9 **Declarant** shall mean and refer to BALD EAGLE DEVELOPMENT, LLC, a North Carolina Corporation, its successors and assigns to whom the rights of Declarant are expressly transferred, or if such successors or assigns should acquire more than one undeveloped lot or undeveloped acreage for the purpose of development, or acquire title to the Property under a deed in lieu of foreclosure, judicial foreclosure, or foreclosure under power of sale contained in any deed of trust or anyone otherwise denominated a "Declarant" who succeeds to any special Declarant right shall thereby be deemed Declarant

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

SECTION 11 **Executive Board** shall be used interchangeably with "Board of Directors" and shall mean the body, regardless of name, designated in the Declaration to act on behalf of the Association

SECTION 12 **Lot** shall mean and refer to one of those plots of land, shown as Lots 14A, 14B, 15A and 15B in the recorded maps referenced herein, other than the Common Area, designated on any recorded subdivision map of the Property and also upon which a home has been or may be constructed. The number of lots may be increased or decreased as determined by the Declarant in accordance with the provisions of this Declaration and local ordinances, rules and regulations.

SECTION 13 **Lot Owner and Owner** shall be used interchangeably to mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Property, including contract sellers, but excluding those who have such interests merely as security for the performance of any obligation.

SECTION 14 **Member.** shall mean and refer to every person who is a member of the Association.

SECTION 15 **Membership** shall mean and refer to the rights, privileges, benefits, duties and obligations, which shall inure to the benefit of and burden each member of the Association.

SECTION 16 **Person.** shall mean and refer to an individual, corporation, partnership, association, trustee or other legal entity.

SECTION 17 **Planned Community** shall mean and refer to the Property plus any Additional Property made a part of the Planned Community.

SECTION 18 **Property.** shall mean and refer to all of THE RESERVE AT SPRING CREEK as shown on any recorded plat thereof, as described in the preambles above and any of Additional Property that may hereafter be brought within the jurisdiction of the Association as herein provided.

SECTION 19 **Purchaser** shall mean any Person, other than a Declarant or a Person in the business of selling real estate for the purchasers' 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 20 years, or (ii) as security for an obligation.

SECTION 20 **Reasonable Attorneys' Fees.** mean attorneys' fees reasonably incurred, subject to any limitations on attorneys' fees which otherwise may be required by law.

SECTION 21 **Riparian Rights.** All riparian rights associated with the ownership of waterfront property, if any, or associated with or applicable to any waterfront common area, shall be held by the Declarant for the use and enjoyment of the Association and shall be conveyed to the Association as an appurtenance to the Common Areas. Rights to the Community Boating Facility, if any, shall be by easement.

ARTICLE II
PROPERTY RIGHTS

SECTION 1 **Owners' Easements of Enjoyment** Every Owner shall have a right and easement of enjoyment in and to the Common Area, if any, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions

- a The right of the Association to limit the number of guests of members
- b The Executive Board or Board of Directors, on behalf of the Association, as a Common Expense, may at all times keep the Common Areas and other assets of the Association, if any, insured against loss or damage by fire or other hazards and such other risks, including public liability insurance, upon such terms and for such amounts as may be reasonably necessary from time to time to protect such property, which insurance shall be payable in case of loss to the Association for all Members. The Association shall have the sole authority to deal with the insurer in the settlement of claims. In no event shall the insurance coverage obtained by the Association be brought into contribution with insurance purchased by Members or their mortgagees
- c The Association may mortgage 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 purpose's and subject to such conditions as may be agreed to by the Members, provided, however, that the Association may, without the consent of the Owners, grant easements over the Common Areas for drainage systems and public utilities servicing the Planned Community, and provided, further, that any conveyance or encumbrance of Common Areas shall be subject to any rights of ingress and egress to any Lot over private streets
- d The right of the Association to suspend the voting rights and privileges by an Owner for any period during which any assessment against his Lot remains unpaid and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations,
- e The right of the Association to impose regulations for the use and enjoyment of the Common Areas, if any, and improvements thereon, which regulations may further restrict the use of the Common Areas

f The right of the Association to charge reasonable fees for the use of the Common Areas and facilities by non-members of the Association

SECTION 2 **Delegation of Use** Any owner may delegate in accordance with the Bylaws, his right of enjoyment of the Common Areas to the members of his family, his tenants, or contract purchasers, provided, however such delegate shall reside on the Property

SECTION 3 **Maintenance of Common Areas** Maintenance of the Common Areas shall be the responsibility of the Association

SECTION 4 **Parking Rights and Restrictions** Adequate off-street parking shall be provided by the Owner of each Lot for the parking of automobiles and other vehicles owned or controlled by such Owner, members of the Owner's family, guests or domestic employees of the Owner and tenants, and Owners (including family members and tenants) of the Lots covenant and agree not to park their automobiles, trucks, boats, trailers or other vehicles on the streets or Common Areas located on the Property No trucks or other commercial vehicles greater than 3/4 ton and no boats or trailers shall be stored, housed or parked on the Property except within an enclosed garage No inoperative vehicle or vehicle without current registration and insurance will be permitted on any Lot, street, or Common Element The association shall have the right to have all such vehicles towed away at the owner's expense

ARTICLE III OWNERS ASSOCIATION

SECTION 1 **Formation of Association** The Association is a nonprofit corporation organized, or to be organized, pursuant to the Nonprofit Corporation Act of the State of North Carolina for the purpose of establishing an association for the Owners of Lots to operate and maintain the Common Areas and any Limited Common Areas in accordance with this Declaration, its Charter and Bylaws

SECTION 2 **Membership** Every Owner of a lot in the Property shall be a member of the Association Membership shall be appurtenant to and may not be separated from ownership of any Lot The Board of Directors may make reasonable rules regarding proof of ownership

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

Class A Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The votes for such Lot shall be exercised as they determine, but in no event shall the Owners of the Lot collectively be entitled to cast more than one vote 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 two (2) votes for each vote held by the Class A members. The Class B Membership shall cease on the happening of any of the following events, whichever occurs earlier:

- a. when the Developer no longer owns any land within the Development, or
- b. upon the voluntary surrender of all Class B Membership by the holder thereof.

The period during which there is Class B Membership is sometimes referred to herein as the "Declarant Control Period".

SECTION 4 Government Permits All duties, obligations, rights and privileges of the Declarant under any water, sewer, storm water 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 and privileges the responsibility of the Association.

ARTICLE IV MANAGEMENT AND CONTROL

Management of the affairs of the Association shall be the right and responsibility of its Board of Directors in accordance with the Declaration and the Bylaws, PROVIDED, HOWEVER, that all of the powers and duties of the Board of Directors may be exercised by the Declarant until such time as two (2) of the lots in THE RESERVE AT SPRING CREEK have been sold and conveyed by the Declarant to purchasers or until September 1, 2015, whichever occurs first. Management and control may be transferred to the lot owners at any time but in all events, no later than 120 days after the happening of the earlier of the above events.

ARTICLE V COVENANTS FOR ASSESSMENTS

SECTION 1 Creation of the Lien and Personal Obligation of Assessments The Declarant, for each lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefrom, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association

- a Annual assessments or charges,
- b Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided,
- c Insurance assessments,
- d To the appropriate governing taxing authority, a pro rata share of ad valorem taxes levied against the Common Area, if any, and
- e Working Capital Assessment,

Such assessments shall be established and collected as hereafter provided

The annual, special and insurance assessments, together with interest, costs of collection thereof, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the respective Lot against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligations of an owner for delinquent assessments shall not pass to his successors in title unless expressly assumed by them and then only with the consent of the Association. All assessments shall be shared equally by the owners of each lot.

SECTION 2 Purpose of Assessments The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Property and for the improvement and maintenance of the Common Areas and all easements and utilities serving the Property, whether or not located on the Property, and any amenities located on the Property. The funds arising from said assessments or charges may be used for any of foregoing, including, without limitation, the following purposes: Maintenance and improvements of the Common Areas, drainage and utility easements and rights of way drainage systems (including storm drainage facilities and systems) including drainage ditches and/or retention ponds, if any, serving the Property, whether or not located on the Property (and if not located on the Property the same shall be considered to be a part of the Planned Community for purposes of assessments), enforcing these covenants and restrictions and the rules of the Association, paying taxes, insurance premiums, legal and accounting fees and governmental charges, establishing working capital, paying dues and assessments to any organization or master association of which the Association is or shall become a member and in addition, doing any other things necessary or desirable in the opinion of the Association to keep the property in neat and good order and to provide for the health, welfare and safety of Owners and residents of THE RESERVE AT SPRING CREEK.

SECTION 3 **Amount of Annual Assessments**

- a **Maximum Annual Assessment** Until the end of Declarant Control, the maximum annual assessment shall not exceed Two Thousand Dollars (\$2,000 00) per Lot, the exact amount of which shall be determined from time to time as hereinafter provided
- b **Increase by Association Board of Directors** From and after the date specified in subparagraph (a) above, the annual assessment which may be established effective January 1st of each year by the Board of Directors may not be increased by more than twenty percent (20%) of the prior year's assessment without a vote of the Members as provided below
- c **Increase by Members** From and after the date specified in subparagraph (a) above, the annual assessment may be increased by more than twenty percent (20%) only by an affirmative vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting duly called for such purpose. Written notice of said meeting, setting forth the purpose of the meeting shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. The limitation herein set forth shall not apply to any increase in assessments undertaken as an incident to a merger or consolidation
- d **Proposed Assessments** In proposing the annual assessment for any assessment year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts and reserves for future needs

SECTION 4 **Special Assessments for Capital Improvements** In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repairs or replacement of a capital improvement upon the Common Area, including fixtures amid personal property related thereto, and specifically including the water lines and systems within the project provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which, setting forth the purpose of the meeting, shall have been sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting

SECTION 5 **Insurance** The Board of Directors on behalf of the Association, as a common expense, shall at all times keep the property of the Association, if any, insured against such perils, including, but not limited to directors' liability and public liability insurance, upon such terms and for such amounts may be reasonably necessary from time to time to protect the Property and Common Area which insurance shall be payable in case of loss to the Association

SECTION 6 Notice And Quorum For Any Action Authorized Under Sections 3 and 4 Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting At the last such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum The required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting

SECTION 7 Rate of Assessment Both annual and special assessments shall be fixed at a uniform rate for all lots, on a per lot basis, and may be collected on a monthly, quarterly or annual basis as determined by the Board of Directors Provided, however, the Association may differentiate in the amount of assessments charged when a reasonable basis (or distinction exists, such as between vacant Lots of record and Lots of record with completed structures (or which certificates of occupancy have been issued by the appropriate governmental authority, or when any other substantial difference as a ground of distinction exists between Lots However, Assessments must be fixed at a uniform rate for all Lots similarly situated,

SECTION 8 Commencement of Assessments and Due Dates The assessments provided for herein shall be paid in advance in monthly, quarterly or annual installments as determined by the Board of Directors and the payment of such assessments as to each Lot shall commence upon the date of conveyance to an Owner of a Lot from Declarant The Board of Directors shall fix the amount of the annual assessments against each Lot at least ten (10) days in advance of each annual assessment period Written notice of the annual assessment shall be set to every Owner subject thereto The due date shall be established by the President

SECTION 9 Effect of Nonpayment of Assessments and Remedies of the Association. Any assessment or portion thereof not paid when due shall be delinquent Any assessment or installment thereof not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate permitted by law 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, and, in either event, interest, costs and reasonable attorney's fees incurred in the prosecution of any such action shall be added to the amount of such assessment No Owner may waive or otherwise escape liability for the assessment provided (for herein by non-use of the Common Areas or abandonment of the Lot All unpaid installment payments of Assessments shall become immediately due and payable if any Owner fails to pay any installment within the time permitted The Association may also establish and collect late fees for delinquent installments

SECTION 10 Subordination of the Lien to Mortgage The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments, which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

SECTION 11 Certificate of Assessments The Association shall upon demand at any time furnish to any Owner liable for assessments a certificate setting forth whether said assessments have been paid or the amount outstanding, which certificate shall be conclusive evidence of the status of said assessments. A reasonable charge may be made for such service.

SECTION 12 Working Capital Assessment At the time title is conveyed to an owner by the Declarant, each Owner shall contribute to the Association as a working capital reserve an amount equal to two months' estimated annual assessment. Such funds shall be used for initial operating and capital expenses of the Association, including, without limitation, prepaid insurance, supplies and the Common Areas furnishings and equipment, etc. Amounts paid into the working capital fund are not to be considered as advance payment of regular assessments. Any working capital funds remaining at the end of the first full operating year shall be transferred to and become part of the general funds of the Association, in the discretion of the Board of Directors.

ARTICLE VI MAINTENANCE AND LANDSCAPING

SECTION 1 The Association shall contract for the landscaping, irrigation and maintenance of the Common Areas, signs and other improvements (except as otherwise provided herein) located within THE RESERVE AT SPRING CREEK, except improvements on individual lots. The expense of providing such services shall be deemed a common expense and shall be shared equally by all Lot Owners as provided in ARTICLE V above. Each Lot Owner shall be responsible for the maintenance of each Lot including maintenance of storm water management improvements located on each lot, and each dwelling on each lot and agrees to maintain the dwelling in a good and acceptable manner. Each Lot Owner shall keep his Lot free from weeds, underbrush or refuse piles, or unsightly growth or objects. All structures shall be kept neat and in good condition and repair. All shrubs, trees, grass and plantings shall be kept neatly trimmed and properly cultivated.

SECTION 2 If, in the opinion of the Association, any Owner shall fail to maintain any lot or dwelling owned by him in a manner which is reasonably neat and orderly or shall fail to keep improvements constructed thereon in a state of repair so as not to be unsightly, all in the sole opinion of the Association, the Association in its discretion, by the affirmative vote of two-thirds (2/3) of the members of the Board of Directors,

and following ten (10) days written notice to the Owner(s), may enter upon and make

or cause to be made repairs to such improvements and perform such maintenance on the lot as the removal of trash. The Association shall have an easement onto and over each lot for the purpose of accomplishing the foregoing. The reasonable cost incurred by the Association in rendering all such services, plus a service charge of fifteen percent (15%) of such cost, shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE VII ARCHITECTURAL CONTROL

SECTION 1 Developer's Rights All duties and responsibilities conferred upon the Architectural Control Committee (the "ACC") by this Declaration or the Bylaws of the Association shall be exercised and performed by the Declarant or its Designee, so long as Declarant shall own any lot in the Property or any additions annexed thereto by Supplemental Declaration or Amendment to this Declaration.

SECTION 2 Definitions For purposes of this Article VII the following terms shall have the following meanings unless the context clearly requires a different meaning:

- a "accessory building" means every detached garage, carport, tool shed, storage or utility building, well house, or other similar building constructed on a Lot which is not a dwelling,
- b "buildings" means accessory buildings and dwellings,
- c "dwelling" means a building constructed for single family residential use,
- d "improvements" or "structures" mean buildings and all walls, fences, bulkheads, decks, patios, planters, terraces, mail receptacles, swimming pools, tennis courts, storm water management improvements, or anything else constructed or placed on a Lot.

SECTION 3 Reservations The Declarant reserves the rights to change, alter, or redesignate roads, utility and drainage facilities, plus such other present and proposed amenities or facilities as may, in the sole judgment of the Declarant be necessary or desirable.

SECTION 4 Variances The ACC shall be empowered to allow adjustments, consistent with local zoning ordinances, of the conditions and restrictions stated herein in order to overcome practical difficulties and prevent unnecessary hardships in the application of the regulations contained herein, provided, however, that such is done in conformity to the intent and purposes hereof, and provided, also, that in every instance such variance or adjustment will not be materially detrimental or injurious to other property or improvements in the neighborhood. Variances and adjustments of height, size, and setback requirements may be granted hereunder.

SECTION 5 Development Concept It is the express intention of the Declarant to maintain in this residential community a uniform plan of development that will blend with and not detract from the natural environment with respect to design, type and general appearance of the structures to be erected on the lots. The Declarant and the ACC shall develop conceptual guidelines and standards which shall be complied with by Property owners to obtain the approvals required below. Property owners are encouraged to have their architects contact the ACC prior to any costly design work for conceptual guidelines pertaining to the residential community.

SECTION 6 Approval of Plans No building, garage, fence, wall, sidewalk, change in grade or slope, site preparation, swimming pool, driveway, utility facility, mailbox, well, patio, deck, or any other structure or improvement shall be commenced, erected, or maintained upon any Lot nor shall any exterior addition, change or alteration therein (including change of color) be made without the prior written approval of Declarant in its sole discretion. The proposed Site and Grading Plans, Building Plans and Specifications, Exterior Colors and Finishes, and Construction Schedule must be approved by the ACC. One (1) copy of all plans and related data shall be furnished to the ACC for its records. Until all of the above listed prerequisite plans are approved no improvements or structures shall be erected, placed, or altered on any residential lot. The material used, as well as the design, shall be subject to the prior written approval of the ACC. Neither the Declarant nor the ACC shall be responsible for any structural or other defects in plans and specifications submitted to it or any structure erected according to such plans and specifications.

SECTION 7 Guidelines

- a The Site and Grading Plans should show the proposed location of each building, structure, driveway, parking area, other improvements, and proposed alterations to the physical characteristics of the site. The grade, elevation, or physical characteristics (including but not limited to slopes and tree growth) of any such lot shall not be altered in any way whatsoever without the written approval of the ACC based upon a Site or Grading Plan. The Site and Grading Plans shall not be in conflict with the Grading, Drainage, and Erosion Control Plan of THE RESERVE AT SPRING CREEK recorded with the County.
- b The ACC encourages the planting of flowering shrubs and trees, however, all tree removal or planting of trees, bushes, shrubs, grasses, or other vegetation whatever, shall be based upon a Site Plan, Landscaping Plan, or Planting Plan which has been submitted to and received written approval from the ACC.
- c Upon the written request of a lot owner for approval of plans, the ACC shall have ten days within which to approve or disapprove plans. In the event of failure to approve or disapprove within 10 days, such approval will not

be required provided the design of proposed building is in harmony with the existing structures in this area. If the ACC approves the construction of

such improvements, it shall issue a certificate evidencing such approval

- d Refusal or approval of any such plans or specifications may be based by the ACC upon grounds, including purely aesthetic and environmental considerations that in the sole and absolute discretion of the ACC shall seem sufficient
- e Without the prior written consent of the ACC, no changes or deviations in or from such plans or specification as approved shall be made. No alterations in the exterior appearance of any building or structure, or in the grade, elevation, physical characteristics of any lot shall be made without like approval by the ACC
- f Upon completion of approved construction, the ACC shall inspect the construction to ensure that the approved Plans and samples have been complied with by the Owner. No structure may be occupied or used until the issuance by the ACC of a certificate of compliance. The certificate of compliance shall be issued by the ACC without fee, provided, however, that in the event that the ACC's first inspection of the construction reveals deviations or deficiencies from the approved Plans and samples, the ACC may charge a fee of \$50 for every subsequent inspection which is necessary to insure compliance with the approved Plans and samples. Any such fee must be paid before the issuance of the compliance certificate
- g If the finished building or other structure does not comply with the submitted plans and specifications, the Committee retains the right to make the necessary changes at owner's expense, and the further right to file under the North Carolina lien laws notice of liens for any costs incurred
- h No house plans will be approved unless the proposed house shall have a minimum of 2500 square feet of enclosed dwelling area. The term "enclosed dwelling area" as used in the minimum requirements shall be the total enclosed heated and cooled area within a dwelling, provided, however, that such term does not include garages, terraces, decks, open porches, and like areas, provided further, that shed type porches, even though attached to the house are specifically excluded from the definition of the aforesaid term "enclosed dwelling area"
- i No house plans will approved which provide for vinyl siding or trim

SECTION 8 Subdividing No lot shall be subdivided, or its boundary lines changed except with the prior written consent of the ACC. However, the ACC hereby expressly reserves to itself, its successors or assigns, the right to replat any two (2) or more lots shown on the plat of any subdivision in order to create a modified building lot or lots, and to take such steps as are reasonably necessary to make such replatted lot suitable and fit as a building site, said steps to include but not to be limited to the relocation of easements, walkways, and rights-of-way to conform to the new boundaries of the said replatted lots.

ARTICLE VIII
UTILITIES

SECTION 1 Water Service Water service for lots in THE RESERVE AT SPRING CREEK shall be provided by a private well drilled or otherwise constructed on each lot at the owner's expense.

SECTION 2 Sewage Disposal Sewage disposal collection shall be provided by New Hanover County. All lot owners must tie into the New Hanover County Sewer System. All tap fees or other charges required by the County to connect individual lots to the County system will be the responsibility of each individual lot owner.

ARTICLE IX
USE RESTRICTIONS

SECTION 1 Land Use and Building Type No lot in or common area in THE RESERVE AT SPRING CREEK shall be used for any purposes except for residential purposes other than the "Common Area" and the "Community Boating Facility" which may be used for recreational purposes. All numbered lots in THE RESERVE AT SPRING CREEK shall be restricted for construction of single-family dwellings only. Any building erected, altered, placed or permitted to remain on any lot shall be subject to the provisions of Article VII of this Declaration relating to architectural control. Different land use restrictions and architectural control guidelines may be established for adjoining properties developed by Declarant.

SECTION 2 Rules and Regulations The Board of Directors of the Association shall have the power to formulate, amend, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the yards of each lot and Common Area. Any rules and regulations formulated by the Association, along with all policy resolutions and policy actions taken by the Board of Directors of the Association, shall be recorded in a Book of Resolutions, which shall be maintained in a place convenient to the Owners and available to them for inspection during normal business hours.