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RECORDED AND VERIFIED 2041 0858
MARY SUE OOTS
REGISTER OF DEEDS ✓
NEW HANOVER CO. NC

STATE OF NORTH CAROLINA 7 AM 11:14
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COUNTY OF NEW HANOVER DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
SECTION 2, TIDALHOLM VILLAGE

THIS DECLARATION, made the 5 day of June, 1996, by Bill Clark Homes of Wilmington, L. L. C., hereinafter referred to as "Declarant".

W I T N E S S E T H :

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

BEING all of Section 2, Tidalholm Village, as the same is shown on the plat thereof recorded in Map Book 35 at Page 352 in the office of the Register of Deeds of New Hanover County, North Carolina, to which plat reference is hereby made for a more particular description.

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

ARTICLE I

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DEFINITIONS

Section 2. "Association" shall mean and refer to Tidalholm Village HomeOwner's Association, Inc., a North Carolina non-profit corporation.

Section 2. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all property including improvements thereto owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot shall be all streets and all of the area designated as "common area" on the plat of Section 2, Tidalholm Village.

Section 5. "Lot" shall mean and refer to any plat of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to Bill Clark Homes of Wilmington, L. L. C., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II

PROPERTY RIGHTS

Section 2. Owners' Easements of Enjoyment. Every Owner shall

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Returned To *[Signature]*

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

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities 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;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 2. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Lot which is subject to assessment.

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

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

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

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) on August 31, 1997.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 2. 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 therefor, whether or not it shall be expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special

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

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Seventy-five dollars (\$75.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than five percent (5%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased by five percent (5%) by a 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 this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. 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 or 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 first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (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 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence

as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendared year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly execute certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the line against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. 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 line. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu therefore, 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.

ARTICLE V

ARCHITECTURAL CONTROL

Section 2. Developer's Rights. 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, so long as Declarant shall own any lot in the Properties or any additions annexed thereto by Supplemental Declaration or Amendment to this Declaration.

Section 2. Building and Site Improvements. No dwelling, fence, wall or other structure shall be commenced, erected, or maintained upon any Lot in the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, heights, materials, 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 Declarant, or its designee, or, after the sale of all Lots by Declarant, by the Board of Directors of the Association, or by an Architectural Control Committee composed of three (3) or more representatives appointed by the Board. In the event the Declarant, or its designee, or, if applicable, the Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Refusal of 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 Declarant or Architectural Control Committee shall seem sufficient. One copy of all plans and related data shall be furnished to the Declarant or Architectural Control Committee, as the case may be, for its records. Neither the

Declarant nor the Architectural Control Committee shall be responsible for any structural or other defects in plans or specifications submitted to it or any structure erected according to such plans and specifications.

Section 3. Approval of Plans.

(a) No house plans will be approved unless the proposed house shall have a minimum of 1100 square feet of enclosed dwelling area. The term "enclosed dwelling area" as used in the minimum requirements shall be the total enclosed 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".

(b) 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 are established by this Declaration. In order to assure, however, that the foregoing considerations are given maximum effect, the site and location of any house or dwelling or other structure upon any Lot shall be controlled by and must be approved absolutely by the Declarant or the Architectural Control Committee, as the case may be. Provided, however, that no dwellings shall be constructed closer than ten (10) feet to an adjoining property line.

(c) The exterior and landscaping of all houses and other structures must be completed within twelve (12) months after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the Owner or builder, due to strikes, fires, national emergency or natural calamities.

(d) No structure shall be erected, altered, placed or permitted to remain on any Lot, except one (1) single family dwelling not to exceed two (2) stories in height, unless the Declarant or the Architectural Control Committee, as the case may be, approves in writing a structure of more than two (2) stories, and one or more small accessory buildings (which may include a detached private garage, servants quarters, or guest facilities) provided the use of such dwelling or accessory building does not in the opinion of the Declarant or Architectural Control Committee overcrowd the site, and provided further, that such buildings are not used for any activity normally conducted as a business. Such accessory building may not be constructed prior to the construction of the main building.

(e) All service utilities, fuel tanks, clothes lines, wood piles and trash and garbage accumulations are to be enclosed within a fence, wall or plant screen of a type and size approved by the Declarant or the Architectural Control Committee, so as to preclude the same from causing an unsightly view from any highway, street or way within the subdivision, or from any other residence within the subdivision. All mail boxes shall be uniform in design. Design for mailboxes shall be furnished by Declarant.

(f) Off street parking for not less than two (2) passenger automobiles must be provided on each Lot prior to the occupancy of any dwelling constructed on said Lot, which parking areas and the driveways thereto shall be constructed of concrete, brick, asphalt, or turfstone.

Section 4. Maintenance by Association. The Association at its expense shall be responsible for maintaining, repairing and replacing all utility and drainage lines and pipes which are

located on the properties, except those located within individual Lots. The Association shall have the right to go onto the Lots at reasonable times for the purpose of maintaining, repairing and replacing all utility and drainage lines and pipes which might be located on such Lots; and each Owner hereby grants permission to the Association to enter his Lot for such purposes.

In the event that the need for maintenance, repair or replacement (other than said being caused by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircrafts, vehicles, and smoke, as the foregoing are defined and explained in North Carolina Standard Fire and Extended Coverage Insurance Policies) is caused through the willful, or negligent act of the Owner, his family, guests or invitees, the cost of such maintenance, replacement, or repairs shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE VI

USE RESTRICTIONS

Section 2. Land Use and Building Type. No Lot in Section 2, Tidalholm Village shall be used except for residential purposes, provided however, this shall not prevent the Declarant from constructing models or sales offices within the subdivision and from operating offices for the purpose of sales and other related activities from said model or office. All Lots (herein referred to as "single family lots") in Section 2, Tidalholm Village, 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 Guide Lines may be established for adjoining properties to be developed by Declarant.

Section 2. 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 neighborhood. There shall not be maintained any plants or animals, nor device or thing of any sort whose normal activities or existence are in any way noxious, dangerous, unsightly, unpleasant or other nature as may diminish or destroy the enjoyment of other property in the neighborhood by the Owners thereof. It shall be the responsibility of each Lot Owner to prevent the development of any unclean, unsightly or unkept condition of buildings or grounds on such Lot which would tend to substantially decrease the beauty of the neighborhood area as a whole or the specific area.

Section 3. Lot Maintenance. In the event that any Lot Owner shall fail or refuse to keep such premises free from weeds, underbrush or refuse piles, or unsightly growth or objects, then, after thirty (30) days' notice from the Architectural Control Committee, the Association or its designee shall enter upon such lands and remove the same at the expense of the Owner, and such entrance shall not be deemed a trespass, and in the event of such removal a lien shall arise and be created in favor of the Association for the full amount of the cost thereof chargeable to such Lot, including collection costs and such amounts shall be due and payable within thirty (30) days after the Owner is billed therefor. Such lien shall be enforceable by Court proceedings as provided by law enforcement liens.

Section 4. Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot any time as a residence either temporarily or permanently.

Section 5. Recreational Vehicles. No boat, motor boat, camper, trailer, motor or mobile homes, or similar type vehicle, shall be permitted to remain on any Lot at any time, unless by

consent of the Association or its designee.

Section 6. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, 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 and are at all times properly leashed.

Section 7. Outside Antennas. No outside radio or television antennas shall be erected on any Lot or dwelling unit within the Properties unless and until permission for the same has been granted by the Board of Directors of the Association or its Architectural Control Committee.

Section 8. Window Coverings. All drapes, curtains or other similar materials hung at windows, or in any manner as to be visible from the outside, of any building erected upon any Lot shall be a white or neutral background material.

Section 9. Exterior Lights. All light bulbs or other lights installed in any fixture located on the exterior of any building or any Lot shall be clear, white, or non-frost lights or bulbs.

Section 10. Junk Vehicles and Tractor-Trailers. No inoperable vehicle or vehicle without current registration and insurance, and no tractor-trailers will be permitted on the premises. The Association shall have the right to have all such vehicles towed away at the Owner's expense.

Section 11. Signs. No "For Sale" signs or any other signs shall be permitted on any Lot or in the common areas without permission of the Board of Directors, except that a sign conforming to the New Hanover County Sign Ordinance may be displaced by Declarant on any Lot used by Declarant as a sale/rental office for the project so long as Declarant owns any Lot in the Properties.

Section 12. Water and Sewer Service. All Lot Owners shall be required to use water and sewer supplied by the Companies servicing the Properties for all household uses; a separate water system for the purpose of watering lawns, gardens and other outdoor uses shall be permitted without the consent of the Declarant, its successors and assigns.

Section 13. Water and Sewer Taps. Declarant reserves the right to charge separate water and sewer tap fees for each Lot sold which fee will be paid directly to Declarant.

ARTICLE VII

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Except as provided in Section 2 below, annexation of additional property shall require the assent of two-thirds (2/3) of the members at a meeting duly called for these purposes, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

Section 2. If the Declarant, its successors or assigns, shall develop all or any lands adjoining the Properties, said additional tract or any portion thereof may be annexed to said Properties without the assent of the members, provided, however, the development of the additional Properties permits only single family dwellings or no more than one to four family dwellings. Annexation provided for in this section shall become effective upon the filing by the Declarant of a Supplemental or Amended Declaration in the Office of the Register of Deeds of New Hanover County.

ARTICLE VIII
GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, 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. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of each class of members. Additional land within the area described in Deed Book 35 at Page 352 of the records of the New Hanover County Registry may be annexed by the Declarant without the consent of the members within five (5) years of the date of this instrument provided that the FHA and the VA determine that the annexation is in accordance with the general plan heretofore approved by them.

Section 5. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 5 day of JUNE, 1996.

BILL CLARK HOMES OF WILMINGTON, L.L.C.
Declarant

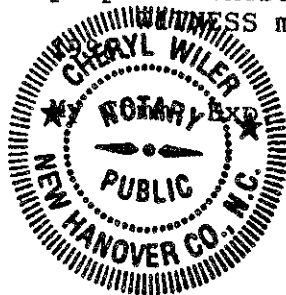
BY: [Signature]
Manager

BY: Catherine N. Clark
Manager

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I, a Notary Public in and for the State and County aforesaid, do hereby certify that JOSEPH P. FISCHER and CATHERINE N. CLARK, Managers of BILL CLARK HOMES OF WILMINGTON, L.L.C., personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and seal, this the 6 day of JUNE,



Oct. 17, 1999
[Signature]
Notary Public

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STATE OF NORTH CAROLINA
New Hanover County

The Foregoing/Annexed Certificate(s) of
CHERYL WILER

Notary (Notaries) Public is/ are certified
to be correct.

This the 7 day of JUNE 1996

by Patricia Barnes
Mary Sue Oots, Register of deeds
Deputy/Assistant

