

DECLARATION OF RESTRICTIONS OF WILLIAMSBURG PLACE

COUNTY OF NEW HANOVER

THIS DECLARATION, made this the 14th day of March, 1996, by WILLIAMSBURG PLACE, LLC, herein referred to as "Developer";

WITNESSETH:

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That Whereas, Developer is the developer and owner of certain property located at North Chase, in Cape Fear Township, New Hanover County, North Carolina as is hereinafter described; and

Whereas, the Developer has determined that it would be in the best interest of the present and future owners of units within the subdivision to record in the Register of Deeds of New Hanover County, North Carolina, a Declaration of Restrictions of WILLIAMSBURG PLACE;

NOW THEREFORE, the Developer hereby declares that all of the properties described herein 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 said properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

1. SCOPE OF DECLARATION This Declaration of Restrictions shall apply to all units of all phases in WILLIAMSBURG PLACE which shall total sixty units, the first phase of which is in Map Book 35 at Page 35, of the New Hanover County Registry. As herein provided, the term "Subdivision" shall apply to all phases of WILLIAMSBURG PLACE.

2. UNIT USE No unit located within the subdivision shall never be used for manufacturing, or commercial purposes, it being intended that all units shall be used for residential purposes only; provided that the Developer may use a unit as a sales office and Owners may use a room in a unit for a business or professional purpose but still can not put up any sign or other advertising of such upon or in the unit. Developer reserves the right to construct apartments, duplexes, triplexes, or any other type of multi-family residential development as allowed by law.

3. SETBACK REQUIREMENTS Since the establishment of standard inflexible building setback lines for the location of units tends to force construction of units directly to the side of other units with detrimental effects on privacy, views, preservation of important trees and other vegetation, ecological, and related considerations, no specific setback lines are established by these restrictions. In order to assure, however, that the foregoing considerations are given maximum effect, the Developer reserves the right to control and approve absolutely the site and location of any structure within the project.

4. TEMPORARY STRUCTURES AND OTHER STRUCTURES No structure of a temporary character, trailer, basement, tent, shack, garage apartment, barn, or other outbuilding shall be erected or used as a residence. This restriction shall not be applicable to a temporary construction trailer used by a builder while a residence is being built on the unit, so long as such trailer is not used as a residence or living quarters.

5. **MAINTENANCE OF UNIT, NUISANCES** it shall be the duty of each homeowner to keep his or her property in a neat and tidy condition, well maintained, with no unsightly debris or litter or the like in view. No homeowner shall place outside his unit, any kind of statue, sculpture, "object d'art", yard decoration, artificial wildlife, or any other similar type of object. No noxious or offensive trade or activity shall be carried on or maintained in any unit, nor shall any activity be conducted which constitutes an annoyance or nuisance to the neighborhood.

6. **ANIMALS** No animals, livestock, or poultry of any kind shall be raised, bred, or kept in any unit in the subdivision, except that dogs, cats, or other household pets may be kept for the purpose of providing companionship for the private family. Animals are not to be raised, bred, or kept for commercial purposes or for food. It is the purpose of these provisions to restrict the use of any unit and the yards so that no person shall quarter in said units cows, horses, bees, hogs, sheep, goats, guinea fowls, chicks, geese, rabbits, chickens, turkeys, skunks, snakes, or any other animal that may interfere with the quietude, health, or safety of the community. No more than four (4) household pets will be permitted in any unit. Pets must be restrained or confined within the unit. It is the pet owner's responsibility to keep their unit and the yards clean and free of pet debris. All animals must be properly tagged for identification, and further, must be kept on a leash unless such animal is confined within a fenced area. When such animals are not confined within a fenced area it is the pet owner's responsibility to remove any pet debris left by their pet upon any of the yards or common areas within the subdivision. Any costs incurred by the other unit owners or the Association as hereinafter set out, for the removal of pet debris left by the pet of a unit owner upon any yard or upon any part of the common areas shall be a charge against the pet owner's unit and shall be assessed against that individual unit owner as a special assessment and subject to the regulations regarding liens and assessments as hereinafter set forth.

7. **FENCED AREAS AND LIMITED COMMON AREAS** Developer may construct a fenced area or fences within the development. Depending on the final architectural layout of the units as constructed, some of these fenced areas may be located within the boundaries of the yards conveyed to the adjacent unit owner, while some of the fenced areas may be located on common areas owned by the Association as hereinafter described. In the event that such fenced areas shall be constructed on common areas, such areas shall become "Limited Common Areas" which shall mean such common areas, although owned by the Association, shall be reserved solely for the use of the owner of the adjacent unit, to the exclusion of the owners of the other units within the subdivision. The fences surrounding these areas shall be maintained by the Association as hereinafter described, however, maintenance of the areas within the fences shall be the responsibility of the owner of the adjacent unit. Developer may construct additional fencing in the yards subject hereto, and such fencing shall be maintained by the Owners' Association.

8. **UTILITY EASEMENTS** The Developer reserves for itself, its successors, and assigns, an easement in and right at any time in the future to grant a right of way under, over, and along the side, rear, and front property lines of each and every parcel in the Subdivision, for the installation and maintenance of poles, lines, conduits, pipes, and other equipment necessary to or useful or furnishing electric, power, gas, telephone service, cable television, or other utilities including water and sewer service and drainage. Also, easements for drainage and utilities are reserved as shown on the recorded plat of the Subdivision. Developer reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing improvements.

9. **UNIT GRADING** The general grading, slope, and drainage plan of a yard may not be altered without the express written approval of

the New Hanover County authorities and the Homeowners Association, and any other appropriate agencies having authority to grant such approval.

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

The owners of each unit shall be responsible for the repair and replacement of the roof on that owners' unit, and the Association shall not be required to provide such repair or replacement. In the event that there are two or more units served by a single roof structure, the owners of the units served by such single roof structure shall be jointly responsible for such roof repair or replacement. If the areas of the roof serving two or more units are not equal in size for each unit thereby served, then the costs of the roof repair or replacement shall be divided pro rata based on the actual roof area serving each unit in relation to the roof area of the entire structure.

11. **LANDSCAPING MAINTENANCE** All front, side, and backyard areas not otherwise fenced in shall be maintained by the WILLIAMSBURG PLACE OWNERS ASSOCIATION, INC. No landscaping other than that provided by the Developer and/or the Association shall be allowed, except inside those areas designated on the plat as "Owner Maintained Areas."

12. **DIRECTIONAL SIGNS** The Developer reserves for itself, its successors and assigns, a temporary easement to place directional signs upon any of the yards in said Subdivision, in order to assist prospective purchasers in locating other units which are for sale in the Subdivision. The right to place and maintain such signs shall terminate six (6) years from the date of this instrument.

13. **STREET LIGHTING** The Developer reserves the right to subject the real property in this Subdivision to a contract with Carolina Power & Light Company for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Carolina Power & Light Company by the Homeowners Association.

14. **MAILBOXES AND NEWSPAPER BOXES** Each unit in the Subdivision shall have one (1) mailbox and one (1) newspaper box, and these boxes shall be maintained in a cluster box arrangement, which will be provided by the Developer. The maintenance of such boxes shall be the responsibility of the Owners' Association as hereinafter provided.

15. **WINDOW COVERINGS** To insure consistency and attractiveness within the Subdivision, white mini-blinds must be installed in all of the windows of all homes within ten (10) days of occupancy, such that the total view of all windows from the outside of the house is white mini-blinds. Window treatments inside of the house and not visible from the outside of the house or unit are in the discretion of the owner.

16. **EXTERIOR ANTENNAE** Exterior television or radio antennae, or television or radio satellite dishes are not permitted within the

Subdivision.

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17. **CLOTHESLINES** The outdoor drying or airing of clothes and the erection of outdoor clotheslines or similar devices in any yard in the Subdivision shall be subject to the approval of the Developer, or Homeowners Association and then only when thoroughly concealed or screened from public view within a fenced yard area.

18. **FUEL TANKS AND STORAGE RECEPTACLES** No fuel tanks or similar storage receptacles located in any yard may be exposed to public view. Any such receptacles must be installed only within a fenced area adjacent to the unit which it serves.

19. **WATER AND SEWAGE**

(a) All water to be used in the Subdivision for domestic purposes shall be obtained from the New Hanover County water system. An eight (8) foot radius from each water meter shall be an easement for maintenance and repair of such meter. Additionally, the front ten (10) feet of each yard is hereby reserved for utility easements.

(b) Sewage disposal systems shall be only into the New Hanover County sewage collection system.

20. **ACCESS, MAINTENANCE, AND CONSTRUCTION EASEMENTS**

(a) The Association, acting through its officers, agents, servants, and/or employees shall have the right of unobstructed access at all reasonable times to all properties as may be reasonably necessary to perform the exterior maintenance provided for by this Declaration.

(b) Easements are reserved over those portions of the Common Areas and Limited Common Areas and facilities that may be necessary or required to accommodate overhanging eaves or other cantilevered construction which may encroach upon the Common Areas or Limited Common Areas, or the air and light space above such Common Areas.

(c) Each unit and all Common Areas and facilities and Limited Common Areas are hereby subjected to an easement for the repair, maintenance, expansion, reduction, inspection, removal, relocation, or other service of or to all gas, electricity, cable television, telephone, water, plumbing, sewer, utility, drainage, or other Common Areas and facilities, whether or not the cause of any or all of those activities originates on or in the unit in which the work must be performed.

(d) Each unit, and the property included in the Common Area shall be subject to an easement for encroachments created by construction, settling, and overhangs for all buildings constructed by Developer. A valid easement for such encroachments and for the maintenance of same, so long as such encroachments stand, shall and does exist. In the event that any structure containing two or more units is partially or totally destroyed and then rebuilt, the owners of the units so affected and other adjacent units agree that minor encroachments of or on parts of the adjacent units or yards or Common Areas due to construction shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall and does exist.

(e) In the event that ingress or egress to any unit is through or across any common areas, such common areas are hereby subjected to an access easement for such owners, ingress, egress and regress to and from such unit.

(f) All easements and rights described herein are easements appurtenant, running with the land, and shall be binding on the Developer, its successors and assigns, and any owner, purchaser, mortgagee, and other person having an interest in said land, or any part or portion thereof, regardless of whether or not reference to said easement 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.

21. OWNERS ASSOCIATION

(a) To provide for the maintenance, repair, upkeep and replacement of the subdivision sign, streets, pool, sewer, irrigation system, if any, mail and paper boxes, street signs, walkways, parking areas, stormwater facilities, other amenities, common areas, and, except as herein provided, the yard areas of the units in the Subdivision, the Developer has formed the WILLIAMSBURG PLACE OWNERS ASSOCIATION, INC., a non-profit corporation organized pursuant to Chapter 55A of the General Statutes of North Carolina. The Association shall also be responsible for providing any necessary liability insurance. The Articles of Incorporation for said corporation are recorded in Book _____, at Page _____ of the New Hanover County Registry. The By-Laws for said corporation are attached hereto as Exhibit "A", and are incorporated herein by reference.

(b) Every owner of a fee simple title to a unit within the Subdivision shall be deemed to own, possess and have accepted:

(1) A Class "A" membership(s) in the WILLIAMSBURG PLACE OWNERS ASSOCIATION, INC., (Association), appurtenant to his unit(s);

(2) An undivided equal interest with all other owners, for each membership in the Association owned, in the Association and all of its assets;

(3) A right and easement of enjoyment, equal to that of all other owners, in and to the common areas and amenities, which is appurtenant to the title to each unit, subject to the right of the Association to dedicate or transfer all or any part of the common areas and amenities, for such purposes and subject to such conditions as the Association may determine, acting by and pursuant to the provisions of its duly enacted By-Laws.

(4) The duty of complying with and abiding by all of the provisions of these Articles, the By-Laws of the Association and the Rules and Regulations of the Association, including the payment of dues and assessments as provided elsewhere herein.

(c) The Association shall have two classes of voting membership:

Class A Member: Class A members shall be the owners of units in WILLIAMSBURG PLACE, except for the Developer until its Class B membership has converted to Class A membership. Each Class A member shall be entitled to one vote for each unit so owned. When more than one person holds an interest in any unit, the vote for such unit shall be exercised as the owners of the unit may among themselves determine, but in no event shall more than one vote be cast with respect to any such unit.

Class B Member: The Class B member shall be the Developer, and it shall be entitled to three (3) votes for each unit planned or owned by it. The Class B membership shall cease and be converted to Class A membership upon the occurrence of either of the following events, whichever occurs earlier:

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

(b) on December 31, 2002.

22. LIENS AND ASSESSMENTS The Association has heretofore been given the authority to administer the operation and management of the common areas and the amenities of the property, it being recognized that the delegation of such duties to one entity is in

the best interests of the owners of all units subject hereto to properly administer the operation and management of the common areas and amenities. The Association will incur, for the mutual benefit of all the owners of such units, costs and expenses sometimes herein referred to as "common expenses". To provide the funds necessary for such proper operation, management and capital improvement, the Association has heretofore been granted the right to make, levy and collect assessments against the members of the Association and their units. In furtherance of this grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation of, the management of, and for capital improvements to the common areas, which for the purposes of these By-Laws shall be deemed to include, but not be limited to, the common areas and amenities, and all other improvements, the following shall be operative and binding upon the owners of all units:

(a) The owner of any unit subject hereto, with the exception of the Developer, by acceptance of a Deed therefor, whether or not it shall be so 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, or reserves for such, or special assessments as established by the Board of Directors of the Association, such assessments to be established and collected as hereinafter provided.

(b) The annual and special assessments, together with the interest, costs, and reasonable attorney's fees, if any, shall be a charge on the units and shall be a continual lien upon each unit against which they are levied. Each such assessment, together with interest, costs and reasonable attorneys fees, shall also be the personal obligation of the person or entity who is the owner of such unit at the time when the assessment falls due. The personal obligation for delinquent assessments shall not pass to any successor in title unless expressly assumed by such successor.

(c) The Developer shall not be required to pay regular annual or special assessments on any unit owned by it prior to its sale.

(d) 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, maintenance, and repair of all easements, utilities, stormwater facilities, including ponds, irrigation system, subdivision signs, mail and paper boxes, yard areas, parking areas, walkways, amenities, and the other common areas, as herein provided. The funds arising from said assessments or charges, may be used for any or all of the following purposes: Maintenance, repair, and improvement of the common areas, irrigation system, if any, drainage and utility easements, stormwater facilities (including ponds), and rights of ways; maintenance of the parking areas, walkways, amenities, and yard areas as herein provided, enforcing these restrictions, and, in addition, doing any other things necessary, proper, 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 the owners and residents of the subdivision.

(e) The annual assessments for each calendar year shall be established by the Board of Directors, and may be increased by the Board of Directors for any calendar year without approval by the membership by an amount not to exceed ten percent (10%) of the maximum annual assessment of the previous year. The maximum annual assessment for any calendar year may be increased without limit by a vote representing members holding two-thirds (2/3) of the votes who are voting in person or by proxy at a meeting called for this purpose.

(f) In addition to the annual assessments authorized above,

the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part, the costs of any construction, reconstruction, repair or replacement of a capital improvement located any place within the common areas, provided that any such assessment shall have the assent of members representing two-thirds (2/3) of the votes who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed to the uniform rate for all units and may be collected on a monthly basis.

(g) Written notice of any meeting called for the purpose of taking any action authorized under Paragraph 22(e) or Paragraph 22(f) set forth above shall be sent to all members not less than ten (10) days nor more than (30) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies-entitled to cast a majority of all votes of the owners of units shall constitute a quorum. If the required quorum is not present, the meeting may be adjourned to a time not more than forty-eight (48) hours from the time the original meeting was called, or 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 of the preceding meeting. No such subsequent called meeting shall be held more than thirty (30) days following the preceding meeting.

(h) The annual assessments provided for herein shall be collected on a quarterly basis and shall commence as to all units in the subdivision on the first day of the month following recordation of the Declaration of Restrictions for the subdivision. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. Upon the closing of transfer of a unit subject hereto, there shall be an assessment due for the remainder of the quarter in which the closing occurs, plus the amount of the assessment due for the following quarter.

(i) Any assessment not paid within thirty (30) days after the due date shall bear interest at the rate of eighteen percent (18%) per annum from the date due until paid. The Association may bring an action at law against the other owner personally obligated to pay the same or foreclose the lien against the unit and interest, costs, and reasonable attorney's fee of such action or foreclosure shall be added to the amount of such assessment.

(j) The lien herein granted unto the Association shall be enforceable from and after the time of recording a claim of lien in the public records of New Hanover County, North Carolina, which claim shall state the description of the unit encumbered thereby, the name of the record owner, the amount due and the date when due. The claim of lien shall be recordable any time after default and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, and attorney's fees thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The lien provided for herein shall be subordinated to the lien of any first mortgage or Deed of Trust and any person, firm, corporation or other entity acquiring title to any unit by virtue of any foreclosure, deed in lieu of foreclosure or judicial sale, shall be liable and obligated only for assessments as shall accrue and become due and payable subsequent to the date of acquisition of such title, and it shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a unit by foreclosure, deed in lieu of foreclosure or judicial sale, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all owners of all units as part of the common expenses, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of

collection of such payment by means other than foreclosure.

(k) The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. The sale or transfer of any unit shall not affect the assessment lien. However, the sale or transfer of any unit pursuant to mortgage or deed of trust 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 unit from liability for any assessments thereafter becoming due or from the lien thereof.

(l) Mortgagees or deed of trust trustees or beneficiaries are not required to collect assessments, and the failure of the owner to pay assessments shall not constitute a default under a mortgage.

(m) Upon the sale of seventy-five percent (75%) of all of the units in all sections or phases of the Subdivision, the Developer will turn over control of the Owner's Association to the Board of Directors to be elected by the membership in accordance with the By-Laws of the Association. Until such time, however, the Developer shall elect the Board of Directors of the Association.

23. **CONVEYANCE OF COMMON AREAS TO ASSOCIATION** The Developer shall convey to the Association, free and clear of all encumbrances, the common areas and limited common areas as shown on the plat of that phase as recorded in the New Hanover County Register of Deeds.

24. **CONVEYANCE, MORTGAGE, AND DEDICATION OF COMMON AREAS** The common areas and limited common areas may not be conveyed, mortgaged, or dedicated without the consent of at least seventy-five percent (75%) of the unit owners.

25. **RIGHTS OF ELIGIBLE MORTGAGE HOLDERS** To the extent permitted by law, an Eligible Mortgage Holder, that is, a holder of a first mortgage or lien on a unit who has requested notice of certain matters from the Association, upon written request to the Association, identifying the name and address of the owner and holder, will be entitled to timely written notice of:

(a) Any condemnation, loss, or casualty loss which affects a material portion of the project or any units on which there is a mortgage held by such Eligible Mortgage Holder.

(b) Any delinquency in payment of assessments or charges owed by an owner of the unit subject to a first mortgage held by such Eligible Mortgage Holder which remains uncured for a period of sixty days.

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders.

(e) In addition to the foregoing rights, the Eligible Mortgage Holders shall be afforded the following rights subject to the extent permitted by law and as allowed by the North Carolina General Statutes as they now exist or as they may be amended from time to time.

(1) Any election to terminate the legal status of the project after substantial destruction, or a substantial taking in condemnation of the project property must require the approval of at least 75% of the votes of the owners of the units subject to Eligible Mortgage Holders.

(2) Unless otherwise provided in the Declaration or Bylaws, no reallocation of interest in the common areas resulting from a partial condemnation or partial destruction of the project may be affected without the prior approval of Eligible Mortgage

• Holders holding mortgages on all remaining units or units whether existing whole or in part, and which have at least 75% of the votes of the owners of such remaining units subject to Eligible Mortgage Holders.

26. **INSURANCE** It shall be the individual responsibility of each unit owner to maintain casualty and liability insurance on his contents of his unit. It shall be the duty of the Association to maintain in effect casualty and liability insurance on all improvements, including those in the common areas as follows:

(a) **Amount and Scope of Insurance:** All insurance policies upon the improvements shall be secured by the Board of Directors or its designee on behalf of the Association in at least the amount of replacement cost with full authority, which shall obtain such insurance against (1) loss or damage by fire or other hazards normally insured against, and (2) such other risks, including public liability insurance, for projects similar in construction. However, such liability coverage shall be for at least \$1,000,000.00 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries, and deaths of persons in connection with the operation, maintenance, or use of the common areas and legal liability arising out of lawsuits relating to employment contracts of the Association. The foregoing shall not preclude the Board from obtaining insurance coverage on all or a portion of the limited common areas and facilities.

(b) **Insurance Provisions.** The Board of Directors shall make diligent effort to ensure that said insurance policies provide for the following:

(1) A waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent, or employee of the Association, the unit owners, and their employees, agents, tenants, and invitees.

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

(3) Coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty days prior written notice to the named insured.

(4) Coverage will not be prejudiced by act or neglect of the unit owners when said act or neglect is not within the control of the Association.

(5) The policies cannot be cancelled, invalidated, or suspended on account of the conduct of any one or more individual unit owners.

(6) The policy cannot be cancelled, invalidated, or suspended on account of any officer or employee of the Board of Directors without prior demand in writing that the Board of Directors cure the defect and the allowance of a reasonable time thereafter within which the defect may be cared by the Association.

(c) **Premiums.** All insurance premiums purchased by the Board of Directors or its designee and any deductibles payable by the Association upon loss shall be a common expense and the Association shall levy against the owners equally, as an additional annual assessment, herein called "Insurance Assessment" which shall be in addition to the amounts provided for herein, an amount sufficient to pay the annual cost of all such insurance premiums.

(d) **Proceeds.** All insurance policies purchased pursuant to these provisions shall provide that all proceeds shall be payable to the Board as insurance trustee or to such attorney at law or institution with trust powers as may be approved by the Board of Directors.

(e) Policies. All insurance policies purchased by the Board of Directors shall be with a company or companies permitted to do business in the State of North Carolina and holding a rating of "A" or better by the current issue of Best's Insurance Reports. All insurance policies shall be written for the benefit of the Board of Directors and the unit owners and their mortgagees as their respective interests may appear, and shall provide that all proceeds thereof shall be payable to the Board of Directors and duplicates of said policies and endorsements and all renewals thereof, or certificates thereof, together with proof of payment of premiums, shall be delivered to the owners at least ten (10) days prior to the expiration date with respect to the then current policies.

(f) Distribution of Insurance Proceeds. Proceeds of insurance policies shall be distributed to or for the benefit of the beneficial owners in the following manner:

- (1) Expenses of Trust. All reasonable expenses of the insurance trustee shall be first paid or provisions made therefor.
- (2) Reconstruction or Repair. The remaining proceeds shall be used to defray the cost of repairs for the damage or reconstruction for which the proceeds are paid. Any proceeds remaining after defraying such cost shall be retained by the Association for such common expenses or purposes as the Board shall determine.

(g) If a unit owner experiences a casualty loss the proceeds of insurance on his unit shall be used to restore the damaged unit to its original condition and appearance.

27. FIDELITY BONDS

(a) The Association shall maintain blanket fidelity bonds for all officers, directors, employees, and all other persons handling or responsible for funds of the Association. If the Association shall delegate some or all of the responsibility for the handling of its funds to a management agent, such fidelity bonds shall be maintained by such management agent for its officers, employees, and agents handling or responsible for funds of or administered on behalf of the Association.

(b) Amount of Coverage. The total amount of fidelity bond coverage required shall be based upon best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three months aggregate assessments on all units plus reserve funds.

(c) Other Requirements. Fidelity bonds required herein must meet the following requirements:

- (1) Fidelity bonds shall name the Association as an obligee.
- (2) The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definitions of "Employees", or similar terms or expressions.

(3) The premiums on all bonds required herein for the Association (except for premiums on fidelity bonds maintained by a management agent for its officers, employees, and agents) shall be paid by the Association as a common expense.

(4) The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to the Association, to any insurance trustee, and each Eligible Mortgage Holder.

28. STORMWATER MAINTENANCE PLAN It shall be the responsibility of the Association to provide the following inspections and maintenance of the stormwater system:

(a) **Periodic Inspections:** Periodic Inspections shall be provided as follows:

(1) The Association shall provide the services of a person competent to inspect the stormwater system on a periodic basis for catch basin and pipe blockage and detention pond operation.

(2) The inspector shall remove any trash or debris which has collected in the catch basins, pipes, or detention ponds, and report any more serious defects to the Association.

(3) Periodically, the ponds shall be inspected to see that the pond level is at or below the permanent design pond level.

(b) **Semiannual Inspections:** Semiannual Inspections shall be provided as follows:

(1) At least once every six months, an inspection shall be made of the detention ponds to determine if excessive sedimentation or plant growth has occurred.

(2) If sedimentation has occurred to the point that the general elevation of the bottom of the pond is more than one foot above the original pond bottom elevation, the sedimentation shall be removed at least to the original pond bottom elevation.

(3) If plant growth has progressed to the point that it interferes with the effectiveness of the ponds, it shall be removed. This can be accomplished by hand or mechanical means.

(4) This inspection shall also include an inspection of the orifice which controls the pond level after a rain.

(5) When construction has been completed, certification by a Registered Professional Engineer will be required stating that construction was completed in accordance with the approved plans.

(c) The net effect of the above inspection and repairs where necessary, shall be to keep the stormwater system in good repair and to see that the pollutant control effectiveness is not diminished.

(d) Any sloughing, erosion, or vegetation washout of the stormwater system shall be immediately repaired to obtain the design depth, slopes, and specifications.

(e) The State of North Carolina is hereby made a beneficiary to the extent necessary to enforce its stormwater regulations as the same may be amended from time to time.

29. AMENDMENT Except as otherwise provided herein, these restrictions may be altered, modified, canceled, or changed at any time as to said subdivision as a whole or as to any phase or part

thereof by a written document, recorded in the New Hanover County Registry, executed by the owners (not including mortgagees, trustees, or other lienholders) of not less than two-thirds (2/3) of the units to which these restrictions apply. Developer's power to amend this Declaration as provided herein shall not require the consent of the Class A members and shall be valid when signed by the Developer and recorded in the New Hanover County Register of Deeds.

30. **VIOLATIONS** If the parties hereto, or any of them or their heirs or assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for the Association or any other person or persons owning any unit situated in said subdivision to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate such covenants and either prevent him or them from so doing or recover damages or other dues for such violations.

31. **INVALIDATION** Invalidation of any one of these covenants by judgment or court order shall in no way effect any of the other covenants herein, which shall remain in full force and effect.

32. **TERM** All covenants, restrictions, and affirmative obligations set forth in these Restrictions shall run with the land and shall be binding on all parties claiming under them to specifically include, but not be limited to the successors and assigns, if any, of Developer, for a period of twenty (20) years from the date hereof after which time all said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the owners of a majority of the units (not including mortgagees or trustees under deeds of trust) substantially affected by such changes in covenants, has been recorded, agreeing to change said covenants in whole or in part.

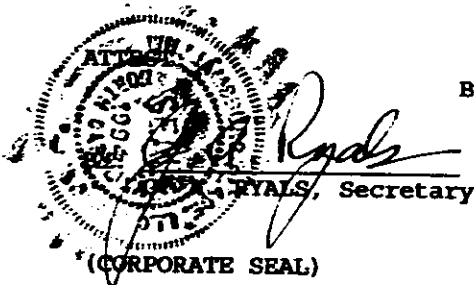
33. **UNITS SUBJECT TO DECLARATION** All present and future owners, tenants, and occupants of units and their guests and invitees shall be subject to and shall comply with the provisions of this Declaration, as the Declaration may be amended from time to time. The acceptance of a deed of conveyance or the entering of a lease or the entering into occupancy of any unit 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 inure to the benefit of and be enforceable by the Association, or the owner of any unit, their respective legal representative heirs, successors, and assigns, and shall run with and bind the land and shall bind any person having at any time any interest or estate in any unit as though such provisions were made a part of each and every deed of conveyance or lease.

IN TESTIMONY WHEREOF, the Developer has caused this instrument to be executed in its corporate name by its President, attested by its Secretary, and its corporate seal to be hereunto affixed, all as of the day and year first above written.

WILLIAMSBURG PLACE, LLC

By: P. Dean Fotter

P. DEAN FOTTER, President



The undersigned, First Citizens Bank & Trust Company, as successor to Peoples Savings Bank, Inc., SSB, does hereby sign this document for the purpose of consenting to and joining in the above Declaration of Restrictions of Williamsburg Place.

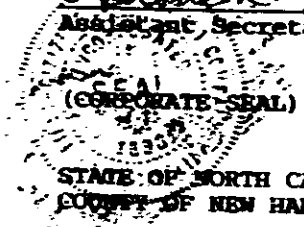
This the 14th day of March, 1996.

FIRST-CITIZENS BANK & TRUST COMPANY

By: *Richard P. Miller Sr.*
Vice President

ATTEST:

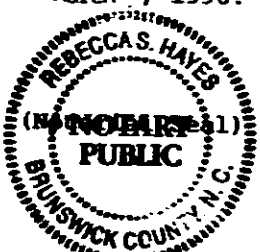
Arlene K. Lawson
Assistant Secretary



RECORDED AND VERIFIED
MARY SUE OOTS
REGISTER OF DEEDS
NEW HANOVER CO. NC
'96 MAR 21 PM 12 14

I, a Notary Public of the County and State aforesaid, certify that G. A. RYALS personally came before me this day and acknowledged that he is Secretary of WILLIAMSBURG PLACE, LLC, a North Carolina Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by her as its Secretary.

Witness my hand and notarial stamp or seal, this 14th day of March, 1996.



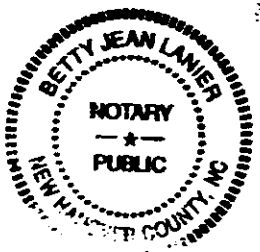
Rebecca S. Hayes
Notary Public
My Commission Expires: 11-4-98

STATE OF NORTH CAROLINA
COUNTY of NEW HANOVER

I, a Notary Public in and for the aforesaid County and State, do certify that *Arlene K. Lawson* personally appeared before me this day, and acknowledged that he/she is Assistant Secretary of FIRST-CITIZENS BANK & TRUST COMPANY, a North Carolina Banking Corporation, the foregoing instrument was signed in its name by, its Vice President, sealed with its corporate seal, and attested by himself/herself as its Assistant Secretary.

Witness my hand and official seal this 19 day of March, 1996.

(Official Seal)



Betty Jean Lanier
Notary Public
My Commission Expires: 8-31-99

STATE OF NORTH CAROLINA
New Hanover County

The Foregoing/ Annexed Certificate(s) of
Rebecca S. Hayes & Betty Jean Lanier

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

This the 21 day of March, 1996
Mary Sue Oots, Register of deeds

by *Jammy Danahue*
Deputy/ Assistant