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 Onslow County, NC  
 Rebecca L. Pollard Reg. of Deeds  
**BK 3657 PG 698-725**

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**NOTICE: THIS DOCUMENT REGULATES OR PROHIBITS THE USE AND DISPLAY OF THE FLAG OF THE UNITED STATES OF AMERICA AND STATE OF NORTH CAROLINA AND ALSO REGULATES OR PROHIBITS THE USE AND DISPLAY OF POLITICAL SIGNS [SEE SECTIONS 7.11 & 7.12 BELOW].**

STATE OF NORTH CAROLINA

COUNTY OF ONSLOW

MASTER DECLARATION OF  
COVENANTS, RESTRICTIONS AND EASEMENTS FOR  
PARROT LANDING SUBDIVISION

THIS MASTER DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR PARROT LANDING SUBDIVISION (the "Declaration") is made this 28 day of SEPTEMBER 2011, by PARROT LANDING, INC., a North Carolina corporation (the "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is the owner of a portion of, and may acquire part or all of, a certain tract of land situated in Swansboro Township, Onslow County, North Carolina, being more particularly described on Exhibit "A" (the "Property" or "Subdivision"); and

WHEREAS, Declarant is constructing a residential subdivision which may include community facilities for the benefit of the community, with single family townhouses (the "Project"); and

WHEREAS, Declarant desires to provide for the preservation and enhancement of the property values and amenities within said community and to provide for the maintenance of common areas, properties and improvements located thereon, and to this end desires to subject the Project property to the covenants, restrictions, easements, charges and liens as are hereinafter set forth, each and all of which are for the benefit of said real property and each present and future owner thereof; and

WHEREAS, Declarant desires to provide and allow for the annexation of additional "sections" to the Project as said "sections" are developed and completed, and to provide for equality of rights, privileges and obligations of all lot owners in all "sections" of the Project by adding and annexing such

"sections" to the Project by recordation of Supplemental Declarations to this Declaration.

THEREFORE, the Declarant hereby declares that all of the Lots and Common Areas (defined below) located within the Subdivision are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the following covenants, conditions and restrictions, all of which are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision as a whole and of each of said Lots. All of these restrictions shall run with the land and shall be binding upon the Declarant and upon the parties having or acquiring any right, title or interest, legal or equitable in and to the Property or any part or parts thereof subject to such restrictions, and shall inure to the benefit of the Declarant and every one of the Declarant's successors in title to any of the Property.

**ARTICLE I**  
**DEFINITIONS**

Section 1.1. "Articles" or "Articles of Incorporation" shall mean those articles, filed with the Secretary of State of North Carolina, incorporating Parrot Landing Homeowners Association, Inc., as a nonprofit corporation under the provisions of North Carolina State law, as the same may be amended from time to time.

Section 1.2. "Association" shall mean and refer to PARROT LANDING HOMEOWNERS ASSOCIATION, INC., formed as or to be formed as a non-profit corporation, its successors and assigns.

Section 1.3. "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association.

Section 1.4. "Bylaws" shall mean the Bylaws of the Association, as the same may be amended from time to time.

Section 1.5. "Class A Members" shall mean as defined in Section 4.5.1 below.

Section 1.6. "Class B Members" shall mean as defined in Section 4.5.2 below.

Section 1.7. "Common Areas" shall mean all the real estate (including retention ponds, storm drainage improvements, entrance signage, streets (including any dedicated streets prior to their acceptance for public maintenance) and all landscaping and other improvements thereon) owned by the Association for the common use and enjoyment of the Owners.

Section 1.8. "Declarant" shall mean and refer to Parrot Landing, Inc., a North Carolina corporation, its successors and assigns as a Declarant.

Section 1.9. "Development Period" means the period commencing on the date on which this Declaration is recorded in the Onslow County Register of Deeds and terminating on the earlier to occur of: (i) when Declarant no longer owns a Lot in the Subdivision; (ii) the date that Declarant relinquishes in writing Declarant's right to appoint Directors; or (iii) the

occurrence of the date fifteen (15) years from the date of recording the Declaration, renewable for an additional ten (10) year period with the consent of a majority of Owners other than the Declarant.

Section 1.10. "Dwelling Unit" shall mean and refer to the individual family living unit on an individual Lot designed and intended for use and occupancy as a residence by a single family, including, without limitation, townhouse homes.

Section 1.11. "Lot" shall mean and refer to any parcel of land designated on the Plat upon which a Dwelling Unit has been or is to be constructed.

Section 1.12. "Member" shall mean and refer to all those Owners who are Members of the Association as provided in Article IV below.

Section 1.13. "Owner" shall mean and refer to the record owner, including Declarant, whether one or more persons or entities, of a fee simple title to any Lot located within the Subdivision, but shall not include those having such interest solely as security for the performance of an obligation.

Section 1.14. "Plat" or "Map" shall mean and refer to the record plat of the Subdivision recorded by Declarant in Map Book 62, Page 51, Onslow County Registry, as the same may be amended or supplemented by Declarant from time to time.

Section 1.15. "Property" or "Subdivision" shall mean and refer to that certain real estate described in Exhibit "A," together with all structures and other improvements thereon, together with all other real estate that may be annexed into this Declaration and the Association by the Declarant.

Section 1.16. "Resident" shall mean and refer to any person, not an Owner, living in the Owner's Dwelling Unit, including, but not limited to, temporary guests and Tenants.

Section 1.17. "Restrictions" shall mean all covenants, conditions, restrictions, easements, charges, liens and other obligations provided for in this Declaration, including, without limitation, all notices, rules and regulations issued in accordance with this Declaration.

Section 1.18. "Rules and Regulations" shall mean and include the rules and regulations made from time to time by the Board of Directors as provided in Section 4.3 below

Section 1.19. "Tenant" means any person occupying any Lot pursuant to a written or oral lease agreement with the Owner thereof or with any other person or entity claiming under the Owner.

When applicable for the sense of this instrument, the singular should be read as including the plural and the male, female, and neuter pronouns and adjectives should be read as interchangeable.

**ARTICLE II**  
**PROPERTY SUBJECT TO THIS DECLARATION**

The Property, each portion thereof, and all Dwelling Units thereon shall be held, transferred, sold, conveyed, leased, mortgage and occupied subject to the terms, provisions, covenants and conditions of this Declaration.

**ARTICLE III**  
**COMMON AREAS**

Section 3.1. Title to Common Areas. The Declarant shall convey by deed all Common Areas to the Association in fee simple absolute after the final platting of all Lots in the Subdivision.

Section 3.2. Maintenance. The Association, at its expense, shall maintain, operate and keep in good repair, unless such obligations are assumed by any municipal or governmental agency having jurisdiction thereof, the Common Areas and all improvements located thereon for the common benefit of the Subdivision. This shall include, without limitation, the maintenance, repair, replacement and painting of the following landscaping and improvements (to the extent that such improvements or landscaping are located upon or constitute Common Areas): (a) all private roadways, driveways, pavement, sidewalks, walkways and uncovered parking spaces; (b) all lawns, trees, grass and landscape areas, shrubs and fences, except as otherwise set forth herein below; (c) any recreational facilities; (d) all conduits, ducts, utility pipes, plumbing, wiring and other facilities which are part of or located in, or for the furnishing of utility services to, the Common Areas and which are not for the exclusive use of a single Dwelling Unit.

Section 3.3. Owner's Easements of Enjoyment. Except as herein otherwise provided, each Owner shall have a right and easement of enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to his Lot subject, however, to the following:

(A) Suspension. The Association shall have the right to suspend any Owner's voting rights in Association matters and suspend the right of any Owner or the privilege of any Resident to use such of the Common Areas that are recreational in nature as determined by the Board for any infraction of the Rules and Regulations relating to the Common Areas for a period not to exceed sixty (60) days for each such infraction, or for any non-payment or delinquency of the Assessments against such Owner's Lot for a period not to exceed the period of such non-payment or delinquency.

(B) Dedication; Transfer. The Association shall have the right to dedicate, sell, lease or transfer all or any part of the Common Area, or any interest therein, to any public agency, authority, or utility, or to any other person for such purpose and subject to such conditions as may be agreed upon by the Members. No such dedication, sale or transfer shall be effective unless it has been approved by two-thirds (2/3) of each class of Member entitled to vote and an instrument of dedication, sale, lease, or transfer properly executed by the Association has been recorded. On such instrument the Secretary of the Association shall certify that two-thirds

(2/3) of each class of the Members entitled to vote have approved the dedication, sale, lease or transfer and that certificate may be relied upon by any third party without inquiry and shall be conclusive as to any grantee, its successor or assigns; provided however conveyances for general utility purposes, sanitary sewer, storm sewer, road rights-of-way and other conveyances for dedication to the public, as specified herein, may be made by the Association without consent of the Members.

(C) Borrowing. The Association shall have the right, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage the Common Area, and the rights of such mortgagee in the common area shall be subordinate to the rights of the Members hereunder.

(D) Rules and Regulations. The Association shall have the right to adopt and enforce and from time to time amend reasonable limitations upon use and Rules and Regulations pertaining to the use of the Common Areas, including regulations limiting guests of Owners and Tenants who may use the Common Areas at any one time.

(E) Easements. Each Owner's rights in the Common Areas shall be subject to all applicable provisions of valid easements and/or agreements of the Declarant and/or Association relating to the Common Areas.

(F) Permits; Licenses. The Association shall have the right to grant permits, licenses and public or private easements over Common Areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Property.

Section 3.4. Use of Common Areas by Declarant. In addition to the specific rights and easements reserved herein, Declarant and its affiliates and associates shall have the same rights of use and enjoyment of the Common Areas as the Class A Members during the Development Period, and shall have the same right to use Common Areas for promotional, sales and similar purposes until all of the Lots have been sold.

**ARTICLE IV  
HOMEOWNERS ASSOCIATION**

Section 4.1. Homeowners Association. There has been created a North Carolina non-profit corporation, known as Parrot Landing Homeowners Association, Inc., which shall be responsible for the maintenance, management and control of the Common Areas and upon each Lot and Dwelling Unit as more specifically set forth in this Declaration.

Section 4.2. Board of Directors and Officers. The Board of Directors, and such officers as the may elected or appointed in accordance with the Articles or the Bylaws, shall conduct the affairs of the Association. The Board may also appoint committees and managers or other employees and agents, who shall, subject to the general direction of the Board, be responsible for the day-to-day operation of the Association.

Section 4.3. Rules and Regulations. By a majority vote of the Board, the Association may, from time to time adopt, amend and repeal Rules and Regulations with respect to all aspects of the Association's rights, activities and duties under this Declaration. The Rules and Regulations may, without limitation, govern use of the Subdivision, including prohibiting, restricting or imposing charges for the use of any portion of the Subdivision by Owners, Residents or others, interpret this Declaration or establish procedures for operation of the Association or the administration of this Declaration; provided, however, that the Rules and Regulations shall not be inconsistent with this Declaration, the Articles, or Bylaws. A copy of the Rules and Regulations, as they may from time to time be adopted, amended or repealed, shall be maintained in the office of the Association and shall be available to each Owner upon request.

Section 4.4. Membership of Association. Every Owner of a Lot shall be a Member of the Association. Such Owner and Member shall abide by the Association's Rules and Regulations, shall pay the Assessments provided for in this Declaration when due, and shall comply with decisions of the Association's governing body. Conveyance of fee simple title to a Lot automatically transfers membership in the Association without necessity of further documents. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to Assessment.

Section 4.5. Classes of Membership. The Association shall have two (2) classes of Membership:

(A) Class A Members. Every person, group of persons, or entity which is a record Owner of a fee interest in any Lot upon which a Dwelling Unit has been erected within the Property, shall automatically be a Class A Member of the Association except the Declarant during the Development Period; provided, however, that any such person, group of persons or entity who holds such interest solely as security for the performance of an obligation shall not be a Member. A Class A Membership shall be appurtenant to and may not be separated from ownership of any Lot upon which a Dwelling Unit has been constructed that is subject to Assessment. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. In the event that more than one person, group of persons or entity is the record Owner of a fee interest in any Lot, then the vote for the membership appurtenant to such Lot portion shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. In the event agreement is not reached, the vote attributable to such Lot shall not be cast.

(B) Class B Members. The Class B Member during the Development Period shall be the Declarant. The Class B Membership shall cease and be converted to Class A membership upon the expiration of the Development Period.

(C) Voting. Each Member shall have one (1) vote with respect to each Lot owned by such Member, but a Class A Member shall not be entitled to exercise any vote until the expiration of the Development Period.

(D) Suspension of Voting Rights. The right of any Member to vote may be suspended by the Board for just cause pursuant to its Rules and Regulations, the Articles, and Bylaws of the Association.

**ARTICLE V**  
**COVENANT FOR ASSESSMENTS**

Section 5.1. Annual Assessments. The Annual Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners of Lots and comply with all obligations imposed by the Stormwater Permit and Erosion and Sedimentation Control Permit.

Section 5.2. Creation of the Lien and Personal Obligation for Assessments.

(A) Each Owner of any Lot 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:

(i) Annual Assessments or charges as provided for above;

(ii) Special Assessments as provided for above; and

(iii) To the appropriate governmental taxing authority, a pro rata share of ad valorem taxes against, and assessments for private improvements to, the Common Areas if the Association shall default in payment thereof.

Any such assessment or charge, together with interest costs, and reasonable attorney's fees, (as provided in N.C.G.S. §6-21.2) shall be a charge and a continuing lien upon the Lot against which each such assessment or charge is made. Each such assessment or charge, together with interest, costs and reasonable attorney's fees (as provided in N.C.G.S. §6-21.2), shall also be the personal obligation of the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to an Owner's successors in title unless expressly assumed by them.

Section 5.3. Minimum Annual Assessment. The initial minimum Annual Assessment shall be \$295.00 per year. So long as there exists Class B Lots, the Declarant shall pay no dues or assessments but in lieu thereof the Declarant covenants and agrees to defray such deficit as may be required for maintenance up to the amount of twenty-five percent (25%) of the normal assessment on Lots owned by the Declarant.

Section 5.4. Date of Commencement of Annual Assessments; Due Dates. The Annual Assessments provided for herein shall commence as to all Lots subject thereto, except such Lots owned by the Declarant, on the date of closing the transfer and conveyance of such Lot to the Owner. The first Annual Assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the Annual Assessments against each Lot at least thirty (30) days in advance of each Annual Assessment period. Written

notice of the Annual Assessments shall be sent to every Owner subject thereto. The Board shall establish the due dates.

Section 5.5. Increase of Annual Assessment. The Annual Assessments may be increased from any preceding year by the Board, without a vote of the Members, by a percentage which may not exceed fifteen percent (15%). The Annual Assessments may be increased by a percentage greater than that permitted to be made by the Board under this Section 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. The limitations herein set forth shall not apply to any increased assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

Section 5.6. Special Assessments. 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, repair or replacement of a capital improvement upon the Common Area, or maintenance of the roads within the subdivision, 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 the members of each class who are voting either in person or by proxy at a meeting duly called for such purpose.

Section 5.7. Notice and Quorum for Any Action Authorized Under Sections 5.5 and 5.6. Written notice of any meeting called for the purpose of taking any action authorized under this Article shall be sent to all Members not less than fifteen (15) 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 forty percent (40%) 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 pursuant 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 5.8. Effects of Nonpayment of Assessments; Remedies of the Association. Any Assessment not paid within thirty (30) days after the due date shall be delinquent, in default and shall bear interest from the due date at the highest rate then permitted by North Carolina law not to exceed eighteen percent (18%) per annum or one and one-half percent (1.5%) per month. The Association may bring an action at law against the Owner personally obligated to pay the same plus interest, cost, late payments charges and reasonable attorneys' fees, or foreclose the lien against the Lot. 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.

The lien herein granted unto the Association shall be enforceable pursuant to Article 2A of Chapter 45 of the General Statutes from and after the time of recording a Claim of Lien in the Office of the Clerk of Superior Court in the County in which the Property is located in the manner provided therefore by Article 8 of Chapter 44 of the North Carolina General Statutes,



which claim shall state the description of the Lot encumbered thereby, the name of the record owner, the amount due and date when due. The claim of lien shall be recordable any time following thirty (30) days after the due date of the Assessment or any installment thereof and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid. Such claim of lien shall include all Assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. An officer or agent of the Association shall sign such claim of lien. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record.

Section 5.9. Late Charge. The Association may impose a charge against any Owner who fails to pay any amount assessed by the Association against his Lot within ten (10) days after such Assessments are due and payable and who fails to exercise his rights under this Declaration or under the laws of the State of North Carolina to successfully contest such Assessment. The amount of the late charge shall be the greater of: (a) Twenty and 00/100 Dollars (\$20.00), or (b) twenty percent (20%) of the delinquent amount, or such other amount as may be determined by the Association from time to time. Additionally, if an Owner shall be in Default in payment of an installment upon an Assessment or of a single monthly Assessment, the Association has the right to accelerate all monthly Assessments remaining due in the current fiscal year. The total of such Assessments, together with the delinquent Assessments shall then be due and payable by the Owner no later than ten (10) days after the delivery of written notice of such acceleration to the Owner or twenty (20) days after mailing of such notice to him by certified mail, whichever occurs first. If such acceleration amount is not paid by the due date, the above-described late charge may be imposed on the part of such accelerated amount not paid by the due date.

Section 5.10. Subordination of the Lien. The lien of the Assessments provided for herein shall be subordinate to the lien of any institutional first mortgage and ad valorem taxes on said Lot. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or tax foreclosure shall extinguish the lien of such assessments as to payment, which became due prior to such sale or transfer, but shall not abate the personal obligation of the prior owner. No sale or transfer shall relieve such Lot from liability from any assessments thereafter becoming due or from the lien thereof.

**ARTICLE VI**  
**ARCHITECTURAL CONTROL**

Section 6.1. Submission for Approval. Except for the original and initial construction, and subsequent modification of improvements by the Declarant on any Lot, which construction is and shall be exempt from the provisions of this Article, no site preparations (including, but not limited to grading, elevation work, landscaping, sloping or tree work) or construction, erection, installation or modification of any improvements, including but not limited to, buildings, roofs, shingles, fences, signs, walls, bulkhead, screens, landscaping, exterior painting, siding, yard furniture, play areas, and play equipment or other equipment, furniture or structures shall be

commenced, erected, placed, altered or maintained upon any Lot, nor shall any addition to, or change or alteration therein be made by any Owner, other than Declarant, until the plans and specifications showing the nature, kind, shape, height, materials, exterior colors, type of siding, type of shingles, location and elevations of the proposed improvements or landscaping or yard equipment or furniture shall have been submitted to, and approved in writing by, as to harmony of external design and location in relation to surrounding structures and topography, the Board of Directors of the Association, or by an Architectural Committee composed of three (3) or more persons appointed by the Board. In the event said Board, or its designated Committee, fails to approve or disapprove such submission 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; provided that plans and specifications that contain inaccurate or missing data or information when submitted shall not be deemed to be approved, notwithstanding the foregoing. Refusal of approval of such plans, location or specifications may be based upon any ground, including purely aesthetic or environmental, that in the sole discretion of the Board or Committee, it shall deem sufficient. The Association shall not be responsible for any defects in the plans and specifications submitted to it or in any structure erected according to such plans and specifications. Upon request, the Board shall provide any Owner with a letter stating that any such work plans and specifications have been approved and third parties may rely upon same.

Section 6.2. Right of Inspection. The Association, through the Board, the Committee or their appointed agents, shall have the right, at its election, but shall not be required, to enter upon any Lot during site preparation or construction, erection, or installation of improvements to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plans and specifications and in a good and workmanlike manner, utilizing approved methods and good quality materials.

Section 6.3. Variances; Adjustments. The Board or the Architectural Committee appointed by the Board, as the case may be, shall have power to, and may allow variances of, and adjustments of, the restrictions on use and building restrictions established herein in order to overcome practical difficulties and prevent unnecessary hardships in application of the restrictions contained herein; provided, however, that variances or adjustments are done in conformity with the intent and purposes hereof; and, provided also, that in every instance such variance or adjustment will not be materially detrimental or injurious to the Property or other Lots in the immediate neighborhood. Variance and adjustments may be of the height, size, and setback requirements, but shall not be limited thereto. In the event of the grant of any variance in the building or use restrictions, the Association shall execute a document attesting to such grant and the specific nature thereof in form suitable for recording, so that the Owner may record same in the Registry of the County in which the Lot is located. Such document shall be prepared at the cost of the Owner and shall be binding upon the Association and may be relied upon by third parties.

Section 6.4. References to Association. Any reference to "Association" in this Section or that on Use Restrictions or Building Restrictions shall mean the Board or the Architectural Committee, whichever shall be vested with approval authority by the Board.

**ARTICLE VII**  
**GENERAL RESTRICTIONS**

Section 7.1. Residential Use. No Lot, Lots, or portions thereof shall be put to any use other than for residential purposes, except that any Lot may be used by the Declarant for a street or roadway.

Section 7.2. Prohibited Structures. No structure shall be erected, altered, placed or permitted to remain on any Lot described and shown on a recorded subdivision map of the real property described in Exhibit "A", other than one single family townhouse Dwelling Unit, not to exceed two and one-half stories in height, a private garage and such other outbuildings as may be reasonably appurtenant to the Dwelling Unit, provided that the same are constructed in line with general architectural design and construction standards used as the Dwelling Unit itself. The ground floor area of the main structure, exclusive of open porches and garages, shall not be less than 450 square feet of enclosed heated area. This covenant shall not be construed as prohibiting the use of a new Dwelling Unit as a model home for sales purposes.

No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently. No trailer, mobile home, camper or like vehicle, or any other structure which is finished or partially finished at a manufacturing unit or plant and transported for quick assembly or which is designed to be disassembled and relocated shall be used as a residence at anytime. It is specifically the intention and purpose of this covenant to prohibit the location of mobile homes, trailers, modular houses, relocatable houses, or similar type structures on the Property for use as a residence. This covenant shall not be construed as prohibiting the use of such a structure as a sales/rental model or office or construction site facility.

Section 7.3. Prohibited Activities. No business, trade, garage sale, moving sale, rummage sale, or similar activity shall be conducted upon a Lot without the prior written consent of the Board.

An Owner or occupant residing in a Dwelling Unit on a Lot may conduct business activities within the Dwelling Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the dwelling; (ii) the business activity conforms to all zoning requirements for the Lot; (iii) the business activity does not involve regular visitation of the Dwelling Unit or Lot by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the Subdivision; and (iv) the business activity is consistent with the residential character of the Subdivision and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of other Residents of the Subdivision, as may be

determined in the sole discretion of the Board. The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time; (b) such activity is intended to or does generate a profit; or (c) a license is required. The leasing of a Dwelling Unit or Lot shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by the Declarant or a builder approved by the Declarant with respect to its development and sale of the Property or its use of any Lots which it owns within the Subdivision.

Section 7.4. Nuisance. No noxious, offensive, or illegal activity shall be carried on or conducted upon any Lot or Common Area nor shall anything be done on any Lot or Common Area that shall be or become an unreasonable annoyance or nuisance to the Property. All Lots, whether occupied or unoccupied, shall be well maintained and no unattractive growth or accumulation of rubbish or debris shall be permitted to remain on a Lot. Declarant or the Association, reserves the right to enter upon and cut grass, weeds, or undergrowth on any Lot or easement, but shall be under no obligation to do so. The Declarant or Association may contract for, and assess to Owner, any maintenance necessary to enforce this covenant.

Section 7.5. Animals and Pets. No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any Dwelling Unit except that, subject to restrictions contained below and herein, household pets may be kept provided that said pet shall not exceed seventy pounds (70 lbs) in weight and is not kept for breeding or commercial purposes. Any such household pet shall not be allowed off the Lot of the Owner of said pet unless said pet is attended and on a leash. Owners shall be solely and absolutely liable for the acts of any pet kept on their Lot. The Owner is required to pick up, remove and dispose of all solid wastes of their pet in an Association approved container and in such manner as directed by the Association.

Notwithstanding anything contained in this Declaration to the contrary, the following dog breeds shall be specifically prohibited: Rottweiler, Doberman, Mastiff, Bulldog, Pit-bull, Chow, and Wolf Hybrids. In addition, the Association shall specifically have the power and responsibility to designate, based upon temperament, size, and/or nature or tendencies, from time to time, a list of breeds of animals which shall be prohibited on any Lot.

Furthermore, notwithstanding anything contained in this Declaration to the contrary, any Inherently Dangerous Animal shall be prohibited. "Inherently Dangerous Animal" shall mean any non-domesticated animal for which evidence demonstrates that unprotected human contact with the species can result in a life threatening injury or disease to those who come into contact directly or indirectly. The following are examples of Inherently Dangerous Animals, but shall not be deemed an exclusive listing: Bats, wolves, wolf hybrids, lions, tigers,

cheetahs, jaguars, cougars, leopards, snow leopards, clouded leopards, all hyena species, all bear species, all apes, Old and New World monkeys and prosimians, all elephant species, rhinoceros, hippopotamuses, gaur, banteng, kouprey, anoa, Cape buffalo, all crocodilian species, all helodermatidae species, green anaconda, amethystine python, African rock python, reticulated python, and all venomous snakes.

Section 7.6. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be burned or disposed of on any Lot, and shall be kept in sanitary containers approved by the Association. All equipment for the storage prior to disposal of such material shall be kept in a clean and sanitary condition. The placement of containers shall be approved by the Association and, in any event, shall be kept in an enclosed area not subject to view from any person, from any direction. The Declarant and Association reserves the right for itself, its successors and assigns, to contract for garbage collection services for each Lot in the Subdivision and the Owner shall be responsible for the payment of such garbage services to the company providing the same, or the Association may make such a common expense or an expense to a particular Owner.

Section 7.7. Antennas; Satellite Dishes or Discs. Except as first approved by the Association, no transmission or reception towers, antenna, dishes or discs shall be erected or maintained on any Lot.

Section 7.8. Exterior Lights. All light bulbs or other lights installed in any fixture located on the exterior of any Dwelling Unit, building or other structure located on any Lot shall be clear or white lights or bulbs. No mercury vapor or similar wide area lighting similar to street lights shall be allowed without prior Committee approval.

Section 7.9. Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two feet (2') and six feet (6') above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five feet (25') from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply on any Lot within ten feet (10') from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersection, unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 7.10. Mailboxes. Multiple unit mailboxes may be constructed by the Declarant for the use of a number of Owners within certain areas as determined by the Declarant and postal service. Thereafter, no mailboxes shall be installed on any Lot or Common Area without first obtaining the approval of the Architectural Committee. Application shall be made to the Association prior to installation or replacement as to the style, design, color and location. By accepting a deed to any Lot, the Owner gives the Association the right to remove any non-approved mailbox in a reasonable manner; all costs for same

shall be paid by Owner, and all damages against the Association are waived.

Section 7.11. Signs.

(A) Permanent and Temporary Signs. No permanent sign of any character shall be displayed upon any part of the property except a sign bearing the name of the owner and/or the street address without permission of the Association. Said signs shall not exceed the dimensions of five inches by twenty inches (5" x 20"). All temporary signs such as builders' signs, realty signs, etc., shall be approved by the Association. These signs should be placed in the center of the Lot, outside the street right of way. Under no circumstances may signs be nailed to trees or placed in the Common Areas.

(B) Political Signs. All political signs are restricted as follows: (i) Must be displayed indoors or outdoors on individual Lots only; (ii) are limited to three (3) in number; (iii) May have maximum dimensions of twenty-four inches by twenty-four inches (24" x 24"); and (iv) are prohibited no earlier than forty-five (45) days before the day of the election and no later than seven (7) days after an election.

(C) Sign Appearance. All signs must be clean, neat, and maintained in good repair.

(D) Removal. Declarant and/or the Association shall have the right to immediately remove and dispose of those items in violation of this Declaration.

Section 7.12. Flags. No flag other than the United States Flag or the State of North Carolina Flag shall be displayed upon any part of the Property without permission of the Association. Any United States Flag or the State of North Carolina Flag displayed shall be: (i) not greater than four feet by six feet (4' x 6') in dimension; (ii) displayed in accordance with or in manner consistent with the customs set forth in 4 U.S.C. §§ 5-10, as amended; and (iii) displayed only on individual Lots, not in Common Areas, easements, and/or rights-of-ways.

Section 7.13. Fences. The term "fence" shall include but not be limited to, a wall, fence, landscaping, berm, or hedge which acts as a fence or privacy or security-inducing structure. No fence shall be allowed EXCEPT AS FOLLOWS: an Owner may construct a "privacy partition" attached to and extending rearward of the rear wall of a Dwelling Unit, but not to exceed fifteen feet (15') rearward of the rear wall of the Dwelling Unit and not to exceed six feet (6') in height. Such privacy partition shall be constructed of a white vinyl material or such other material as approved by the Architectural Committee. Architectural Committee review requirements must be met prior to construction of any privacy partition. IN ADDITION, a fence shall be allowed on a Lot if it does not exceed six feet (6') in height and if constructed of a white vinyl material, so long as the design and placement shall be first approved by the Architectural Committee. Any fence shall include a gate or access, as approved by the Architectural Committee, which shall provide access to the Association and any utility provider to all portions of the Lot from 8:00 a.m. to 5:00 p.m. on weekdays.

The Association shall retain the right, however, and any fence construction shall be subject to such right of the Association, to remove any fence in the event the Owner fails to maintain the grounds and landscaping contained within the fence. In the event the placement of any fence shall restrict the access of the Association or any utility to any other Lot, the Owner hereby grants to the Association or such utility an easement for ingress, egress, and regress across all parts of the subject Lot for the purpose of access to any other Lot.

Section 7.14. Automobiles; Other Vehicles. No stripped, partially wrecked, junked or inoperative motor vehicles nor any part thereof shall be permitted to be parked or kept on any street or Lot. No automobile, other vehicle(s), motorcycle(s) or other similar items shall be repaired or placed "on blocks" or stands, except in an enclosed garage. No vehicle without current license plates; vehicle over 7100 pounds empty weight, boat; motor home; boat trailer; recreational vehicle or bus may be parked overnight on any Lot.

Section 7.15. Driveways; Parking. All vehicles shall be parked only on or at spaces designated by the Declarant or Association. No parking shall be allowed on any portion of a Lot. On-street parking is prohibited except for temporary, short gatherings. The Association may designate additional parking spaces from time to time and further regulate parking from time to time.

Section 7.16. Window Appearance. All windows in each Dwelling Unit shall contain white 2" wood or faux wood plantation style blinds. In addition, all draperies or other window dressings in each Dwelling Unit shall be white or off white or in lieu thereof shall have a white lining.

Section 7.17. Clotheslines. Exterior clotheslines shall be prohibited.

Section 7.18. Termite Contract Required. Each Owner shall initiate and maintain a termite inspection and repair contract on the Owner's Dwelling Unit. Said contract shall provide for an annual inspection and shall provide for repair of the structure in the event of damage by termites. The Owner shall cause a copy of the contract and the renewal thereof to be provided to the Association Treasurer at least annually and upon request by the Association. The Association reserves the right to subject any Lot to a termite contract and assess the cost thereof against the Lot for which the contract is provided, or alternatively, the Association may contract for a termite contract on all of the units as a common expense.

Section 7.19. Rental of Dwelling Units. Owners may lease their Dwelling Units, provided however, that any Tenant shall be bound by the applicable restrictions contained in this Declaration, By-laws and by Rules and Regulations enacted by the Association, and by such reasonable restrictions on such rentals as may be adopted by the said Board of Directors. The Board shall have the right to limit or prohibit the rights of Owners to use Common Areas during the period of rental to Tenants.

By acceptance of a deed to his Dwelling Unit, each Owner empowers the Association or its designee, as his attorney-in-fact, to bring a proceeding in summary ejectment to remove any

Tenant who is in violation of the provisions of this Declaration, the By-Laws, or any Rules and Regulations adopted by the Board pursuant thereto. If leased, a Dwelling Unit must be leased in its entirety, and may not be subdivided for this purpose. Nothing contained herein shall be construed, nor shall the Board be empowered to create a rental pool, to require the employment of an exclusive rental agent, to fix rental rates, or to require that Dwelling Units be made available for rent. All leases shall provide a minimum effective lease term of thirty (30) days without provisions for early termination, and a copy of any rental management agreement and all leases shall be provided to the Association.

The Association shall specifically have the powers to adopt policies, and Rules and Regulations to implement policies, relating to rental by Owners of Dwelling Units to Tenants, either by Owners directly or by rental agents, and the use of the common facilities by Tenants, including but not limited to, the regulation of pets, trash pickup, access to Common Areas, the number of occupants of a Dwelling Unit, the number of vehicles permitted to be parked and where such vehicles may be parked, the hours of use of the Common Areas, the number of Common Areas guests allowed who are neither Owners nor Tenants, the establishment of fees payable by Owners or Tenants to offset the cost of providing passes or identification for Tenants, or other administrative costs associated with Tenants. The Board shall have the right to limit or prohibit the rights of the Owners to use Common Areas during the period of rental to Tenants.

**ARTICLE VIII**  
**MULTI-FAMILY DWELLING SPECIAL PROVISIONS**

Section 8.1. Conveyance of Multi-Family Unit and Encroachment Easements. Regardless of any provision in this Declaration to the contrary, nothing shall prohibit or prevent the conveyance of a part or portion of any Lot in order to convey one separate living quarters residence of a multi-family dwelling. Easements are hereby reserved, for the benefit of the Declarant, its successors, and assigns and the Owner of any Lot, upon any adjacent Lot or Common Area for the encroachment of all or any portion of the common Party Wall of such Lot, any portion of the roof overhang of any Unit and exterior walls and siding of any Unit.

Section 8.2. Party Walls.

(A) General Rules of Law to Apply. Each wall which is built as a part of the original construction of the dwelling upon the Property and placed between the separate living quarters of a multi-family Dwelling Unit shall constitute a Party Wall, and, to the extent not inconsistent with the provisions of this Section the general rules of law regarding Party Walls and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(B) Sharing of Repair and Maintenance. The costs of reasonable repair and maintenance of a Party Wall shall be shared by the Owners who make use of the Party Wall in proportion to such use.



(C) Destruction by Fire or Other Casualty. If a Party Wall is destroyed or damaged by fire or other casualty, any Owner who has used the Party Wall may restore it, and if the other Owner(s) thereafter make use of the Party Wall, they shall contribute to the costs of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owner to call for a larger contribution for the others under any rule of law regarding liability for negligent or willful acts or omissions.

(D) Weatherproofing. Notwithstanding any other provisions of this Section, an Owner who by his negligent or willful act causes the Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(E) Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's heirs and successors in title.

(F) Dispute Resolution.

(i) Board Decision. In the event of any dispute between Owners arising or concerning a Party Wall, or under any provisions of this Declaration, any Owner shall notify the Board. The Board shall thereafter resolve the dispute and the decision shall be binding on the Owners of the Dwelling Units in the building. Alternatively, or in the event the Board cannot resolve the dispute or becomes deadlocked, the Board will choose an arbitrator whose decision shall be binding on the Owners of the Dwelling Units in the building.

(ii) Arbitration. Any controversy that shall be submitted to arbitration shall be determined and settled by an independent disinterested person (hereinafter "Independent Arbitrator") appointed by the Board, and such Independent Arbitrator shall resolve the controversy in accordance with the terms of the Uniform Arbitration Act, currently codified in North Carolina General Statute Article 45A, §1-567.1, et seq. or any successor statutes. The controversy as so determined shall be binding on the parties. The cost of arbitration shall be borne equally by the parties, except that each party will pay the cost of its legal counsel and the costs of expert witnesses. The place of arbitration shall be Jacksonville, North Carolina.

Section 8.3. Roof Maintenance and Shared Roofs.

(A) Roof Construction and Maintenance. The Declarant's intent is to construct, or have constructed, the Dwelling Units in such a manner which will result in a continuous roof between clusters of several adjoining Dwelling Units. Each Owner shall be responsible for repairing, restoring and maintaining that portion of the roof situated solely upon his/her/their Lot in substantially the same condition it exists at the time of the original conveyance, normal wear and tear excepted.

(B) Sharing of Repair and Maintenance of Joint Roof Area. The costs of reasonable repair and maintenance of that portion of a roof shared by adjoining Owners shall be in proportion to such use.

(C) Destruction by Fire or Other Casualty. If any portion of a roof, shared by Owners, is destroyed or damaged by fire or other casualty, any Owner whose Dwelling Unit is benefitted by such roof may restore it, and if the other Owners thereafter benefit from such restored roof, they shall contribute to the costs of restoration thereof in proportion to such benefit without prejudice, however, to the right of any such Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(D) Weatherproofing. Notwithstanding any other provisions of this Section, an Owner who by his negligent or willful act damages or destroys a portion of any roof which benefits other Dwelling Units shall bear the whole cost of repair or restoration.

(E) Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's heirs and successors in title.

(F) Dispute Resolution.

(i) Board Decision. In the event of any dispute between Owners arising or concerning a roof, or under any provisions of this Declaration, any Owner shall notify the Board. The Board shall thereafter resolve the dispute and the decision shall be binding on the Owners of the Dwelling Units in the building. Alternatively, or in the event the Board cannot resolve the dispute or becomes deadlocked, the Board will choose an arbitrator whose decision shall be binding on the Owners of the Dwelling Units in the building.

(ii) Arbitration. Any controversy that shall be submitted to arbitration shall be determined and settled by an independent disinterested person (hereinafter "Independent Arbitrator") appointed by the Board, and such Independent Arbitrator shall resolve the controversy in accordance with the terms of the Uniform Arbitration Act, currently codified in North Carolina General Statute Article 45A, §1-567.1, et seq. or any successor statutes. The controversy as so determined shall be binding on the parties. The cost of arbitration shall be borne equally by the parties, except that each party will pay the cost of its legal counsel and the costs of expert witnesses. The place of arbitration shall be Jacksonville, North Carolina.

Section 8.4. Damaged or Destroyed Dwelling Unit. In the case of any damage to or destruction of a Dwelling Unit or any part thereof, the affected Owner shall either (i) within sixty (60) days, rebuild, repair, or restore those portions of the Dwelling Unit that have been damaged and/or destroyed, or (ii) take such action as is necessary to prevent the deterioration

and damage to any adjoining Dwelling Unit(s), including removal of any debris or unsightly conditions.

Section 8.5. Maintenance of Multi-Family Units. Notwithstanding the provisions contained in this Article, the exterior maintenance and repair shall be provided by the Owner of each Lot. In the event any Owner fails to maintain or repair his Lot and/or Dwelling Unit thereon, the Association shall have the right to provide notice of the Owner's duty to maintain and repair and designate specific items to be maintained and repaired. If such maintenance or repair is not completed within fifteen (15) days from the notice, the upon a meeting of the Board, if the Board determines that the maintenance or repair should be undertaken, then the Association shall have the right to so undertake. The Association shall not have, however, any obligation to undertake any such maintenance or repair. The costs of the maintenance or repair shall be an assessment payable by the Owner and against the Lot maintained or repaired collectable as any other assessment.

General rules of law shall apply regarding liability for property damage due to negligence or willful acts or omissions and all such costs shall be allocated in relation to the person who would be responsible for repair in the absence of the right of the Association to maintain.

**ARTICLE IX**  
**STREET LIGHTING AGREEMENT**

The Declarant and the Association reserves the right to subject all, or any portion of the Property, to a contract with an electric utility company for the installation of underground electric cables and/or the installation of street lighting, either or both which may require an initial payment and/or a continuing monthly payment to an electric utility company by the Owners.

**ARTICLE X**  
**RESTRICTIONS ON FURTHER SUBDIVISION**

No Lot which has been designated as such by Declarant by recorded plat shall be further subdivided or separated into smaller Lots, without the prior written consent of the Association. This restriction shall not apply, however, to Declarant.

**ARTICLE XI**  
**STORMWATER MANAGEMENT**

Section 11.1. The following covenants and restrictions set forth in this Section are intended to insure continued and ongoing compliance with State Stormwater Management Permit Number SW8-100901, as issued by the Division of Water Quality, under NCAC 2H.1000:

(A) State is Beneficiary. The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the Stormwater Management Permit.

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

(C) Amendments; Alterations. The covenants set forth in this Article pertaining to stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality. Alteration of the drainage as shown on the approved plans may not take place without the concurrence of the Division of Water Quality.

(D) Maximum Built-Upon Area. The maximum Built-upon Area ("BUA") per Lot is 774 square feet. This allotted amount includes any built-upon area constructed within the Lot property boundaries, and that portion of the right-of-way between the front Lot line and the edge of the pavement. The term BUA includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, coquina and parking areas, but does not include raised, open wood decking, or the water surface of swimming pools. A BUA in excess of the permitted amount will require a permit modification.

(E) Construction; Runoff. The runoff from all BUA on the Project must be directed into the permitted stormwater control system. This may be accomplished through providing roof drain gutters, which drain to the pond or to the street, grading the Lot to drain toward the pond or street, or grading perimeter swales and directing them into the pond or street.

(F) Permeable Surface Credit. If permeable pavement credit is requested, the property owner must submit a request, with supporting documentation, to the permittee and receive approval prior to construction of BUA.

(G) Right of Inspection. Declarant, the Association, the State of North Carolina and their respective successors and assigns, reserve and retain the right to go upon any Lot to inspect for the compliance of such Lot with the Permit and to maintain, repair, replace and construct ditches and devices necessary to insure that such Lot is in compliance with the Permit.

**ARTICLE XII**  
**RESERVATION OF EASEMENTS BY DECLARANT**

Section 12.1. Easements of Declarant.

(A) Easements. Declarant hereby reserves for itself, its successors and assigns, and for the benefit of the Association those easements for utility, sight and buffer areas as well as any other easements, as shown on the recorded Plat of any Lot and the following additional easements and rights:

(i) A perpetual easement for ingress, egress, regress, access, the installation and maintenance of utilities, including but not limited to, water, sewer, gas, telephone, electricity and cable television.

(ii) A blanket perpetual easement over each Lot and right of way on, over and under the ground within a Lot for the purpose of installing, maintaining, repairing and replacing all utility service lines and systems including, but not limited to, those for water, sewer, gas, telephone,

electricity, cable television and garbage or refuse collection and pick up.

(iii) A blanket perpetual easement over each Lot and right of way on and over the ground within a Lot for the purpose of ingress, egress, and regress for the purpose of maintenance on any Lot and for the purpose of maintaining the grounds and landscaping which may be enclosed by a fence.

(iv) A four-foot (4') pedestrian ingress, egress, and regress easement along the rear property lines of Lots 1, 2, 3 & 8 as shown on the recorded Plat.

(B) Easement to Correct Drainage. For a period of two (2) years from the date of conveyance of the first Lot, the Declarant reserves a blanket easement and right of way on, over, and under the ground within a Lot to maintain and correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary. Following such action the Declarant shall restore the affected property to its original condition as near as practical. The Declarant shall give reasonable notice of its intent to take such action to all affected Owners, unless in the opinion of the Declarant, an emergency exists which precludes such notice. At the expiration of such two (2) year period, said easement to correct drainage shall automatically be held by the Association.

(C) Encroachments. In the event any portion of a Common Area encroaches upon any Dwelling Unit or any Dwelling Unit encroaches upon a Common Area as a result of construction, reconstruction, repair, shifting, settlement or movement of any portion of the Property, a valid easement for the encroachment and for the maintenance of same shall exist so long as the encroachment exists.

(D) Association Maintenance. The Board and the Architectural Committee, acting through the Association, its officers, agents, servants and/or employees shall have the right of unobstructed access at all reasonable times to all of the Property as may be reasonably necessary for maintenance.

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

(F) Grant to Others. The Declarant or Association may grant permits, licenses, and easements over any Common Area or utility easement reserved elsewhere for utilities, roads or other purposes reasonably necessary or useful for the Subdivision maintenance or operation of the Subdivision.

**ARTICLE XIII**  
**COMPLIANCE, ENFORCEMENT AND REMEDIES**

Section 13.1. Default and Remedies. A default in or failure to comply with any terms, conditions, obligations, and provisions of the Declaration, the Bylaws, Articles, or the Rules and Regulations, as the same may be amended from time to time, by any Owner or Resident, shall be grounds for relief that may include, without intending to limit the same or to constitute an election of remedies, an action to recover fines and penalties as set forth in the Bylaws, sums due for damages, an injunction, or combination thereof, which relief may be sought by the Association, an aggrieved Owner, or by any person or class of persons adversely affected. Also, if any Owner fails to perform any obligation under the Declaration, Bylaws, Articles, or Rules and Regulations, then the Association may, but is not obligated to, perform the same for the Owner's account, and for such purpose may enter upon the Owner's Lot or Dwelling Unit, may make necessary repairs, advance expenses or other sums necessary to cure the default, and for such expenses and costs may collect all such sums against the Lot owned by such defaulting Owner.

Section 13.2. Suspension of Rights. The Association shall also be entitled to suspend the right of the defaulting Owner to vote as a member of the Association until the default is cured and may suspend the voting rights of and right to use the Common Areas of an Owner during any period in which such Owner shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended, after notice of hearing as set forth in the Bylaws, for infraction of published Rules and Regulations; but provided, however, that the right of an Owner to ingress to and egress from his Lot shall not be impaired.

Section 13.3. Remedy of Abatement in Addition to Other Remedies. In the event an Owner fails to effect the cure specified by the Board where the default is a structure, thing, or condition existing in or on the premises of the Owner's Lot, the Board, or its duly authorized representative, shall have the right to enter upon the premises of the Owner's Lot in which, on which, or as to which, such default exists, and summarily to abate and remove, at the defaulting Owner's expense (and collect the costs as if an assessment), the structure, thing, or condition constituting the default, and the Board, the Association, and their agents, employees, and representatives shall not thereby be deemed guilty of any manner of trespass.

Section 13.4. Injunction. The Association, an aggrieved Owner, or by any person or class of persons adversely affected, is entitled to seek relief for any such default or failure and may obtain a temporary restraining order, injunction or similar relief, without first using the procedure established herein, if such default or failure creates an emergency or a situation dangerous to persons or property.

Section 13.5. Fines. Any Owner who shall violate the Declaration, Bylaws, Articles, or Rules and Regulations may be fined in an amount as set out by the Bylaws for each day of such violation. Such fine shall be enforced and collected as an assessment. Prior to the implementation of any fine, or the suspension of voting rights for the infraction of published rules and regulations, a hearing shall be conducted pursuant the procedure set out in the Bylaws.

Section 13.6. Attorneys' Fees and Costs. In any proceeding arising because of an alleged default by an Owner, the person, class of persons or Association bringing the action against an alleged defaulting Owner shall be entitled to recover the costs of such proceeding and such reasonable attorneys' fees and costs as may be allowed by the Court, with interest thereon at the highest rate allowed by law.

Section 13.7. Waiver. The failure of the Association or of any Owner thereof to enforce any term, provision, right, covenant, or condition that may be granted by the Declaration, Bylaws, Articles, or Rules and Regulations, as the same may from time to time be amended, shall not constitute a waiver or abrogation of the right of the Association or an Owner or other person to enforce such term, provision, right, covenant, or condition in the future, irrespective of the number of violations or breaches thereof that may have occurred.

Section 13.8. Recovery of Fines and Expenditures. Any fine, cost, or expense hereunder shall be recovered by the Association as if an assessment lien.

**ARTICLE XIV**  
**REMEDIES EXTENDED TO THE STATE OF NORTH CAROLINA**

To ensure that this Subdivision is maintained consistent with the laws of the State of North Carolina, the State of North Carolina is specifically empowered to take such acts necessary by and through its officers to enforce any of these covenants against an Owner or the Association. The State of North Carolina is specifically made a beneficiary of these covenants.

**ARTICLE XV**  
**MODIFICATION**

Section 15.1. Addition of Property. The Declarant may amend this Declaration in accordance with the provisions set forth herein to add/annex additional property to this Declaration.

Section 15.2. Amendment of Declaration. These covenants, easements and restrictions are subject to being altered, modified, canceled or changed at any time as to the Property as a whole, or as to any subdivided lot or part thereof, by written document executed by the Declarant or its successors in title and by the owners of not less than sixty-seven percent (67%) of the subdivided lots to which these restrictions then apply, and recorded in the Office of the Register of Deeds of Onslow County, North Carolina provided, however, that if the Declarant owns sixty-seven percent (67%) or more of the subdivided lots, the Declarant may alter or amend these covenants without the consent of any other Owner. Notwithstanding the foregoing, the covenants of this Declaration pertaining to stormwater management may not be amended except as provided in Section 11.1(C) above.

**ARTICLE XVI**  
**RIGHTS OF MORTGAGEES**

Section 16.1. Notice of Action. A holder or insurer of a mortgage, upon written request to the Association (such request to state the name and address of such holder or insurer and the

description of the secured properties) will be entitled to timely written notice of:

(A) Any condemnation or casualty loss that affects either a material portion of the Project or the Lot or Dwelling Unit securing its mortgage;

(B) Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Lot or Dwelling Unit upon which it holds a mortgage;

(C) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; or

(D) Any proposed amendment to the Project instruments effecting a change in the boundaries of any Lot or Dwelling Unit, ownership of Common Areas, if any, the number of votes in the Association pertaining to any Lot or Dwelling Unit or any proposed change in the restrictive covenants on the Property.

**ARTICLE XVII**  
**INSURANCE**

Section 17.1. Common Areas. The Association, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance for all insurable improvements on the Common Areas. If blanket all-risk coverage is not reasonably available then, at a minimum, an insurance policy providing fire and extended coverage shall be obtained. The insurance shall be in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

The Board shall also obtain a public liability policy covering the Common Areas, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least One Million and 00/100 Dollars (\$1,000,000.00) single person limits as respects bodily injury and property damage, a Three Million and 00/100 Dollar (\$3,000,000.00) limit per occurrence, and a Five hundred Thousand and 00/100 Dollar (\$500,000.00) minimum property damage limit.

Premiums for all insurance on the Common Areas shall be common expenses of the Association. This policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be responsible for the repair in the absence of insurance and in the event of multiple parties, shall be allocated in relation to the amount each party's loss bears to the total. Cost of insurance coverage obtained by the Association for the Common Areas shall be included in the Annual Assessment.

Section 17.2. Individual Dwelling Units. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry a homeowners or fire insurance policy which shall include public liability and blanket all-risk casualty insurance on his Dwelling Unit(s) and



structures constructed thereon. Each Owner shall provide a copy of the declaration page of the policy to the Association at such time(s) as the Association may direct. Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction of structures situate upon his Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction. In the event that the structure is totally destroyed, the Owner shall elect whether to rebuild within sixty (60) days of the loss. If Owner determines not to rebuild or to reconstruct, the Owner shall clear the Lot of all debris within ninety (90) days of loss and return it to substantially the natural state in which it existed prior to the beginning of construction. If the Owner fails to so clear the Lot within ninety (90) days of the loss, the Declarant or Association may do so and the cost shall be assessed against the Owner of the Lot.

**ARTICLE XVIII**  
**TERM**

The covenants, easements and restrictions set forth herein are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five (25) years from the date this Declaration is recorded, after which such time said Declaration shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by sixty-seven percent (67%) of the then owners of the lots has been recorded, agreeing to change any provision herein, in whole or in part, with the exception of provisions regarding stormwater collection.

**ARTICLE XIX**  
**DECLARANT'S RIGHTS**

Section 19.1. Transferability. Any or all of the special rights and obligations of the Declarant may be transferred to other persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the county in which this Declaration is recorded. Nothing in this Declaration shall be construed to require Declarant or any successor to develop any of the Property set forth in Exhibit "A" in any manner whatsoever.

Section 19.2. Rights of Declarant. Notwithstanding any provisions contained in this Declaration to the contrary, it shall be expressly permissible for Declarant to maintain and carry on upon portions of the Common Areas such facilities and activities as, in the sole opinion of Declarant, successors and assigns, may be reasonably required, convenient, or incidental to the sale, re-sale, or rental of such Lots, including, but not limited to, business offices, signs, model units, and sales/rental offices. The Declarant shall have an easement for access to such facilities and activities shall include specifically the right to use residences owned by the Declarant, if any, and any which may be owned by the Association.

The Declarant shall have the rights (i) to use or grant a portion of the Common Areas for the purpose of aiding in the

sale, or rental, or management of Lots; (ii) to use portions of the Property for parking for prospective purchasers or Tenants of Lots and such other parties as the Declarant determines; (iii) to erect and display signs, billboards and placards and store and keep the same on the Property; (iv) to distribute audio and visual promotional material upon the Common Area; and (v) to use or permit to be used any Lot which it owns or leases as a sales and/or rental office, management office or laundry and maintenance facility.

So long as Declarant continues to have rights under this Article, no person or entity shall record any declaration of restrictions and protective covenants or similar instrument affecting any portion of the Property without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of restrictions and protective covenants or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

Section 19.3. Amendment. This provision may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this provision shall terminate at the end of the Development Period.

#### **ARTICLE XX** **GENERAL PROVISIONS**

Section 20.1. Severability. Invalidation of anyone of these covenants by judgment or Court Order shall in no way affect any of the other provisions which shall remain in full force and effect.

Section 20.2. Captions. The captions used in this Declaration are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text of this Declaration.

Section 20.3. Construction. Whenever the context so requires, the use herein of any gender shall be deemed to include the plural and the plural shall include the singular.

Section 20.4. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five percent (75%) of the membership and a majority of the Board of Directors. This Section shall not apply, however, to: (i) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (ii) the imposition and collection of Assessments; (iii) proceedings involving challenges to ad valorem taxation; or (iv) counterclaims brought by the Association in proceedings instituted against the Association.

This Section shall not be amended unless such amendment is approved by the Declarant or is approved by the percentage votes and pursuant to the same procedures necessary to institute proceedings as provided above.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be signed by its President, with authority duly given by its board of directors, the day and year first above written.

PARROT LANDING, INC., a North Carolina corporation

By: [Signature] (SEAL)  
Greg Maready, President

\*\*\*\*\*

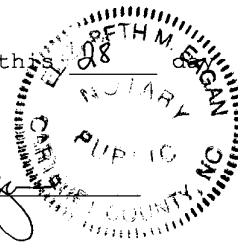
STATE OF NORTH CAROLINA )  
                                      ) ss.  
COUNTY OF ONSLOW )

I, the undersigned Notary Public of the County and State aforesaid, certify that GREG MAREADY personally came before me this day and acknowledged that he is the PRESIDENT of PARROT LANDING, INC., a North Carolina corporation, and that by authority duly given and as the act of such entity, he signed the foregoing instrument in its name on its behalf as its act and deed.

Witness my hand and Notarial stamp or seal, this 08  
of September, 2011.

My Commission Expires: 1-19-2013

[Signature]  
Notary Public



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**EXHIBIT "A"**

BEING all of that tract or parcel of land as depicted on that certain map or plat entitled "Final Plat: Parrot Landing Subdivision, Phase I" as prepared by Bell & Phillips Surveying, PLLC, dated 5/10/2011, and the same being recorded in Map Book 62, Page 51, Slide N-85, Onslow County Registry.

Doc ID: 009434730003 Type: CRP  
 Recorded: 12/21/2011 at 03:26:02 PM  
 Fee Amt: \$26.00 Page 1 of 3  
 Onslow County, NC  
 Rebecca L. Pollard Reg. of Deeds  
**BK 3698 PG 598-600**

Prepared by / Mail to: Tantum & Humphrey, P.A.  
 Attorneys & Counselors at Law  
 604-C Cedar Point Boulevard  
 Cedar Point, North Carolina 28584

Index in the Grantor Index:  
 Parrot Landing Subdivision  
 Parrot Landing Homeowners Association, Inc.  
 Parrot Landing, Inc.

STATE OF NORTH CAROLINA

COUNTY OF ONSLOW

**FIRST AMENDMENT TO THE MASTER DECLARATION OF  
 COVENANTS, RESTRICTIONS AND EASEMENTS FOR  
 PARROT LANDING SUBDIVISION**

THIS FIRST AMENDMENT TO THE MASTER DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR PARROT LANDING SUBDIVISION (the "Amendment") is made this 21<sup>st</sup> day of DECEMBER 2011, by PARROT LANDING, INC., a North Carolina corporation (the "Declarant").

**W I T N E S S E T H:**

WHEREAS, the Declarant has executed and caused to be recorded the Master Declaration of Covenants, Restrictions and Easements for Parrot Landing Subdivision as set forth in Book 3657, Page 698, Onslow County Registry (the "Declaration"); and

WHEREAS, Section 15.2 of the Declaration sets forth that the Declaration may be amended at any time by written document executed by the Declarant or its successors in title and by the owners of not less than sixty-seven percent (67%) of the subdivided lots to which these restrictions then apply, and recorded in the Office of the Register of Deeds of Onslow County, North Carolina; and

WHEREAS, the Declarant, by and through Class B membership, constitutes greater than 67% of the aggregate voting interest; and

WHEREAS, the Declarant wishes to amend the Declaration as hereinafter provided.

NOW THEREFORE, for the mutual benefit of all Owners and purchasers of Lots within the Subdivision, the Declarant hereby declares that the Master Declaration of Covenants, Restrictions and Easements for Parrot Landing Subdivision of record in Book 3657, Page 698 be amended as follows:

1. That Article VII, Section 7.5 shall amended and hereafter read as follows:

Section 7.5. Animals and Pets. No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any Dwelling Unit except that, subject to: (i) restrictions contained below and herein; and (ii) the Rules and Regulations as may be promulgated by the Association, household pets may be kept provided that said pet shall not exceed seventy pounds (70 lbs) in weight and is not kept for breeding or commercial purposes. Any permitted household pet must be kept within the confines of the Owner's Dwelling Unit except when being held on hand leash by the pet owner of the animal. Any permitted household pet shall not be allowed off the Lot of the Owner of said pet unless said pet is attended and on a leash. No household pet may be "staked", housed, tied up or otherwise left unattended outside the confines of a Dwelling Unit; provided, however, that, subject to the Rules and Regulations and this Declaration, permitted household pets may be kept within the confines of a Lot by a fence constructed subject to, and in accordance with, this Declaration, including, but not limited to, Section 7.13 below. Owners shall be solely and absolutely liable for the acts of any permitted household pet kept on their Lot. The Owner is required to pick up, remove and dispose of all solid wastes of their permitted household pet in an Association approved container and in such manner as directed by the Association. Additionally, the right of an Occupant to maintain an animal in a Dwelling Unit shall be subject to termination if the Board in its full and complete discretion, determines that maintenance of the animal constitutes a nuisance or creates a detrimental effect on the Subdivision or Occupants. No dog house or other structure used or intended for the housing or keeping of animals may be constructed, placed or maintained on any part of the Common Areas.

Notwithstanding anything contained in this Declaration to the contrary, the following dog breeds shall be specifically prohibited: Rottweiler, Doberman, Mastiff, Bulldog, Pit-bull, Chow, and Wolf Hybrids. In addition, the Association shall specifically have the power and responsibility to designate, based upon temperament, size, and/or nature or tendencies, from time to time, a list of breeds of animals which shall be prohibited on any Lot.

Furthermore, notwithstanding anything contained in this Declaration to the contrary, any Inherently Dangerous Animal shall be prohibited. "Inherently Dangerous Animal" shall mean any non-domesticated animal for which evidence demonstrates that unprotected human contact with the species can result in a life threatening injury or disease to those who come into contact directly or indirectly. The

