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**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
NEW HOPE RANCH SUBDIVISION**
(A Residential Subdivision)

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Declaration") is made this the 9th, day of July 2019, by MOHLER INVESTMENTS, LLC, a North Carolina Limited Liability company, hereinafter referred to as "Declarant".

WITNESSETH:

Declarant is the owner of certain property in Eastover Township, Cumberland County, North Carolina shown on plat entitled:

"NEW HOPE RANCH SUBDIVISION ZERO LOT LINE" recorded in Plat Book 0142, Page(s) 0141, of the Cumberland County, NC, Registry (hereinafter "New Hope Ranch")

New Hope Ranch will be comprised of single-family residential homes. Declarant desires to provide for the preservation of the values and amenities, and for the maintenance of the common area, in New Hope Ranch and under a general plan or scheme of improvement desires to subject said property to the covenants, restrictions, easements, affirmative obligations, charges, and liens hereinafter set forth, hereinafter referred to as the "Covenants" or the "Declaration", all of which is hereby declared to be for the benefit of said property and each and every owner of any and all parts thereof.

Declarant deems it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which can be delegated and assigned the power and authority of maintaining and administering the common properties, administering and enforcing these covenants and restrictions and collecting and disbursing all assessments and charges necessary for such maintenance, administration and enforcement. New Hope Ranch Owners Association, Inc. is incorporated under the laws of the State of North Carolina as a non-profit corporation and can exercise the functions aforesaid, which functions are hereinafter more fully set forth

- (b) Expenses of administration maintenance repair or replacement of the Commons Area, including, without limitation, all labor, services, common utilities, materials, supplies, equipment, costs incurred in acquiring a Lot pursuant to a judicial sale, legal, accounting or managerial fees, and all expenses in connection with the Association's responsibilities under any stormwater management agreement (the "Stormwater Agreement") affecting the Property;
- (c) Expenses declared to be common expenses by the provisions of this Declaration or the Bylaws;
- (d) Hazard, liability, or such other insurance premiums as the Declaration or the Bylaws may require the association to purchase or as the Association may deem appropriate to purchase'
- (e) Ad valorem taxes and public assessment charges lawfully levied against Common Area;
- (f) The expense of the maintenance of access, drainage and utility easements and facilities located therein which are within the boundaries of the Common Area; provided, however that maintenance of drainage easements located within the Lots shall remain the responsibility of the Lot Owners;
- (g) Payments into any escrow account required under any Stormwater Agreement, which may include funding of the escrow account prior to a transfer of maintenance and operation responsibilities from Declarant to Association; and
- (h) Any other expenses determined by the Board or approved by the members to be common expenses of the Association.

Section 6. "Declarant" shall mean MOHLER INVESTMENTS, LLC, a North Carolina Limited Liability Company, its successors and assigns.

Section 7. "Covenants" or "Declaration" shall mean this instrument as it may be from time to time amended, supplemented, modified or incorporated by reference.

Section 8. "Lot" shall mean and refer to any numbered plot of land shown on the Plat or any plat of any additional phases of New Hope Ranch, as such map or maps may be from time to time recorded, amended, or modified, excluding any infiltration basin, common area or open space.

Section 9. "Member" shall mean and refer to every person or entity entitled to membership in the Association.

Section 10. "Owner" shall mean and refer to the owner as shown by the records in the Register of Deeds of Cumberland County, North Carolina, whether it be one or more persons, firms, associations, corporations, or other legal entities, including the Declarant, of fee title to any Lot depicted on the plat of New Hope Ranch, but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee or holder of a security deed, its successors or assigns, unless and until such mortgagee or holder of a security deed has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term Owner mean or refer to any lessee or tenant of an Owner.

Section 11. "Period of Declarant Control" means the period commencing on the date hereof and continuing until the earlier of (i) December 31, 2028; or (ii) when Declarant has voluntarily terminated its Declarant Rights hereunder in writing.

Section 12. "Plat" or "Plats" shall refer to the following:

Plat entitled "NEW HOPE RANCH SUBDIVISION ZERO LOT LINE" recorded in Plat Book 0142, Page(s) 0141, of the Cumberland County, NC, Registry.

Section 13. "Property" or "Subdivision" shall mean and refer to the land as shown on the Plats. "Property" shall also include future sections of New Hope Ranch as the same may be annexed pursuant to Article II below.

ARTICLE II
PROPERTY, UTILITIES, AND RESERVED RIGHTS

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, given, donated, leased and occupied subject to these covenants is defined as the Property above.

Section 2. Annexation of Additional Property. Intentionally deleted.

Section 3. Special Declarant Rights. Declarant reserves the following special declarant rights for the entire Property during the Period of Declarant Control:

- (a) To complete any and all improvements indicated on the plats and plans;
- (b) To exercise any development right reserved in this Declaration;
- (c) To construct and maintain any sales office, signs advertising the Property, management office or model on any of the Lots or on the Common Area shown on the plat;
- (d) To use easements through the Common Area for the purpose of making improvements within the Property or any property added thereto; to enter upon the subdivision for access, including ingress and egress for both vehicles and pedestrians, to and from any public street; or to connect at Declarant's expense to any street, roadway walkway or other means of access located on the Common Area;
- (e) To create and add Lots, to alter the size of any Lot, combine or merge two or more Lots, to subdivide Lots or other Property into Common Property, to add Common Area, or to extend streets and utilities through Lots;
- (f) To appoint or remove any officer or member of the Association Board during the period of Declarant Control;
- (g) To transfer responsibility for any storm water best management practices or facilities affecting the Property to the Association in accordance with any Stormwater Agreement; or
- (h) To approve any supplemental declaration or other declaration of covenants, conditions or restrictions affecting any phase, sub-section or other portion of New Hope Ranch; without Declarant's review and consent, such supplement declaration or other declaration of covenants, conditions or restrictions shall be voidable in the sole discretion of Declarant.

Section 4. Utilities. The Declarant reserves the right to subject the real property in this subdivision to a contract with South River Electric Membership Corporation or any other utility company approved by the North Carolina Utilities Commission 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 continuing payment to South River Electric Membership Corporation or such other utility of the Owner of each Lot. All Owners shall be responsible for the payment of all monthly fees and other associated cost, including

maintenance, arising from said streetlights to the South River Electric Membership Corporation or any other applicable utility company.

Section 5. Utility, Access, and Drainage Easements. Easements for ingress and egress and installation and maintenance for utilities and drainage facilities are reserved as shown or indicated by note(s) on the recorded Plat. No improvement or structure is permitted to remain which may interfere with the installation and maintenance of access, utilities, or water.

Section 6. Easements for Governmental Access. An easement is hereby established over the Common Area and every Lot within the Property for the benefit of applicable governmental agencies for installing, removing, and reading water meters, maintaining and replacing water and sewer facilities, and acting for other purposes consistent with public safety and welfare, including, without limitation, law enforcement, fire protection, garbage collection and the delivery of mail.

ARTICLE III **PROPERTY RIGHTS IN THE COMMON AREA**

Section 1. Owner's Easement of Enjoyment in Common Area. Except as limited by the provisions of this Declaration, by the rules and regulations adopted by the Board of Directors of the Association, and any fees or charges established by the Board of Directors of the Association, the Association and every Owner shall have a right of easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title of every Lot.

Section 2. Delegation of Use.

- (a) Family. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be exercised by members of the Owner's family who occupy the residence of the Owner within the Properties as their principal residence.
- (b) Tenants; Contract Purchasers. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be delegated by such Owner to his tenants or contract purchasers who occupy a residence within the Properties.
- (c) Guests. The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article may be delegated to guests of such Owners, tenants or contract purchaser, subject to such rules and regulations as may be established by the Board of Directors.

Section 3. Access and Maintenance Easement. Appurtenant to each Lot is an easement over the Common Area as shown on the Plat for vehicular and pedestrian access from and to public streets, installation, maintenance and repair of utilities and roadways, and access and use of the mailbox kiosk for mail delivery. The Association is also granted an easement over and across the Common Area for these purposes and for the maintenance, repair and replacement of all improvements within The Common Area.

Section 4. Title to Common Area. The Declarant covenants for itself, its successors or assigns, that it shall convey to the Association the access and maintenance easements described herein prior to the conveyance of the first Lot. All said parcels of land may be conveyed to the Association subject to: (1) all restrictive covenants of record at that time, including but by no means limited to this Declaration; (2) all

existing mortgages; (3) easements reserved by the Declarant herein for special declarant rights; and (4) any Stormwater Agreement affecting the Property.

Section 5. Extent of Owners' Easement. The rights and easements of enjoyment created hereby shall be subject to the following:

- (a) the right of the Association, in accordance with its Bylaws, to borrow money from the Declarant or any other lender for the purpose of improving and/or maintaining the Common Area and providing services authorized herein and in aid thereof to mortgage said properties;
- (b) the right of the Association to take such steps as are reasonably necessary to protect the above-described properties against foreclosure;
- (c) the right of the Declarant or the Association by its Board of Directors to dedicate or transfer to any public or private utility, utility easements on any part of the Common Area; and
- (d) the right of Declarant to use Common Area for promotional, sales, and similar purposes during the Period of Declarant Control;
- (e) the right of the Association to improve, maintain and operate the Common Area;
- (f) the right of the Association to adopt, promulgate and enforce rules and regulations concerning the use of the Common Area; and
- (g) the special Declarant rights reserved herein.

Section 6. Regulation and Maintenance of Common Area and Common Area Easements. It is the intent of the Declarant that the Common Area be preserved for the perpetual benefit of the Owners.

- (a) Regulation of Common Area. The Association may adopt and promulgate rules and regulations governing the use of the Common Area by Owners and their family, guests and invitees. No Owner or other permitted user shall use the Common Area or any portion thereof in violation of the rules and regulations contained in this Declaration or subsequently adopted by the Association.

Without limiting the generality of the foregoing, except as specifically provided herein, no Owner or tenant, guest or invitee of an Owner shall, without specific prior written consent of the Association: (1) damage or waste the Common Area or improvements thereon or remove any trees or vegetation therefrom; (ii) erect any gate, fence, structure or other improvement or thing on the Common Area; (iii) place any garbage receptacle, trash or debris on Common Area; (iv) fill or excavate any part of the Common Area; (v) landscape or plant vegetation on Common Area; or (vi) use the Common Area or any part thereof in a manner inconsistent with or in any way interfering with the rights of other Owners.

- (b) Rights and Responsibilities of the Lot Owners as to Common Area Easements. Each Owner of a Lot upon which a Common Area easement lies shall pay all property taxes and other

assessments levied against his Lot, including that portion of such tax or assessment as is attributable to such Common Area easement.

- (c) Rights and Responsibilities of the Association as to the Common Area. The Association shall have the right and obligation to ensure that the Common Area is preserved for the perpetual benefit of the Owners, and, to that end, shall: (i) maintain the Common Area in its natural or improved state, as appropriate, and keep it free of impediments to its use by the Owners, subject to the provisions of this Declaration; (ii) procure and maintain adequate liability insurance covering the Association against any loss or damage suffered by any person resulting from use of the Common Area, and adequate hazard insurance covering the real and personal property owned in fee by the Association; and (iii) pay all property taxes and assessments for public and private capital improvements made to or for the benefit of the Common Area levied against Common Area owned in fee by the Association. Upon default by the Association in the payment to the governmental authority entitled thereto of any *ad valorem* taxes levied against the Common Area or assessments for public improvements to the Common Area, which default shall continue for a period of six months, each Owner of a Lot in New Hope Ranch shall become personally obligated to pay to the County Tax Assessor a portion of such taxes or assessments in an amount determined by dividing the total taxes and/or assessments due by the total number of Lots in New Hope Ranch. If such sum is not paid by the Owner within thirty days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then Owner(s), the Owner(s)' heirs, devisees, personal representatives, assigns, and the County Tax Assessor may either bring an action at law against the Owner personally obligated to pay the same or may elect to foreclose the lien against the property of the Owner. The Common Area may not be further subdivided, developed or conveyed by the Association, except where approved under the provisions of the Cumberland County Code of Ordinances Section 2402 and the Cumberland County Zoning Ordinance.

Section 7. Declarant's and Association's Right of Entry The Declarant and the Association and the employees, agents, contractors and subcontractors of each, shall have a non-exclusive right and easement at all times to enter upon any portion of a Lot reserved or designated as a Common Area easement for the purposes of: (i) installing and maintaining entrance signs, features, fencing and landscaping; and (ii) making improvements to the Common Area; and (iii) maintaining the Common Area easement in its natural or improved state.

ARTICLE IV **ARCHITECTURAL CONTROL**

Section 1. Architectural Approval. No residence or other building, and no fence, wall, utility yard, driveway, solar panel, swimming pool, Accessory Building, or other structure or improvement, regardless of size or purposes, whether attached to or detached from the main residence, shall be commenced, placed, erected or allowed to remain on any Lot, nor shall any addition to or exterior change (including without limitation changes in exterior color), or alteration thereto be made, unless and until building plans and specifications covering the same, showing the nature, kind, shape, height, size, materials, floor plans, exterior color schemes with paint samples, location and orientation on the Lot and approximate square

footage, construction schedule, on-site sewage and water facilities, and such other information as the Declarant or the ARC (as hereinafter defined) shall require, including, if so required, plans for the grading and landscaping of the Lot showing any changes proposed to be made in the elevation of surface contours of the land, have been submitted to and approved in writing by the Declarant or by an Architectural Review Committee ("ARC") composed of three or more persons appointed by the Board of Directors of the Association and until a copy of all such plans and specifications, as finally approved have been lodged permanently with the Declarant or the ARC. The Declarant or ARC, as the case may be, shall have the absolute and exclusive right to determine the style and appearance of the dwellings, including, but not limited to flag staffs, fences, walls, buildings outbuildings, garages, storage sheds, lawn decorations, structures of any type or color thereof, grading, landscaping, patio covers and trellises, utility layout, and any other improvements to be built or constructed on any Lot. The Declarant or ARC, as the case may be, shall have the absolute and exclusive right to refuse to approve any such building plans and specifications and lot-grading and landscaping plans which are not suitable or desirable in its opinion for any reason, including purely aesthetic reasons connected with future development plans of the Declarant of said land or contiguous lands. In passing upon such building plans and specifications and lot-grading and landscaping plans, the Declarant or ARC may take into consideration the suitability and desirability of the proposed construction and of the materials of which the same are proposed to be built to the Lot upon which it proposes to erect the same, the quality of the proposed workmanship and materials, the harmony of external design with the surrounding neighborhood and existing structures therein, and the effect and appearance of such construction as viewed from neighboring properties. In the event the Declarant or ARC fails to approve or disapprove such building plans and specifications within thirty (30) days after the same have been submitted to it as required above, the approval of the Declarant or ARC shall be presumed and the provisions of this paragraph shall be deemed to have been complied with.

Section 2. Rules and Regulations. The ARC may from time to time recommend to the Board, and the Board may, in its sole discretion, adopt, promulgate, amend and repeal rules and regulations interpreting and implementing the provisions of this Article, including adoption of detailed architectural guidelines and the imposition of a fee or charge for review of proposed improvements or modification.

Section 3. Variances. The Declarant and/or the Board, by the vote or written consent of a majority of the members thereof, may allow reasonable variances as to the covenants, conditions or restrictions contained in this Declaration, on such terms and conditions as it shall require; provided, however, that all such variances shall be in keeping with the general plan for the improvement and development of the Property. Variances contained in plans that are inadvertently approved by the ARC as part of the proposed improvements shall not be considered as having been approved unless specifically approved by the Board in accordance with the provisions of this Section.

ARTICLE V

USE RESTRICTIONS

Section 1. Land Use. All Lots in the tract known and described as residential lots may be developed as traditional, single-family residences except that only one residence or dwelling shall be permitted on any one Lot.

Section 2. Building Type. No structure shall be erected, altered, placed, or permitted to remain on any Lot other than one detached single-family dwelling not to exceed two stories in height, a private garage for not more than three cars, and any Accessory Buildings.

Section 3. Set Back Requirements. The building line for any dwelling house or the building appearances thereto shall be not less than fifty (50) feet from the street line on which the dwelling fronts, not less than twenty (20) feet from either side line and not less than fifty (50) feet from the rear of the property line. No shrubs, trees, or decorative yard ornaments shall be in the Department of Transportation Right-of-way (30' from center of road).

Section 4. Dwelling Size. No dwelling shall be erected or allowed to remain on any of the said Lots which shall contain a heated living space of not less than two thousand (2,000) square feet. Heated-area living space shall mean the ordinary living space in a house which is designed and constructed so as to be capable of being heated for regular living use in cold weather. In the computation of floor space, furnace room areas, garages, carports, and porches shall not be counted.

Section 5. Driveways. All driveways shall be constructed of concrete, asphalt or blue slate 78 stone with Declarant's or ARC approval.

Section 6. Landscaping. All lots will be properly graded and sodded with shrubbery and bedding materials. Once footprint is cleared no trees less than 20 inches shall be removed unless approved by Declarant or the ARC.

Section 7. Temporary Structures. No trailer, tent, shack, garage, barn, or similar type temporary structure shall be placed, erected, or allowed to remain on said property without the written consent of the Declarant or the ARC. No structure of a temporary character can be used as a residence temporarily, permanently, or otherwise.

Section 8. Restricted Activities. No commercial, noxious, or offensive trade or activity shall be carried on upon any plot, nor shall anything be done which may be or become an annoyance of nuisance to the neighborhood.

Section 9. Animals. No animal of any kind, except common pets and those animals listed in Section 10 of this Article shall be placed or kept on any part of the premises. No dangerous dogs shall be permitted. Dogs, cats, and other household pets shall be permitted on all Lots, provided (a) no more than four (4) pets may be kept and maintained upon any Lot except as set forth below, (b) said pets must be kept under proper supervision and control so as to not cause or create a nuisance or menace to others, and (c) said pets must be kept on the Lot of their Owner and must not be allowed to go upon the property of others or to run free and unrestricted upon the streets of the Property.

Any dog pens or fenced area housing a dog or chicken coop must be located behind the main structure and must be located at least fifty (40) feet from the main structure of the Lot and at least fifty (50) feet from the main structure of any adjoining Lots.

Section 10. Other Animals. Horses, goats, and hens shall be permitted on the Lots, but only in conjunction with a residence maintained on the Lot or an adjacent Lot. The number of horses belonging to an Owner shall be limited to one (1) horse per acre of land owned. The number of goats belonging to an Owner shall be limited to four (4) goats per Lot. The number of hens belonging to an Owner shall be limited to six (6) hens per Lot. Roosters are prohibited.

The Lot Owner shall be responsible for controlling odor, insects, and runoff as it relates to the keeping of horses, goats, and hens on the Lot. Should an Owner fail to comply with these standards, complaints may be issued to the Association and the Association shall have the right to enter said property and bring it up to suitable standards at the Owner's expense. Should said Owner have more than three complaints lodged against him/her at different times during a one-year period, the Association reserves

the right to cast a majority vote as to whether said Owner shall lose their right to keep animals or pets on the Lot. Horse stables, sheds, and other Accessory Buildings shall not be used or maintained for any commercial purpose and must be no less than fifty (40) feet from the main residence and from adjacent residences.

Section 11. Motor Vehicles. No mechanically defective automobile, motor vehicle, mechanical device, machine, machinery, or junk car shall be placed or allowed to remain on any Lot at any time. No commercial trucks, including without limitation tractor-trailer trucks, (but excluding not more than two full sized commercial pickup trucks) shall be permitted to be parked on the any Lot except in the course of delivery, pickup, or discharge of a specific commercial duty. Adequate off-street parking shall be provided by the owner of each Lot for the parking of automobiles owned by such Owner. Owners shall not park their automobiles on the Common Area in this subdivision.

Section 12. Fences. No fence measuring more than seventy-two (72) inches from the ground shall be erected or allowed to remain upon any numbered Lot. Any fence erected in the area between the front face of the residence and the 18' asphalt drive (or the public highway as the case may be) shall be of a split-rail design. Fencing on any other portion of the Lot may be of any design approved by the ARC, including chain-link and wire fencing.

Section 13. Storage Receptacles. No fuel tanks or similar storage receptacles may be exposed in view and may be installed only within the main dwelling house, within an outbuilding or Accessory Building, or buried underground or screened so as not to be visible.

Section 14. Water and Sewer Systems. All water and sewage systems shall be installed and maintained in conformity with the requirements of the Cumberland County Health department and shall be inspected and approved by the same.

Section 15. Outdoor Furniture. No furniture generally manufactured as interior furniture or for interior use shall be place or allowed to remain outside as lawn furniture, nor shall such furniture be placed or allowed to remain outside of any heated space. Said furniture includes, but not limited to, upholstered furniture or bedding.

Section 16. Basketball Goals. No basketball goals of any nature, whether stationary or portable, or regulation size or otherwise, shall be allowed in the Common Area. Basketball goals shall be allowed in owners' yards or driveway, provided they are properly maintained in good repair or condition, both aesthetically and structurally, and they must have nets which look new or nearly new.

Section 17. Garbage, Refuse, and Debris. It shall be the responsibility of each Lot owner to prevent the development of any unclean, unsightly, unhealthy, or unkempt condition of buildings or grounds on their Lots. All lots shall be kept clean and free of garbage, junk trash, debris, and any substance which might contribute to a health hazard or the breeding and inhabitation of snakes, rats, insects, or other pest and vermin. Each Lot owner shall provide garbage receptacles which are not generally visible from the public street or provide underground garbage receptacles or similar facilities in accordance with reasonable standards. Garbage or debris burning will not be allowed.

Section 18. Satellite Dishes and Radio Antennas or Towers. No radio tower or antenna of any nature shall be placed or allowed to remain on said property. No satellite dish antenna larger than eighteen (18) inches in diameter shall be placed or allowed to remain on said property. Permitted satellite dishes shall be installed in such a manner or location so they are not visible from the front of any Lot in New Hope Ranch.

Section 19. Signs. No signs or billboards of any kind or nature whatsoever shall be placed on the property, except as specifically set forth in this section. The only permitted signs on the property shall be: (1) Declarant's sign identifying and promoting the subdivision; and (2) one "For Sale" or "For Rent" sign of not larger than eight (8) square feet in an area may be placed on a Lot.

Section 20. Right-of-Way. The right-of-way for streets as shown on the recorded plat shall not be used for any purpose other than ingress and egress and the establishment of a mail kiosk area. There shall be no basketball goals of any sort within the Common Area. Any shrubbery, edging, rocks, basketball goals, or other objects, including vehicles, placed or parked in the Common Area may be removed by the Declarant and/or the Association without notice.

Section 21. Partition or Re-Subdivision. No Lot in the subdivision shall be partitioned, divided, or re-subdivided, except for the purpose of adding all or a portion of said Lot to an adjacent Lot, in which instance that portion of Lot which is added to an adjacent Lot shall be and become merged into and a part of a Lot to which it is added, for all purposes set forth in this Declaration. In such an instance, the outside boundaries of the combined property shall be deemed to constitute the front, side, and rear lines of a single Lot for the purpose of this Declaration. In no instance, however, shall any structure permitted by this Declaration be placed upon property comprised of combined portions of one or more lots unless the outside dimensions thereof are at least equal to the smallest Lot depicted and described upon the recorded plat of this subdivision.

ARTICLE VI

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every Owner, upon acquiring title to a Lot subject to assessment by the Association, shall be a member of the Association and shall remain a member until such time as his ownership of such Lot ceases for any reason, at which time his membership in the Association shall cease. Each Member shall pay the Assessments provided for in Article VIII when due and shall comply with the Association's decisions. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

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

- (a) Class A Members. Every person, group of persons, or entity which is a record Owner of a fee interest in any Lot shall automatically be a Class A member of the Association, except for the Declarant during the Period of Declarant Control; provided, however, that any such person group of persons, or entity who or which hold such interest solely as security for the performance of an obligation shall not be a Member. Each Class A Member shall have one (1) vote with respect to each Lot owned by such Member, except as set forth in Section 3 below. 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 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 Period of Declarant Control shall be the Declarant. Declarant shall be entitled to nine (9) votes for each Lot it owns during the Period of Declarant Control. The Class B Membership shall cease and be converted to Class A

membership upon the expiration of the Period of Declarant Control.

Section 3 Declarant's Voting Rights Until the expiration of the Period of Declarant Control, Declarant shall be vested with the sole voting right in the Association on all matters, including, without limitation, election and removal of directors and officers of the Association.

Section 4. Composition of Board. The Association shall be governed by a Board of Directors as provided for in the By-Laws of the Association. The Declarant shall have the right to appoint and remove all persons on the Board and to appoint and remove all officers of the Association during the Period of Declarant Control.

Section 5. Cumulative Voting Prohibited. Each Owner shall be entitled to as many votes as equals the number of votes he is ordinarily entitled to multiplied by the number of Directors to be elected but may not cast all of such votes for any one (1) Director and must distribute them among the number to be voted for, and all votes must be cast in whole numbers and not fractions thereof. It is the intent of this Section to prohibit cumulative voting.

Section 6. Voting Rights Suspension. The right of any Class A Member to vote may be suspended by the Board of Directors of the Association for any period during which any assessment against that Class A Member remains unpaid or for any violation of the published rules and regulations of the Master Association.

ARTICLE VII

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Class A Owner of a 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: (1) annual assessments or charges which are Common Expenses; (2) special assessments for extraordinary maintenance, capital improvements, or other extraordinary common charges or expenses; (3) special assessments for purchase, construction or reconstruction of improvements; and (4) to the appropriate governmental taxing authority, a pro rata share of assessments for public improvement to the Common Area if the Association shall default in payment thereof. All assessments, together with interest and late charges set forth in the Article and all costs and reasonable attorney's fees for collection, shall be a charge and continuing lien upon the Lot against which each such assessment is made. Each such assessment or charge, together with interest, fees, costs and reasonable attorney's fees, shall also be the personal or corporate obligation of the person(s), firm(s) or corporation(s) owning such Lot at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them; however, the unpaid assessments and charges shall continue to be a lien upon the Lot against which the assessment or charge was made.

The Association shall also have the authority, through the Board of Directors, to establish, fix and levy a special assessment on any Lot to secure the liability of the Owner thereof to the Association arising from breach by such Owner of any of the provisions of this Declaration which breach shall require the expenditure of time and money or both, by the Association for repair or remedy.

Each Class A Owner covenants, for himself, his heirs, successors and assigns, to pay each assessment levied by the Association on the Lot described in such conveyance to him by the due date as established by the

Board, and further covenants that if said assessment shall not be paid within thirty (30) days of the due date, the payment of such assessment shall be in default and the amount thereof become a lien upon said Owner's Lot as provided herein and shall continue to be such lien until fully paid.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the subdivision; and, in particular, but not limited to, for the acquisition, improvement and maintenance of services, amenities and facilities, and for the use and enjoyment of the Common Area, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes and public assessments assessed against the Common Area, the procurement and maintenance of insurance in accordance with this Declaration, the employment of counsel, accountants, managers, engineers, security personnel, and other professionals for the Association when necessary, the payment for maintenance and operation, under the Stormwater Agreement and for street lights; and such other needs as may arise.

Section 3. Regular Assessments; Initial Contribution to Working Capital; Fine Assessments. Until December 31, 2019, the initial regular assessment shall be \$150.00 annually based on the calendar year; such annual assessment for each Lot shall commence at the time of the first conveyance of an improved Lot (the "First Sale"), prorated on a calendar year basis. In addition, each Lot shall be assessed a one time or initial contribution to working capital fee of \$200.00 at the time of the closing of the First Sale. This one-time fee shall not be considered an advance of the regular or annual assessment.

Beginning January 1, 2019 and during the Period of Declarant Control, the Board of Directors shall adopt an annual budget and fix the annual assessment.

After the Period of Declarant Control expires, the Board of Directors shall adopt a proposed budget at least annually. Within 30 days after adoption of the proposed budget, the Board of Directors shall send a copy of the proposed budget and shall give written notice to the Members of a meeting of the Members to consider ratification of the budget, such meeting to be held not sooner than 10 days nor more than 60 days after the mailing of such notice. Such meeting may, but need not be, combined with the annual meeting of the Members. There shall be no requirement that a quorum be present in order to vote on ratification of the budget. The budget shall be deemed ratified unless at that meeting Members having a majority of the votes of the entire membership vote to reject the budget. Notwithstanding the foregoing, if the budget provides for annual assessments not greater than 10% larger than the assessment in effect for the immediately preceding year, such budget shall be deemed ratified unless Members having at least 80% of the votes of the entire membership vote to reject the budget. If the proposed budget is rejected, the budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board. Any annual assessment ratified by the Members shall continue thereafter from year to year as the annual assessment until changed by the Board and ratified by Members as set forth herein.

The Board of Directors, or any adjudicatory panel established by the Board, may levy a reasonable Fine Assessment as a fine or penalty for any violation of this Declaration. In addition, the Board may enact additional fees for late payments, fees for providing written assessment certificates setting forth all current and delinquent assessment charges, and fees to transfer ownership of a Lot upon the Association's records.

Section 4. Special Assessments for Capital Improvements. In addition to the regular and fee assessments authorized above, the Board may levy, in any assessment year, a special assessment for the purpose of defraying, in whole or in part the cost of any construction, reconstruction, restoration, repair or replacement of a capital improvement upon the Common Area, any extraordinary maintenance or other expense, including fixtures and personal property related thereto and any property for which the Association is responsible.

Section 5. Replacement Reserve. Out of the Common Expenses assessment, the Board may create and maintain a reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Area which the Association may be obligated to maintain.

Section 6. Individual Assessment. In the event that the need for maintenance, repair or replacement of any improvement on the Property, for which the Association has the maintenance, repair and/or replacement obligation, is caused through the willful or negligent act of an Owner, his family, his pet(s), his tenant or his guest, the cost of such maintenance, repairs or replacements shall be paid by such Owner. The Board shall have the maintenance, repair, or replacement done, and the cost thereof shall be provided by the Board to said Owner and shall be paid by said Owner within thirty (30) days thereafter, unless an earlier date is otherwise set forth therein.

Section 7. Date of Commencement of Annual Assessments; Due Dates. Annual assessments shall not commence until the First Sale as set forth in Section 3 above. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within ten (10) days after the due date shall be delinquent, in default and shall incur such late charge as the Board of Directors may from time to time establish, and if not paid within thirty (30) days after the due date, shall also bear interest from the due date at the rate of eighteen percent (18%) per annum or at such other reasonable rate set by the Association in its minutes, not to exceed the highest rate then permitted by North Carolina law. The Association may bring an action at law or in equity against the Owner personally obligated to pay the same plus interest, costs, late payment charges and reasonable attorneys' fees, and/or foreclose the lien against the Lot for which such assessment is due. Interest, late payment charges, reasonable attorneys' fees and the costs of such action or foreclosure shall be added to the amount of such assessment. 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 Chapter 47F of the Planned Community Act of North Carolina ("PCA") 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 Lot is located in the manner provided therefore by the PCA, 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 after 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 claims 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. Such claims of lien shall be signed by an officer or agent of the Association. In any foreclosure action, the Association shall be entitled to become a purchaser at the foreclosure sale. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any institutional first mortgage 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 first mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, but shall not abate the personal obligation of the prior owner. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. Any property dedicated to, and accepted by, a public authority and any property owned by the Association shall be exempt from the assessments created herein. Notwithstanding the foregoing, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 11. Miscellaneous.

- (a) An Owner has the sole responsibility of keeping the Association informed of the Owner's current address if different from the Lot owned. Otherwise, notice sent by the Association to the Lot is sufficient for any notice requirement under this Declaration.
- (b) The lien under this Article arises automatically and no notice of lien need be recorded to make the lien effective.
- (c) Any assessment otherwise payable in installments shall become immediately due and payable in full without notice upon default in the payment of any installment. The acceleration shall be at the discretion of the Board.
- (d) The Association shall have the right in its discretion to contract with a professional property management agency for the purposes of managing its affairs on behalf of the subdivision.

ARTICLE VIII
RIGHTS AND RESPONSIBILITIES OF THE ASSOCIATION

Section 1. Responsibilities. The Association shall be responsible for the following services:

- (a) Exclusive management, control, and maintenance of the Common Area and shall keep the Common Area in good, clean and proper condition, order and repair, whether or not title to such Common Area has been formally conveyed to the Association; including, without limitation, streets and roadways, landscaping, storm water structural controls and BMPs under any Stormwater Agreement, wet detention basins and other facilities located on the Common Area;
- (b) Payment of all costs, charges and expenses incurred in connection with the operation, administration and management of the Common Area and the performance of the services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligations and business under the terms of this Declaration;

- (c) Taking any and all actions necessary to enforce all covenants and restrictions affecting the Property, and to perform any of the functions or services delegated to the Association in any covenants or restrictions applicable to the Property, including but not limited to fining Owners for violating same or for not properly maintaining their Lot;
- (d) Constructing improvements on Common Area for use for any of the purposes or as may be required to provide the services as authorized in this Article;
- (e) Provision of administrative services including but not limited to insurance, legal, accounting and financial, and communication services informing Owners of activities, notice of meetings, referendums, etc., incident to the above-listed services, and payment of taxes and other expenses; and
- (f) Any other services necessary to perform its obligations hereunder.

The powers of the Association shall be construed liberally and shall include, without limitation, all of the powers set forth in Section 47F-3-102 of the Planned Community Act.

Section 2. Manager. The Association may employ and pay for the services of a person or entity, including the Declarant (the "Manager") to assist the Association in managing its affairs and carrying out its responsibilities hereunder and such other persons or entities, including attorneys and accountants, as the Association deems necessary or advisable, whether such persons or entities are engaged, furnished or employed by the Manager or directly by the Association. The Association may enter into a Management Agreement for such management services upon such terms as the Board of Directors may deem appropriate. The payment of management fees due to the Declarant may, at Declarant's option, be deferred until such later date as Declarant, in its sole discretion, deems appropriate. Furthermore, any management fees due to Declarant may, at Declarant's option, be credited against any assessments due or to be coming due from Declarant.

Section 3. Mortgage and Pledge. The Board of Directors of the Association shall have the power and authority, to borrow money for use by the Association and to mortgage the property of the Association and to pledge the revenues of the Association as security for such loans made to the Association which loans shall be used by the Association in performing its authorized functions. The Declarant may, but shall not be obligated to, make loans to the Association, subject to approval by the Declarant of the use to which such loan proceeds will be put and the method by which such loans will be repaid and subject to a maximum of loan amount approved by the Declarant, at interest rates acceptable to the Declarant. Notwithstanding anything in this Declaration to the contrary, the Association shall not be allowed to reduce the limits of the minimum regular annual assessment at any time there is outstanding any amounts due the Declarant as repayment of any loans made by the Declarant to the Association.

ARTICLE IX DURATION AND AMENDMENT

Section 1. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association, the Declarant or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a

period of twenty-five (25) years from the date this Declaration is recorded. Upon the expiration of said twenty-five-year period this Declaration shall be automatically renewed and extended for successive ten-year periods unless terminated or amended by a vote of the Owners. During the Period of Declarant Control, this Declaration may be amended by the Declarant, without the consent or joinder of any other Owner or the Association. Any such amendment shall be effective upon recording of same in the applicable public registry for Cumberland County, North Carolina. Otherwise, this Declaration may be amended as set forth in N.C.G.S. 47F-2-117 except that neither the Association nor the Owners may amend this Article IX to diminish or remove Declarant's powers hereunder.

ARTICLE X
ENFORCEMENT, SEVERABILITY AND INTERPRETATION

Section 1. Means of Enforcement. Enforcement of these Covenants shall be by any proceeding at law or in equity, whether it be to restrain violation or to recover damages or to create any lien created by these Covenants.

Section 2. Severability. Should any covenant or restriction herein contained, or any Article, Section, paragraph, sentence, clause, phrase or term in this Declaration be declared to be void, invalid, illegal, or unenforceable for any reason by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no wise affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 3. Interpretation. In all cases, the provisions of this Declaration shall be given that interpretation of construction which will best result in the consummation of the general plan of development of the Property. The provisions of these Covenants shall be given full force and effect notwithstanding the existence of any zoning or similar ordinance which allows a less restricted use of the Property.

Section 4. Authorized Action. All action which the Association is allowed to take under this instrument shall be authorized actions of the Association if approved by the Board of Directors of the Association in the manner provided for in the By-Laws of the Association unless the terms of this instrument provide otherwise.

Section 5. Trespass. Whenever the Association, and/or the Declarant are permitted by these Covenants to correct, repair, clean, preserve, clear out or do any action on any property or on the easement areas adjacent thereto, entering the property and taking such action shall not be deemed a trespass.

Section 6. Conflict. In the event of any conflict between the provisions of this Declaration and any applicable provisions of the Cumberland County Code of Ordinances, the provisions of the Cumberland County Code of Ordinances shall control.

IN WITNESS WHEREOF, Declarant has caused this instrument to be signed in its name the day and year first above written.

MOHLER INVESTMENTS, LLC

By: *L. Mohler*

Lorraine Mohler, Manager

NORTH CAROLINA
CUMBERLAND COUNTY

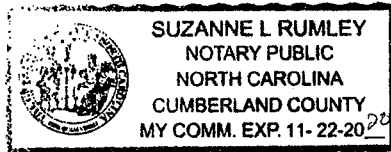
I certify that the following person(s) personally appeared before me this day and acknowledged to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Name of Principal: Lorraine Mohler

Date: July 9, 2019

Suzanne L. Rumley
Notary Public

SUZANNE L. RUMLEY
Printed or Typed Name of Notary Public

My commission expires: 11-22-2020



(N.P. SEAL)