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Harnett County, North Carolina
Matthew S. Willis, Register of Deeds
BK **4286** PG **2384 - 2420 (37)**

STATE OF NORTH CAROLINA

COUNTY OF HARNETT

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
DUCKS LANDING**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR DUCKS LANDING is made on the date hereinafter set forth by Moore HL Properties, Inc., a North Carolina corporation, (hereinafter referred to as "Declarant").

PRELIMINARY STATEMENT

Declarant is the owner of certain real property shown and described on deed recorded in Book 4235 at Page 326, Harnett County Public Registry, containing 102 acres, more or less, as set forth on Exhibit A attached hereto that comprises the residential subdivision known as "Ducks Landing" (the "Subdivision"), including all of the property shown on the plat of Phase 1 of Ducks Landing recorded in Plat Book 2025 at Page 268, in the Harnett County Public Registry, which Declarant intends to develop as a single-family residential community. This Declaration of Covenants, Conditions and Restrictions for Ducks Landing shall hereinafter be referred to as the "Declaration."

The Subdivision will be developed under a common scheme and general plan for the improvement and maintenance of the Subdivision. Declarant wishes to insure the attractiveness of the individual Lots and common facilities within the Ducks Landing development and to prevent any future impairment thereof; to prevent nuisances; to preserve, protect and enhance the values and amenities of the Subdivision and to provide for the maintenance and upkeep of the Common Property, entrances, landscaping within the community and utilities located within Ducks Landing, and for other purposes as set forth herein; and, in order to accomplish these objectives, Declarant deems it advisable to subject the real property described above and further shown on Exhibit A, together with such additions as may hereafter be made thereto (the "Property"), to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth.

Declarant deems it desirable, in order to ensure the efficient preservation, protection and enhancement of the values and amenities of Ducks Landing and the residents' enjoyment of the specific rights, privileges and easements in the common properties and facilities, that an organization be created to which will be delegated and assigned the powers of owning and maintaining all Common Property, administering and enforcing these covenants and restrictions and collecting and disbursing the assessments and charges hereinafter imposed.

Declarant has formed, or will form, for the purposes aforesaid, a North Carolina non-profit corporation under the name and style of "Ducks Landing Property Owners Association, Inc."

DECLARATION

NOW, THEREFORE, the Declarant hereby declares that all of the Property shall be held, sold and conveyed subject to the following easements, 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. All of said easements, covenants, conditions and restrictions shall run with the land and shall be binding upon the Declarant and upon any party acquiring any right, title or interest in and to any portion of the Subdivision and shall inure to the benefit of the Declarant (and to Declarant's successors or assignees) and to any other party acquiring any right, title or interest in and to any portion of the Subdivision.

ARTICLE I DEFINITIONS

The following definitions shall apply to the terms listed below if these terms are used in capitalized form in this document or in the Bylaws or the Rules and Regulations promulgated by the Association.

Section 1. "Architectural Review Board" shall mean a committee of not less than three (3) nor more than five (5) individuals selected by the Association's Board of Directors to review plans and specifications as provided in Article III hereof and to make the determinations provided in said Article. If no Architectural Review Board is appointed, the Board of Directors will serve as the board until one is appointed. Until the date upon which Declarant has voluntarily surrendered control of the Association to the Membership by written recorded document, Declarant may appoint a board of not less than three (3) nor more than five (5) individuals which shall exercise all of the rights and responsibilities herein set forth to be performed by the Architectural Review Board.

Section 2. "Association" shall mean and refer to Ducks Landing Property Owners Association, Inc., a North Carolina non-profit corporation, formed herewith or hereafter, its successors and/or assigns.

Section 3. "Board of Directors" or "Directors" shall mean the Declarant, or after the Declarant voluntarily surrenders control of the Association to the Members, those persons duly elected by the Members of the Association or otherwise duly appointed to the Board of Directors

as directors and/or officers, to govern the Association in accordance with the Bylaws of the Association.

Section 4. “Bylaws” shall mean the regulations and rules adopted by the Association for its internal governance as set forth in a separately executed document designated and captioned as such.

Section 5. “Common Property” or “Common Area” shall mean refer to all streets within the Subdivision (until such time as they may be dedicated as public roadways and accepted by a governmental agency for maintenance purposes); any sidewalks; any landscaped areas that are not part of any Lot; any real estate that is designated on a recorded Subdivision plat as “Open Space”; or any other acreage in which the Association becomes the record owner. The term Common Property shall also include any personal property acquired by the Association for the benefit of the Subdivision, if any. All Common Property shall be utilized for the common use and enjoyment of the Owners, their families, tenants, and guests, subject to any rules and regulations adopted by the Association. All use will be subject to any easements or right of ways either separately recorded or indicated in this document.

Section 6. “Common Expenses” shall mean and include:

- (a) All sums lawfully assessed by the Association against the Members;
- (b) Expenses of administration, maintenance, repair, or replacement of the Common Property; provided, however, in the event an Owner damages Common Property such as a Greenway Trail, if any, while constructing a home on a Lot, that Owner shall pay the Association for the cost to repair such damage and if not timely paid, such cost shall become a special assessment against the Owner’s Lot as provided in Article VIII Section 1 hereof;
- (c) Expenses declared to be common expenses by the provisions of this Declaration or by the provisions of the Bylaws;
- (d) Hazard insurance, liability insurance, 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 in its fiduciary discretion;
- (e) Ad valorem taxes and any public assessment charge which may be lawfully levied against any Common Property;
- (f) Any expense for the maintenance and repair of any private drainage or other utility easements and/or facilities which are within the boundaries of the Subdivision, and which may be located upon or within the Common Property of the Subdivision and which may benefit the Subdivision and/or any lands adjacent thereto;
- (g) The expense of maintenance and repair of all private streets, easements, landscaping, signage, and amenities within the Subdivision; or the expense of taxes or any other expense item associated with any Common Property;

- (h) Any expense related to security devices or personnel for the Subdivision;
- (i) Any other expenses determined by the Board, or voted upon and approved by the Owners, to be common expenses of the Association.

Section 7. “Declarant” shall mean and refer to Moore HL Properties, Inc., a North Carolina corporation, and its successors and/or assigns and/or intended transferees. The Declarant reserves the right to transfer or convey all of its rights as Declarant pursuant to this Declaration by recording a written notice thereof in the Harnett County Registry, said notice to be signed by the Declarant and by the transferee and to be in compliance with North Carolina General Statute § 47F-3-104, as amended. It is expressly provided that any reference in this Declaration to the Declarant shall also automatically refer to the Declarant’s successors and/or assigns and/or intended transferees, and any such successors and/or assigns and/or transferees shall benefit from any and all Declarant rights reserved or otherwise set forth in this Declaration.

Section 8. “Declaration” shall mean and refer to this instrument as it may be from time to time amended, supplemented, modified or incorporated by reference.

Section 9. “Lot” shall mean and refer to any numbered plot of land, with delineated boundary lines, shown upon any recorded subdivision map of the Property, together with all structures and other improvements thereto, with the exception of any Common Area. In the event any Lot is increased or decreased in size by Declarant by re-subdivision or recombination, through recordation of a new subdivision plat or recombination map, any such newly platted Lot shall thereafter constitute a Lot for the purposes of this Declaration.

Section 10. “Member” or “Members” shall mean and refer to an Owner or Owners, including Declarant and each and every person or entity holding membership in the Association.

Section 11. “Offensive” or “Noxious” activity or behavior shall include but not be limited to a any behavior or activity which a reasonable person would consider to constitute a public or private nuisance and shall also include any behavior or activity which is inconsistent with both the reasonable pleasurable use of the Subdivision area by substantial number of the residents and overnight guests and their reasonable expectations of residential habitation within the Subdivision. Examples of Offensive or Noxious activity or behavior shall include excessively noisy behavior, grossly disrespecting the rights of others, excessively flashy or bright lights, vehicles that are disassembled, excessively large, or excessive in number, significantly loud radio or other noise emitters, and other unreasonable behavior curtailing the reasonable pleasure of other residents in the Subdivision.

Section 12. “Open Space” shall mean and refer to Common Property that is identified as “Open Space” on any plat and that is being dedicated for the use of the Association in accordance with the Uniform Development Ordinance.

Section 13. “Owner” shall mean and refer to the Owner of any Lot as reflected by the title records of the Harnett County Registry (whether it be one or more persons, firms, associations, corporations, or other legal entities, including the Declarant). The term Owner 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; the term Owner shall also not mean or refer to any tenant of an Owner.

Section 14. “Period of Declarant Control” means the period commencing on the date hereof and continuing until the earlier of (i) twelve (12) months after Declarant (or any builder affiliate of Declarant) no longer owns a Lot in Ducks Landing or any property within a half mile of any Lot which has been annexed into (or which may be annexed into) said Subdivision or (ii) when Declarant relinquishes such control in favor of the Association via a recordable document executed by Declarant and recorded in the local Registry.

Section 15. “Rules and Regulations” shall mean and refer to the reasonable and nondiscriminatory rules and regulations as may be adopted from time to time by the Association, provided notice of such rules and regulations has been given to Owners in accordance with the requirements of this Declaration.

Section 16. “Subdivision” shall mean and refer to the Ducks Landing subdivision, which is comprised of all Lots, and all other acreage, as shown on any recorded plat of the Property. The Subdivision may also include any future sections of the Subdivision as the same may be developed from time to time by the Declarant.

ARTICLE II PROPERTY AND ADDITIONS THERETO

Section 1. Property. The real property, which is and shall be held, transferred, sold, conveyed, given, donated, leased and occupied subject to this Declaration includes all of those delineated Lots and other acreage as shown on Exhibit A.

Section 2. Other Additions. The Declarant reserves the right to unilaterally annex additional land as future sections of the Subdivision (in addition to any Lots developed out of the property described in Exhibit A), as the same may be developed from time to time by the Declarant, except that any such future sections of the Subdivision shall become subject to this Declaration only from and after the recording of a plat for any such future section and the recording of an amendment to this Declaration, which expressly makes any such new section subject to the terms of this Declaration. Any such amendment may contain such complementary additions and/or modifications of the covenants and restrictions contained herein as may be necessary or convenient, in the sole judgment of Declarant, to reflect the different character, if any, of any such new section, with any such additions and/or modifications to apply only to said new section. For clarification such Lots as are included in the acreage described in Exhibit A and shown on a future plat (Phase 2) of acreage contained therein, shall automatically be considered part of the Property and subject to this Declaration without the need for filing any supplemental declaration.

Section 3. Special Declarant Rights. Declarant reserves the following special declarant rights with respect to the Subdivision, and any future sections that may be added thereto, during the Period of Declarant Control:

- (a) To complete any and all improvements as may indicated on any recorded plat of the Subdivision;
- (b) To exercise any development right as may be reserved elsewhere in this Declaration;
- (c) To construct and maintain any sales office, marketing and sales signage, management office or model on any of the Common Property or on any of the Lots;
- (d) To convey, use, and benefit from easements through the Common Property, as necessary, for the purpose of developing the Subdivision or additional acreage that is annexed into the Subdivision; also, the right to convey future easements with respect to Ducks Landing for the benefit of adjacent property owners;
- (e) To modify or revise any recorded plat of the Subdivision including to unilaterally alter the size of any Lot, to combine or merge two or more Lots, to subdivide Lots, or to alter the size or boundary lines of any portion of the Common Property;
- (f) To use any Lot owned by Declarant as a roadway or entrance area to any adjacent property that is intended to be developed and/or annexed into the Subdivision by Declarant; and
- (g) To unilaterally make technical and/or substantive amendments to this Declaration such that it fully conforms with the legal requirements of Chapter 47F of the North Carolina General Statutes (the "North Carolina Planned Community Act"), as such may be amended, or so as to comply with any rules or regulations of the Veteran's Administration (VA) or the Federal Housing Authority (FHA), as amended, for the purpose of ensuring the viability of VA guaranteed or FHA insured mortgages within the Subdivision.

Section 4. Mergers. Upon merger or consolidation of the Association with another association, its property, rights and obligations may, by operation of law, be transferred to the surviving or consolidated association; or in the alternative, the property, rights and obligations of the other association may, by operation of law, be added to the properties of the Association as the surviving corporation pursuant to a merger. The surviving or consolidated association may administer the Subdivision, together with the covenants and restrictions established upon any other property, as one scheme of development. No such merger or consolidation shall effect any revocation, change or addition to the terms of this Declaration with respect to the Subdivision, including, without limitation, any maximum limits on assessments and dues of the Association, if any, or any other matter substantially affecting the interests of Members of the Association.

Section 5. Blanket Easement for Utilities. There is hereby created a blanket easement upon, across, over and under all of the Subdivision for installing, replacing, repairing, operating and maintaining any and all necessary utilities, including but not limited to storm and sanitary sewer, gas, telephone, and electricity, to service the Subdivision. By virtue of this blanket easement, it shall be expressly permissible for the utility providers and/or the Declarant to erect and maintain any necessary poles and other necessary equipment in the Subdivision, whether above-ground or underground. An easement is further granted to all police, fire protection, ambulance, postal delivery, and all other similar persons, companies or agencies to enter upon

the streets, driveways and other parts of the Common Property in the performance of their duties. Notwithstanding anything to the contrary herein, it is expressly declared that no sewer, stormwater, electrical, or other utilities may be installed or relocated within the Subdivision (including on any Lot contained within the Subdivision) unless specifically authorized in writing by Declarant, or by the Association following the Period of Declarant Control. Should any utility provided (covered by the blanket easement herein provided) request a specific easement by separate recordable document, then either the Declarant or the Association, as the case may be, shall have the right to unilaterally grant such easement rights and execute any such document.

Section 6. Easement for Encroachments. In the event that any structure erected on a Lot encroaches upon any other Lot or the Common Area, and such encroachment was not caused by the purposeful act or omission of the Owner of such Lot, then an easement appurtenant to such Lot shall exist for the continuance of such encroachment upon the Common Area or other Lot for so long as such encroachment shall naturally exist. In the event that any structure erected principally on the Common Area encroaches upon any Lot, then an easement shall exist for the continuance of such encroachment of such structure onto such Lot for so long as such encroachment shall naturally exist. The foregoing shall not be construed so as to allow any extension or enlargement of any existing encroachment or to permit the rebuilding of the encroaching structure, if destroyed, in a manner so as to continue such encroachment.

Section 7. Transfer of Rights. Any and all of the special rights and obligations of the Declarant may be transferred to the Membership, provided that the transfer shall not reduce an obligation or enlarge a right beyond that contained herein. Such transfer shall be effective once it is executed pursuant to a written recorded instrument signed by the Declarant. Upon transfer by Declarant of any or all of its rights and obligations hereunder, Declarant shall be relieved of any and all liabilities with respect to the rights and obligations so transferred. In no event shall any of the managers, members, agents, attorneys or employees of Declarant be held personally liable for the performance of any of the obligations of Declarant hereunder.

Section 8. Declarant's Consent to Amendments. This Declaration may not be amended without the express written consent of the Declarant until one hundred (100%) percent of the Lots have been sold by Declarant; provided, however, the rights contained in this Article shall terminate upon Declarant's voluntarily surrender of control of the Association to the Membership by written recorded document.

Section 9. Rules and Regulations of the Association. The Declarant/Directors shall have the power and authority to create Rules and Regulations to enable the Association to carry out the letter and intent of this Declaration. The Rules and Regulations shall not be effective until written notice thereof has been given by mailing a copy of the Rules and Regulations, postage prepaid, at least thirty (30) days before the effective date of enforcement of the Rules and Regulations, to each Owner addressed to the Owner's address last appearing in the records of the Association or by providing such Rules and Regulations in any other manner requested in writing by any Owner as approved by the Directors of the Association.

Once the aforementioned procedures have been followed and Rules and Regulations have been published and distributed to the community, all Owners shall abide by all Rules and Regulations. The Declarant/Directors shall have the power to enforce compliance with said Rules and Regulations by all appropriate legal and equitable remedies, and any Owner violating

such Rules and Regulations shall be subject to fines in addition to being liable to the Association for all damages and costs, including applicable attorney's fees, and administrative fees resulting from such violations. The Association must follow North Carolina General Statute § 47F Violation Hearing procedures, as may be amended from time to time, prior to imposing any fines.

ARTICLE III **CONSTRUCTION REQUIREMENTS**

Section 1. Residential Purpose. No structure, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on any Lot other than a detached single family dwelling as approved by the Architectural Review Board (as defined in Section 13(c)(1) below) and a garage and small accessory building (which may include a pool house, additional non-rentable living quarters, or guest facilities), provided such primary dwelling or accessory building does not overcrowd the Lot, as determined in the discretion of the Architectural Review Board or Board of Directors. Any accessory building may not be constructed prior to the construction of the primary dwelling.

Section 2. Multi-Family Use Prohibited. No multi-family residence or apartment units shall be erected or allowed on any Lot; and no dwelling once approved and constructed shall be altered or converted into any type of multi-family residence or apartment units.

Section 3. Lot Boundaries. Except as otherwise expressly provided in this Declaration, no Lot shall be subdivided, or its boundary lines changed, except with the written consent of the Declarant or the Association (if the Period of Declarant Control has expired), said consent to be provided or withheld in the sole discretion of Declarant or the Association, as the case may be. The Declarant reserves the right to unilaterally re-plat or modify for any reason the boundaries of any Lot(s) that Declarant continues to own.

Two (2) or more contiguous Lots may be combined into one (1) larger Lot with the written consent of the Declarant, said consent to be provided or withheld in the sole discretion of Declarant. Upon the combination of any two (2) Lots with Declarant approval, the exterior boundary lines of the resulting larger Lot shall be controlling with respect to the interpretation of the terms of this Declaration. The Declarant shall have the right to place conditions upon its approval of any such combination of Lots, including conditions related to payment of assessments and voting rights within the Association. Following the Period of Declarant Control, the Association shall be authorized to approve such combination under the same terms and conditions.

Section 4. Completion of Construction. The exterior of all dwellings and other structures must be completed within six (6) months after commencement of construction, unless a longer time is allowed by the Architectural Review Board, except where such completion is impossible or would result in great hardship to the Owner or contractor due to strikes, fires, national emergency or natural disaster. Dwelling structures may not be temporarily or permanently occupied until the exteriors thereof have been completed. During construction on any Lot, the Owner shall require the contractor to maintain the Lot or building site in a reasonably clean and uncluttered condition. Upon completion of construction, the Owner shall cause the contractor to immediately remove all equipment, tools and construction materials from

the Lot. The Owner shall be responsible for repairing at the Owner's expense any damage to the streets and roadways, Common Property, or property owned by others within the Subdivision caused by the Owner's contractor (or caused by other parties providing labor or services on behalf of the Owner). All landscaping must be completed in strict accordance with the landscape plans approved by the Architectural Review Board.

Section 5. Construction Limitation. During construction, all vehicles involved, including those delivering supplies, must enter the affected Lot on a driveway only as approved by the Architectural Review Board so as not to unnecessarily damage trees, street paving and curbs. During construction, builders must keep the homes, garages, and building sites clean and free of debris. All building debris, stumps, and like items must be removed from the affected Lot by the contractor as often as necessary to keep the house and Lot attractive during the construction phase. Any such debris shall not be dumped in any other area of the Subdivision.

Section 6. Minimum Heated Living Space. No single-story residence shall be constructed on any Lot which shall have heated-area living space constituting ground coverage of less than 1600 square feet; and no multi-story residence shall be constructed on any Lot which shall have a heated living space of less than 1600 square feet, of which a minimum of 600 square feet shall be on the ground floor, or shall constitute ground coverage of one or more levels. 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 computation of heated area living space, furnace room areas, garages, and open porches shall not be counted.

Section 7. Set-Back Requirements. The building setback lines for any dwelling house or the buildings appurtenant thereto constructed on any Lot shall conform with the setbacks shown on the applicable recorded plat for such Lot.

The provisions of this Section 7 may be changed and modified with respect to any one or more Lots so as to make the provisions less restrictive, provided said diminished restrictions comply with the Harnett County Unified Development Ordinance ("UDO"), by (a) the change being approved by a written recorded instrument signed by all of the Owners of all contiguous Lots to the Lot on which the change is sought and by the majority of the Owners of the Lots within one hundred (100) feet of any boundary of the Lot on which the change is sought; and (b) while Declarant continues to own any Lot in the Subdivision, by the change being approved by the written consent of Declarant. Notwithstanding the above, the Declarant reserves the right to unilaterally change or modify the provisions of this Section 7 with respect to any one or more Lots by a written recorded instrument signed only by Declarant (without the need for approval of any Owners of any other Lots).

Section 8. Garages. The side-line and rear-line restrictions above shall not apply to detached garages located within the rear one-fourth (1/4) of any Lot. The building line of any such detached garages shall not be less than ten (10) feet from a side lot line and not less than ten (10) feet from the rear line. On corner Lots, any such detached garages must be located upon the rear interior one-quarter (1/4) of the corner Lot or be subject to the side-line restriction as set forth in Section 7 above.

Section 9. Exteriors. No structure may be constructed with an exterior wall finish material other than vinyl siding. Stone or metal accents may be approved by the Architectural Review Board.

Section 10. Parking. The Owner of each Lot will be responsible for providing on such Lot sufficient parking for all vehicles normally parked and/or situated on such Lot. All vehicles must be parked on driveways, in alternate overflow paved spaces approved by the Architectural Review Board, or in garages. Utilization of Lot garage and driveway spaces must be at capacity prior to parking on the street. Street parking will be allowed only for parking by temporary guests. Vehicles that are wrecked, used for purposes other than transportation of passengers, unsightly (as determined by the Architectural Review Board or Board of Directors), and/or not in operating condition may not be stored or situated within the Property unless stored in an enclosed garage. No vehicles may be parked in any Common Area, except in spaces specifically designated for parking and only so long as the owner or driver of the vehicle is present on the Common Area.

Section 11. Fences. No wire or concrete block fences shall be permitted on any Lot. No fence shall be erected closer to any street line than the rear corner, closest to the street, of the single-family residential dwelling located on the Lot. No fence shall exceed six (6) feet in height. For those Lots which are corner Lots, no such fencing may be placed or erected on an improved corner Lot any closer to the street than the back rear corner of the principal dwelling structure closest to the street and, on vacant Lots, closer to any street than the setback line. For all wooden fences, the finished side must face the exterior of the Lot and the bracing must face the interior of the Lot. On interior Lots, or on the interior side of any corner Lot, fences must extend to (and be constructed along) the side boundary line. No double fencing between Lots shall be permitted; and each Lot Owner shall have the right and easement to extend his or her fence to the fence erected on the adjacent Lot, which right and easement is hereby reserved and conveyed for the benefit of all such Lots. The above notwithstanding, the provisions set forth herein shall remain subject to the architectural control provisions set forth herein; and the Declarant and/or the Architectural Review Board, as the case maybe, may allow for a variance of the above requirements on case-by-case basis.

Section 12. Mailboxes; Swing Sets/ Playground Equipment. The placement design, type and color of any mailbox and its support must be approved by the Architectural Review Board. Typical approved designs will be supplied upon request. Also, any swing sets and/or playground equipment must be located to the rear of the principal dwelling structure located on any Lot and must be adequately screened from view from the road; the placement and screening of any such swing sets and/or playground equipment must be approved by the Architectural Review Board.

Section 13. Architectural and Design Review.

- (a) **Purpose.** The purpose of architectural and design review shall be to preserve the natural beauty of the Subdivision and its setting, to maintain a pleasant and desirable environment, to establish and preserve a harmonious design for the community, and to protect and promote the value of property.
- (b) **Objectives.** Architectural and design review by the Architectural Review Board shall be directed towards attaining the following objectives for the Subdivision:

- (1) Preventing excessive or unsightly grading, indiscriminate earth moving or clearing of property, removal of trees and vegetation which could cause aesthetic disruption of the natural environment or scar natural land;
- (2) Ensuring that the location and configuration of all new structures are visually harmonious with the terrain and vegetation of the Lots, with all other structures, and with surrounding Lots, and do not unnecessarily block scenic views from existing structures or tend to dominate any general development or natural landscape;
- (3) Ensuring that the architectural design of all structures, and their materials and colors, are visually harmonious with the overall appearance of the Subdivision, its history and heritage (including the original vision of Declarant with respect to the development of the Subdivision); with surrounding development; with natural land forms and native vegetation; and with development plans officially approved by the Declarant (or any governmental or public authority, if applicable) for the areas in which the structures are proposed to be located;
- (4) Ensuring the plans for landscaping provide visually pleasing settings for any and all structures to be located on any Lot, and blend harmoniously with the natural landscape; and
- (5) Ensuring that any development, structure, building or landscaping complies with the terms of this Declaration.

(c) Architectural Review Board.

(1) The Declarant shall establish an architectural review board (the "Architectural Review Board") which shall consist of three (3) to five (5) members. The Architectural Review Board members shall be appointed by the Declarant until such time as the Declarant, in its sole discretion, transfers control of the Architectural Review Board functions to the Association. The regular term of office for each member shall be one (1) year, coinciding with the fiscal year of the Association. Any member appointed by the Declarant may be removed with or without cause by the Declarant at any time, in Declarant's sole discretion, by written notice to such appointee. A successor appointed to fill any such vacancy shall serve the remainder of the term of the departing member. When control of the Architectural Review Board functions is transferred to the Association, members of the Architectural Review Board shall be appointed by the Board of Directors of the Association, and any member may resign or be removed by the Board of Directors with or without cause at any time, in its sole discretion. In addition, any member of the Architectural Review Board may also be removed by the Members of the Association in the same manner as provided in the Bylaws of the Association for the removal of directors of the Board of Directors.

(2) The Architectural Review Board shall select its own chairman and he/she (or in his/her absence, the vice chairman) shall be the presiding officer of its meetings. All meetings shall be held upon call of the chairman; all meetings shall be held at a location designated by the Declarant (if the Period of Declarant Control has not yet expired or if

the Declarant has not transferred its control over the Architectural Review Board to the Association) in Harnett County, North Carolina and, following the Period of Declarant Control, as may be designated by the chairman in Harnett County, North Carolina. The affirmative vote of a majority of the members of the Architectural Review Board present at the meeting at which there is a quorum shall constitute the action of the Architectural Review Board on any matter before it. The Architectural Review Board shall operate in accordance with its own rules of procedure and guidelines. If such rules of procedure and guidelines are in writing, then they shall be filed with the Association and maintained in the records of the Association. Notwithstanding the above, any meeting of the Architectural Review Board may be held virtually in accordance with the then current procedure adopted by the Architectural Review Board, unless a majority of the members of the Architectural Review Board objects to such meeting being held virtually and so long as notice of the meeting complies with the meeting notice requirements for meetings of the Board of Directors as set forth in the Bylaws of the Association.

(3) The Architectural Review Board is hereby authorized to retain the services of one or more consulting architects, landscape architects, urban designers, attorneys, and/or any other professional consultants as it determines necessary, to advise and assist the Architectural Review Board in performing the functions herein prescribed.

(4) The Architectural Review Board may adopt, promulgate, amend, revoke and enforce guidelines (the "Development Guidelines") for the purposes of:

- (i) governing the form and content of plans and specifications to be submitted for approval pursuant to the provisions hereof;
- (ii) governing the procedure for the submission of such plans and specifications; and
- (iii) establishing policies with respect to the approval and disapproval of all proposed uses and all construction or alteration of any structure on any Lot.

The Architectural Review Board shall make a published copy of any current Development Guidelines readily available to Owners and prospective Owners upon request.

(d) Transfer of Architectural Review Authority. Upon the sale of all of the Lots within the Subdivision, the Declarant shall transfer the above-described review authority to a permanent Architectural Review Board which shall be under the control of the Association. Such transfer shall be evidenced by an amendment to this Declaration to be executed by the Declarant and to be filed in the local Register of Deeds. The Declarant is not obligated to transfer said review authority at any particular time; provided, however, that such transfer must be made no later than thirty (30) days after sale of the last Declarant-owned Lot in the Subdivision. At any time prior to the transfer of said review authority, the Declarant may allow (in its sole discretion) the Association's Board of Directors to elect one or more members to the Architectural Review Board.

(e) Review of Approval of Plans for Additions; Alterations or Changes to Structures and Landscaping. No building, structure, wall, fence, sign, mailbox, tank or container, swimming pool, tennis court, volleyball court, swing set or permanently affixed play equipment, shall be erected or constructed; and no existing building or structure shall be modified or expanded (to

include any changes to the roof and roof shingles, and to include any changes to the exterior, and to include changes to any color scheme, any exterior materials, or any exterior finishes); and no landscape work that will affect the look or appearance of the property shall be commenced, on any Lot or upon the Common Property, until the proposed building plans, specifications (including height, shape, type, nature, color, composition of exterior materials, and finish), plot plan (showing the location of such building or structure, and/or any other items listed hereinabove, drives and parking areas), landscape plan, and construction schedule have been submitted to and approved by the Architectural Review Board.

Any alteration, change or deviation from the original plans and specifications (as may have been previously approved by the Architectural Review Board) must be re-submitted to the Architectural Review Board, and such Architectural Review Board shall have the same rights to approve or disapprove any such alteration, change or deviation pursuant to its rights as contained herein.

(f) Submission of Plans. Two (2) copies of all plans, specifications and/or any related information shall be submitted to the Architectural Review Board for approval. One copy shall be retained with the files of the Architectural Review Board. The other copy shall be returned to the Owner and marked either "approved" or "disapproved." The Architectural Review Board may establish a reasonable fee from time to time sufficient to cover its expense of reviewing plans and related information at the time such items are submitted for review and to compensate any professional consultant(s) engaged by the Architectural Review Board. Approvals shall be time sensitive in nature and shall not be effective for any construction commenced more than twelve (12) months after the date of such approval unless a different expiration time is specifically stated in the approval. Disapproved plans and related information shall be accompanied by a statement of items found unacceptable. In the event approval of such plans and related information is neither granted nor denied within forty-five (45) days following submission to (with written acknowledgment of receipt by) the Architectural Review Board of all of the required documents (with written request that such items are being formally submitted for approval), then such plans shall be deemed approved. The Architectural Review Board shall have the right to disapprove any plans, locations or specifications based upon any ground which is consistent with the objectives of this Declaration, including purely aesthetic considerations, so long as such ground is not arbitrary and capricious.

(g) Approval Not a Guarantee or Representation of Proper Design or Good Workmanship. No approval of plans, standards or specifications by the Architectural Review Board may be construed as a representation or guarantee by the Architectural Review Board that any such plans, standards or specifications, will, if followed, result in a properly designed dwelling unit or other structure. Further, any such approvals may not be construed as a representation or guarantee by the Architectural Review Board that any dwelling unit will be built in a good and workmanlike manner. Neither the Declarant nor the Architectural Review Board shall be responsible or liable for any defect in any plans or specifications submitted, revised or approved under this Declaration, nor for any defect in construction pursuant to any such plans and specifications. Each and every Owner shall be fully responsible for the quality and workmanship of any dwelling or other structure that is constructed upon any Lot; and each and every Owner does hereby, by acceptance of any Lot purchased within the Subdivision, agree to hold the Declarant and the Architectural Review Board harmless for any defect or other problem caused by the Owner's architect, builder or other third party related to any such plans, standards or

specifications, either required by or approved by the Architectural Review Board. The Declarant reserves the right to prohibit any builder from working in the Subdivision in the event it is determined that such builder has failed to comply with any approved plans, either intentionally or negligently. Each and every Owner hereby agrees that any exercise of such right by the Declarant with respect to any builder shall not constitute a denial of an Owner's property rights and shall not give rise to a cause of action for damages by any such Owner.

Section 14. Repairs. Any dwelling unit or other improvement on any Lot that is destroyed partially or totally by fire, storm or any other means shall be repaired or demolished within a reasonable period of time, and the Lot restored to an orderly and attractive condition. If any Owner fails to commence to repair or demolish and remove same within thirty (30) days after notice from the Architectural Review Board, the Association, or the Declarant, and fails to diligently continue with any such repair or demolition to completion, then the Association may do so at the Owner's expense, and such expense shall be treated as an assessment against the Lot in question and subject the Lot to lien rights in favor of the Association, with the same rights and remedies in favor of the Association as set forth below.

Section 15. Remedies. If any finished dwelling unit, structure, landscaping, or any other item subject to approval rights of the Architectural Review Board, does not comply with the submitted and approved plans and specifications, then the Architectural Review Board and/or the Association retains (i) the right to make any necessary changes at the Owner's expense to comply with such approved plans and specifications; (ii) the right to treat such charge or cost as an assessment; (iii) the right to treat such failure to comply as a violation of the provisions of the Declaration; (iv) the right to file a claim of lien for any costs incurred or fines assessed against the Lot in question; and (v) the further right to resort to all remedies provided under the laws of North Carolina for the recovery of such costs and the expenses of collection including without limitation, reasonable attorneys' fees.

Section 16. Swimming Pools. Any swimming pool must be situated in the rear yard. Without limiting any other provision in this Declaration, all pools must be approved by the Architectural Review Board in writing as to location and design, and any such pool must be screened by a privacy fence which must be approved in writing by the Architectural Review Board.

ARTICLE IV **USE RESTRICTIONS**

Section 1. Residential Use. All Lots shall be used for single-family residential purposes exclusively. No structure or structures shall be erected, altered, placed or permitted to remain on any Lot unless such structure or structures is used directly (or indirectly) for single-family residential purposes with respect to such Lot.

“Single-family residential purposes” shall mean and refer to use as a place of long-term, permanent residence with respect to a dwelling unit located upon any Lot (and shall also mean shorter-term non-permanent residence if any such dwelling unit is leased to a tenant; however, any dwelling unit may not be used or leased for transient or daily/weekly rental purposes). The residential use restriction is subject to the following qualifications:

(a) Unless further restricted in the deed, the use of a portion of a dwelling unit located upon any Lot as an office shall be considered as a permissible residential use (i) if such use does not create a significant increase in automobile or pedestrian traffic to and from the dwelling unit; (ii) if no sign, symbol, logo or nameplate identifying such a business or professional office is affixed to or about the Lot or the entrance to the dwelling unit; (iii) if the office use complies with residential zoning laws for the Subdivision; (iv) if the office is only incidentally used for business or professional purposes; (iv) if the Declarant or the Association, after responding to any complaint by a neighboring Owner, has not expressly requested that the subject dwelling unit no longer be used in whole or in part as an office, said request to be in the sole discretion of the Declarant or the Association in light of any such complaint or other grounds;

(b) The use of any dwelling unit located on any Lot as a model, or for sales or operational purposes, by Declarant during the Period of Declarant Control shall be deemed a permitted use and not a violation of the residential use restriction herein; and

(c) The use of any dwelling unit located upon any Lot shall be limited to occupancy by people directly related by adoption, marriage, or blood in the first and second degree, or four (4) or less people who are not so related. Without limiting the foregoing, use of a Lot as a professional/commercial daycare for children or adults, use of a Lot to provide lodging as part of any rehabilitation home or facility, or use of a Lot where a lease is for less than the entire Lot shall be considered a violation of this Section. This provision is not intended to restrict any in home healthcare, childcare or adultcare for the benefit of an Owner or an Owner's dependent or a tenant who is not otherwise prohibited by this Section or such tenant's dependent.

Section 2. Other Buildings and Vehicles. No mobile home, trailer, manufactured home, double-wide or modular home, tent, barn, shed, or other similar out-building, or structure shall be placed on any Lot at any time, either temporarily or permanently, without prior approval from the Architectural Review Board; and such approval shall normally be limited to temporary use of such structures reasonably essential to economical, orderly and efficient construction during the construction process only. No boat, boat trailer, camper, commercial truck, privately owned golf cart, or utility trailer may be kept or maintained on any Lot without prior written approval of the Architectural Review Board. The term "commercial truck" as used herein is intended to refer to a commercial truck vehicle intended primarily for transporting business goods and equipment, and which is primarily used in a trade or business (and not merely as a means of transportation), or any truck which displays commercial signage or similar business logo on its exterior. The term "commercial truck" is not intended to prohibit any dual-purpose truck vehicle, such as sport-utility vehicle, sports truck, and truck of one-half (1/2) ton or less, or similar attractive vehicle driven and maintained primarily as a means of transportation that does not have exposed commercial signage or similar business logo (other than discreet signage or logo as may be approved by the Architectural Review Board) and does not have exposed business goods or equipment.

Section 3. Unsightly Conditions. Each Owner shall be responsible for (i) preventing the accumulation of litter, trash, and rubbish on his/her Lot; (ii) preventing any unclean or unsightly condition on his/her Lot (either before, during or after construction of any dwelling unit or other structure), to include the obligation to adequately maintain any structure located on his/her Lot; (iii) preventing any type of motor vehicle repair or maintenance other than periodic exterior washing and interior cleaning from occurring on his/her Lot (iv) preventing any condition which

may tend to substantially decrease the beauty of the Subdivision as a whole or the specific area within the Subdivision in which his/her Lot is located. Each Owner shall be responsible for keeping the grass, weeds, plants and other vegetation on his/her Lot well-trimmed and maintained at all times, free of unsightly leaves and other debris.

Section 4. Offensive or Noxious Activity. No Offensive or Noxious activity shall be tolerated upon any Lot, or upon the Common Property, within the Subdivision; nor shall anything be done thereon tending to cause embarrassment, discomfort, endangerment, annoyance, or nuisance to the community.

Section 5. Hazardous Activity. No portion of the Subdivision shall be used by any Owner or other party in such manner which would increase the hazard of fire on any other part of the Subdivision or any adjoining property. No activity shall be conducted within the Subdivision which may cause pollution or the threat of pollution, including but not limited to the storing of toxic chemicals, fuels or other similar substances. Any underground storage of any substance (including any fuel used for any dwelling unit within the Subdivision) is subject to the prior approval from the Architectural Review Board.

Section 6. Junk Vehicles. No automobile or motor vehicle may be dismantled within the Subdivision. No mechanically defective automobile or currently unlicensed automobile shall be placed or allowed to remain on any Lot or street in the Subdivision for a period to exceed ten (10) calendar days. No junked cars shall be placed or allowed to remain on any Lot or elsewhere within the Subdivision.

Section 7. Fuel Tanks. No fuel tanks or similar storage receptacles may be exposed to view. Any such receptacles may be installed only within an accessory building or within a screened area, or buried underground; provided, however, that approval for such underground storage tank must be obtained in advance from the Architectural Review Board. Nothing contained herein shall prevent the Declarant and/or the Association from erecting, placing or permitting any tank, or other apparatus, within the Subdivision for utility or other service purposes.

Section 8. Antennas. No television antenna, satellite dish, radio receiver or sender or other similar device larger than eighteen (18) inches in diameter shall be installed upon any Lot or attached to the exterior portion of any dwelling unit or other structure located on any Lot; however, any such device, as well as the placement of such device, shall be subject to prior approval of the Architectural Review Board and shall be placed such that the device is not visible from any street within the Subdivision at any time of year. The Architectural Review Board shall have the authority to deviate from the above-referenced eighteen (18) inch size requirement (so as to tighten or so as to loosen said restriction), with any such deviation to be in the sole discretion of the Architectural Review Board. In addition, no radio or television signals, or any other form of electromagnetic radiation, shall be permitted to originate from any dwelling unit or Lot which may unreasonably interfere with the reception of television or radio signals upon any other property within the Subdivision. Notwithstanding anything to the contrary herein, it is expressly provided that the provisions of this section shall not prohibit the Declarant from installing equipment necessary for a master antenna system, security system, cable television system, mobile radio system, and/or any other similar system within the Subdivision.

Section 9. Sound Devices. No exterior speaker, horn, whistle, bell, or other sound device which is unreasonably loud or annoying, except security devices used exclusively for security purposes, shall be located, used, or placed upon any Lot. The playing of loud music within a dwelling unit or other structure located upon any Lot shall be considered an Offensive and Noxious activity and shall not be permitted at any time.

Section 10. Lights. The design and location of all exterior lighting fixtures shall be subject to the prior approval of the Architectural Review Board. Such exterior lighting fixtures, as well as any other illumination devices (including but not limited to Christmas, Halloween, or other seasonal lighting/ornamentation) shall not be located, directed, or be comprised of such intensity, so as to cause the nighttime environment of any adjacent property within the Subdivision is adversely affected.

Section 11. Laundry. In order to preserve the aesthetic features within the Subdivision, each Owner, his/her family, his/her guests, or his/her tenants, shall not hang laundry from any area within or outside a dwelling unit if such laundry is within the public view. This provision may, however, be temporarily waived by the Declarant or by the Architectural Review Board during periods of severe energy shortages or other conditions where enforcement of this section would create a hardship.

Section 12. Boats. Any boat or boat trailer is not allowed to be parked or stored on any Lot at any time, unless any such boat or boat trailer is stored within a garage and hidden from view at all times. In addition, any boat or boat trailer is not permitted to be parked or stored on the Common Property within the Subdivision.

Section 13. Vegetable Gardens. A vegetable garden will be permitted provided it is (i) located behind any dwelling unit located upon a Lot; (ii) not visible from the street; and (iii) and does not exceed the size of three hundred (300) square feet.

Section 14. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, kept or pastured within the Subdivision except that a reasonable number of common household pets, not to exceed three (3) such as dogs and cats may be kept in a dwelling unit located on any Lot. No dangerous dogs or other animals shall be allowed within the Subdivision at any time. In order to preserve the aesthetic qualities of the Subdivision, to maintain sanitary conditions, and to maintain a proper respect for other Owners and users of the Common Property, each person who keeps a pet within a dwelling unit shall abide by the following rules and regulations:

- (a) No pet may be kept, bred, or maintained for any commercial purpose;
- (b) The owner of any pet shall exercise best efforts to not allow the pet to excrete upon any Lot owned by others, or to excrete in any area within the Subdivision (including the Common Property) which is regularly traversed or where children may be expected to play;
- (c) The owner of any pet shall use a scoop or other means to clean up any solid fecal waste left by their pet upon any Lot owned by others or upon the Common Property;

- (d) The owner of any pet shall not allow such pet to roam unattended within the Subdivision, and it shall be the responsibility of each pet owner to leash or otherwise contain their animal at all times;
- (e) The owner of any pet which barks or makes any noises which might be reasonably expected to disturb other Owners shall muzzle such animal;
- (f) All pets shall be housed in the dwelling unit, or within fenced yards or pens as approved by the Architectural Review Board; and
- (g) Any other regulations adopted from time to time by the Architectural Review Board or the Association.

The breach of any of any provision within this section shall be considered Offensive and Noxious activity that constitutes a nuisance. The Declarant and/or the Association reserves the right to remove a pet or other animal that constitutes a nuisance from any Lot.

Section 15. Streets. In order to provide for safe and effective regulation of traffic, the Declarant and/or the Association may promulgate, from time to time, parking and traffic regulations as they relate to conduct on, over and about the streets in the Subdivision. These regulations shall initially include, but shall not be limited to, those set out below and the Declarant and the Association reserve the right to adopt additional regulations, or to modify previous regulations, from time to time, and to enact any such additional regulations or modifications thirty (30) days after mailing notice of same to the record Owners of all Lots. The initial regulations are as follows:

- (a) No golf carts may be operated in the streets of the Subdivision, except as otherwise permitted by the Architectural Review Board and/or the Association;
- (b) No motorcycles, motorbikes or all-terrain vehicles of any kind may be operated on the streets within the Subdivision, unless they are (i) street legal; (ii) are in compliance with all North Carolina vehicle licensing laws; (iii) are operated by licensed drivers; and (iv) are not operated in a manner constituting a nuisance;
- (c) The Declarant and/or the Association, may post "no parking" signs along the streets within the Subdivision where the Declarant and/or the Association, in either's sole discretion, determines appropriate to do so. Violators of any such "no parking" signs are subject to fines imposed by the Association in accordance with Article VIII, below.

The Declarant and/or the Association reserves the right to dedicate the streets within the Subdivision for public use and public maintenance in either party's discretion.

Section 16. Insurance; Waste. Nothing shall be kept, and no activity shall be conducted, on any Lot or Common Property within the Subdivision which will increase the rate of insurance applicable to the dwelling units or other structures located upon all Lots. No Owner shall do or keep anything, nor cause or allow anything to be done or kept, on his/her Lot or on the Common Property, which will result in the cancellation of insurance on any portion of the Subdivision, or

the Lots therein, or which will be in violation of any law, ordinance, or regulation. No waste shall be committed on any portion of the Common Property.

Section 17. Signs. No signs or ornaments shall be erected or maintained on any Lot or elsewhere within the Subdivision by anyone including, but not limited to, any Owner, a realtor, a contractor, or subcontractor, except with the written permission of the Architectural Review Board, said permission to be granted or withheld in the Architectural Review Board's sole discretion and in conformance with any applicable municipal ordinance related to signs or ornaments. If such permission is granted, the Architectural Review Board reserves the right to restrict size, color and content of such signs. Notwithstanding the above, one (1) sign advertising the sale of a Lot (with or without a dwelling unit) may be placed upon a Lot at any time, said sign not to be larger than two feet by two feet (2' x 2'). In addition, notwithstanding the above, the Declarant and/or the Association may erect signage within the Subdivision in its discretion for marketing or other purposes. Finally, notwithstanding the above, this provision shall not restrict the right of an Owner to display the American flag or to display any political sign on his/her Lot.

Section 18. Water and Sewage. No private water wells or septic tanks may be drilled or maintained by any Owner so long as the Declarant (its contractors and/or the Public Works Department) has installed public water and sewer distribution lines to all Lots. No sewage or other pollution shall be emptied or discharged into any creek or other natural area within the Subdivision at any time.

Section 19. Firearms; Hunting Prohibited. There shall be no discharging of firearms, guns or pistols of any kind, caliber, type, or method of propulsion; and no hunting of any type shall be carried on or conducted within the Subdivision.

ARTICLE V

ENVIRONMENTAL CONTROLS

Section 1. Topography and Vegetation. Topographic and vegetation characteristics of a Lot shall not be altered by removal, reduction, cutting, excavation or any other means without the prior written approval of the Architectural Review Board. Written approval generally will be granted for a minimum and reasonable amount of earth movement and vegetation reduction as may be required by plans and specifications approved pursuant to the terms of this Declaration.

Section 2. Tree Removal. No trees with a diameter of four (4) inches or more may be removed without the advance written approval of the Architectural Review Board.

Section 3. Erosion/Landscaping Controls; Right of Entry of Declarant and Association. To implement effective and adequate erosion control and protect the beauty of the Subdivision, the Declarant and/or the Association (and their agents) shall have the right to enter upon any Lot, (before or after a dwelling unit or other structure has been constructed thereon) for the purpose of performing any corrective grading, landscaping or erosion mitigation work; provided, however, that prior to exercising such right to enter upon any Lot for the purpose of performing any such corrective work, the Declarant and/or the Association, as the case may be, shall give any affected Owner the opportunity to take any necessary corrective action required by giving such Owner

notice indicating what type of corrective action is required and specifying a timeline in which such corrective action must be taken by such Owner.

The Declarant and/or the Association (and their agents) shall have the right to enter upon any Lot on which a dwelling unit or other structure has been (or has not been) constructed and upon which a landscaping plan has either not been implemented or has not been implemented correctly (in conformity with a landscaping plan approved by the Architectural Review Board). If the Declarant and/or the Association concludes in their discretion that the appearance of any Lot detracts from the overall beauty and appearance of the Subdivision, the Declarant and/or the Association (and their agents) shall have the right of entry upon any such Lot for the purpose of cutting, trimming, pruning, any removing any trees, vegetation, and related landscape fixtures, and for the purpose of improving and/or correcting the landscaping on any such Lot; provided, however, that prior to exercising such right to enter upon any Lot for such purpose, the Declarant and/or the Association, as the case may be, shall give any affected Owner the opportunity to take any necessary corrective action required by giving such Owner notice indicating what type of corrective action is required and specifying a timeline in which such corrective action must be taken by such Owner.

The expense for any such work performed by the Declarant and/or the Association (or their agents) shall be the responsibility of the Owner of the affected Lot. Such expense shall be considered an assessment and shall be a lien upon said Lot in favor of the Association.

The provisions of this section shall not be construed as an obligation on the part of the Declarant and/or the Association to do any work or to provide any corrective action on any Lot.

Entrance upon any Lot by the Declarant and/or the Association pursuant to the authority contained in this section shall not be deemed a civil or criminal trespass. The rights reserved unto the Declarant and/or the Association herein shall be used only where necessary so as to properly enforce the terms of this Declaration for the benefit of the Subdivision and the Owners of all Lots located therein.

Section 4. Environmental Hazards. To secure the natural beauty of the Subdivision, the Declarant and/or the Association may promulgate rules and regulations which shall govern activities which may be environmentally hazardous, such as the application of fertilizers and pesticides and other chemicals upon any Lot. Failure of any Owner within the Subdivision to comply with the requirements of any such rules and regulations shall constitute a breach of the terms of this Declaration.

The Declarant hereby reserves unto itself and the Association a perpetual, easement and right on, over and under all Lots and Common Property within the Subdivision in for the purpose of taking any action necessary to effect compliance with any federal, state or local environmental rule, regulation and covenant. The cost of any such action by the Declarant or the Association shall be reimbursed as a Common Expense of the respective Owners of the affected property within the Subdivision upon which the work is performed.

Section 5. Further Siting Authority. To prevent excessive stormwater run-off or drainage resulting from any improvements to Lots or other property within the Subdivision, the Declarant and the Architectural Review Board hereby reserve the right to establish a maximum

percentage of property which may be covered by a dwelling unit, patio, driveway or other structure. In the establishment of such maximum percentage, the Declarant shall consider topography, percolation rate of the soil, soil type and condition, vegetation cover and other relevant environmental factors. Neither this, nor any other right reserved herein by the Declarant, shall be construed, however, to be an obligation of the Declarant to take any action.

Section 6. Erosion in Open Space, Common Property and Restricted Common Properties. The Declarant and/or the Association shall have the right, but shall not be obligated, to protect all Common Property from erosion, such as by planting trees, plants, and shrubs where and to the extent necessary or by other mechanic means. The right is likewise reserved to the Declarant and/or the Association to take any step necessary within Common Property to provide and ensure adequate drainage ways, to cut fire breaks, and to remove diseased, dead or dangerous trees and brush, the expense of which shall be an assessment against the Owners of all Lots.

Section 7. Mineral Extraction. No drilling, quarrying or mining operations of any kind; nor oil, gas or mineral exploratory activity, shall be permitted upon, in, or under any Lot; nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon, in, or under any Lot. No derrick or other structure designed for use in boring for oil or natural gas or other natural resources shall be erected, maintained or permitted upon any Lot; nor shall sand, clay, or other materials be mined or removed from any Lot for use elsewhere.

Section 8. Street Lighting. Street lighting for the Subdivision may be provided by Duke Energy or its successors, assigns or affiliates. Any and all LED mercury vapor or sodium lighting units installed within the subdivision shall be and remain the property Duke Energy upon such terms as required by Duke Energy. Any request for an easement upon a Lot to install and maintain street lighting equipment shall not be unreasonably withheld by any Owner. The obligation to pay the monthly power bill for any street lighting approved by the Association shall be a Common Expense. The obligation to pay the monthly power bill for any street lighting specifically requested by an Owner and not approved by the Association (other than for Architectural Review Board approval) shall not be a Common Expense and shall be the personal obligation of such Owner. Notwithstanding the foregoing, if the Subdivision is annexed into a municipality that provides street lighting, then any payment obligation may be transferred to such municipality.

Section 9. Dumping Prohibited. No dumping of trash, garbage, sewage, sawdust, yard waste, unsightly or offensive material, or any other debris shall be placed upon the Common Property or other areas of the Subdivision, except as is temporary and incidental to the bona fide construction on or improvement of the Subdivision.

Section 10. Open Space Restrictions. If so required by Harnett County, it is hereby declared that (i) the Open Space shall be used only for park, recreation and/or open space purposes; (ii) the Open Space shall be deeded to the Association as part of the Common Property; and (iii) the Association shall be responsible for the continuing upkeep and proper maintenance of the Open Area for park, recreation, and/or open space purposes.

Section 11. Stormwater Management and High Density Residential Subdivisions Restrictions. In accordance with Title 15 NCAC 2H.1000 and S.L. 2006-246, the Stormwater

Management Regulations, deed restrictions and protective covenants are required for **High Density Residential Subdivisions** where lots will be subdivided and sold and runoff will be treated in an engineered stormwater control facility. Deed restrictions and protective covenants are necessary to ensure that the development maintains a “built-upon” area consistent with the design criteria used to size the stormwater control facility.

Accordingly, the Stormwater Treatment Operation & Maintenance Agreement recorded in the Harnett County Public Registry in Book 4282 at Page 1525 is incorporated herein and its terms are set forth herein and made part of the covenants, conditions and restrictions for Ducks Landing as further set forth below:

- (a) The following covenants are intended to ensure ongoing compliance with State Stormwater Management Permit Number SW6200703, as issued by the Division of Energy, Mineral and Land Resources under the Stormwater Management Regulations;
- (b) The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the stormwater management permit;
- (c) These covenants are to run with the land and be binding on all persons and parties claiming under them;
- (d) The covenants pertaining to stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Energy, Mineral and Land Resources;
- (e) Alteration of the drainage as shown on the approved plan may not take place without the concurrence of the Division of Energy, Mineral and Land Resources;
- (f) The maximum built-upon area per Lot, is 4,000 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. Built upon area 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.
- (g) Each lot will maintain a thirty foot (30') wide vegetated buffer between all impervious areas and surface waters; and
- (h) All runoff from the built-upon areas on the Lot must drain into the permitted system. This may be accomplished through a variety of means including roof drain gutters which drain to the street, grading the Lot to drain toward the street, or grading perimeter swales to collect the lot runoff and directing them into a component of the stormwater collection system. Lots that will naturally drain into the system are not required to provide these additional measures.

In addition to the above,

- (g) Filling in or piping of any vegetative conveyances (ditches, swales) associated with the development except for average driveway crossings, is strictly prohibited by any persons.

(h) Each lot abutting a body of water will maintain a 30' wide vegetated buffer between impervious areas and surface waters.

(i) For those lots abutting a body of water, all roof drains for residential dwelling and garages shall terminate at least 30' from the mean highwater mark of surface waters.

(j) Each designated curb outlet swale or 100' vegetated area shown on the approved plan must be maintained at a minimum of 100' long, maintain 5:1 (H:V) side slopes or flatter, have a longitudinal slope no steeper than 5%, carry the flow from a 10-year storm in a non-erosive manner, maintain a dense vegetated cover, and be located in either a dedicated common area or a recorded drainage easement.

ARTICLE VI

THE ASSOCIATION - MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The Declarant shall be a Member of the Association until the latter to occur: (i) termination of the Period of Declarant Control or (ii) when the Declarant no longer owns a Lot in the Subdivision.

Section 2. Voting Rights. The Association shall have one type of regular voting membership. Each Member shall be entitled to one (1) vote for each Lot he/she owns; however, if an Owner constructs a dwelling unit on more than one (1) Lot, the Owner shall have only one (1) vote for said dwelling unit (and shall have no additional vote for each additional Lot that comprises a part of the total consolidated yard or building site, so long as any such additional Lot remains a part of the total consolidated yard or building site).

If any Lot is titled in the name of two (2) or more persons or entities, whether fiduciaries, joint tenants, tenants-in-common, tenancy by the entirety, or in any other manner of joint or common ownership, then any such joint or common Owners are entitled to one (1) collective vote for such Lot; and said joint or common Owners must unanimously agree on how to cast said one (1) vote in order for said vote to be cast on behalf of said Lot. The Association may conclusively rely upon any one (1) of the joint or common Owners of any such Lot with respect to determining how the one (1) vote is intended to be cast for any such Lot, as long as the acting officers of the Association do not have actual knowledge that there is a dispute with respect to how such vote should be cast. If there is a dispute that cannot be timely resolved by the joint or common Owners of any such Lot (amongst themselves), then the Association shall have the authority, in its sole discretion, to disqualify any such Lot from casting its vote, such that the Association may conduct its business in a timely manner.

Voting rights may be suspended by the Board of Directors, to any Owner, except Declarant, not in compliance with the Declaration, Bylaws, or Rules and Regulations of the Association, after notice and opportunity to be heard as set forth in the applicable North Carolina Planned Community Laws.

Section 3. Composition of Board. The Association shall be governed by a Board of Directors consisting of at least three (3) members, with the number in subsequent years to be determined as provided for in the Bylaws or otherwise in the discretion of the Association. The Declarant shall have the right to appoint and remove all members of the Board of Directors (and to appoint and remove all officers of the Association) during the Period of Declarant Control.

Section 4. Cumulative Voting Prohibited. Each Member shall be entitled to as many votes as equals the number of votes he/she is ordinarily entitled to, multiplied by the number of Board members to be elected, but may not cast all of such votes for any one (1) Board member 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 4 to prohibit cumulative voting.

ARTICLE VII

PROPERTY RIGHTS IN THE COMMON PROPERTY

Section 1. Members' Easement of Enjoyment in Common Property. Subject to the provisions of this Declaration, any additional Rules and Regulations of the Association, and any fees or charges established by the Association, every Member and every tenant and guest of such Member shall have a right of easement of enjoyment (including the right of ingress, egress and regress) in, over, and upon the Common Property and such easement shall be appurtenant to and shall pass with the title of every Lot.

Section 2. Title to Common Property. The Declarant covenants for itself, its successors or assigns, that, upon the completion of the streets and infrastructure development within the Subdivision, it shall convey any platted Common Property to the Association within a reasonable period of time by limited warranty deed. The Common Property shall be conveyed to the Association subject to: (i) all easements, restrictions, covenants, and conditions of record as of the date of such conveyance, including the terms of this Declaration; and (ii) any existing mortgages or other liens; provided, however, that in no event shall the Association be obligated to assume any indebtedness related thereto.

Section 3. Extent of Member Easements Rights. The rights and easements created hereby shall be subject to the following:

(a) The right of the Association to borrow money from the Declarant (or any other lender) for the purpose of improving and/or maintaining the Common Property (and providing services as may be authorized herein) until such time as the Association is adequately capitalized;

(b) The right of the Association, pursuant to the limitations and procedures set forth in North Carolina General Statute § 47F-3-107.1 (as such may be amended), to suspend the rights and easements of enjoyment of any Member (or any tenant or guest of any Member) (but not to impede access to and from any Member's Lot) for the non-payment of any delinquent assessment against any Lot or for any infraction of the Association's published Rules and Regulations, it being understood that any suspension for either nonpayment of any assessment or a breach of the Rules and Regulations of the Association shall not constitute a waiver or discharge of the Member's obligation to pay the assessment;

(c) The right of the Association to place reasonable restrictions upon the use of the Association's streets, including but not limited to the types and sizes of vehicles permitted to use said streets, the maximum and minimum speeds of vehicles using said streets, all necessary traffic and parking regulations, and maximum noise levels of vehicles using said streets. The fact that any such restrictions on the use of the streets may be more restrictive than the laws of any state or local government having jurisdiction over the Subdivision shall not make such restrictions unreasonable;

(d) The right of the Association to give, sell, or lease all or any part of the Common Property (but not to include the Open Space) to any public or private party for any purposes, provided that (except as expressly provided below), no such transfer shall be effective unless such transfer shall be authorized by (i) the Declarant as long as it owns any Lot within the Subdivision and (ii) the requirements set forth in North Carolina General Statute § 47F-3-112 (as such may be amended) are fully complied with;

(e) The right of the Association to dedicate or transfer all, or any part, of the Common Property or private water/sewer/storm drainage lines to any public agency, authority, or public or private utility, for such purposes and subject to such conditions as allowed by the Declarant or agreed to by the Members as set forth below. Except as otherwise provided, no such dedication or transfer shall be effective unless the Declarant (while Declarant owns any Lot within the Subdivision) and Members entitled to at least eighty (80%) percent of the votes appurtenant to all Lots agree to such dedication or transfer and signify their agreement by a signed and recorded written document. Notwithstanding the foregoing, the Association and the Declarant shall have the right, power and authority to grant easements and rights-of-way for the installation and maintenance of drainage facilities and of utilities, whether private, public or quasi-public, including cable television, water, gas and sewer upon, over, under and across any Common Property without the consent of the Members when, in the sole opinion of the Declarant or the Directors of the Association, as applicable, such easements are required or reasonably necessary for the development and/or the convenient use and enjoyment of the Subdivision and, in the sole opinion of the Declarant or said Directors, such action will not unreasonably interfere with the overall use and enjoyment of the Common Property. Further, this Subsection shall not preclude the Directors of the Association from conveying, at such purchase price as the Directors deem appropriate, strips or portions of the Common Property to any Owner of a Lot in order to resolve any gap, gore, overlap or other boundary line conflict or to make the Lot more usable, provided such conveyance does not in the good faith judgment of the Directors adversely affect the overall use and enjoyment of the Common Property; and

(f) Any other Special Declarant Right(s) as may be reserved elsewhere in this Declaration.

ARTICLE VIII

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of a Lot, by acceptance of a deed therefore, is deemed to covenant and agree to pay to the Association: (1) periodic assessments or charges which are for Common Expenses; (2) special assessments for extraordinary maintenance and capital improvements; (3) special assessments for the purchase, construction or reconstruction of any improvements; and (4) a pro rata share of any assessment levied by any governmental tax authority for public improvements to the

Subdivision. All assessments, together with interest and costs, and reasonable attorneys' fees for collection, shall be a charge on the land and shall be a continuing lien upon each and every Lot. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when such assessment fell due. The personal obligation for the delinquent assessments shall not pass to an Owner's successors in title unless such delinquent assessments are expressly assumed by them; however, any lien as referenced above shall run with the title to each Lot.

The Association shall also have the authority, through the Board of Directors to establish, fix and levy a specific assessment on any Lot to secure any and all fines levied against any Owner (and owed to the Association) arising from breach by any Owner of the provisions of this Declaration and to secure the payment of the cost to repair damages to Common Property caused by an Owner in accordance with Article I, Section 6(b) hereof. Such specific assessment(s) shall also be subject to the enforcement provisions set forth above. No such specific assessment may be imposed upon the Declarant.

Each Owner covenants to pay each and every assessment levied by the Association within ten (10) days of the due date as established by the Association; and further covenants that if such assessments are not be paid within thirty (30) days of the due date, the payment of such assessments shall be in default, and the amount thereof shall become a lien upon said Owner's Lot, as provided herein, and shall continue to be such lien until paid in full.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the paying for the Common Expenses of the Subdivision. The Association is authorized to devote a portion of the collected assessments toward a working capital or reserve fund for the benefit of the Association.

Section 3. Amount of Assessment.

(a) **Criteria for Establishing Periodic Assessment.** In establishing the periodic assessment for any year, the Board of Directors shall consider all anticipated expenses of the Association, any accrued debts, and reserves for future needs.

(b) **Initial Assessment and Board Authority.** The initial periodic assessment shall be Five Hundred and 00/100 dollars (\$500.00) per annum to be paid semi-annually, January 1 and July 1 of each calendar year. Following the Period of Declarant Control, the due dates may be changed, in the discretion of the Association. The periodic assessment provided for herein shall commence as to all Lots the day the Lot is conveyed by Declarant. In addition, a Capital Improvement Assessment in the amount Two Hundred Fifty and 00/100 dollars (\$250.00) is due from the purchaser at each sale of a Lot by the Declarant.

The Declarant reserves the right to increase or decrease the annual period assessment in its sole discretion during the Period of Declarant Control. Following the voluntary surrender of control of the Association by the Declarant to the Membership by written recorded document, the last assessment rate fixed by the Declarant will be the maximum, and:

(a) The maximum annual assessment for each Lot may be increased or decreased by the Directors effective January 1st of each year, without a vote of the Membership, but subject

to the limitation that the percentage of any such increase shall not exceed ten (10%) percent of the maximum assessment for each Lot for the previous year without a vote of the Membership. In the event the maximum assessment for each Lot is not increased for any particular year or years, the percentage amount which it might have been increased for such year or years shall be added to the current maximum amount, to the effect that the maximum increase shall be cumulative for the current year and all prior years.

(b) From and after January 1st of the year immediately following the recording of this document, the maximum annual assessment may be increased in excess of the above maximum assessment set forth in paragraph (a) without limitation unless such increase is rejected by no less than fifty-one (51%) percent of the votes cast by the Members in attendance at a meeting duly called for this purpose in person or by proxy.

(c) Special Declarant Rights. The Declarant reserves the right not to pay periodic or special assessments on any Lot owned by Declarant, as long as Declarant is marketing any such Lot for sale (whether improved or unimproved) to a builder or third party. In addition, the Declarant reserves the right to waive assessments against Lots owned by builders, as long as such builders are constructing a dwelling unit upon any such Lot and/or marketing any such Lot for sale, said right to be exercised in the sole discretion of the Declarant.

Section 4. Special Assessments for Capital Improvements. In addition to the periodic 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, repair or replacement of a capital improvement upon the Common Property; the cost of any unanticipated or extraordinary repair or maintenance; or the cost of any other item that is a Common Expense; provided, any such assessment shall have the assent of two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose; however, such vote of the Members shall not be required in order for the Association to levy any special assessment during the Period of Declarant Control. In addition, notwithstanding the above, as long as the Declarant continues to own a Lot within the Subdivision, no special assessment approved by the Members as set forth herein shall be binding upon the Declarant, unless and until the Declarant has approved any such special assessment.

Section 5. Replacement Reserve. From the periodic assessment for Common Expenses, the Board shall have the authority in its discretion to create and to maintain a working capital or reserve fund for the purpose of defraying the expense of the maintenance, repair, and replacement of streets or other capital improvements located upon the Common Property.

Section 6. Notice and Quorum For Any Action Authorized Under Section 4. Notice and quorum requirements with respect to any action authorized under Section 4 above shall be as set forth in the Bylaws of the Association for a meeting of the Members of the Association.

Section 7. Uniform Rate of Assessment. Both periodic and special assessments must be fixed at a uniform rate for all Lots.

Section 8. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the passage of a resolution by the Association duly establishing same. The first

periodic assessment (if collected on an annual basis) shall be adjusted according to the number of months remaining in the calendar year. Written notice of any change in the periodic assessment shall be sent to every Owner subject thereto at least thirty (30) days in advance of any such change. The Association shall, upon demand, and for a reasonable charge if it deems appropriate, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessment payments on a Lot shall be binding upon the Association as of the date of issuance.

An Owner who is a licensed builder (where such builder is constructing a house on any vacant Lot for sale to any third party) shall become liable for assessments on any such Lot only upon the date of substantial completion of any such newly constructed house, as evidenced by the issuance of a certificate of occupancy by Harnett County or the applicable municipal entity. Upon the substantial completion of any such house, assessments shall begin to accrue on the affected Lot on a calendar year basis; however, the builder Owner shall not be responsible for payment of such accrued assessments to the Association until such time as such house is sold to a third-party buyer. Upon the closing of such sale, the accrued assessments shall be paid in one lump sum by the builder Owner to the Association.

Section 9. Effect of Nonpayment of Assessments; Remedies of the Association. Subject to the provisions of the North Carolina Planned Community Act, any assessment not paid within thirty (30) days after the due date shall be delinquent, in default and shall bear interest from the date in which said assessment became delinquent at the rate of one and a half percent (1.5%) per month (or 18% per year) (subject to a higher or lower rate of interest, as may be subsequently approved by the Association, and in accordance with applicable laws). In addition to charging interest on any delinquent assessment, the Association may impose a fee for late payment of assessments, not to exceed the greater of twenty dollars (\$20.00) per month or ten percent (10%) of the assessment installment that is unpaid, subject to increase as may be provided in the North Carolina Planned Community Act. The Association may bring an action at law against the Owner personally obligated to pay the same for the amount of the delinquent assessment (plus interest, costs, late payment charges, and reasonable attorneys' fees), or the Association may foreclose the lien against the Lot. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any Common Property or abandonment of his/her Lot.

The lien herein granted unto the Association shall be enforceable from and after the time of recording a claim of lien in the Office of the Clerk of Superior Court of Harnett County. The claim of lien may be filed by the Association 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 paid in full. Any such claim of lien shall secure all assessments which are due and payable when the claim of lien is filed and accruing thereafter until paid in full (plus interest, costs, late payment charges, and reasonable attorneys' fees). Upon full payment of all sums secured by such claim of lien, the claim of lien shall be cancelled of record by the Association with the Office of the Clerk of Superior Court of Harnett County.

Section 10. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any institutional mortgage

lender and the lien for ad valorem taxes on any Lot. The sale or transfer of any Lot shall not affect any assessment lien, and such lien shall run with title to any Lot against to which any such lien has attached. However, the sale or transfer of any Lot pursuant to a mortgage foreclosure or a tax foreclosure, or any proceeding in lieu thereof, shall extinguish the lien for 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 becoming due after such sale or transfer, or from the lien thereof.

ARTICLE IX

FUNCTIONS OF ASSOCIATION

Section 1. Authorized Services. The Association shall be authorized to provide the following services:

- (a) Maintain and repair the Common Property and all improvements located thereon;
- (b) Perform any and all services necessary or desirable to carry out the obligations and business activities of the Association as may be reasonably required or inferred by the terms of this Declaration or by the terms of the Bylaws;
- (c) Take any and all actions necessary to enforce the terms contained in this Declaration, including but not limited to fining and providing appropriate due process with respect to any Owner, for violating any such terms;
- (d) Elect or appoint members of the Architectural Review Board and provide for the proper function thereof, once the Declarant has transferred the functions of the Architectural Review Board to the Association;
- (e) Provide for all necessary administrative services, including but not limited to insurance matters, legal matters, accounting and financial matters, communication services (including, but not limited to providing notices of meetings, activities, and other matters), and payment of taxes and other expenses;
- (f) Enact and publish reasonable additional Rules and Regulations that shall be binding upon all Owners within the Subdivision as any such need arises; and
- (g) Provide any and all other services reasonably necessary to perform its obligations under this Declaration.

In the event the Association is unable or unwilling to perform any of the services listed above in a manner satisfactory to the Declarant, as long as the Declarant continues to own a Lot within the Subdivision, the Declarant shall be and hereby is authorized to perform any such services at the Association's expense, as long as any such expense is reasonable and necessary to carry out the Declarant's obligations under this Declaration.

Section 2. Mortgage and Pledge. The Board of Directors of the Association shall have the power and authority to borrow money for use by the Association, to mortgage the property of

the Association, and to pledge the revenues of the Association as security for any 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, however, the repayment terms of any such loans must be put in writing and must be reasonable in nature. Notwithstanding anything in this Declaration to the contrary, the Association shall not be allowed to reduce the amount of the regular periodic assessment any time the Association has an outstanding loan balance in favor of the Declarant.

Section 3. Declarant Contracts. If entered into before the Board of Directors of the Association elected by the Owners takes office (upon the expiration of the Period of Declarant Control), any contract or lease affecting or relating to the Subdivision that is not bona fide or was unconscionable to the Owners at the time entered into under the circumstances then prevailing, may be terminated without penalty by the Association at any time after the Board elected by the Owners takes office upon not less than ninety (90) days' notice to the other party. This provision is in accordance with the requirements of North Carolina General Statute § 47F-3-105. If such statute is amended, then this Section 3 shall automatically be modified accordingly, and the revised statute shall control with respect to such contracts or leases.

Section 4. Discretionary Administrative Fee. Upon the sale or transfer of ownership of any Lot, the Association is authorized to collect a reasonable administrative fee not to exceed \$100.00 (or as set by the Board of Directors from time to time) to cover administrative and other expenses incurred in the change of the Association's records to reflect the new ownership.

Section 5. Information. The Association shall make available to all Owners and their mortgage lenders, a current copy of this Declaration, any amendments to this Declaration, a current copy of the Bylaws of the Associations (and any amendments thereto), any published Rules and Regulations of the Association, as well as the books, records and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances, as appropriate. The cost of reproduction of such documents shall be paid by the requesting party.

Section 6. Lender Notices. An additional function of the Association shall be to provide, upon written request to the Association, written notice to any lender of any of the following matters with respect to any Lot encumbered by a mortgage in favor of such lender:

- (a) Any condemnation or casualty loss;
- (b) Any delinquency in the payment of assessments or charges;
- (c) Any lapse, cancellation or material modification or any insurance policy or fidelity bond maintained by the Association; and
- (d) Any proposed action that requires the consent of a specified percentage of mortgage lenders.

Section 7. Insurance Requirements. To the extent required below, the Association shall at all times maintain in full force and effect casualty, flood, liability, and fidelity insurance as may be required below:

(a) Hazard Insurance. To the extent there exists insurable improvements or other property upon the Common Property, then prior to the conveyance of the first Lot in the Subdivision to an Owner, the Association shall obtain a hazard insurance policy with respect to the Common Property insuring against all risks of direct physical loss commonly insured against including fire and extended coverage perils. The total amount of insurance after application of any deductibles shall not be less than eighty percent (80%) of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies.

(b) Liability Insurance. Prior to the conveyance of the first Lot within the Subdivision to an Owner, the Association shall obtain liability insurance in reasonable amounts, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Property. Insurance policies carried by the Association pursuant to subsections (a) and (b) above shall provide that:

(i) Each Owner of a Lot is an insured person under the policy to the extent of the Owner's insurable interest;

(ii) The insurer waives its right to subrogation under the policy against any Owner or member of the Owner's household;

(iii) No act or omission by any Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will preclude recovery under the policy; and

(iv) If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, then Association's policy provides primary insurance.

Further, an insurer that has issued an insurance policy under subsections (a) and (b), above, shall issue certificates of insurance to the Association and, upon written request, to any Owner, mortgagee, or beneficiary under a deed of trust. The insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, each Owner, and each mortgagee or beneficiary under a deed of trust to whom certificates of insurance have been issued at their respective last known addresses.

(c) Fidelity Bonds. The Association may obtain in its discretion a blanket fidelity bond (or fidelity insurance policy) for anyone who handles, or is responsible for, funds held or administered by the Association, whether or not that person receives compensation for their services. Any independent management agent retained by the Association that handles funds for the Association must be covered by its own fidelity bond or coverage for the benefit of the Association.

Any such fidelity bond shall cover the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in force. Additionally, the fidelity bond coverage must at least equal the sum of three (3) months periodic assessments for all Lots within the Subdivision, plus all reserve funds held by the Association.

Any such fidelity bond must include a provision that requires thirty (30) days written notice to the Association, or the maximum number of days allowed by a reputable insurer, before the bond can be cancelled or substantially modified for any reason.

ARTICLE X **DURATION**

The covenants and restrictions of this Declaration shall run with and bind all land within the Subdivision and shall inure to the benefit of and be enforceable by the Declarant, the Association, or the Owner of any Lot 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. The number of ten-year renewal periods hereunder shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten-year renewal period for an additional ten-year period; provided, however, that there shall be no renewal or extension of this Declaration if during the last year of the initial twenty-five-year period, or during the last year of any subsequent ten-year renewal period, three-fourths (3/4) of the votes cast at a duly held meeting of the Association vote in favor of terminating this Declaration at the end of its then current term. It shall be required that written notice of any meeting at which such a proposal to terminate this Declaration is to be considered (which notice shall set forth the fact that such a proposal will be considered) shall be given each Member at least thirty (30) days in advance of said meeting. In the event that the Association votes to terminate this Declaration, the President and Secretary of the Association shall execute a certificate which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of Members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the number of votes necessary to adopt a resolution terminating the Declaration, the total number of votes cast in favor of such resolution, and the total number of votes cast against such resolution. Said certificate shall be recorded in the Harnett County Register of Deeds and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration. Notwithstanding the above, the Members may not terminate the planned community aspect of the Subdivision absent compliance with North Carolina General Statute § 47F-2-118, as such may be amended.

ARTICLE XI **AMENDMENTS**

Declarant reserves the right to unilaterally alter or amend this Declaration (in accordance with Article II, Section 3(g)) as long as the Declarant owns any Lot or any portion of the Property, as long as such amendment does not affect Owner voting rights or effect a change that would significantly increase assessment obligations of Owners. Otherwise, this Declaration may be amended as set forth in North Carolina General Statute § 47F-2-117, as such may be amended; however, it is expressly required that during the Period of Declarant Control, any

amendment to this Declaration proposed by the Owners within the Subdivision must be approved by the Declarant in order for such amendment to have legal effect.

ARTICLE XII NOTICES

Section 1. How Notice Given. Any notice required to be sent to any Member or Owner under the provisions of the Declaration shall be deemed to have been properly sent, and notice thereby effectively given, when mailed, with the proper postage affixed, to the last known address of the person or entity who appears as Owner on the Association's books or based on the local Harnett County Tax Office's online (or other) records, as of the first day of the calendar month in which said notice is mailed.

Section 2. Notice to Co-Owners. Notice to only one co-Owner of a Lot shall constitute effective notice to all such co-Owners.

Section 3. Notice Where Address or Ownership Changed. It shall be the obligation of every Member to immediately notify the secretary of the Association in writing of any change of mailing address. Any person who becomes an Owner and Member following the first day in the calendar month in which said notice is mailed shall be deemed to have been given effective notice if notice was given to his/her predecessor-in-title.

ARTICLE XIII ENFORCEMENT, SEVERABILITY AND INTERPRETATION

Section 1. Who May Enforce Generally. In the event of a violation or breach of any of the affirmative obligations or restrictions contained in this Declaration by any Owner or agent of such Owner, the Declarant or any Owner, or any of them jointly or severally, shall have the right to proceed at law or in equity to seek appropriate damages and/or to compel performance with the terms of this Declaration.

Section 2. Enforcement by the Association. In addition to the foregoing, the Association shall also have the right to proceed at law or in equity to seek appropriate damages and/or to compel performance with the terms of this Declaration.

The Association may designate an agent to respond to complaints received as to alleged violations of this Declaration, and any such agent shall inform alleged violators of any such complaint. The Association has the right to fine Owners and suspend Owner privileges for any violations of the terms of this Declaration pursuant to North Carolina General Statute § 47F-3-102 and any other pertinent provisions of the North Carolina Planned Community Act, as amended. If the violation is not promptly corrected, then the Association may engage legal counsel in its discretion to bring an appropriate injunctive action, including pursuing any necessary appeals, to enforce the terms of this Declaration. Violators shall be obligated to reimburse the Association in full for all its direct and indirect costs, including but not limited to reasonable attorneys' fees incurred by the Association to enforce and to compel compliance with this Declaration, on the condition that the Association prevails in such proceedings.

Section 3. Enforcement by the Declarant. In addition to the foregoing, the Declarant shall also have the right, but shall have no affirmative obligation at any time, to proceed at law or in equity to seek appropriate damages and/or to compel performance with the terms of this Declaration. The Declarant may engage legal counsel in its discretion to bring an appropriate injunctive action, including pursuing any necessary appeals, to enforce the terms of this Declaration. Violators shall be obligated to reimburse the Declarant in full for all its direct and indirect costs, including but not limited to reasonable attorneys' fees incurred by the Declarant to enforce and to compel compliance with this Declaration, on the condition that the Declarant prevails in such proceedings.

Section 4. Against Whom May the Covenants be Enforced. The terms of this Declaration shall run with all property within the Subdivision and shall be enforceable against the Declarant, the Association, the Owners of all Lots within the Subdivision, and/or any other parties whose activities may bear some relation directly or indirectly to the Subdivision, when and if the aforesaid parties engage in activities (including omissions and failures to act) which constitute violations, or attempts to violate or circumvent, the covenants conditions and restrictions set forth in this Declaration.

Section 5. Means of Enforcement. Enforcement of the terms of this Declaration 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 this Declaration. The means of enforcement shall be cumulative and not limited to one particular method.

Section 6. Severability. Should any of the covenants, conditions and restrictions herein contained, or any section, 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 or ruling shall in no way affect the other provisions hereof, which are hereby declared to be severable and which shall remain in full force and effect and legally binding.

Section 7. 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 Subdivision. The provisions of these terms of this Declaration shall be given full force and effect notwithstanding the existence of any zoning or similar ordinance which may allow a less restricted use of the property within the Subdivision.

Section 8. Authorized Action. All action which the Association is allowed to take pursuant to the terms of this Declaration shall be authorized actions of the Association if approved by the Board of Directors of the Association in the manner provided for in the Bylaws of the Association unless the terms of this instrument may provide otherwise.

Section 9. Trespass. Whenever the Declarant and/or the Association are permitted by the terms of this Declaration to correct, repair, clean, preserve, clear out, or take any affirmative action on any Lot or other property within the Subdivision, including any easement areas adjacent thereto, then entering the said affected Lot or other property within the Subdivision and taking such action shall not be deemed an actionable civil or criminal trespass.

Section 10. Responsibility of Owners in Event of Default by Association. In the event the Association defaults in the payment of any ad valorem tax levied against the Common Property or any assessment levied for public improvements (said matters being Common Expenses pursuant to Article I, Section 6(e) of this Declaration), where such default continues for a period of six (6) months, then each Owner in the Subdivision shall become personally obligated to pay to the tax and/or assessing governmental authority a portion of such taxes or assessments in an amount determined by dividing the total tax and/or assessment due by the total number of Lots in the Subdivision. If such sum is not paid by any affected Owner within thirty (30) days of its due date, said sum shall become a continuing lien on said Owner's Lot, and the taxing and/or assessing governmental authority may either bring an action at law against said Owner personally obligated to pay the same or elect to foreclose the lien.

Section 11. Paragraph Headings. Paragraph headings, where used herein, are inserted for convenience only and are not intended to be a part of this Declaration or in any way to define, limit or describe the particular paragraphs to which they refer.

Section 12. Applicable Law. This Declaration shall be governed by and construed in accordance with the laws of the State of North Carolina.

ARTICLE XIV

APPLICABILITY OF THE PLANNED COMMUNITY ACT; OTHER CONFLICT OF LAWS

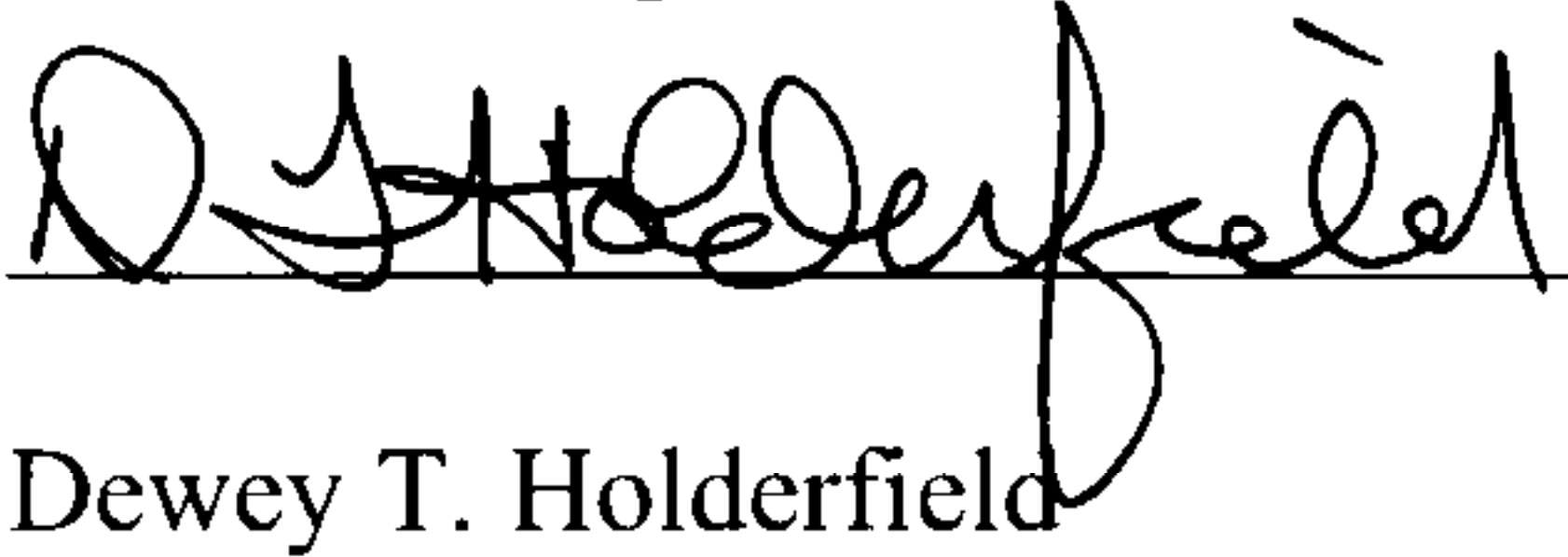
It is intended that the Subdivision be considered a "planned community" as such term is defined within the North Carolina Planned Community Act (Chapter 47F of the North Carolina General Statutes). To the extent that the terms of this Declaration violate or conflict with the terms of the North Carolina Planned Community Act, then the requirements of the North Carolina Planned Community Act shall control. To the extent that the terms of this Declaration are silent (or do not address) a particular issue, then the terms of the North Carolina Planned Community Act shall control with respect to any such issue.

Signature Appears On Following Page

IN WITNESS WHEREOF, the undersigned has caused this instrument to be duly executed this 27 day of May, 2025.

DECLARANT:

Moore HL Properties, Inc.
a North Carolina corporation

By: 

Name: Dewey T. Holderfield

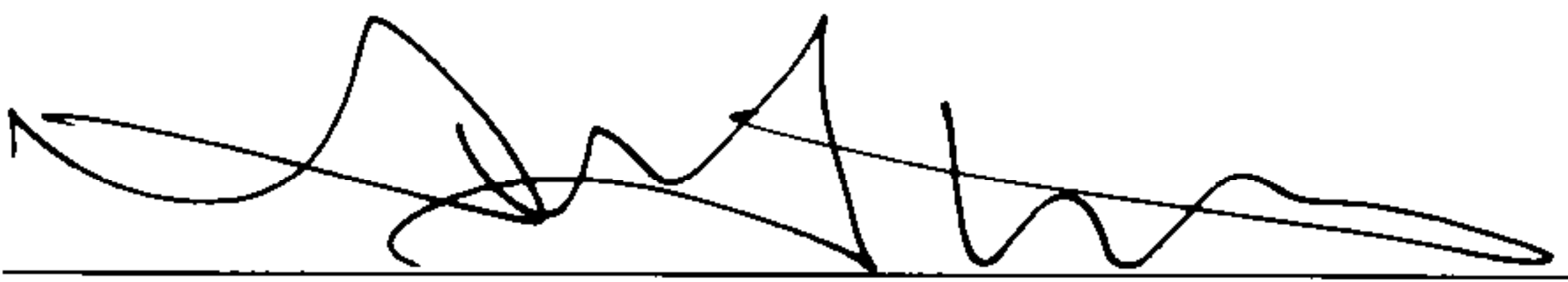
Title: President

STATE OF NORTH CAROLINA

COUNTY OF Moore

I, Melissa G Wahl, a Notary Public of the aforesaid County and State, do hereby certify that Dewey T. Holderfield personally appeared before me this day and acknowledged that he is the President of Moore HL Properties, Inc., a North Carolina corporation and that and that he, as President being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and notarial seal this 27 day of May, 2025.



Notary Public

My Commission expires: 05-01-2027

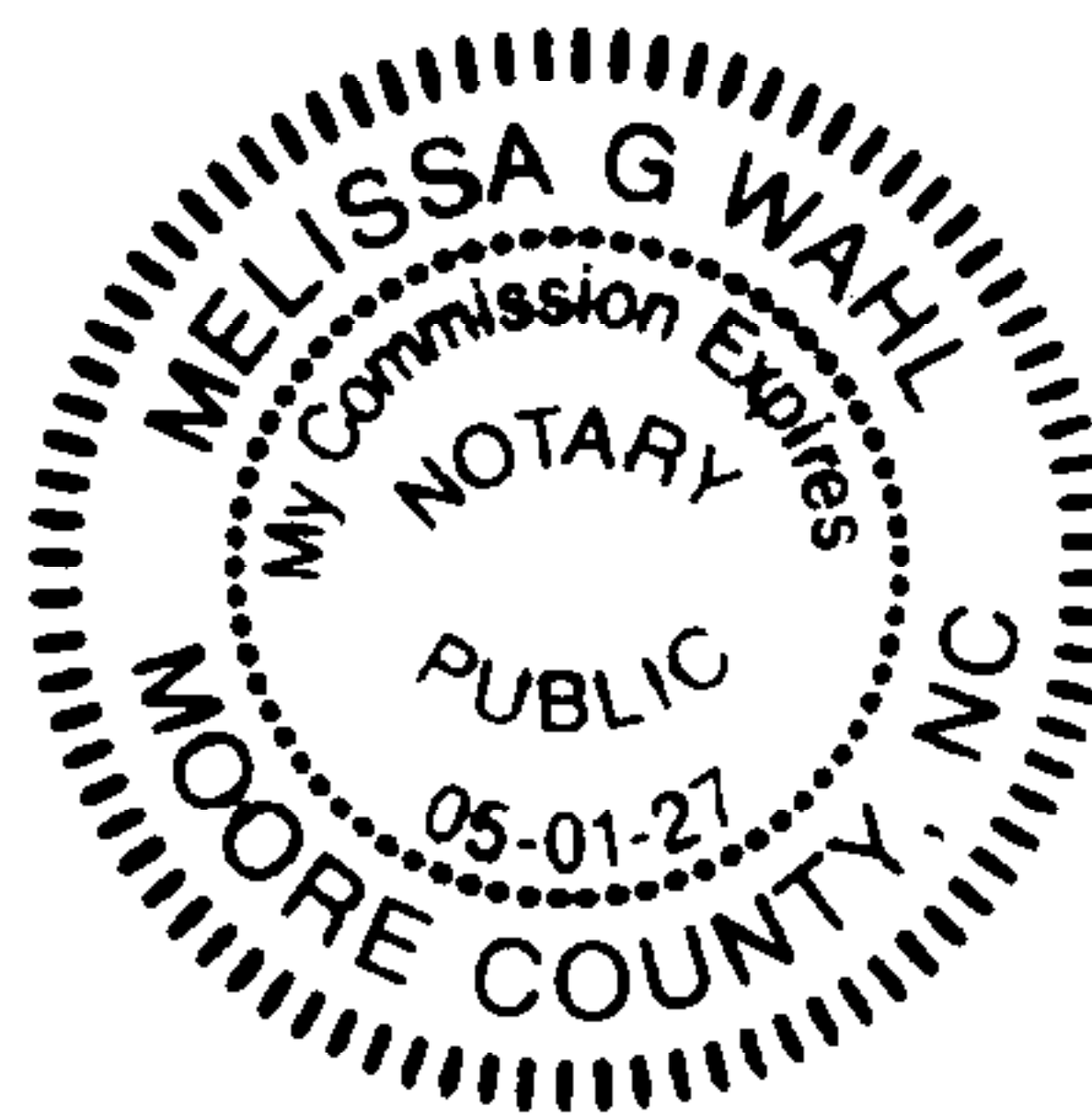


EXHIBIT A

BEING all that certain lot, tract, or parcel of land situated in Anderson Creek Township, Harnett County, North Carolina, and more particularly described as follows:

Beginning at a new stake corner on the western margin of the New Road or Highway and runs thence a new line surveyed December 9, 1946, North 56 deg East 4540 feet to lightwood stake two red oak pointers, old corner in McCormick Division; thence with the McCormick division line dividing the High Land from the River Land North 88 west approximately 52.20 chains to stake and corner with Tingen Lane; thence with the line of Tingen land South 2 East 20 chains to stake and corner with Tingen; thence with Tingen line about South 72 West approximately 715 feet to the eastern margin of the said New Road; thence with the eastern margin of the said New Road South 14 deg 30 min East 1120 feet to the beginning, containing 102 acres, including cemetery.

Being the identical property conveyed to Declarant in Book 4235 at Page 326, Harnett County Public Registry; Tax Parcel Identification Number: 0527-51-7533.

The above contains all those numbered Lots and other acreage shown on that certain plat of Ducks Landing which is recorded in Plat Book 2025 at Page 268, in the Harnett County Public Registry.

In addition, the above contains those certain numbered Lots and other acreage to be developed as Phase 2 of Ducks Landing shown on a plat to be recorded following the recording of this Declaration.