

PREPARED BY AND RETURN TO: WHITAKER & HAMER, PLLC  
121 E. MAIN STREET  
CLAYTON, NC 27520

**DECLARATION**  
**OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR**  
**HEARON POINTE SUBDIVISION**  
**(A PLANNED COMMUNITY)**

**THE FOLLOWING STATEMENTS ARE REQUIRED BY THE NORTH CAROLINA PLANNED COMMUNITY ACT:**

**THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF THE FLAG OF THE UNITED STATES OF AMERICA OR STATE OF NORTH CAROLINA**

**THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS**

**THIS DECLARATION** is made on the 5 day of February, 2024, by Carriage Creek LLC., a North Carolina limited liability company, with its principal office located at 328 E. Main Street, Clayton, NC 27520, hereinafter referred to as "Declarant";

**WITNESSETH:**

WHEREAS, Declarant is the owner of certain Properties located in Johnston County, North Carolina which are more particularly described on **Exhibit "A"** attached hereto; and

WHEREAS, it is the desire and intention of Declarant (as defined herein) to impose on the Properties described on **Exhibit "A"** attached hereto restrictions, conditions, easements, covenants and agreements under a general plan or scheme of improvement for the benefit of all Properties herein described and the future owners thereof;

NOW, THEREFORE, pursuant to Chapter 47F of the North Carolina General Statutes (the "Planned Community Act," the Declarant hereby executes this Declaration to create Hearon Pointe Subdivision, a North Carolina planned community, and declares that all of the Properties described on **Exhibit "A,"** together with such Additional Property, if any, as may be subjected to this Declaration from time to time pursuant to this Declaration hereof, and less any property withdrawn from this Declaration, all of which shall be referred to as the "Properties" as defined herein, is and shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the title to the Properties and be binding on all parties having any right, title or interest in the described Properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

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## ARTICLE I: DEFINITIONS

**Section 1. Definitions.** As used in this Article, the following words and terms have the following definitions, unless the context in which they are used clearly indicates otherwise (when any of these and other defined words or terms in this Article have an initial capital letter, however, it is not required that their use have initial capital letters in order to have the defined meaning). Some or all of the following words and terms may have the same definitions in other portions of this Declaration; if so, they are being repeated here for convenience; if not, as used in this Article, they have the definitions contained in this Article. Words and terms defined in other portions of this Declaration and not defined in this Article but used in this Article have the definition defined for them in such other portions of this Declaration, unless those definitions are superseded or modified as a result of the conflict rules set forth in Section 3 of this Part A (for example, words and terms defined by the Code and used in this Declaration have the definitions contained in the Code, notwithstanding that they may be defined differently in this Article or other portions of this Declaration; however, to the extent that a word or term is defined in this Article or other portions of this Declaration differently from how it is defined in the Code, and the definitions do not conflict, then both definitions are applicable). With respect to words and terms used herein, the singular shall include the plural, the plural shall include the singular, and one gender shall include all.

- (a) "Act" is defined as the North Carolina Planned Community Act, as contained in Chapter 47F of the North Carolina General Statutes (or as contained in any successor portion of the North Carolina General Statutes), as the same exists from time to time. The Act is referred to herein from time to time as G.S.47F, with the particular section number following the G.S.47F reference (for example, G.S.47F-1-101). Words and terms used in this Article that are defined in the Act but not defined in the Code (for example, the term special declarant rights), have the definition contained in the Act.
- (b) "Annexation Declaration" is defined as a document, by whatever name denominated, that is recorded for the purposes of annexing Annexed Property to this Declaration and causing such Annexed Property to be subject to the scheme of covenants, charges, conditions and restrictions contained in this Declaration and including any additional covenants, charges, conditions and restrictions contained in the Annexation Declaration.
- (c) "Annexed Property" is defined as all real property annexed or subjected (those two terms being used interchangeably herein) to any part or all of the terms of this Declaration following the initial recording of this Declaration in the Registry.
- (d) "Articles" is defined as the Articles of Incorporation of the Association, including all duly adopted amendments thereto.
- (e) "Association" is defined as the nonprofit corporation organized and operated under the laws of the State of North Carolina as the property Owners association for the Properties and named Hearon Pointe Community Association, Inc. is defined as a nonprofit corporation organized and operated under the laws of the State of North Carolina as the property Owners association for a portion of, but not all of, the Properties.

(f) "Board" is defined as the board of directors of the Association, and is the Executive board as defined in the Act. The Board is responsible for the management and administration of the Association as provided for in this Declaration and in the Act.

(g) "Bylaws" is defined as Bylaws of the Association as they may be now or hereafter exist, including all duly adopted amendments thereto.

(h) "County" or "Johnston County" is defined as Johnston County, North Carolina, a North Carolina county.

(i) "Code" is defined as the Johnston County Land Development Code as it exists from time to time, and includes all duly adopted regulations, rules, directives, and policies of the County pursuant to or in furtherance of the Code.

(j) "Common Area" is defined as real property, together with any improvements situated thereon, intended for the common use and benefit of Owners and occupants of the Properties, however such real property is described on a plat or document recorded in the Registry. Common Area may be owned or leased by the Association or it may be owned by another Person with the Association having a right or easement therein (for example, part or all of a private stormwater drainage easement located on either a Lot or real property that is not part of the Properties and that serves more than one (1) Lot in the Properties or a right of the Association to use of a portion of a public street right-of-way pursuant to an encroachment agreement with the County). Common Areas include all of the following:

- (1) any private street and private walkways in the Properties (but excluding private walkways on and solely for the benefit of an individual Lot);
- (2) Stormwater control measures, including the drainage facilities located outside of the proposed NCDOT right-of-way, as shown on any recorded plat or map of the Properties;
- (3) any water or sewer utility line that serves more than one Lot and which is either located outside public street rights-of-way or outside any County utility easement;
- (4) any site or facility designated a common area, common property open space, open space common area, amenity area, or other similar designation on any recorded plat or map of the Properties, or in this Declaration;
- (5) any Code-required shared facility or Open Space for the Properties;
- (6) any public road right-of-way dedicated to the public on plats and maps of the Properties recorded in the Registry but not accepted for public Maintenance by the appropriate Governmental Entity. Provided, however, that the fact that a street or road has not been accepted by the applicable Governmental Entity shall not relieve the Declarant of the obligation to take such action as is necessary to have it accepted. The Association has the right to enforce this Declarant obligation, and the Declarant shall be liable to the Association for all costs and expenses, including court costs and reasonable attorney's fees, incurred by the Association in connection with such unaccepted street improvements and enforcement of its rights against Declarant hereunder; and
- (7) any object or improvement located on, under, in or over public property or public right-of-way which object or improvement is subject to an encroachment agreement with

a Governmental Entity that is recorded in the Registry, and may include: signs, landscaping, irrigation facilities, drain pipes, decorative surfaces and brick pavers.

(k) "Common Expense" is defined as all of the expenses incurred by the Association in furtherance of its rights and responsibilities under the Act, the Code, and the Governing Documents and including specifically, but without limitation, all of the following: (Expenses for the Maintenance of Limited Common Area are Limited Common Expenses, which is a subcategory of Common Expense.)

- (1) All sums lawfully assessed by the Association against its Members;
- (2) Expenses of the Common Area and administration, inspection and Maintenance of the Common Area;
- (3) Expenses classified as Common Expenses under the Act, the Code, or under the provisions of this Declaration or other Governing Documents;
- (4) Expenses for acquisition, Maintenance, repair, restoration, replacement, use and operation of personal property owned or leased by the Association for the benefit of the Members;
- (5) Premiums for property, liability or such other insurance premiums as this Declaration or other Governing Documents may require the Association to purchase;
- (6) Ad valorem taxes and public assessment and charges lawfully levied against any Common Area owned in fee simple by the Association;
- (7) Fees or charges for utilities used in connection with the Common Area;
- (8) Any unpaid Association assessment following the foreclosure of a first mortgage or first deed of trust or an assessment lien;
- (9) Allocations to reserve funds;
- (10) Payments owed to a Governmental Entity pursuant to any stormwater agreement, except for payments in such stormwater agreement owed to the Governmental Entity by the Declarant;
- (11) Fees for services engaged by the Association;
- (12) Costs and expenses for which the Association is obligated under any encroachment agreement or other agreement with any Governmental Entity;
- (13) Financial obligations of the Association or financial obligations of Members with respect to which the Association has responsibility for collection and payment;
- (14) Expenses incurred by the Association in performing its functions and providing services, including operating, management, enforcement and administrative expenses; and
- (15) Expenses agreed by the Members to be Common Expenses of the Association.



(l) "Declarant" is defined as Carriage Creek LLC, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development, or if such successors or assigns should acquire more than one lot, whether developed or undeveloped, pursuant to foreclosure or a deed in lieu of foreclosure ("successors" includes any lender with respect to loans obtained by Declarant to develop the Properties).

(m) "Declarant Annexation Date" is defined as the last date and time on which the Declarant has the right to annex real property to this Declaration without the consent or joinder of any Person other than the County. The timeliness of an Annexation Declaration is determined by the date of its recordation as stamped by the Registry notwithstanding its date of execution.

(n) "Declarant Control Period" is defined as any period of Declarant control of the Association, as provided in 47F-3-103(d) of the Act and established in this Declaration (which may include a vote allocation that gives Declarant, by itself, sufficient voting power to elect members of the Board).

(o) "Declaration" is defined as the document, however denominated, which contains this Article, together with all exhibits and amendments to the document.

(p) "Design Guidelines" is defined as the guidelines and standards for design, construction, landscaping, and exterior items placed on Lots adopted pursuant to Article VII, as they may be amended.

(q) "Fiscal Year" is defined as the calendar year until such time as the Board, by appropriate resolution, establishes a different Fiscal Year for the Association.

(r) "Governing Documents" is defined as all of the following: this Declaration; the Articles of Incorporation and Bylaws of the Association; architectural guidelines and bulletins and rules and regulations of the Association; Annexation Declarations; and other declarations of restrictive or protective covenants applicable to the Properties; and all Sub-Association documents (with respect to those portions of the Properties subject to such Sub-Association documents), as the same may be amended, restated or supplemented from time to time.

(s) "Governmental Entity" is defined as the County, the County of Johnston, North Carolina, the State of North Carolina, the United States of America and all other governmental entities and quasi-governmental entities that have jurisdiction over the Properties or any part thereof, and all applicable departments and agencies of any of them, whichever Governmental Entity or entities is/are applicable.

(t) "Include" or "Including" is defined as being inclusive of, but not limited to, the particular matter described, unless otherwise clearly obvious from the context

(u) "Living Unit" is defined as any Lot on which a dwelling unit has been fully constructed and made ready for occupancy as a residence, including without limitation, completion of the final floor covering, interior paint and wallpaper and all appliances, for which a Certificate of Occupancy or Compliance has been issued, and owned by anyone other than the original builder thereof, unless occupied as a residence by the original builder thereof or his tenant.

(v) "Lot" is defined as any plot of land, with delineated boundary lines, together with any

improvements thereon, which is shown upon any recorded plat of any part or all of the Properties, and which is not any of the following: dedicated street rights-of-way; Common Area; Open Space owned in fee simple by the Association; greenway or park lands owned in fee simple by the County. In the event that any Lot is increased or decreased in size by recombination or re-subdivision through recordation of a new subdivision plat, any newly platted lot shall thereafter constitute a Lot.

(w) "Maintain", "Maintenance", "Maintaining", or any similar term used herein is defined to include any one or more of the following, as the context requires: acquisition, purchase, construction, re-construction, installation, maintenance, inspection, examination, upkeep, cleaning, renewal, alteration, repair, replacement, repainting, remodeling, restoration, removal, improvement, administration, operation, use, planting, mowing, cutting, trimming, pruning, fertilizing, watering and preservation.

(x) "Member" is defined as each Person who or which holds membership in the Association pursuant to Article III.

(y) "Mortgagee" is defined as the beneficiary or payee under any mortgage or deed of trust, and the terms mortgage and deed of trust are deemed to refer to both mortgages and deeds of trust.

(z) "Open Space" is defined as common open space or recreation areas suitable for the residents' common passive recreational use as designated on a final plat duly recorded with the Registry or as required by the Code or by the conditional use zoning of the Properties for the perpetual benefit of the Owners. Open Space areas required under the Code are required as compensation for the flexible lot dimensions allowed on part or all of the Properties and Open Space areas in Conditional Use Zoning Districts may be required as consideration for such conditional use zoning. Accordingly, Open Space may not be conveyed except in strict compliance with the Code. Under the Code, Open Space may be owned by an appropriate public body, land trust, non-profit or for-profit organization established for the purpose of land conservation or recreational purposes, or may be provided or dedicated for the continuing Maintenance and control of a homeowners' association, or held by the owner subject to the recording of a permanent conservation easement or similar open space or recreational land dedication.

(aa) "Operating Deficit" is defined as the difference between the total amount of the annual assessments for a Fiscal Year levied on all Lots and the amount of actual expenditures by the Association during the Fiscal Year for Common Expenses, including funding of reserves, but excluding (i) amounts levied against a Lot, but which are not paid, and (ii) special assessments for capital improvements.

(ab) "Owner" is defined as the record Owner, whether one or more Persons, of fee simple title to any Lot and shall include Declarant as to any Lot owned by Declarant. "Owner" shall not include any Person who holds an interest in a Lot merely as security for the performance of an obligation or as a tenant.

(ac) "Person" is defined to include any natural person, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, Governmental Entity (including the County), or other entity.

(ad) "Properties" is defined as all of the real property subject to any part or all of the terms of this Declaration.

(ae) "Registry" is defined as the office of the Register of Deeds (or any successor office under applicable law) for the North Carolina County or Counties in which deeds, plats, easements, mortgages and deeds of trust for the Properties are recorded. All references herein to recording or to any requirement to record a document or plat refer to recording in the Registry of the County or Counties in which the applicable portion of the Properties is situated.

## ARTICLE II: ASSESSMENTS

**Section 1. Obligation for Assessments.** Each Owner, by execution of this Declaration or by acceptance of a deed or other instrument conveying title to a Lot, whether or not it shall be so expressed therein, is deemed to consent and agree to pay to the Association (or to any Person who may be designated by the Association to collect such monies) all assessments and other charges required by this Declaration, including the following: (1) annual assessments; (2) working capital assessments; (3) stormwater assessments created and established pursuant to this Article; (4) special assessments; (5) fines for violations of the provisions of this Declaration or other Governing Documents or assessments levied against Owners for misuse and damage to the Common Areas by the Owners or their family members, tenants, agents, contractors and guests; (6) individual assessments for any expense under the Code or this Declaration which the Association becomes obligated to pay and pays on behalf of an Owner, (7) late payment charges, interest on unpaid assessments, costs of collection, including without limitation, court costs, service charges, and attorney's fees as provided in the Act, and charges for dishonored checks; all as established by the Board from time to time; and (8) all other assessments and charges imposed or allowed to be imposed by this Declaration. The Association at all times has the right to include as part of the assessments or other charges applicable to the Properties and the Owners thereof such amounts as are required to pay all Common Expenses and all financial obligations of the Association imposed by the Code either (i) directly on the Association, or (ii) indirectly on the Association by imposition of the financial obligation on some or all of the Owners, with the Association having responsibility for collection and payment to the County.

**Section 2. Purpose of Assessments.** The annual assessment primarily is for the purpose of funding the Common Expenses of the Association, including monies allocated for reserve funds, for the Fiscal Year to which it applies and in accordance with the budget for that Fiscal Year adopted by the Association, although such assessments may be used for payment of any Common Expenses as determined by the Board. All budgets of the Association shall be proposed in good faith and with the intent to cover all reasonably necessary Common Expenses for the applicable Fiscal Year of the Association, including monies allocated for reserve funds.

**Section 3. Budgets: Amount of Assessments.** The Association is at all times empowered to levy assessments against the Lots and Living Units and the Owners of Lots and Living Units within the Properties for the payment of Common Expenses. Notwithstanding the foregoing, for calendar year 2024, the maximum annual assessment per Living Unit is \$500.00. The "Maximum Annual Assessment" for each subsequent Fiscal Year for purposes of voting percentages to ratify the budget is 110% of the amount of the annual assessment for the immediately preceding Fiscal Year. Both annual and special assessments must be fixed at a uniform rate for all Lots and Living Units, on a per Lot and per Living Unit basis, and may be collected on a monthly basis or other periodic basis.

The Declarant shall not be required to pay assessments.

The Board of Directors shall adopt a proposed budget for the Association at least annually. Within thirty (30) days after the adoption of the proposed budget, the Board of Directors shall send a copy of the proposed budget to the Members and shall give written notice to the Members of a meeting of the Members to consider ratification of the budget, such meeting to be held not sooner than ten (10) days nor more than sixty (60) days after the mailing of such notice. Such meeting may, but need not be, combined with the annual meeting of the Members. There shall be no requirement that a quorum be present to vote on ratification of the budget (although a quorum must be present to vote on other matters). The budget shall be deemed ratified unless at that meeting Members having a majority of the votes of the entire membership vote to reject the budget provided, however, if the budget provides for an annual assessment per Lot not in excess of the Maximum Annual Assessment in effect for that Fiscal Year of the

Association, such budget shall be deemed ratified unless Members having at least eighty percent (80%) of the votes of the entire membership vote to reject the budget. If any proposed budget is rejected by the Members, the budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board. The provisions of this subsection shall not apply to, nor shall they be a limitation upon, any change in the annual assessment or the Maximum Annual Assessment incident to a merger or consolidation as provided in §47F-2-121 of the Act.

**Section 4. Effect of Non-Payment: Remedies.** No Owner shall be exempt from liability for any assessment provided for herein for reason of non-use of the Common Area or such Owner's Lot or Living Unit, or abandonment or leasing of such Owner's Lot or Living Unit, or unavailability of the use or enjoyment of the Common Area.

All assessments and other charges shall be established and collected as provided in this Declaration. All assessments and other charges remaining unpaid for thirty days (30) days or longer, together with late charges, interest, and the costs of collection thereof, including attorney's fees, shall be charge on the Owner's Lot as provided in G.S.47F-3-116 of the Act and, upon filing of a claim of lien in the office of the clerk of superior court of the county in which the Lot is located in the manner provided in G.S.47F-3-H6(g), shall be a continuing lien upon the Lot against which such assessment is made until paid in full. The lien may be foreclosed by the Association in any manner permitted under the Act or by law. When the holder of a first mortgage or first deed of trust of record or other purchaser of a Lot who obtains title to the Lot as a result of a foreclosure of a first mortgage or first deed of trust, such purchaser and its heirs, successors, and assigns shall not be liable for the assessments and other charges against such Lot which became due prior to the acquisition of title to such Lot by such purchaser. Each assessment and other charges due hereunder, together with late charges, interest, the costs of collection thereof, including attorney's fees, shall also be the personal obligation or corporate obligation of each Person who was Owner of the Lot at the time when the assessment or other charge first became due and payable and may be collected by appropriate action at law. If more than one Person held an ownership interest in the Lot at the time the assessment or other charge first became due, then each Person shall be both jointly and severally liable. An Owner's personal obligation for payment of such assessments and other charges shall not become the personal obligation of a subsequent Owner unless expressly assumed by the subsequent Owner, although the lien shall continue against the Lot until the amounts due are paid.

**Section 5. Classes of Membership.** This Declaration may allow different classes of membership in the Association and may allow different levels of annual assessments and other assessments to be imposed for different classes of membership. Such classes are defined in Article III of this Declaration.

**Section 6. Declarant's Obligation to Fund Deficits; Assessment Credit.** During the Declarant Control Period, Declarant shall be obligated to fund any Operating Deficit. Declarant, at its option, may fund the Operating Deficit by any one or more of the following means: (i) payment to the Association; (ii) payment directly to a person or entity providing the services or materials to the Association, or (iii) providing, directly or indirectly, to or for the Association, services or materials related to Common Expenses (the value of which shall be determined by the Board in its reasonable discretion, giving due consideration to what the fair market value of such services or materials would be if they had been furnished by a Person other than Declarant). Declarant's obligation to fund Operating Deficits may be enforced against the Declarant and collected by the Association in the same manner as enforcement and collection of assessments applicable to other Owners.

**Section 7. Working Capital Fund.** At the time of closing of the sale of each Living Unit from the builder to the Owner, a sum equal to \$100 for each Living Unit (based on the monthly portion of the maximum annual assessment in effect at the time of the sale) shall be collected from the Owner and transferred to the Association to be held as a working capital fund. The purpose of said fund is to ensure

that the Board of Directors of the Association will have adequate cash available to meet unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund shall not be considered advance payment of regular assessments.

**Section 8. Date of Commencement of Annual Assessment; Due Dates.** The annual assessments for any Living Unit shall commence on the day of the conveyance of the Lot from the builder to any Owner other than the Declarant. While annual assessments for Lots are not imposed or to be collected from the Declarant or builders at this time, the Declarant reserves the right to commence collection of annual assessments from builders at any time after the builder has owned the Lot for one (1) year, equal to the assessment fee for the applicable year. Collection of annual dues on Lots may, at the election of the Declarant, be deferred until the closing of the sale of any Lot or Living Unit to any Owner other than the Declarant.

**Section 9. Special Assessments for Capital Improvements.** In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, restoration, repair or replacement of a capital improvement upon the Common Areas, any extraordinary maintenance, including fixtures and personal property related thereto and any property for which the Association is responsible, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose. Provided, however, that the Board of Directors, in its sole discretion, may declare that a special assessment be levied against all Lots or Living Units, unless ninety percent (90%) of the total vote of each class of Members vote to reject it. Any such special assessment shall be in an amount not to exceed Five Hundred and No/100 Dollars (\$500.00) per Lot or Living Unit and may be levied no more than once every five (5) years from the date of recording by Declarant of a deed to the Association or the County for the Common Areas.

**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 first mortgage and ad valorem taxes on said Lot. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or tax foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, but shall not abate the personal obligation of the prior owner. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

**Section 11. Exempt Property.** Any portion of the Property dedicated to, and accepted by, a local public authority and any portion of the Property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

**Section 12. Certificate of Payment.** The Association shall, within ten (10) business days after receipt of a written request from an Owner or the Owner's authorized agent, and for such reasonable charge as the Board may determine, furnish a certificate signed by an officer of the Association, or by a Person or employee of any Person employed by the Association and to whom the Association has delegated the authority to issue such certificates, setting forth whether the assessments and other charges against a specified Lot or Living Unit have been paid. If such certificate states that an assessment has been paid, such certificate shall be conclusive evidence of payment and is binding on the Association, the Board, and every Owner.

**ARTICLE III: THE ASSOCIATION**

**Section 1. Function of Association.** The Association has been established to administer the Properties in accordance with the Governing Documents. Its responsibilities include, but are not limited to:

- (a) management, maintenance, operation and control of the Common Areas;
- (b) interpretation and enforcement of the Governing Documents; and
- (c) upon delegation or termination of the Declarant's authority under this Declaration, administering the design review process for the Properties.

**Section 2. Membership.** The Declarant and every record Owner of a Lot which is subject to assessment shall be a member of the Association. By execution of this Declaration or by acceptance of a deed conveying to such Owner title to any Lot, each Owner consents to be a Member of the Association, subject to the terms of the Governing Documents. Membership shall be appurtenant to and may not be separated from ownership of the Member's Lot. The foregoing is not intended to include any Person that holds an interest merely as security for the performance of an obligation. Upon termination of ownership, an Owner's membership with respect to the transferred Lot shall automatically terminate and be automatically transferred to the new Owner of the Lot.

**Section 3. Member Voting Rights.** Each Member shall have those voting rights established in this Declaration and Governing Documents, which may be different for different classes of membership. Meeting guidelines including quorum and proxy voting requirements shall be as established in the By-Laws.

**Section 4. Classes of Voting Members.** The Association shall have two classes of voting membership:

**Class A.** Class A Members shall be all Owners with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members; however, the vote for such Lot shall be exercised as they among themselves determine, or as set forth in the Bylaws, but in no event shall more than one vote be cast with respect to any Lot. Fractional voting is prohibited.

**Class B.** The Class B Member shall be the Declarant and shall be entitled to five (5) votes for each Lot as shown on the Subdivision Plans as approved by the County. If a range of number of Lots is provided, the maximum allowed number of Lots shall be utilized for the calculation. The Class B membership shall cease and be converted to Class A membership with one vote for each Lot owned on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in Class A membership exceed the total votes outstanding in Class B membership; but provided, that the Class B membership shall be reinstated if thereafter, and before the time stated in Subparagraph (b) below, such additional lands are annexed to the Property without the assent of Class A members on account of the development of such additional lands by the Declarant, all as provided for in Article V below; or
- (b) ten (10) years from the date of conveyance of the first Lot by Declarant; or
- (c) when, in its sole discretion, the Class B Member so determines.

**Section 5. Members' Rights of Use.** Each Member and lawful occupant in the Properties shall have a nonexclusive right of use and enjoyment and easement in the Common Areas, including the rights of ingress and egress to and from all Common Areas throughout the Properties, subject to such rules and regulations as are allowed under the Governing Documents to be imposed by the Association and subject to suspension of use rights allowed in the Governing Documents; provided that no suspension of rights shall occur without first providing notice of the charge, opportunity to be heard and to present evidence, and notice of the decision as required by G.S. 47F-3-107.1 of the Act, but, the right of access and support, the right to drain stormwater and the right to use stormwater control measures, private streets, private utility services provided to the Lot through easements in Common Area, and any assigned parking areas shall not be suspended for violation of the Association's rules and regulations.



**ARTICLE IV: ASSOCIATION POWERS AND RESPONSIBILITIES**

**Section 1. Acceptance and Control of Association Property.**

(a) The Association, through action of its Board, may acquire, hold, lease (as lessor or lessee), operate and dispose of tangible and intangible personal property and real property. The Association may enter into leases, licenses, or operating agreements for portions of the Common Area, for such consideration or no consideration as the Board deems appropriate, to permit use of such portions of the Common Area by community organizations and by others, whether nonprofit or for profit, for the provision of goods or services of the general benefit or convenience of owners, occupants, and residents of the Properties.

(b) During the Declarant Control Period, any Declarant affiliate, and their respective designees may convey to the Association, and the Association shall accept, personal property and fee title, leasehold or other property interests in any real property, improved or unimproved, which has been made subject to this Declaration. Declarant may convey Common Area to the Association in one or more transactions. Each conveyance of Common Area shall be free and clear of all liens and encumbrances of a monetary nature. Upon Declarant's written request, the Association shall convey or reconvey to Declarant (or quitclaim any interest in) any portions of the Common Area which do not contain structures or facilities for common use, if conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines, subject to such membership approval as may be required by the Act.

(c) The Association shall be responsible for management, operation, and control of the Common Area, subject to any covenants and restrictions set forth in the deed or other instrument transferring such property to the Association. The Board may adopt such reasonable rules regulating use of the Common Area as it deems appropriate. The Association may permit use of the Common Area facilities by persons other than Owners and occupants of Lots and may charge use fees, in such amount as the Board may establish, for such use.

**Section 2. Maintenance of Common Areas.**

(a) Except as otherwise provided, the Association shall maintain the Common Area in accordance with any Governing Documents. The Common Area responsibility shall include, but need not be limited to:

- (1) all portions of and structures situated on the Common Area; and
- (2) all streets within the Properties unless and until such time as they are accepted by a public body for perpetual maintenance; provided, the Association shall have no responsibility for removal of snow or ice on streets; and
- (3) any landscaping, signage, and sidewalks within public rights-of-way or sidewalk easements lying within or abutting the property subject to this Declaration, except to the extent that such responsibility is otherwise assigned to Owners or assumed by a governmental body or utility provider; provided, the Association shall have no responsibility for removal of snow or ice from sidewalks or other walkways; and
- (4) streetlights and light poles along streets within the Property, unless such streetlights are leased from and maintained by the utility provider pursuant to the terms of any lease;

- (5) all culverts, pipes, ponds, and other stormwater management facilities located within the Common Area, rights-of-way, or easements granted to the Association, and
- (6) any pipes, lines, pumps, or other apparatus comprising any irrigation system servicing the Common Area, to the extent located within the Common Area, rights-of-way, or easements granted to the Association; and
- (7) the community signage and entry features located at vehicular entrances to the Community from public streets or highways;
- (8) such portions of any additional property included within the Common Area as may be dictated by this Declaration, any Supplemental Declaration, or any contract or agreement for maintenance thereof entered into by the Association; and
- (9) any property and facilities Declarant owns and makes available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members. Such property and facilities shall be identified by written notice from Declarant to the Association and will remain part of the Common Area maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

The Association may maintain other property that it does not own, including, without limitation, property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain a high community standard. However, nothing herein shall be construed to make the Association liable for any damage or injury occurring on or arising out of the condition of property that it does not own. The Association shall specifically be authorized to enter into agreements with Johnston County and other owners of property in or near Heaton Pointe for the sharing of maintenance responsibility and/or costs associated with any property or services with the Board deems to benefit the Association and its members.

(b) Some portions of the Common Area may consist of open space or conservancy areas intentionally left in a natural or relatively undisturbed state. The level of maintenance that the Association provides to the Common Area may vary from a high level of landscaping and regular, weekly maintenance to intermittent or no maintenance, depending on the nature and intended use of the particular open space area. Open space, wetlands, or other natural areas may serve as habitats for a variety of native plant, animal, and insect species, and may contain creeks, fallen trees and other naturally occurring conditions, some of which may pose hazards to person or pets coming in contact with them. Neither the Association, the Declarant, nor any Builder shall have any responsibility for providing maintenance in such areas or taking action to abate such conditions, and any maintenance provided shall be consistent with the terms of any recorded restrictions or easements affecting such property, including any conservation easement or covenants and restrictions recorded by the Declarant as part of a final compensatory mitigation plan required by the U.S. Army Corps of Engineers or the State or North Carolina.

(c) The Association shall maintain the facilities and equipment within the Common Area in continuous operation, except for any periods necessary, as determined in the Board's sole discretion, to perform required maintenance or repairs.

(d) Except as otherwise specifically provided in this Declaration or any applicable Supplemental Declaration, the costs associated with maintenance, repair, and replacement of the Common Area shall be a Common Expense, subject to the right of the Association to seek reimbursement from the Owner(s) of, or other persons responsible for, certain portions of the Common Area pursuant to this Declaration, other recorded covenants, or agreements with the owner(s) thereof.

**ARTICLE V: ANNEXATION**

**Section 1. Annexed Property.** Real property which was not part of the County-approved development, or real property that was part of the County-approved development but which was not subjected to this Declaration at the time of its initial recording, may be annexed to this Declaration and made part of the Properties as Annexed Property, provided that all of the following conditions are met with respect to the real property to be annexed:

- (a) the Annexed Property is adjacent to a property boundary of the Properties or across the street from the Properties;
- (b) annexation of such Annexed Property meets any other applicable requirements of this Declaration;
- (c) contemporaneously with either the development of the Annexed Property or the recording of the plat of the Annexed Property, whichever first occurs, an Annexation Declaration shall be recorded in the Registry; and
- (d) Declarant Annexation Date is within ten (10) years of the date of the sale of the last Lot on the Properties.

An Annexation Declaration may contain such complementary additions and modifications to the terms of this Declaration as may be necessary or desirable to reflect the different character, if any, of the Annexed Property and as are not inconsistent with the general scheme of this Declaration. Common Area and Open Space in the Annexed Property is subject to all Code and Declaration provisions relating to Common Area and Open Space.

Annexation of the Annexed Property shall be effective upon the later of the recording of the Annexation Declaration in the Registry or such later date as specified in the Annexation Declaration, and the Annexed Property described therein shall be subject to all of the provisions of this Declaration to the extent made applicable by the Annexation Declaration, and to the jurisdiction of the Association pursuant to the terms of this Declaration and other Governing Documents of the Association. Each Owner of a Lot in Annexed Property shall be a Member of the Association, and the Annexed Property and each Owner of any portion thereof shall be subject to assessment by the Association in accordance with the terms of this Declaration, the Annexation Declaration, other Governing Documents, and the Code, as applicable. The Association shall have the duties, responsibilities and powers set forth in this Declaration and other Governing Documents with respect to Annexed Property. Except as may otherwise be expressly provided in this Declaration or any Annexation Declaration, the Properties, including the Annexed Property, shall be managed and governed by the Association as an entirety. Assessments for Common Expenses collected from Owners in the Annexed Property may be expended by the Association for Common Expenses anywhere in the Properties without regard to the particular phase, area or subdivision from which such assessments came.

**ARTICLE VI: PROPERTY DEVELOPMENT REQUIREMENTS AND PROPERTY RIGHTS**

**Section 1. Property Development Requirements.** The property shall be developed in accordance with a plan that complies with the applicable governmental zoning regulations and the Johnston County Subdivision Regulations, and each Owner, by acceptance of a deed conveying title to a Lot for the purpose of constructing a Living Unit thereon, shall be responsible for and agrees to the following requirements:

- (a) To submit plans to and obtain written approval from the Declarant for Lot development.
- (b) To plant grass and Maintain the shoulders and the ditches of each Lot from any property line adjacent to a street to the edge of the pavement, including mowing and other required Maintenance;
- (c) To obtain the approval of the Declarant or its designee of the grade and slope of each ditch in order to ensure proper drainage; and
- (d) To limit impervious materials, including, but not limited to, garages, approved buildings, and paved or concrete driveways, walkways, and patios, placed on Lots to a maximum area as defined in the approved Subdivision Plans, except as otherwise may be approved by the Governmental Entities.

**Section 2. Owners' Easements of Enjoyment.** Every Owner shall have a right and easement of use and enjoyment in and to the Common Areas together with and including the right of access, ingress and egress, both pedestrian and vehicular, on and over the drives, walkways and parking areas of the Common Areas, all of which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) the right of the Association to charge reasonable admission and other fees for the use of any recreational or other similar facility situated upon the Common Areas;
- (b) the right of the Association to suspend the voting rights and the right to use the recreational or other Common Area facilities, if any, by an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed 60 days for any infraction of its published rules and regulations;
- (c) the right of the Association to dedicate, sell, lease or transfer all or any part of the Common Areas, or any interest therein, to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed upon by the members. No such dedication, sale or transfer shall be effective unless it has been approved by two-thirds (2/3) of each class of members as permitted by local government ordinances, and an instrument of dedication, sale, lease, or transfer properly executed by the Association has been recorded. On such instrument the Secretary of the Association shall certify that two-thirds (2/3) of each class of members have approved the dedication, sale, lease or transfer and that certificate may be relied upon by any third party without inquiry and shall be conclusive as to any grantee, its successors or assigns; provided, however, conveyances for general utility purposes, as specified herein, may be made by the Association without consent of the members. Notwithstanding the foregoing, the Association shall have a right to participate in an equal exchange of open space as permitted by local government ordinances;
- (d) the right of the Association to limit the number of guests of members;

(e) the right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Areas and facilities and in aid thereof to mortgage the Common Areas, and the rights of such mortgage in the Common Areas shall be subordinate to the rights of the members hereunder; and

(f) the right of the Association in accordance with its Articles of Incorporation or Bylaws to impose rules and regulations for the use and enjoyment of the Common Areas and improvements thereon, which rules and regulations may further restrict the use of the Common Area;

**Section 3. Delegation of Use.** Subject to all provisions of the Governing Documents, any Owner may delegate, in accordance with the Bylaws, his right of use and enjoyment to the Common Areas and facilities to the members of his family, his tenants, his guests, or contract purchasers who reside on the Property.

**Section 4. Conveyance or Dedication of Common Areas.** Common Areas shall either be conveyed or dedicated to the Association without any encumbrances except this Declaration, drainage, greenway, utility and conservation easements of record at the time of conveyance, and the lien of real property taxes not yet due and payable, or conveyed to the County as allowed or required under the Code. Common Areas may be conveyed to the County free of part or all of the provisions of this Declaration, as determined by the Declarant and the County. Title to Common Areas shall be conveyed or dedicated to the Association or to the County no later than the time of the conveyance of the first Lot within the applicable phase of the Properties. The Association shall accept all Common Areas and Open Space, including the improvements installed thereon by the Declarant, deeded to it and/or dedicated to it on any recorded plat of the Properties, whether or not the conveyance or dedication occurs prior to the time of the conveyance of the first Lot within the applicable phase of the Properties.

**Section 5. Rights and Responsibilities as to Common Areas on a Lot.**

(a) Owners. Each Owner of a Lot upon which any Common Area is located shall pay all ad valorem property taxes and assessments levied against such Lot, including that portion of such tax or assessment as is attributable to such Common Areas (unless such Common Area constitute a separate parcel owned by the Association for ad valorem property tax purposes or are taxed separately from the Lot, in which event the Association shall pay the tax or assessment attributable to such Common Areas), and, except as otherwise provided by the Association, shall maintain the portion of such Owner's lot subject to the Common Areas in the same manner as the Owner is required to maintain the remainder of the Lot under this Declaration, except that the Association shall maintain those improvements on the Lot constructed or installed by or on behalf of the Association for use in connection with Common Areas, and the Association shall reimburse the Owner for any additional ad valorem property taxes assessed against the lot specifically for the improvements associated with those Common Areas. The Board shall have the right to resolve any conflict with an Owner with respect to payment of any such tax or assessment attributable to the Common Area. Notwithstanding any other provision of this Declaration, no Owner or Person shall, without the prior written consent of the Association (or, during the Development Period, the prior written consent of the Declarant): (i) remove any trees or other vegetation or improvements located within Common Areas; (ii) maintain gates, fences, or other improvements in or on any Common Areas; (iii) place any garbage receptacles in or on Common Areas; (iv) fill or excavate any Common Areas or any part thereof; or (v) plant trees or other vegetation in, or otherwise restrict or interfere with, the maintenance of Common Areas.

(b) Declarant and Association. The Declarant and Association, and their respective employees, agents, contractors, and subcontractors, have a nonexclusive right and easement at all times to enter upon any Common Areas located on any Lot or other portion of the Properties not owned by the Declarant or

the Association for any and all of the following purposes: (i) maintaining entrance signs, monuments and decorative features, and other signs, all of which shall have been approved by a Government Authority if such approval is required under Legal Requirements; (ii) maintaining landscaping, stormwater control measures, and other improvements to or in the Common Areas that have been constructed or installed by the Declarant or the Association and, if required by Legal Requirements, by the Governmental Entity; and (iii) otherwise maintaining the Common Areas or keeping the Common Areas free from obstruction or impediments to its use.

**Section 6. Subdivision of Units Prohibited.** Subdivision or conversion of a single dwelling unit into two or more units is prohibited. Construction, placement, improvement, or use of any garage, basement, or accessory structure on a Lot as separate, independent living quarters for one or more persons, whether or not related to the occupants of the main dwelling on the Lot, and whether on a temporary or permanent basis, except with prior written consent from the Declarant or Board.

**Section 7. Discharge of Firearms.** The discharge of firearms is strictly prohibited anywhere in the subdivision or on any adjoining property owned by the developer or Home Owner Association (HOA). Discharging of air guns, air pistols and air rifles, not to exceed a caliber of .177, is permitted, as they are not considered firearms within the meaning of this section.

**ARTICLE VII: ARCHITECTURAL CONTROL**

**Section 1. Purpose.** The primary purpose of these covenants and restrictions and the foremost consideration in the origin of same has been the creation of a community which is aesthetically pleasing and functionally convenient. The establishment of certain objective standards relating to design, size and location of dwellings and other structures makes it impossible to take full advantage of the individual characteristics of each parcel of the Properties and of technological advances and environmental values. In order to implement the purposes of these covenants, the Declarant may establish and amend from time to time objective standards and guidelines which include but are not limited to regulation of design, architecture, construction, fence, signs, mailboxes, landscaping, and environment.

**Section 2. General.** No building or other structure shall be erected, placed, or altered, and no improvements or any other work (including staking, clearing, excavation, grading, and other site work, exterior alterations of existing improvements, or planting and removal of landscaping), nor shall a building permit application for such improvement be made on any Lot in the Properties until the plans have been approved in writing by the Declarant, or its designee, or by the Architectural Review Board of the Association if such review responsibility has been delegated to the Association by the Declarant or its designee. This shall include, without limitation, signs and flags, decks, patios, driveways, walkways, basketball hoops, swing sets and similar sports and play equipment; clotheslines; garbage cans; woodpiles; swimming pools; and hedges, walls, dog runs, animal pens, or fences or any kind; and satellite dishes and antennas. No alteration in the exterior appearance of any building or structure, including exterior color or finish, shall be made without like prior written approval by the Declarant, its designee, or the Architectural Review Board.

This Declaration and any guidelines adopted by the Declarant or Association shall not be construed to regulate or prohibit those flags or political signs permitted under state and federal law, as described in this Article and the Design Guidelines.

No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications. Any Owner may remodel, paint or redecorate the interior of his or her dwelling without approval. However, portions of window treatments, coatings, or coverings visible from outside the dwelling may be subject to approval.

All construction on Lots shall comply with all applicable building codes and requirements.

This Article shall not apply to Declarant's activities during the Declarant Control Period.

**Section 3. Design Review.**

(a) **By Declarant.** Each Owner, by accepting a deed or other instrument conveying any interest in a Lot, acknowledges that the Declarant has a substantial interest in ensuring that the structures, landscaping, and other improvements within the Properties do not impair the Declarant's ability to market, sell, or lease its property in, or in the vicinity of, Hearon Pointe. Therefore, each Owner agrees that no activity within the scope of this Declaration shall be commenced in such Owner's Lot unless and until Declarant or its designee, or the Architectural Review Board, as applicable (the entity having authority hereunder in a particular case being referred to as the "Reviewer"), has given its prior written approval for such activity, which approval may be granted or withheld in the reviewer's sole discretion.

In reviewing and acting upon any request for approval, Declarant or its designee shall be acting solely in Declarant's interest and shall owe no duty to any other person. Declarant's rights reserved under this Article shall continue until termination of the Declarant Control Period, unless earlier terminated in a written instrument the Declarant executes and records.

Declarant may, in its sole discretion, designate one or more persons from time to time to act on its behalf in reviewing applications hereunder.

Declarant may, but shall not be obligated to, delegate such administration and review responsibilities to an architectural standards committee (hereinafter referred to as the "**Architectural Review Board**") composed of not less than three (3) Members of the Association.

(b) Architectural Review Board. Upon delegation by the Declarant or upon expiration of at such time as dwellings have been constructed upon all the Lots and conveyed to Owners other than Builders, administration of the Design Guidelines shall be the responsibility of the Architectural Review Board, which shall be composed of not less than (3) members of the Association.

**Section 4. Design Guidelines.** Declarant may prepare the initial Design Guidelines which may contain provisions applicable to all of the Properties as well as specific provisions that vary by housing type and from one area to another within the Properties. The Design Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to Reviewer in considering applications. The Design Guidelines are not the exclusive basis for decisions of the Reviewer and compliance with the Design Guidelines does not guarantee approval of any application.

Declarant shall have sole and full authority to amend the Design Guidelines so long as it has any rights under this Declaration, notwithstanding a delegation of reviewing authority to the Architectural Review Board, unless the Declarant also delegates the power to amend the Architectural Review Board. Upon termination or delegation of the Declarant's right to amend, the Architectural Review Board shall have the authority to amend the Design Guidelines with the consent of the Board.

Any amendments to the Design Guidelines apply prospectively only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines, and such amendments may remove requirements previously imposed or otherwise make the Design Guidelines less restrictive.

The Reviewer shall make the Design Guidelines available to Owners and Builders who seek to engage in development or construction within the Properties.

**Section 5. Procedures.** Except as otherwise specifically provided in this Declaration or the Design Guidelines, no activities shall commence on any Unit until an application for approval has been submitted to and approved by the Reviewer. Such application shall include plans and specifications showing site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction, as applicable ("Plans"). The Design Guidelines and the Reviewer may require the submission of such additional information as may be reasonably necessary to consider any application.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements. The Reviewer shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgement and such determinations shall



not be subject to review so long as made in good faith and in accordance with the procedures set forth herein.

The Reviewer shall make a determination on each application within sixty (60) days after receipt of a completed application and all required information. A request for additional information by the Reviewer shall be deemed a determination that the information submitted was incomplete or inadequate, and the sixty (60) day time period for further Architectural Review Committee response shall commence only upon receipt of the requested additional information. The Reviewer may (1) approve the application, with or without conditions, (2) approve a portion of the application and disapprove other portions, or (3) disapprove the application. If a conditional approval is granted, the conditions imposed shall become fully a part of the Approved Plans. Any material modification or change in the Approved Plans must again be submitted to the Architectural Review Committee for its review in accordance with the foregoing requirements or such other procedures as adopted by the Architectural Review Committee.

Until expiration of Declarant's rights under this Declaration, the Architectural Review Board shall notify the Declarant in writing within three business days after the Architectural Review Board has approved any application within the scope of matters delegated to the Architectural Review Board by the Declarant. The notice shall be accompanied by a copy of the application, any conditions imposed, one set of Approved Plans, and any other information as required by the Declarant.

The Reviewer shall notify the applicant in writing of the final determination. The notice shall be accompanied by a copy of the application, any conditions imposed, and one set of Approved Plans. In the case of disapproval, the Reviewer may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections. Notice shall be deemed given when deposited in the U.S. Mail, certified mail, return receipt requested, properly addressed to the applicant at the address stated in such applicant's notice, or upon receipt if given by any other means.

In the event that the Reviewer fails to give notice of its approval or disapproval of any application within the time period required above, the applicant may notify the Reviewer by certified mail, return receipt requested, at the address for such notices set forth in the Design Guidelines, stating that no response has been received and that unless a written response is given at the address set forth in such notice within 15 days of the Reviewer's receipt of the applicant's notice, as evidenced by the return receipt, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted, shall be inconsistent with the Design Guidelines.

If construction does not commence on a project for which Plans have been approved within nine months after the date of approval, such approval shall be deemed withdrawn and it shall be necessary for the Owner to reapply for approval before commencing any activities, except that this shall not apply to Builder's Plans which have been pre-approved by the Reviewer as provided below. Once construction is commenced, it shall be diligently pursued to completion. All work shall be completed within one year of commencement unless otherwise specified in the notice of approval or unless the Reviewer grants an extension in writing, which it shall not be obligated to do. If approved work is not completed within the required time, it shall be considered nonconforming and shall be subject to enforcement action by the Association, Declarant, or any aggrieved Owner.

The Reviewer may (1) pre-approve Plans for Builders and excuse such Builders from all or a portion of the application and review procedures set forth in this Section with respect to construction undertaken in accordance with such pre-approved Plans; and (2) by resolution, exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

**Section 6. No Waiver of Future Approvals.** Each owner acknowledges that the persons reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Design Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features until work is completed, in which case the Reviewer may elect not to require changes to the improvements involved, but the Reviewer may refuse to approve similar proposals in the future. Approval of applications or plans, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar applications, plans, or other matters subsequently or additionally submitted for approval.

**Section 7. Limitation of Liability.** The standards and procedures established by this Article are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Properties; they do not create any duty to any Person. Review and approval of any application pursuant to the Article may be made on the basis of aesthetic considerations only, and the Reviewer shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all dwellings are of comparable quality, value, or size, of similar design, or aesthetically pleasing or otherwise acceptable to neighboring property owners.

Neither the Declarant, the Association, the Board, any committee, nor any member of any of the foregoing, shall be held liable for soil conditions, drainage or other general site work; any defects in plans revised or approved hereunder; any loss or damage arising out of the action, inaction, integrity, financial condition or quality of work of any contractor or its subcontractors, employees, or agents, whether or not Declarant has approved or featured such contractor as a builder in the Community; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Lot. In all matters, the Board, the Architectural Review Board, and the members of each shall be defended and indemnified by the Association as provided in the By-Laws.

**Section 8. Certificate of Compliance.** Any owner may request that the Reviewer issue a certificate of compliance certifying that there are no known violations of this Article or the Design Guidelines. The Association shall either grant or deny such request within 30 days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificates. Issuance of such a certificate shall preclude the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate.

**Section 9. Septic/Sewer Connections.** Prior to the occupancy of a building or structure on any Lot, proper and suitable provisions shall be made for the disposal of sewage by conventional individual septic systems to be maintained by each Lot Owner, unless and until County sewer services become available to the Properties.

**Section 10. Water Connections.** Prior to the occupancy of a building or structure on any Lot, proper and suitable provisions for water shall be made by connection with the water lines of the County or other Governmental Entity.

**Section 11. Waiver of Minor Violations.** Unless such a waiver or variance is inconsistent with the provisions of the Johnston County Code, both the Declarant and the Board of Directors of the Association shall have the right to waive a minor violation of, and allow a minor variance from, the restrictions contained in this Article, where the same resulted unintentionally or without gross carelessness on the part of any Owner (including, without limitation, Declarant) and/or is not materially harmful to the Properties. For the purpose of this Section, a minor variance shall be deemed to be any variance of ten percent (10%) or less, when the provision in question involves a minimum or maximum

distance, size, or measurement. If such waiver is granted in writing, then thereafter any matter so waived shall no longer be deemed a violation of these covenants.

**Section 12. Political Signs.** No rule shall regulate or prohibit the indoor or outdoor display of a political sign on a Lot by the Owner or occupant of the Lot, except that the Association may adopt rules prohibiting the display of political signs earlier than 45 days before the day of the election and later than seven days after an election day, and regulating the size and number of political signs that may be placed on a Lot, subject to the limitations set forth in Section 47F-3-121 of the Act. For the purposes of this Section, "political sign" means a sign that attempts to influence the outcome of an election, including supporting or opposing an issue on the election ballot.

**Section 13. Flags.** No rule shall regulate or prohibit the display on a Lot of the flag of the United States of America or the flag of the State or North Carolina, of a size no greater than four feet by six feet, by the Owner or occupant of such Lot, provided the flag is displayed in accordance with or in a manner consistent with the patriotic customs set forth in 4 U.S.C. Sections 5-10, as amended, governing the display and use of the flag of the United States. United States of America and North Carolina flags shall not require a permit provided they meet these standards.

**ARTICLE VIII: MAINTENANCE AND REPAIR OF LOTS**

**Section 1. Property Condition.** Except to the extent that such maintenance responsibility is otherwise assigned to or assumed by the Association, it shall be the responsibility of each Owner, tenant, contractor, or subcontractor to prevent the development of any unclear, unsightly, unkempt, unhealthy, or unsafe conditions of buildings or grounds on any Lot which shall tend to substantially decrease the beauty or safety of the Properties, the neighborhood as a whole, or the specific area, including (1) his or her Lot and all landscaping and improvements comprising the Lot, and (2) the landscaping within that portion of any adjacent Common Area or public right-of-way lying between the Lot boundary and any wall, fence, or curb located on the Common Area or public right-of-way within 15 feet of the Lot boundary.

The Declarant and its agents shall have the right to enter upon any Lot for the purpose of correcting such conditions, including, but not limited to, the removal of trash which has collected on the Lot, and the cost of such corrective action shall be paid by the Owner. Such entry shall not be made until thirty (30) days after the Owner of the Lot has been notified in writing of the need to take corrective action and unless such Owner fails to perform the corrective action within said thirty (30) day period; provided, however, that should such conditions pose a health or safety hazard, such entry shall not be made until the Owner has been notified in writing of the need to take immediate corrective action and unless such Owner fails to perform the corrective action immediately. The provisions of this paragraph shall not create any obligation on the part of the Declarant to take any such corrective action.

**Section 2. Responsibility for Repair and Replacement.** Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement as necessary to maintain the property. Each Owner shall carry property insurance as required in Article X, unless the Association is obligated to carry such insurance pursuant to any Supplemental Declaration or other covenants applicable to the Lot, or unless the Association otherwise notifies the Owner in writing that it is carrying such insurance on the Lot (which they may, but are not obligated to do hereunder). If the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners, the premiums for such insurance shall be levied as a Specific Assessment against the benefited Lot and the Owner.

In the event of damage to or destruction of structures on or comprising a Lot, the Owner shall, within 180 days thereafter, complete the repair or reconstruction of the damaged structures in a manner consistent with the original construction or such other plans and specification as are approved in accordance with this Declaration. Alternatively, the Owner shall clear the Lot and maintain it in a neat and attractive landscaped conditions. The Owner shall pay any costs not covered by insurance proceeds.

Neither the Association nor the Declarant shall bear any responsibility for the maintenance or safekeeping of personal property of any Owner or occupant of Lot, their family, guests or invitees, nor shall the Association or Declarant be held liable for the condition of, or any loss or damage to, any such personal property except to the extent directly attributable to the willful misconduct of the Association, Declarant or their respective agents or employees.

## ARTICLE IX: EASEMENTS

**Section 1. Utility Easements.** All of the Property, including Lots and the Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage, gas lines, telephone and electric power line and other public utilities as shall be established by the Declarant or by his predecessors in title, prior to the subjecting of the Properties to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under and across the Common Areas conveyed to it, such other and further easements as are requisite for the convenient use and enjoyment of the Properties without approval of the membership as provided in the Articles of Incorporation and this Declaration.

**Section 2. Easement for the Benefit of Governmental Entities.** An easement is hereby established for the benefit of any Governmental Entity having jurisdiction over the Properties, or other governmental agency, overall Common Areas for the setting, removing and reading of water meters (which shall be separate for each Lot), maintaining and replacing water, sewage and drainage facilities, for police protection, fire fighting and garbage collection, postal services, and the rendering of such other services as are appropriate and necessary for the use and enjoyment of the Property. In no case shall the Governmental Entity or other responsible agency, be responsible for failing to provide any emergency or regular fire, police, or other public service to the Properties or to any of its occupants when such failure is due to the lack of access to such area due to inadequate design or construction, blocking of access routes, or any other factor within the control of the Declarant, the Association, the Owners or occupants. All conveyances of any portion of the Properties shall be subject to these limitations on the Governmental Entity's responsibilities.

**Section 3. Easements Shown on Recorded Maps.** All easements are as shown on the recorded map. In the event of a conflict in the width of any easement reserved herein or on the recorded map, the wider easement shall prevail.

Furthermore, in and addition to the foregoing reserved specific easements, the Declarant so long as it controls the Association, and thereafter the Association, may cut and create drains and drainways both above ground and underground for the purpose of facilitating the removal of surface water whenever such action may appear to be necessary in order to maintain reasonable standards of health, safety and appearance along, over or across any Lot. These reservations of easements expressly include the right to cut any trees, bushes, shrubs or growth, the grading, cutting or ditching of the soil any other action necessary to complete installation.

**Section 4. Easement for Benefit of Utility Company.** The Declarant reserves the right to subject the Property, including the Common Areas, to a contract with Duke Energy or another servicer of its choosing, for the installation of underground electric lines, cables and connector posts or for the installation of street lighting, either or both of which, may require an initial payment or a continuing monthly payment to the utility by the owner of each Lot.

**Section 5. Easements for Repairs.** Each Lot owner shall have a perpetual access easement over an adjoining Lot and Common Areas to the extent reasonably necessary to perform repair, maintenance, or reconstruction of his dwelling. No fence, wall, outbuilding, storage shed or similar structure, or any other kind of obstruction shall be installed or maintained within the easement area which will obstruct access to the residential unit. Such repair, maintenance, or reconstruction shall be done expeditiously, and, upon completion of the work, the owner shall restore the adjoining Lot and Common Areas to as near the same condition as that which prevailed prior to the commencement of the work as is reasonably

practicable.

**Section 6. Priority of Easements.** Each of the easements hereinabove referred to shall be deemed to be established upon the recordation of this Declaration and shall henceforth be deemed to be covenants running with the land for the use and benefit of the Lots, and the Common Areas, as the case may be, superior to all other encumbrances which may hereafter be applied against or in favor of the Property or any portion thereof.

**Section 7. Declarant Easement.** If any encroachment shall occur subsequent to subjecting the Properties to this Declaration, there is hereby created and shall be a valid easement for such encroachment and for the maintenance of the same. Every Lot shall be subject to an easement for entry and encroachment by the Declarant for a period not to exceed eighteen (18) months following conveyance of a Lot to an Owner for the purpose of correcting any problems that may arise regarding utilities, grading and drainage. The Declarant, upon making entry for such purpose, shall restore the affected Lot or Lots to as near the original condition as practicable.

**Section 8. Emergencies.** Every Lot shall be subject to an easement for entry by the Association for the purpose of correcting, repairing, or alleviating any emergency condition which arises upon any Lot and endangers any building or portion of the Common Areas.

**Section 9. Landscape Easements.** The Association shall be responsible for Maintaining and replanting any shrub, tree, or groundcover located within any area designated on a recorded map of the Properties as a landscape easement, open space, buffer, or similar designation. Association expenses for Maintaining a landscape easement or similar designation are Common Expenses. Whenever a slope easement co-exists, in whole or in part, within a designated landscape easement, and any future public improvement adjacent to the slope easement removes or causes any of the shrubs or trees within the slope easement to die or become unhealthy, it shall be the responsibility of the Association to replace the shrubs and trees in accordance with the minimum applicable quantity, size and spacing requirements of the Code within one-hundred and eighty days of completion of the public improvement. Within any area designated on recorded maps of the Properties as a landscape easement or similar designation, no vegetation shall be removed without the prior written consent of the Association. Notwithstanding the foregoing, no Governmental Entity shall be required to obtain the consent of the Association when working within slope easements, greenway easements or construction easements.

**Section 10. Sight Triangles.** No sight obstructing or partially obstructing wall, fence, foliage, berm, parked vehicle or sign between two feet and eight feet tall, as measured above the curb line elevation or the nearest traveled way if no curb exists, shall be placed within any area designated on a recorded map of the Properties as a sight triangle or other similar designation. An easement over sight triangles is reserved for the benefit of the Declarant, the Association, and the County, and their respective agents and contractors for the purpose of removing any such obstruction, and a Person entering onto a Lot pursuant to such easement for the purpose of removing such obstruction shall not be deemed a trespasser and shall not be liable for damages to the Association or the Owner of the Lot with respect to the obstruction removed from the sight triangle. It shall be the responsibility of the Association (as to Common Area) or Owner of the Lot, as soon as reasonably practicable following removal of any obstruction from the sight triangle, to restore the portion of the Properties previously occupied by the removed obstruction to the condition required or permitted by the Code and the Governing Documents.

**ARTICLE X: INSURANCE**

**Section 1. Insurance.** Commencing not later than the time of the first conveyance of a Lot to a Person other than the Declarant, the Association shall procure and Maintain (i) hazard insurance on the Common Area, insuring against all risk of loss commonly insured against, including fire and extended coverage of peril, and (ii) liability insurance, in an amount of not less than one million dollars (\$1,000,000.00), 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 Common Area. The Association shall obtain and maintain such other insurance as required in this Declaration or such other forms of insurance, and in such coverage amounts, as determined by the Board to be required or beneficial for the protection or preservation of the Common Area and other property of the Association or otherwise is in the best interests of the Association. The premiums for such insurance shall be a Common Expense paid from the annual assessments as established pursuant to this Declaration.

**Section 2. Insurance to be Maintained by the Owners.** Every Owner shall maintain in full force and effect at all times fire and hazard insurance in an amount equal to the full insurable value of his Living Unit except that the amount shall not be required to exceed the replacement cost of the Living Unit. An Owner shall exhibit to the Board, upon request, evidence that such insurance is in effect. If any Owner shall fail to maintain such insurance, the Board is authorized to obtain such insurance in the name of the Owner from an insurer selected by the Board, and the cost of such insurance shall be included in the annual assessment of the Owner and shall constitute a lien against his Lot until paid as a result of enforcement by the Association or otherwise.

**ARTICLE XI: RIGHTS OF INSTITUTIONAL LENDERS**

**Section 1. Rights Reserved to Institutional Lenders.** "Institutional Lender" or "Institutional Lenders", as the terms are used herein, shall mean and refer to banks, savings and loan associations, savings banks, insurance companies, Veterans Administration, Federal Housing Administration, Federal National Mortgage Association and other reputable mortgage lenders and guarantors and insurers of first mortgages. So long as any Institutional Lender or Institutional Lenders shall hold any mortgage upon any Lot, or shall be the Owner of any Lot, such Institutional Lender or Institutional Lenders shall have the following rights:

(a) To be furnished with at least one copy of the Annual Financial Statement and Report of the Association, including a detailed statement of annual carrying charges or income collected and operating expenses, such Financial Statement and Report to be furnished by April 15 of each calendar year.

(b) To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering any proposed Amendment to the Declaration, or the Articles of Incorporation and Bylaws of the Association, which notice shall state (he nature of the amendment being proposed, and to be given permission to designate a representative to attend all such meetings.

(c) To be given notice of default in the payment of assessments by any Owner of a Lot encumbered by a mortgage held by the Institutional Lender or Institutional Lenders, such notice to be given in writing and to be sent to the principal office of such Institutional Lender or Institutional Lenders, or to the place for which it or they may designate in writing to the Association.

(d) To inspect the books and records of the Association and the Declaration, Bylaws and any Rules and Regulations during normal business hours, and to obtain copies thereof.

(e) To be given notice by the Association of any substantial damage to any part of the Common Areas.

(f) To be given notice by the Association if any portion of the Common Areas, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority. Whenever any Institutional Lender, guarantor or insurer desires the benefits of the provisions of this section requiring notice to be given or to be furnished a financial statement, such Lender shall serve written notice of such fact upon the Association by Registered Mail or Certified Mail addressed to the Association and sent to its address stated herein, or to the address of the Property, identifying the Lot upon which any such Institutional Lender or Institutional Lenders hold any mortgage or mortgages, or identifying any Lot owned by them, or any of them, together with sufficient pertinent facts to identify any mortgage or mortgages which may be held by it or them, and which notice shall designate the place to which notices are to be given by the Association to such Institutional Lender.



## ARTICLE XII: GENERAL PROVISIONS

**Section 1. Applicability.** The Properties, this Declaration and the other Governing Documents are subject to the ordinances, regulations, and rules of the County, and shall be construed in accordance with all of the applicable provisions of the Code, whether or not such Code provisions are specifically referenced in this Declaration. There may be certain provisions of the Code that apply to all of the Properties and certain provisions of the Code that apply only to certain portions of the Properties (for example, provisions of the Code relating to private streets apply only to those portions of the Properties that contain private streets). It shall be the responsibility of the Association and each Owner of each portion of the Properties to comply with all provisions of the Code applicable to such portion of the Properties, whether or not any approval, disapproval, waiver or variance of the terms of this Declaration with respect to such portion of the Properties has been given by the Declarant or its authorized agent, the Board, any committee of the Board, or any other Person who has the authority to give such approval, disapproval, waiver or variance.

### **Section 2. Conflicts.**

(a) Some or all of the Properties may be subject to the provisions of the Act. To the extent that Properties are subject to the Act, the provisions of the Act control over any inconsistent provisions of this Declaration, any Annexation Declaration or any other Governing Documents.

(b) The provisions of the Code control over any inconsistent provisions of this Declaration, any Annexation Declaration or any other Governing Documents. As applicable provisions of the Code are amended, modified, revised, deleted, or moved to different sections, this Declaration and all Annexation Declarations are deemed to be revised so as to conform to the provisions of the Code as they exist from time to time and are applicable to the Properties or any part thereof. Provided, however, any provision of this Declaration or any Annexation Declaration that is more restrictive than an applicable provision of the Code (for example, a building setback distance required by this Declaration or an Annexation Declaration that is greater than that required by the Code) is not an inconsistent provision of this Declaration unless the Code specifically provides otherwise, and is not deemed revised to conform to the Code.

(c) The provisions of this Article control over any inconsistent provisions of any other portion of this Declaration, any Annexation Declaration or any other Governing Documents.

(d) The provisions of this Declaration control over any inconsistent provisions of any other Governing Documents, except as to matters of compliance with the North Carolina Nonprofit Corporation Act, in which event the Articles shall control.

**Section 3. Enforcement.** The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

**Section 4. Severability.** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

**Section 5. Duration of Declaration.** The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods often (10) years.

**Section 6. Amendment of Declaration.** This Declaration may be amended by Declarant with no other consent, until such time as Declarant no longer owns at least one Lot within the subdivision. After Declarant has sold its last Lot, this Declaration may only be amended by the written agreement or vote of not less than sixty-seven percent (67%) of the Lot owners. Amendments to this Declaration are valid from the later of the time of recording in the Registry or such later date specified in the amendment. When County approval of an amendment is required by the Code or by a provision of this Declaration (including this Article), County approval shall be evidenced by the signature of the County Attorney or his/her Deputy on the recorded original or copy of the amendment. Any amendment of this Article or any other provision of this Declaration that requires County approval is void ab initio if recorded without the required County signature.

**Section 7. Amendments Permitted Without Membership Approval.** The following amendments may be effected by the Declarant, or the Board, as the case may be, without consent of the members:

(a) Amendments, if necessary for the exercise of any development right, including, but not limited to, amendments to qualify the Association or the Properties, or any portion thereof, for tax exempt status, or to reflect any plat change to the Properties as permitted herein, or amendments, so long as the Class B membership exists, that would allow the Declarant to change any provision of the Declaration or the Bylaws, which, in the sole judgment of the Declarant, tends to impair the development or marketing rights of the Declarant or Builders under the Declaration or the Bylaws, or interferes with the development of or construction on any portion of the Properties.

(b) Amendments to correct any obvious error or inconsistency in drafting, typing or reproduction.

(c) Amendments to conform to the requirements of any law or Governmental Entity having legal jurisdiction over the Properties or to qualify the Properties or any Lots and improvements thereon for mortgage or improvement loans made, insured or guaranteed by a governmental agency or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by, or under the substantial control of, the United States Government or the State of North Carolina, regarding purchase or sale in such Lots and improvements, or mortgage interests therein, as well as any other law or regulation relating to the control of Properties, including, without limitation, ecological controls, construction standards, aesthetics, and matters affecting the public health, safety and general welfare. A letter from an official of any such corporation or agency, including, without limitation, the Veterans Administration, U.S. Department of Housing and Urban Development, the Federal Home Loan Mortgage Corporation, Government National Mortgage Corporation, or the Federal National Mortgage Association, requesting or suggesting an amendment necessary to comply with the requirements of such corporation or agency shall be sufficient evidence of the approval of such corporation or agency, provided that the changes made substantially conform to such request or suggestion.

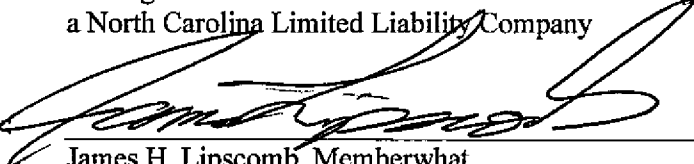
**Section 8. Indemnification.** No immunity, exculpation or indemnification provision of this Declaration shall relieve one or more Owners from its liabilities as an Owner under this Declaration and other Governing Documents.

**Section 9. FHA/VA Approval.** As long as there is a Class B membership, and if Declarant determines to qualify this Property for Federal Housing Administration or Veterans Administration approval the following actions will require the prior written approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional property, dedication of Common Areas, and amendment of this Declaration of Covenants, Conditions and Restrictions.

**Section 10. Recordation.** No amendment shall be effective until recorded in the County in which the Property is situated.

IN WITNESS WHEREOF, Declarant has hereunto set their hands and seals, this the \_\_\_\_ day of February, 2024.

Carriage Creek LLC  
a North Carolina Limited Liability Company

By:   
James H. Lipscomb, Memberwhat

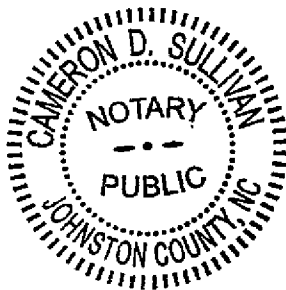
STATE OF NORTH CAROLINA

COUNTY OF JOHNSTON

I, the undersigned notary public, in and for the County and State aforesaid, do hereby certify that **James H. Lipscomb** personally appeared before me, and acknowledged that he is a member of **Carriage Creek LLC**, and that by authority duly given and as an act of the corporation the foregoing instrument was signed in its name by its duly authorized member. Witness my hand and notarial stamp or seal on this the 5 day of February, 2024.

  
NOTARY PUBLIC

My commission expires: 8/16/2025



**EXHIBIT "A"**

BEING all open space, rights-of-way and Lots 1 through 24 Hearon Pointe Subdivision as recorded in Plat Book 100 Page 116-118, Johnston County Registry.

Lot 25 is expressly excluded from these covenants.