

NORTH CAROLINA
PENDER COUNTY

**DECLARATION OF COVENANTS, RESTRICTIONS
AND EASEMENTS FOR SERENITY BAY**
(the "Declaration")

Prepared by:
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THIS DECLARATION is made this 16th day of September, 2021, by Pierce Development, LLC, a North Carolina limited liability company, hereinafter referred to as "Declarant".

WHEREAS, Declarant is the owner of a certain tract of land located in Topsail Township, Pender County, North Carolina, and being more particularly described in Article I of this Declaration (the "Property").

AND WHEREAS, Declarant intends to construct on the Property a "residential subdivision" which will consist of duplex dwellings for single family occupancy within each unit of the duplex structure;

AND WHEREAS, Declarant desires to provide for the preservation and enhancement of the property values and improvements located thereon, and to this end desires to subject the Property to the covenants, restrictions and easements, as are hereinafter set forth, each and all of which are for the benefit of said real property and each present and future owner thereof;

NOW THEREFORE, it is hereby declared that the Property described herein is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions and easements hereinafter set forth; said Property being more particularly described as follows:

Article I. "Property" or "Properties" shall mean and refer to all that tract of land situated in Topsail Township, Pender County, North Carolina and more particularly described on a plat entitled "Final Plat Showing SERENITY BAY SUBDIVISION," dated March 19, 2020, prepared by John L. Pierce & Associates, P.A. and recorded in Map Book 65, Page 81, in the Office of the Register of Deeds of Pender County, North Carolina, consisting of five (5) lots, each of which shall be subdivided to make a total of ten (10) lots, hereinafter referred to collectively as the "Property", and individually as a Lot.

Article II. "Definitions"

A. **Association** shall mean and refer to "SERENITY BAY HOMEOWNERS ASSOCIATION, INC.," a North Carolina non-profit corporation, its successors or assigns.

B. **Board** shall mean and refer to the Board of Directors of the Association.

C. **Common Area** shall mean all real property owned by the Association, if any, for the common common use, benefit and enjoyment of the Owners and designated as "Common Area," "Access Easement," "Access & Utility Easement," "Private Street," "Private Drive", "Sign Easement," Stormwater Easement" and those areas of land shown on any recorded subdivision map of any portion of the Properties not situated within the boundary of any Lot

D. **Common Expenses** shall mean and refer to :

i. the actual and estimated expenses of operating the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Articles of Incorporation of the Association and its By-Laws;

ii. all amounts expended by the Association in accordance with this Declaration, and in holding and being responsible for the obligations of the Stormwater Management Permit Number SW8 060218 and overseeing, supervising, administering, managing, repairing, replacing and insuring all Stormwater Management Facilities located within the Properties as required by this Declaration and all amounts expended in enforcing the provisions of the Permit;

iii. all amounts expended by the Association for the maintenance, protection, operation, administration, management, repair, replacement, improvement, payment of all taxes imposed, and insuring, the improvements situated in and on the Common Area, including, but not limited to the drives and landscaped areas;

E. **Declaration** shall mean the covenants, restrictions and easements and all other provisions set forth in this entire document, as may from time to time be modified or amended.

F. **Declarant** shall mean and refer to Pierce Development, LLC, a North Carolina limited liability company, or any successor in title or any successor in interest of Pierce Development, LLC.

wpdocs/doc/restcov/duplex.serenity bay

Submitted electronically by "Gaylor Edwards Vatcher LawFirm"
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Pender County Register of Deeds.

G. Development Rights means the rights of Declarant, independently or in combination with others, to: (i) add real estate to the Property; (ii) create lots, common area or limited common area within the Property; (iii) subdivide or combine lots or convert lots into common area, (iv) re-allocate the permissible built-upon area of any Lot or Lots; or (v) withdraw real estate from the Property.

H. Living Unit or Unit shall mean and refer to any portion of a structure situated upon Properties designed and intended for use and occupancy as a residence by a single family, including, without limitation, single family homes, duplex structures, patio homes and condominium units.

I. Lot shall mean any separately described parcel of land or condominium unit, as defined in NCGS Section 47C-1-103, shown upon any recorded subdivision map of the Properties, with the exception of Common Area, private streets, private drives, and easements.

J. Owner shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, but shall not include those having such interest solely as security for the performance of an obligation.

K. Parcel shall mean and refer to a portion or part of the real property, together with the improvements located thereon, which becomes subject to this Declaration. This term shall include any additions to the existing Properties as herein provided.

L. Property or Properties shall mean and refer to any of the real property which is, or may be, subject to this Declaration or Supplemental Declaration(s).

M. Section shall mean and refer to any separately described portion of the Subdivision identified by a capital letter of the alphabet and shown on a recorded map as a section thereof. The first section of the Subdivision is designated Section I.

N. Special Declarant Rights means the rights of Declarant, its successors and assigns, to: (i) complete improvements indicated on recorded plats and any plans for the Property; (ii) exercise any development right; (iii) maintain sales offices, management offices, signs advertising the Property, and models; (iv) use easements through common areas for the purpose of making improvements within the Property, or within real estate which may be added to the Property; (v) make the Property part of a larger planned community or group of planned communities; (vi) make the Property subject to a master association; or (vii) appoint or remove any officer or executive board member or director of the Association or any master association during any period of Declarant control.

O. Supplemental Declaration shall mean and refer to any declaration of covenants, restrictions, easements, charges and liens recorded by the Declarant, or its successors and assigns, which applies to a specific Parcel within the Properties.

Article III. "General Restrictions":

a.(i) Residential Use: No Lot, Lots, or portions thereof shall be put to any use other than for residential purposes.

No structures shall be erected, altered, placed or permitted to remain on any Lot other than single family or duplex (two family residence with separate living quarters for each family) dwellings, not to exceed two and one-half stories in height, a private garage and such other outbuildings as may be reasonably appurtenant to the dwelling, provided that the same are constructed in line with general architectural design and construction standards used as the dwelling itself. The number of dwellings on any Lot shall not exceed the maximum number permitted by the Pender County Zoning Ordinance.

(ii) Dwelling quality and size: The ground floor area of the main structure, exclusive of open porches and garages, shall not be less than 1,000 square feet of enclosed heated area for single family residential structures, and not less than 700 square feet for the living quarters of each duplex.

b. Prohibited Structure: No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently. No trailer, mobile home, camper or like vehicle, or any other structure which is finished or partially finished at a manufacturing unit or plant and transported for quick assembly or which is designed to be disassembled and relocated shall be used as a residence at anytime. It is specifically the intention and purpose of this covenant to prohibit the location of mobile homes, trailers, modular houses, relocatable houses, or similar type structures on the property for use as a residence.

c. Nuisances: No noxious, offensive, or illegal activity shall be carried on or conducted upon any Lot nor shall anything be done on any Lot that shall be or become an unreasonable annoyance or nuisance to the neighborhood. All Lots, whether occupied or unoccupied, shall be well maintained and no unattractive growth or accumulation of rubbish or debris shall be permitted to remain on a Lot. No automobile, other vehicle(s), motorcycle(s) or other similar items shall be repaired or placed "on blocks" or stands, except in an enclosed garage.

d. Animals: No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling, except that dogs, cats and other customary household pets may be kept, provided that said pets are not kept for breeding or commercial purposes. Any such household pet shall not be allowed off the Lot of the Owner of said pet, unless said pet is attended and on a leash, Owners shall be solely and absolutely liable for the acts of any pet kept on their Lot.

e. Garbage and Refuse Disposal: No Lot shall be used or maintained as a dumping ground for rubbish. Trash,

garbage or other waste shall not be burned or disposed of on any Lot and shall be kept in sanitary containers. All equipment for the storage prior to disposal of such material shall be kept in a clean and sanitary condition.

f. Vehicles, Boats, Storage, Travel Trailers, etc. No vehicle without current inspection sticker, vehicle over 5000 pounds empty weight, or bus shall be parked overnight on any Lot; provided, however, guests of an owner may so park such vehicle for a period not to exceed seven (7) days each calendar year. No automobile, other vehicle(s), motorcycle(s) or other similar items shall be repaired or placed "on blocks" or stands.

g. Fence Minimum Requirements: No fences over 6 feet in height shall be constructed on any Lot.

h. Exterior Maintenance: In addition to the maintenance requirements set forth in Article III, hereof, each owner of a Lot shall provide exterior maintenance upon each Lot and dwellings upon such Lot as follows: paint, repair, replacement of gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements.

Article IV. "Duplex Dwelling Special Provisions":

Section A (1). Party Walls:

a) General Rules of Law to Apply: Each wall which is built as a part of the original construction of the dwelling units of each structure upon the properties and placed between the separate living quarters of a duplex dwelling shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Paragraph the general rules of law regarding party walls and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

b) Sharing of Repair and Maintenance: The costs of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

c) Destruction by Fire or Other Casualty: If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other owner thereafter makes use of the wall, said other owner shall contribute to the costs of restoration thereof in proportion to such use without prejudice, however, to the right of any such owner to call for a larger contribution for the others under any rule of law regarding liability for negligent or willful acts or omissions.

d) Weatherproofing: Notwithstanding any other provisions of this Article, an owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

e) Right to Contribution Runs with Land: The right of any owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

f) Arbitration: In the event of any dispute arising concerning a party wall, or under any provisions of this Article each party shall choose one arbitrator, who shall choose a third arbitrator to resolve such dispute. The decision shall be by a majority vote of all the arbitrators.

Section B (2). Roof Maintenance and Shared Roofs.

a) Roof Construction and Maintenance. The Declarant's intent is to construct, or have constructed, the duplex structures in such a manner which will result in a continuous roof between the separate living quarters of each dwelling. Each Owner shall be responsible for repairing, restoring and maintaining that portion of the roof situated solely upon his/her/their dwelling unit in substantially the same condition it exists at the time of the original conveyance, normal wear and tear excepted.

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

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

d) Weatherproofing: Notwithstanding any other provisions of this Article, an owner who by his negligent or willful act damages or destroys a portion of any roof which benefits another owner shall bear the whole cost of repair or restoration.

e) Right to Contribution Runs with Land: The right of any owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

f) Arbitration: In the event of any dispute arising concerning a damaged or destroyed roof, each party shall choose one arbitrator, who shall choose a third arbitrator to resolve such dispute. The decision shall be by a majority vote of all the arbitrators.

Section C. Damaged or Destroyed Duplex Structure. In the case of any damage to or destruction of a duplex structure or any part thereof, the affected Owner shall either (i) within sixty (60) days, rebuild, repair, or restore those portions of the duplex that have been damaged and/or destroyed, or (ii) take such action as is necessary to prevent the deterioration and damage to any adjoining living quarters of the said duplex, including removal of any debris or unsightly conditions.

Article V. "Architectural Control Committee"

Section A. Except for original and initial construction and subsequent modification of improvements by the Declarant on any Lot which such construction is and shall be exempt from the provisions of this provision, no building, wall, fence, landscaping, berm or hedge which act as a fence or privacy including structure, ornamentation, or other structure or improvements of any nature shall be erected, placed or altered on any Lot, nor shall any exterior addition to or change or alteration thereon be made, until the construction plans and specifications and a plan showing the nature, kind, shape, height, material and location of the structure, and landscaping as may be required by the Architectural Control Committee, have been approved in writing by the Architectural Control Committee. Each building, wall, fence, or other structure or improvements of any nature, together with any ornamentation or landscaping, shall be erected, placed or altered upon the Property only in accordance with the plans and specifications and plot plan so approved. Refusal of approval of plans, specifications and plot plans, or any of them, may be based on any ground, including purely aesthetic grounds, which in the sole and uncontrolled discretion of said Architectural Control Committee deem sufficient. Any change in the appearance of any building, wall, fence or other structure or improvements and any change in the appearance of the landscaping (excepting the planting of flowers and shrubs indigenous to the area), shall be deemed an alteration requiring approval. The Architectural Control Committee shall have the power to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this paragraph.

Section B. (a) Within 30 days after receipt of all required information, the Architectural Control Committee shall submit in writing to the owner of the Lot a response stating whether or not the requested improvements are approved. Unless a response is given by the Architectural Control Committee within 30 days, the plan shall be deemed approved. The response of the Architectural Control Committee may be an approval, a denial, an approval with conditions or a request for additional information. A request for additional information shall be deemed a determination that the information submitted was inadequate and the 30 day time period for response shall only commence upon the receipt of the requested information. Conditional approvals may be granted and if approval with conditions is granted and thereafter construction begins, the construction shall be deemed approved by the owner of the Lot of the conditions imposed.

(b) Refusal of approval of plans, specifications and plot plans or any of them may be based upon any ground, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the Architectural Control Committee shall deem sufficient. The Architectural Control Committee shall make the following affirmative findings before any plans are approved:

- (1)** That the improvements sought to be constructed will not have a negative economic impact on any other Lot within the subdivision.
- (2)** That all required specific buildings standards and other conditions contained within the Declaration and other subdivision documents have been met.
- (3)** That the improvements are architecturally compatible with proposed or constructed improvements on other Lots within the subdivision.
- (4)** That the natural features of the Lot have been retained to the maximum extent possible.

Section C. The roof, vinyl siding, paint, coating, stain and other exterior finishing colors on all buildings may be maintained as that originally installed, without prior approval of the Architectural Control Committee, but prior approval by the Architectural Control Committee shall be necessary before any such exterior roof modification (including color of shingles), siding modification or finishing color is changed.

Section D. Until such time as the sale of the last numbered Lot in the subject Property is evidenced by the recordation of a deed therefore, all rights, privilege, powers and authority granted herein to the initial Architectural Control Committee, to whom the specific power to act hereunder is expressly conveyed, shall be exercised by the Declarant, their successors or assigns. Upon the sale of the last numbered Lot in the Property, the Declarant shall assign its powers hereunder to an Architectural Control Committee to be composed of three (3) Lot Owners, who shall serve until their death, disability, resignation or transfer of ownership of all interest in the Property. Thereafter, all representatives shall be appointed by a majority vote of the Lot Owners. In the event of death, disability or resignation of any member of the Architectural Control Committee, or a transfer of all interest in the Property by such member, the remaining members shall have full authority to designate a successor, until such time as a replacement is elected by a majority of the Lot Owners.

Section E. A majority of the Architectural Control Committee may take any action said Committee is empowered to take, may designate a representative to act for the Architectural Control Committee, and may employ personnel and consultants to act for it. The members of the Architectural Control Committee shall not be entitled to any compensation for services performed pursuant to this covenant.

Article VI. "Membership and Voting Rights"

A. Members. Every record Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot, which is subject to assessment.

B. Classes of 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 have 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 ten (10) votes for each Lot owned, including lots later added pursuant to annexation of additional Property as set forth in this Declaration. The Class B membership shall cease and be converted to Class A membership with one vote for each Lot on the happening of either the following events, whichever occurs earlier:

(i) when the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership;

(ii) on that date which is ten (10) years from the date of recording this Declaration;

(iii) at the discretion of the Declarant.

C. Suspension of Voting Rights. The right of any Member to vote may be suspended by the Board of Directors of the Association for just cause pursuant to its rules and regulations, the Articles and Bylaws of the Association.

Article VII. "Covenant for Assessments/Lot Owners"

A. Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners of Lots and comply with all obligations imposed by the Stormwater Permit and Erosion and Sedimentation Control Permit; and, in particular, but not limited to, capital improvements and maintenance of the Common Area, Stormwater Easement, including the detention pond, if any, and related Best Management Practices ("BMPs") structures and facilities, and for the use and enjoyment of the Common Area, including but not limited to, the cost of maintenance, repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes and public assessments assessed against the Common Area, the providing for security to the Property, the procurement and maintenance of insurance in accordance with this Declaration, or the Bylaws or as deemed appropriate by the Board, the employment of counsel, accountants, and other professionals for the Association when necessary, and such other needs as may arise. Further, said assessments shall be for payment of all amounts expended by the Association in holding and being responsible for the obligations of the Permit and overseeing, supervising, administering, managing, repairing, replacing and insuring all Stormwater Management Facilities, including, but not limited to the Stormwater Easement, detention pond, if any, and BMPs located within the Subdivision as required by this Declaration; all amounts expended by the Association in enforcing the provisions of this Declaration, as may be amended; all amounts expended by the Association in the performance of its duties hereunder from and after the time Declarant transfers the Permit; and all amounts expended by the Association in legal, engineering or architectural fees and all similar fees which may be incurred by the Association from time to time in performing the functions delegated to the Association by this Declaration.

B. Creation of the Lien and Personal Obligation of Assessments: The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot, other than the Declarant, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

(1) annual assessments or charges;

(2) special assessments for extraordinary maintenance and capital improvements;

(3) special assessments for purchase, construction or reconstruction of improvements; and

(4) to the appropriate governmental taxing authority, a pro rata share of ad valorem taxes against, and assessments for private improvement to, the Common Area, and private roads if the Association shall default in payment thereof.

The annual and special assessments, together with interest and costs, and reasonable attorney's fees for collections, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment became due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

C. Minimum Annual Assessment:

The initial annual assessment shall be **One Thousand Five Hundred and 00/100 Dollars (\$1,500.00)** per Lot. Until such time as there is no longer a Class B Membership, Declarant shall not be obligated to pay any assessment, but shall pay any Association expenses not otherwise covered by the annual assessments, or any special assessments hereunder.

D. Increase of Annual Assessment: From and after January 1, 2022, the annual assessments effective for any year (including 2022) may be increased from the preceding year by the Board of Directors, without a vote of the membership, by the percentage which may not exceed twenty (20%) percent. From and after January 1, 2022, the

annual assessments for the Common Area and Limited Common Area, if any, Stormwater Permit compliance, may be increased by a percentage greater than that permitted to be made by the Board of Directors under this section by an affirmative vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting duly called for such purpose. The limitations herein set forth shall not apply to any increased assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

E. Criteria for Establishing Annual Assessment: In establishing the annual assessments for any assessment year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts, and reserves for future needs, but it may not fix the annual assessment in an amount in excess of twenty (20%) percent of the previous year's assessment, without the consent of the Members as required under this Section, unless the determination of such costs and/or expense is otherwise required by law, or beyond the control of the Association.

F. Special Assessments for Capital Improvements and Insurance: 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 Area, Limited Common Area, if any, Stormwater Management Facility, any extraordinary maintenance, including fixtures and personal property related thereto and any property for which the Association is responsible, and any insurance premium, provided that any such assessments 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.

G. Replacement Reserve: The Board of Directors of the Association shall create and maintain a reserve fund for the periodic maintenance, repair, and replacement of improvements to the Common Area, including, but not limited to the Recreational Common Area, Stormwater Management Facility, and which the Association may be obligated to maintain.

H. Notice and Quorum for Any Action Authorized Under Sub-Sections D and F:

Written notice of any meeting called for the purpose of taking any action authorized under this Section shall be sent to all Members not less than 15 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast ten percent (10%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called pursuant to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

I. Uniform Rate of Assessment and Separate Accounts: Both annual and special assessments for Common Area, including, but not limited to the Recreational Common Area, must be fixed at a uniform rate for all Lots subject to such assessments and may be collected on a monthly basis or other periodic basis establish by the Board. The Board may establish separate bank accounts for the Common Area assessments and the assessments for each Section of the Subdivision. In the event separate bank accounts are not established, the Board shall maintain a separate set of books and accounts for the assessments collected and disbursements made for the Common Area and each Section.

J. Date of Commencement of Annual Assessments; Dues Date; Initial Working Capital:

The annual assessments provided for herein shall commence as to all Lots subject thereto, except such Lots owned by the Declarant, on the date of closing the transfer and conveyance of such Lot to the Owner. The first annual common area assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual common area assessments against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual common area assessments shall be sent to every Owner subject thereto. The Board of Directors shall establish the due dates. The Association shall, upon demand, and for reasonable charge if it deems appropriate, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of issuance.

In addition to the regular assessments to be charged and paid hereunder, each Lot Owner shall, at the time of the initial sale of each Lot by Declarant to that Lot Owner, pay to the Association a sum equal to two (2) months of the annual common area assessment on that Lot as additional working capital of the Association. These amounts need not be segregated, but may be commingled with regular assessment funds. This working capital amount shall be paid by the Lot Owner, notwithstanding the fact that Declarant may have paid Association expenses to the Association on the Lot being sold.

K. Effects of Nonpayment of Assessments; Remedies of the Association: Any assessment not paid within thirty (30) days after the due date shall be delinquent, in default and shall bear interest from the due date at the highest rate then permitted by North Carolina law not to exceed eighteen (18%) per annum, together with a late payment penalty in an amount as determined by the Association. The Association may bring an action at law against the Owner personally obligated to pay the same plus interest, cost, late payments charges and reasonable attorneys' fees, or foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

The lien herein granted unto the Association shall be enforceable pursuant to Article 2A of Chapter 45 of the General Statutes from and after the time of recording a Claim of Lien in the Office of the Clerk of Superior Court in the County in which the Property is located in the manner provided therefore by Article 8 of Chapter 44 of the North Carolina General Statutes, which claim shall state the description of the Lot encumbered thereby, the name of the record owner, the amount due and date when due. The claim of lien shall be recordable any time following thirty (30) days after the due date of the assessment or any installment thereof and the lien shall continue in effect until all sums secured by

said lien as herein provided shall have been fully paid. Such claim of lien shall include all assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. An officer or agent of the Association shall sign such claim of lien. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record.

L. 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 payment, which became due prior to such sale or transfer, but shall not abate the personal obligation of the prior owner. No sale or transfer shall relieve such Lot from liability from any assessments thereafter becoming due or from the lien thereof.

M. Responsibility for Maintenance of Private Streets and Driveways:

The maintenance responsibility for the private streets and driveways as shown on any recorded subdivision map of the Properties shall rest with the Association. In no case shall any governmental authority have jurisdiction over the Property, be responsible for failing to provide any emergency or regular fire, police, or other public service to the Property and/or occupant when the failure is due to inadequate design or construction, failure to adequately maintain or repair, blocking of access routes, or any other factor within the control of the Declarant, the Association or Owner.

Article VIII. "Stormwater Management":

(A) The following covenants and restrictions set forth in this Article VIII are intended to insure continued compliance with State Stormwater Management Permit Number SW8 060218 Modification as issued by the Division of Energy, Mineral and Land Resources under 15A NCAC 02H.1000, effective January 1, 2017.

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

(C) The covenants set forth in this Article IV pertaining to stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Energy, Mineral and Land Resources.

(D) Alteration of the drainage as shown on the approved plans may not take place without the concurrence of the Division of Energy, Mineral and Land Resources.

(E) The maximum allowable built-upon area ("BUA") per Lot is 2,300 square feet. This allotted amount includes any built-upon area constructed within the Lot property boundaries, and that portion of the right-of-way between the front lot line and the edge of the pavement. Built upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, coquina and parking areas, but does not include raised, open wood decking or the water surface of swimming pools.

(F) In case of a Lot within CAMA's regulated Area of Environmental Concern, where the Division of Coastal Management calculates a different maximum allowable built-upon area for that Lot than as shown herein, the governing maximum built-upon area for that Lot shall be the most restrictive of the two amounts.

(G) The maximum allowable BUA shall not be exceeded on any Lot until the permit is modified to ensure compliance with the stormwater rules, permit and the approved plans and specifications.

(H) All runoff from the BUA on each Lot must drain into the permitted system. This may be accomplished via grading, a stormwater collection system and/or a vegetated conveyance.

(I) Filling in or piping of any vegetative conveyances (such as ditches, swales, etc.) associated with the development, except for the minimum amount necessary under driveways to provide access to lots and the minimum amount necessary to direct runoff beneath an impervious surface such as a road, is strictly prohibited by any person.

(J) Each Lot will maintain a fifty (50) foot wide vegetated setback must be provided and maintained adjacent to all surface waters in accordance with 15A NCAC 02H.1003(4) and the approved plans.

(K) Any individual or entity found to be in noncompliance with the provisions of a stormwater management permit or the requirements of the stormwater rules is subject to enforcement procedures as set forth in NCGS 143, Article 21.

(L) Any non-residential lot within the subdivision whose ownership is not retained by the Permittee, must apply for and receive a separate offsite stormwater management permit from the Division of Energy, Mineral and Land Resources prior to construction.

(M) If permeable pavement BUA credit is requested, the Lot owner must submit a request, with supporting documentation, to the Permittee and receive approval prior to construction.

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

Article IX. "Remedies": In the event of a violation or breach of any of these restrictions, covenants, agreements and conditions by any person or concern claiming by, through or under the undersigned, or by virtue of any judicial proceedings, the owners of the Lots in the subdivision, or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel compliance with the terms thereof or to prevent the violation or breach of any

of them. The failure to enforce any right, reservation, restriction or condition contained herein, however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement.

Article X. "Amendment": These restrictions are subject to being altered, modified, cancelled or changed at any time as to said subdivision as a whole or as to any subdivided Lot or part thereof during the first twenty (20) year period by written document executed by the Declarant or their successors in title and by the owner of not less than fifty-one percent (51.0%) of the Lots to which these restrictions apply, and recorded in the Office of the Register of Deeds of the County in which this Declaration is recorded. After the expiration of the initial twenty (20) year period, these restrictions are subject to being altered, modified, cancelled or changed at any time as to said subdivision as a whole or as to any subdivided lot or part thereof by written document executed by not less than fifty-one percent (51.0%) of the Lot Owners, and recorded in the Office of the Register of Deeds of the County in which this Declaration is recorded. In the event the Declarant owns fifty-one percent (51.0%) or more of the Lots, the Declarant may alter, modify or change these restrictions without the consent of any other Lot Owner.

Article XI. "Enforcement": Enforcement of the terms of this Declaration shall be by proceedings at law or in equity by any owner of a Lot against any person or persons violating or attempting to violate any covenant, or restriction, either to restrain such violation or to recover damages, together with all expenses and costs of such action, including reasonable attorneys' fees.

Article XII. "General Provisions":

A. Duration: The covenants and restrictions set forth herein shall run with and bind the Properties for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall automatically be extended for successive ten (10) year periods, unless otherwise terminated by a vote of sixty percent (60%) of the then record Owners of all Lots within the Properties.

B. Severability: Invalidity of anyone of the covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

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

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

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, have caused this instrument to be executed this the 16th day of September, 2021.

Declarant:

Pierce Development, LLC, a North Carolina limited liability company

By: Jimmy A. Pierce
Name: Jimmy A. Pierce
Title: Manager

STATE OF NORTH CAROLINA

COUNTY OF New Hanover

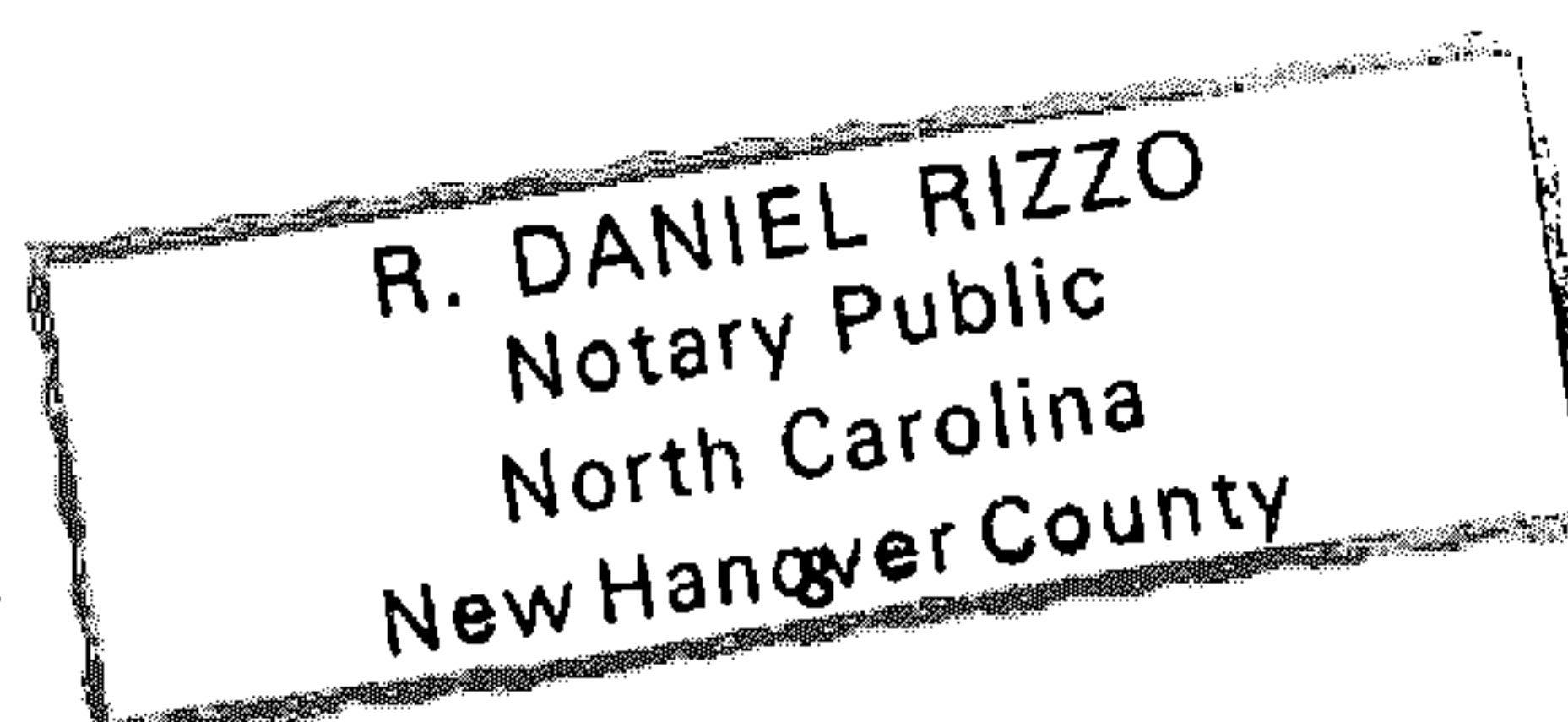
I, a Notary Public of said County and State, do hereby certify that JIMMY A. PIERCE personally appeared before me this day and acknowledged that he is the Manager of Pierce Development, LLC, a North Carolina limited liability company, and that by authority duly given and as the act of said company, the foregoing instrument was signed in its name by him as its Manager.

Witness my hand and seal this 16 day of September, 2021.

R. Daniel Rizzo
Notary Public

My Commission Expires: 1-14-26

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(Official Stamp or Seal)