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 Pitt County, NC
 Lisa P. Nichols REG OF DEEDS
 BK 3335 PG 538-545

file:

NORTH CAROLINA
PITT COUNTY

PREPARED BY: HORNE & HORNE, PLLC

DECLARATION OF CONDITIONS, RESTRICTIONS
AND COVENANTS RUNNING WITH THE LAND

THIS DECLARATION, made on the date hereinafter set forth by Denali Properties of Winterville, LLC, a North Carolina Limited Liability Corporation, with its principal offices in Pitt County, North Carolina, hereinafter referred to as "Developer" does hereby covenant and agree to and with all other persons, firms or corporations now owning or hereafter acquiring as owners any tract or parcel of land in the area designated.

WITNESSETH:

WHEREAS, the Developer is in the process of developing a residential subdivision in the Pitt County, North Carolina, known as "Denali Subdivision"; and,

WHEREAS, Developer is enlarging said subdivision by the addition of adjacent lands which are more particularly described as follows: Lying and being in the City of Winterville, Winterville Township, Pitt County, North Carolina and being all of that 6.253 acre tract known as Denali, Section 3 as shown on map recorded in Map Book 79, Page 13, Pitt County Registry (hereinafter sometimes referred to as the "Property or Subdivision"); and

WHEREAS, Developer desires to provide for enforcement of covenants and restrictions applicable to the Subdivision, and, to that end, elects to impress all of the lands hereinabove described to the identical By-Laws which appear of record in the Pitt County Registry in Book 2675, Page 198 of the Pitt County Registry and to the rules and regulations set forth by Denali Homeowners Association, Inc. its successors and assigns., and to subject all of the property within the Subdivision to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

NOW, THEREFORE, Developer declares that the Property herein shall be owned, held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration, all of which shall run with the real property and be binding on all parties owning any right, title or interest in said real property or any part thereof, their heirs, personal representatives, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

Section 1: "Association" shall mean and refer to Denali Homeowners Association, Inc. its successors and assigns.

Section 2: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3: "Properties" shall mean and refer to that certain real property hereinbefore described.

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Section 4: "Common Area" shall mean all real property (including the improvements thereto) owned or maintained by the Association.

Section 5: "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area, and shall be known when platted as lots 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19 Denali, Section 3.

Section 6: "Declarant" shall mean and refer to Garris Evans Lumber Company, its successors and assigns. It shall also mean and refer to any person, company or entity to whom or which Declarant shall assign or delegate the rights and obligations of Declarant by an assignment of Declarant's rights recorded in the applicable public registry for Pitt County, North Carolina.

Section 7. "Declarant Period/Development Period" the period shall last so long as the Declarant has Class B votes as set forth herein.

Section 8: "Member" shall mean and refer to every person or entity who holds membership, as a lot Owner, in the Association.

ARTICLE II

Section 1: Owner's Easement of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area 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 dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of each class of members has been recorded.

Section 2: Declaration of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

In addition to each and every right of Declarant as set forth in this Declaration, Declarant, its successors and assigns, specifically reserves all Declarant Rights and Development Rights hereinafter set forth.

Section 1: Special Declarant Rights Reserved by Declarant.

(1) All Declarant Rights, as that term is defined in the Act, and any other Declarant Rights as are set forth in the Act and the Association Documents.

(2) The right to maintain sales offices, management offices and models in any and/or all of the Lots owned or leased by Declarant. Any Lots leased or owned by Declarant may be used by Declarant for such purposes, and such offices and models may be relocated as Lots are sold or leases expire.

(3) The right to exercise any Development Right.

(4) The right to perform construction work, and to store materials in secure areas, in Lots, and the further right to control all such work and repairs, and the right of access thereto, until its completion. Such easement includes the right to convey utility and drainage easements to public utilities, municipalities, and other entities to fulfill the plan of development

(5) The right to disapprove actions of the Board or any committee during the Declarant Period.

(6) The right to disapprove any amendment or change in any Association Documents during the Development Period.

(7) The right to enforce any covenants, restrictions and other provisions of the Association Documents during the Declarant Period.

(8) The right to amend this Declaration until the termination of the Declarant Period.

ARTICLE IV

Section 1. Membership. Every Owner of a Lot which is subject to assessment by the Association 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.

Section 2. Voting Rights. The voting rights of the membership shall be appurtenant to the ownership of the Lots and may not be separated from ownership of any Lot.

There shall be two classes of Lots with respect to voting rights:

(a) Class A Lots. Class A Lots shall be all Lots except Class B Lots as the same are hereinafter defined. Ownership of a Class A Lot shall entitle the Owner of such Lot to one (1) vote. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to their Lot shall be exercised as they, among themselves, determine; but fractional voting shall not be allowed, and in no event shall more than one vote be cast with respect to any Class A Lot.

(b) Class B Lots. The Class B Lots shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each platted Lot owned. The Class "B" membership shall cease and be converted to Class "A" membership on the happening of either of the following events, whichever occurs earlier:

- (i) when the Declarant no longer owns any lots in the Subdivision, as herein provided, or
- (ii) on April 15, 2025.

The rights of the Class "B" Member, including the right to approve and withhold approval of actions proposed under these Articles, the Declaration and the By-Laws are specified elsewhere in the Declaration.

(c) Declarant's Voting Rights. Until the Class B Lots cease to exist, as provided above, Declarant shall be vested with the sole voting rights of the Association on all matters, except such matters as to which the Declaration, the Articles of Incorporation, or the Bylaws of the Association specifically require a vote of the Class A Members.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1: 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 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 assessment or charges for maintenance and electricity on all common areas, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property 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 property at the time of the assessment.

Section 2. Developer/Declarant's Assessments. Notwithstanding any other provision of this Declaration or the Bylaws of the Association, the Developer or Declarant shall not be obligated for, nor subject to, any annual or special assessment for any Lot or other property that it owns within the Properties or Subdivision. It is also not the intent of the Developer or Declarant to assess any Lot during the construction phase. That is to say the initial lot owner who receives a deed from the Developer or Declarant shall not pay assessments until a certificate of occupancy is received.

Section 3: Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of properties,

services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including but not limited to, landscaping maintenance, the cost of repairs, electricity, replacements and additions, the cost of labor, equipment, materials management and supervision, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

Section 4. Basis and Maximum of Annual Assessments. No assessments shall be made on any lot until the platted lot shall have been conveyed by deed to the initial Owner by the Declarant. The initial annual assessment shall that amount established by the Association at the time the Lot is sold.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington D.C.) from the preceding month of July.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment for the next succeeding two (2) years may be increased above that established by the Consumer Price Index formula by a vote of the members, and for each succeeding period of two (2) years thereafter, provided that any such change shall have the assent of two-thirds (2/3rds) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

Section 5: 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 for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3rds) of the votes of each class of members who are voting in person or by proxy at the meeting duly called for this purpose.

Section 6: Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) 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 sixty (60%) per cent 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 subject to the same notice requirements, 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.

Section 7: Uniform Rate of Assessment. Except as provided for Class B members, both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 8: Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of a lot to any owner. The first annual 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 assessments against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, 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 its issuance.

Section 9. Effect of Nonpayment of Assessment and Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen per cent per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape or deny liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 10: Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. 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. That Property set forth in Section 2 of this Article and all property dedicated to and accepted by, a local authority and all properties owned by a charitable or nonprofit 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.

ARTICLE VI USE RESTRICTIONS

Section 1: Use. No lot shall be used except for residential purposes. No lot shall be subdivided by any Owner except by Declarant's written permission. No structure shall be erected, placed or permitted to remain on any lot other than one detached single family dwelling not to exceed two and one-half stories in height, exclusive of basement, one detached structure not exceeding one and one-half (1.5) stories in height, to be used as a private garage for not more than two (2) vehicles and one (1) non-detached outbuilding constructed and used incidental to the residential use of the property.

Section 2: No commercial use. The purpose herein described shall be used for residential purposes only and no business or commercial enterprise may be carried on upon the premises.

Section 3: Plan approval. No site preparation or initial construction, erection or installation of any improvement, including, but not limited to, dwelling units, outbuildings, driveways, fences, walls, signs, mailboxes or other structures shall be undertaken upon any lot or parcel of land in this subdivision without the prior approval of the building plans, exterior paint or color schemes and exterior materials by the Declarant or its successors or designees. A detailed landscaping plan must be approved by the Declarant or its successors or designees. All driveways must be constructed of concrete or concrete type materials. It is the intent of the parties that all exteriors of the structures shall be harmonious with all of the other structures in Denali Subdivision. Nor shall any structure of any type be started on any of the above-described lots until a plot plan showing the location of such structure have been approved by the Declarant or its successors or designees. Such approval in both events must be in writing. If no approval or rejection has been given for such planned use or for such plans which have been deposited or delivered to the Declarant, its successors or designees within thirty (30) days after written application, the plan shall be deemed to have been approved.

Section 4: Any residence constructed on a lot must have a minimum square footage, more specifically described as heated living area, exclusive of one-story open porches, garage and basements, of not less than One Thousand Four Hundred (1400) square feet.

Section 5: Structure Type: No mobile home, pre-fab, modular home, package home or other pre-built home shall be placed on any lot to be used as a residence. Any residence built on any lot shall be "stick built" except that pre-fabricated roof trusses and pre-fabricated fireplaces and chimneys may be utilized in a residence built on any lot.

Section 6: Setbacks. No buildings shall be located on any residential building plot nearer to any lot line than as shown on the recorded plat. No building, except a detached garage or other outbuildings located one hundred (100) feet or more from the front line shall be located

nearer than 10 feet to any side lot line.

Section 7: Nuisance. No noxious or offensive trade or activity shall be carried on upon any lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. Owners and their invited guests shall refrain from playing loud music from any source whereas to disturb any other owner or their invited guests.

Section 8: Temporary structures. No trailer, basement, tent, shack, garage, barn or other outbuilding erected in the tract shall at any time be used as a residence temporarily or permanently nor shall any structure of a temporary character be used as a residence. A temporary construction command post will be allowed.

Section 9: No barns, stables, and outbuildings for the purpose of maintaining horses or other livestock type animals shall be permitted on any lot. No animals, livestock, poultry, or reptiles of any kind shall be raised, bred or kept on any portion of the property, except that no more than two domesticated dogs and cats and small non-offensive and harmless household pets may be kept by the owner of the property, provided that they are not kept or used for breeding or maintained for any commercial purpose. Pets kept outside must not constitute a danger or nuisance including, but not by way of limitation, excessive barking or causing property damage to other lot owners or to the subdivision. When outside no animal may be staked out and when not contained within a fenced area, all pets must be kept on a leash. No animal pens, runs, housing or like enclosure shall be kept or placed on any lot, however, this shall not exclude proper fencing of the yard as permitted herein or animal runs and housing that are not visible from the street.

Section 10: Mailbox. No mail or paper box or other receptacle of any kind for use in the delivery of mail, magazines, newspaper or similar materials shall be erected or located upon any lot except such receptacle of standard design as approved by the Declarant or its successors or designees.

Section 11: Parking. No trucks, tractors or trailers may be stored or parked upon the property. This provision shall not, however, be interpreted to prohibit the owner of a pick-up truck, up to 1 ton in size, being used by any owner of this property for his personal conveyance, and such truck may be parked upon the property. No boat, trailer, mobile home, camper or recreational vehicle shall be permitted to remain upon any street or lot unless it is located so as not to be visible from any street or road within the subdivision. No vehicle required by the State of North Carolina to have a current license may be kept on any property for more than 10 days without a current valid license plate.

Section 12: Clotheslines. No outside clotheslines shall be erected or kept on any lot.

Section 13: Satellite dishes. No satellite dish or comparable communication device having a size larger than eighteen (18) inches in diameter may be located on any lot; further any such satellite dish or comparable communication device must be located in the back yard of any lot. No transmitting tower or antenna exceeding a height of twenty (20) feet from ground level shall be placed, used or erected on any lot within the property, either temporarily or permanently.

Section 14. Fences. No fence shall be constructed, built or erected on any lot on the property without the prior written approval of the Declarant. It is further provided that no fence of any kind shall be constructed on any lots on the property in the front yard of such lot, said front yard being defined as that particular area of the yard located between the rear corner of the residence and the street.

Section 15. Signs. No sign of any kind shall be displayed to the public view on this property except one sign of not more than eight (8) square feet advertising the property for sale, or signs used by a builder, developer, Realtor or owner to advertise the property during construction and then for sale. No yard or lawn ornaments of any kind will be permitted to be permanently placed on any lot, except in the rear portion of the yard, said rear portion of the yard being defined as that particular area of the yard located between the rear corner of the residence and the back or rear lot line.

Section 16. All Lots, whether occupied or unoccupied, shall be well maintained and kept free of rubbish and debris. Rubbish, trash, debris, garbage and other waste must be kept

only in sanitary containers which are in a screened area not generally visible from the road. All containers, or other equipment for storage of disposal of such waste materials shall be kept in a clean and sanitary condition and shall be disposed of on a regular basis. Burning of trash or debris is not permitted. All lawns must be kept neat and clean and no grass shall be allowed to grow more than six inches high.

Section 17. There shall be no discharging of guns, pistols, or any other firearm of any kind, caliber, type or method or propulsion; and no animal hunting is permitted within the Subdivision perimeter or the Development Area.

Section 18. All utilities, including liquid propane gas tanks must be placed underground.

Section 19. No bicycle, skateboard ramps or other temporary or permanent recreational structures may be erected. This provisions shall not include a basketball goal.

Section 20. No above ground swimming pools shall be located on any Lot.

Section 21: Following the installation of residential street lighting by means of mercury vapor or sodium vapor lighting units within the subdivision, any party or person who may then own, or who may hereafter own, any interest in any lot within the subdivision, shall be obligated to pay to Greenville Utilities Commission or the City of Greenville, North Carolina, the monthly rate per lot (plus applicable North Carolina sales tax) set forth in Electric Rate Schedule No. 4-A, entitled Rural Street Lighting Service, of the Utility Regulations of Greenville, Utilities Commission. The obligation to pay such a monthly rate, as it may change from time to time, shall continue until such time as the subdivision is annexed into the corporate limits of a city, town or village, and responsibility for the cost of street lighting is assumed by, or transferred to, a governmental unit. Any and all mercury vapor or sodium vapor lighting units installed within the subdivision shall be and remain the property of Greenville Utilities Commission.

Section 22: Entire agreement. Nothing herein contained shall be construed as imposing any covenants or restrictions on any property of the owners of this tract of land other than those properties to which these Restrictive Covenants specifically apply. No provision contained in these Restrictions shall be deemed to have been waived, abandoned, abrogated by reason of failure to enforce them on the part of any Person as to the same or similar future violations, no matter how often the failure to enforce is repeated.

ARTICLE VII
VARIANCES

The Declarant or its successors or designees in their sole discretion may allow reasonable variances and adjustments to these Restrictions in order to alleviate practical difficulties and hardships in their enforcement and operation. Any such variances shall not violate the spirit or the intent of this document to create a Subdivision of Lot owned in fee by various persons with each such Owner having an easement upon areas owned by the Corporation. To be effective, a variance hereunder shall be recorded in the Pitt County Register of Deeds Office; shall be executed on behalf of the Corporation; and shall refer specifically to this Declaration.

ARTICLE VIII
EASEMENTS

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements.

ARTICLE IX
GENERAL PROVISIONS

Section 1: 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 restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2: Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3: Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety (90) per cent of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five (75) percent of the Lot Owners. Any amendment must be recorded.

IN WITNESS WHEREOF, the said parties of the first part, have hereunto set their hands and seals, this the 10th day of June, 2015.

DENALI PROPERTIES OF WINTERVILLE, LLC (SEAL)

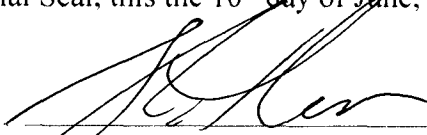
 (SEAL)
VICTOR T. COREY, Member-Manager

STATE OF NORTH CAROLINA
COUNTY OF PITT

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: VICTOR T. COREY, Member/Manager.

Witness my hand and Notarial Seal, this the 10th day of June, 2015.




NOTARY PUBLIC
Printed/Typed Name: Stephen F. Horne, III
My Commission Expires: 04-13-2020