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Pitt County, NC
Lisa P. Nichols REG OF DEEDS

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NORTH CAROLINA
PITT COUNTY

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THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS

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

**DECLARATION OF CONDITIONS, RESTRICTIONS AND COVENANTS
RUNNING WITH THE LAND**

THIS DECLARATION, made on the date hereinafter set forth by, CAROLINA EASTERN HOMES, LLC, a North Carolina limited liability company, hereinafter referred to as "Declarant," who 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, Declarant is the owner of certain property in Winterville Township, Pitt County, North Carolina, which is more particularly described as follows:

Lying and being in Winterville Township, Pitt County, North Carolina and being all of Section 1 of Holly Grove Subdivision, as shown on map recorded in Map Book 84, Page 89, Pitt County Registry; and,

WHEREAS, Declarant desires to provide for the maintenance and upkeep of the common area located within Holly Grove Subdivision (the "Subdivision") and to provide for enforcement of covenants and restrictions applicable to the Subdivision, and desires 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

WHEREAS, Declarant has deemed it advisable to create an organization to own, maintain and administer the Common Area (as herein after defined), to administer and enforce covenants and restrictions applicable to the Subdivision, and to collect and disburse the assessments and charges hereinafter created, and Declarant has therefore incorporated under North Carolina law as a non-profit corporation, Holly Grove Homeowners Association, Inc. for the purpose of exercising the aforesaid functions.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, owned, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of same, and which shall run with the real property 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.

ARTICLE I DEFINITIONS

Section 1: "Association" shall mean Holly Grove Homeowners Association, Inc. its successors and assigns.

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

Section 3: "Property" shall mean that certain real property herein described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4: "Common Area" shall mean all real property (including any improvements thereto) and personal property owned or maintained by the Association for the common use and enjoyment of Owners. Common Area shall also include, for purposes of maintenance, operation, repair and improvements, all drainage easements and storm water detention facilities located on or connected with the Property and any additions thereto as provided in this Declaration.

Section 5: "Lot" shall mean any plot of land shown upon any recorded subdivision plat of the Property with the exception of the Common Area and any public street rights-of-way shown on said plat. In the event that any Lot is increased or decreased in size by recombination or resubdivision through recordation of a new subdivision plat, any newly-platted Lot shall thereafter constitute a Lot hereunder.

Section 6: "Member" shall mean every person or entity who holds membership in the Association as the Owner of a Lot.

ARTICLE II PROPERTY SUBJECT TO DECLARATION

Section 1: Existing Property. The real property which is and shall be held, transferred, sole, conveyed, used and occupied subject to this Declaration as of the date of recording hereof, which is within the jurisdiction of the Association, is described as follows:

Lying and being in Winterville Township, Pitt County, North Carolina and being all of Section 1 of Holly Grove Subdivision, as shown on map recorded in Map Book 84, Page 89, Pitt County Registry.

Section 2: Annexation of Additional Property. At any time prior to June 1, 2034, additional land may be annexed by the Declarant without the consent of the Members and therefore shall become subject to this Declaration by the recording by Declarant of a plat showing such property to be annexed and of a supplementary declaration extending the operation and effect of this Declaration to the property to be annexed. Furthermore, at any time Declarant owns any Lot within the Property, additional land may be annexed by the Declarant without the consent of the Members and therefore become subject to this Declaration by the recording by Declarant of a plat showing such property to be annexed of a supplementary declaration extending the operation and effect of this Declaration to the property to be annexed. Any property annexed must be contiguous to property already subject to this Declaration. Any property annexed pursuant to this subsection may be annexed and subjected to this Declaration as one parcel or as several parcels at different times. The addition of such property pursuant to this Section may increase the cumulative number of Lots within the Property and, therefore, may alter the relative maximum voting strength of the various types of Members.

A supplementary declaration may contain such complementary additions to and modifications of the covenants and restrictions contained in this Declaration, including, without limitation, different voting rights and different annual and special assessments for the Lots so annexed, as Declarant, in its sole discretion, may deem necessary or appropriate to reflect the different character or use of the property added. In no event, however, shall any supplementary declaration revoke, modify or add to the covenants and restrictions established by his Declaration so as to materially and adversely affect any portion of the Property already subject to this Declaration. A supplementary declaration annexing additional property need only be executed by the Declarant, and if applicable, by the owner of the property being annexed, and shall not require the joinder or consent of the Association or any of its Members. Nothing contained in this Article shall be construed to obligate or require Declarant to make any additions to the Property.

Section 3: Conveyance of Common Area in Annexed Property. Promptly upon the request of Declarant, the owner of the annexed property shall convey any or all Common Area located within the newly annexed property to the Association or, if requested by Declarant, to the Declarant. Title to such Common Area shall be conveyed in the same manner as set forth in Section 2 of Article III of this Declaration.

Section 4: Merger. Additional property may also be made subject to this Declaration by merger or consolidation of the Association with another non-profit corporation formed for the same or similar purposes. The surviving or consolidated association shall administer the covenants and restrictions established by this Declaration within the Property and the covenants and restrictions

established upon property owned by the other association as one scheme. No such merger or consolidation shall cause any revocation, change or addition to this Declaration.

Section 5: Effect of Addition of Property. Except by amendment to this Declaration as provided in Section 3 of Article IX hereof, no addition of property, whether by annexation, merger or consolidation, shall revoke or modify any provision of this Declaration as to Property already subject hereto or diminish the rights of the Owner of Lots within the Property, except for the dilution of voting strength that occurs as a result of inclusion of additional Members of the Association.

Section 6: Withdrawal of Property. Declarant reserves the right to amend this Declaration so long as it has a right to annex Additional Property pursuant to this Article for the purpose of removing any portion of the Property then owned by Declarant or the Association from the coverage of this Declaration, to the extent originally included in error or as a result of changes whatsoever in the plans for the Subdivision, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Subdivision.

Section 7: Good Faith Lender's Clause. Any violation of these covenants, conditions or restrictions shall not affect any lien or deed of trust of record held in good faith, upon any Lot or commercial Unit, which liens may be enforced in due course, subject to the terms of this Declaration.

ARTICLE III PROPERTY RIGHTS

Section 1: Owner's Easement of Enjoyment. Except as otherwise provided herein any by the rules and regulations adopted by the Board of Directors of the Association, each 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 suspend the voting rights of an Owner, subject to a hearing or opportunity to present evidence in accordance with NCGS Section 47F-3-107.1 for any period during which any assessment against his or her Lot remains unpaid, or for a period exceed sixty (60) days for any infraction of the published rules and regulations of the Association.

(b) The right of the Association to dedicate or transfer all or any part of the Common Area to any public or quasi-public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. After Class B Lots cease to exist, no such dedication or transfer shall be effective unless the Members entitled to at least 80% of the vote of the entire membership of the Association and at least three-fourths (3/4) of the votes appurtenant to each class of Lots agree to such dedication, sale, or transfer and signify their agreement by a signed document recorded in the applicable public registry for Pitt County, North Carolina. Nothing herein shall be deemed to prohibit the Board of Directors of the Association, without the consent of the Members, from granting easements over and across the Common Area to any public or quasi-public agency, authority or utility for the installation and maintenance of sewage, utility (including cable television) or drainage facilities when, in the opinion of the Board of Directors of the Association, such easements are necessary for the convenient use and enjoyment of properties within the Subdivision. Notwithstanding anything herein to the contrary, the Common Area shall be preserved

for the perpetual benefit of the owners of Lots within the Subdivision and shall not be conveyed except to a governmental entity or another non-profit corporation organized for similar purposes.

(c) the right of the Association to borrow money, and, after Class B Lots cease to exist, with the assent of Members' entitled to at least 80% of the votes of the entire membership of the Association and at least two-thirds (2/3) of the votes appurtenant to each class of Lots, mortgage, pledge, deed of trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of any such lender shall be subordinate to the property rights of the Members and the Association.

(d) the right of the Association to exchange all or part of the Common Area for other property and consideration of like value and utility, provided, however, that after Class B Lots cease to exist, any such dedication shall require the consent of the Members as set forth in Section (b) above, and further provided that, if the Board of Directors of the Association determines, in its sole discretion, that such exchange is necessary to cure an encroachment or setback violation on any Lot, the Board may effect such exchange without the consent of or approval by the Members.

(e) the right of the Association to expand or add to the Common Area and to improve, maintain and operate the Common Area.

(f) the right of the Association to adopt, promulgate and enforce rules and regulations concerning the use of the Common Area.

Section 2: Conveyance of Common Area. No later than the time during which there are no Class B Lots, the Declarant shall convey and transfer to the Association, and the Association shall accept, fee simple title to the Common Area, subject to any easements, reservations, and restrictions of record. Notwithstanding the foregoing, if the Declarant owns one or more Lots at the time of said conveyance, the Declarant reserves an easement over and across any Common Area for the purpose of construction and maintaining any improvements on the Common Area as the Declarant deems necessary or advisable.

Section 4. Regulation and Maintenance of Common Area. The Board of Directors of the Association may adopt and promulgate rules and regulations governing the use of the Common Area by the Owners and their family, guests, and invitees. No Owner or family, guest or invitee thereof shall use the Common Area in violation of any such rules or regulations or in any manner that in any way interferes with the rights of the other Owners. The Association shall be responsible for the management and control of the Common Area and shall keep the Common Area in good condition, order and repair, at its expense.

Section 5. Insurance. The Association shall obtain and at all times maintain adequate liability insurance covering the Association itself and the Common Area and other property owned by the Association, including but not limited to officers' and directors' liability insurance.

Section 6. Declarant's Reserved Rights. Until such time as the Declarant no longer owns any Lots in the Subdivision, the Declarant shall have the right to alter the boundaries of the Common Area, whether or not it has been previously deeded to the Association, subject to NCGS §47F-3-112;

provided that such alteration does not substantially, materially and adversely affect the function and use of the Common Area. The Association and each Owner hereby irrevocably appoints the Declarant as his, her or its attorney-in-fact to execute and/or deliver any documents, plats, deeds or other written matters necessary or convenient to accomplish the addition of the Common Area or Property or both, to create easements as deemed necessary by Declarant, and to adjure the boundary or boundaries of the Common Area.

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

Section 1: Membership. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

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

(a) Class A Lots. Class A Lots shall consist of all Lots except Class B Lots. Ownership of a Class A Lot shall entitle the Owner of such Lot to one (1) vote. When more than one person holds an interest in any Lot (other than a leasehold or security interest), all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. Fractional voting shall not be allowed.

(b) Class B Lots. Class B Lots shall be all Lots owned by Declarant which have not been converted to Class A Lots as set forth below. Declarant shall be entitled to twenty (20) votes for each Class B Lot it owns. Class B membership shall cease and Class B Lots shall be converted to Class A Lots upon the earlier to occur of the following: (i) when Declarant no longer owns any Lots within the Property; or (ii) upon written waiver of the Class B membership by the Declarant. When the Class B Lots cease to exist and are converted to Class A Lots, Declarant shall have the same voting rights as other Owners of Class A Lots.

(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 (including but not limited to election and removal of directors and officers of the Association), except such matters to which the Declaration, the Articles of Incorporation of the Association 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 Property, 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 annual assessments and special assessments, such assessments to be established and collected as hereinafter provided. All assessments which are unpaid when due,

together with interest and late charges set forth in Section 9 of this Article V and all costs of collection, including reasonable attorneys' fees, shall be a charge against and a continuing lien upon the Lot against which such assessment is made subject to NCGS § 47F-3-116, as amended. Each such assessment or charge, together with interest and costs of collection, including reasonable attorney's fees, subject to notice provided in NCGS § 47F-3-116(e), shall also be the personal or corporate obligation of the person, firm or corporation owning such Lot at the time when such assessment fell due, but such personal obligation shall not be imposed on such Owner's successors in title unless expressly assumed by them. Although unpaid assessments and charges are not the personal obligation of such Owner's successors in title unless expressly assumed by them, the unpaid assessments and charges shall continue to be a lien upon the Lot against which the assessment or charge was made.

It is the intent of the Declarant that any monetary fines imposed against an Owner pursuant to the Bylaws of the Association or in this Declaration and, subject to NCGS §47F-3-107.1, shall constitute a lien against the Lot of such Owner to the same extent as if such fine were an assessment against such Lot.

Section 2: Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Subdivision and, in particular, 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, utilities, replacements and additions, the cost of labor, and equipment, 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 3: Basis and Maximum of Annual Assessments. (a) No assessments shall be made on any Lot until the first day of the first year following the date the platted Lot shall have been conveyed by deed to an Owner other than Declarant. Until June 1, 2020, the maximum annual assessment shall be Three Hundred Sixty and No/100 Dollars (\$360.00) per Class A Lot.

For so long as Class B Lots exist, the Board of Directors, in its sole discretion, shall have the authority to adopt an annual budget without a vote of the membership. Once Class B Lots cease to exist, the annual assessment may be increased by the Board of Directors effective January 1 of each year without a vote of the Members, but subject to the limitation that the percentage of any such increase shall not exceed 10% of the annual assessment for the previous year unless such increase is approved as set forth in Section 3(b) of this Article V.

(b) Annual Assessments and Ratifications by Budgets. After Class B Lots cease to exist, the Board of Directors shall adopt a proposed budget (including the proposed annual assessment for each Class of Lots) at least annually. Within 30 days after adoption of the proposed budget, the Board of Directors shall send a copy of the proposed budget and shall give written notice to the Members of a meeting of the Members to consider ratification of the budget, such meeting to be held not sooner than 10 days nor more than 60 days after the mailing of such notice. Such meeting may, but need not be, combined with the annual meeting of Members. Except as required by Section 7 below, there shall be no requirement that a quorum be present in order 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 cast votes to reject the budget. Notwithstanding the foregoing, if the budget provides for annual assessments not larger than 10% of the assessment in effect for the immediately preceding year, such budget shall be deemed ratified unless Members having at least 80% of the votes of the entire membership vote to reject the budget. If the proposed budget is rejected, the budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board. Any annual assessment ratified by the Members shall continue thereafter from year to year as the annual assessment until changed by the Board of Directors and ratified by the Members as set forth herein.

Section 4: Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment for the purpose of defraying, in whole or in part, the current or future cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, for the repayment of any indebtedness and interest thereon, or for any other purpose provided that any such assessment shall have the same consent of the Members as provided in Section 3(b) of this Article.

Section 5: Assessment Rate and Collection Period. Except as provided in Section 6 of this Article V, the annual and special assessments shall be fixed at a uniform rate for all Lots within each subclass of Lots and may be collected on a yearly, semi-annually, quarterly or monthly basis, as determined by the Board of Directors.

Section 6: Declarant's Assessments. Notwithstanding any other provision of this Declaration or the Bylaws of the Association, the 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 Property. Notwithstanding the foregoing any Lot owned by Declarant which contains a dwelling occupied as a residence shall be assessed at the rate applicable to Class A Lots.

Section 7. Notice and Quorum for Any Action Authorized Under Sections 3(a) and 4. After Class B Lots cease to exist, written notice of any meeting called for the purpose of taking any action authorized under Section 3(a) or 4 shall be sent to all Members not less than ten (10) days nor more than sixty (60) days prior to the meeting. At such meeting, the presence of Members, in person or by proxy, entitled to cast sixty (60%) percent of the votes of the entire membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and if called for a date not later than sixty (60) days after the date of the first meeting, the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

Section 8: Date of Commencement of Annual Assessment; Amount of Initial and Subsequent Annual Assessments; Certificate of Payment. Unless a different commencement date is set by the Board of Directors, the annual assessments provided for herein shall commence as to each Lot in any phase on the first day of the month following the conveyance of a Lot within that phase to an Owner other than the Declarant or a builder. Unless a lower amount is set by the Board of Directors and ratified by the Members, the first annual assessment shall be the "Maximum Annual Assessment"

set forth in Section 3 of this Article and shall be prorated according to the number of days remaining in the calendar year.

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. Remedies for Nonpayment of Assessment. Any assessment not paid within ten (10) days after the due date shall bear a late charge as the Board of Directors may from time to time establish, and, if not paid within thirty (30) days after the due date, shall also bear interest from the due date at the lesser of the annual rate of eighteen percent (18%) or the maximum amount permitted by law. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Lot for which such assessment is due subject to NCGS §47F-3-116, as amended. Interest, late payment charges, reasonable attorneys' fees and the costs of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape 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 encumbering a Lot. Sale or transfer of any Lot shall not affect the assessment lien except as otherwise provided by law. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided herein shall continue to be subordinate to the lien of any first mortgage.

Section 11. Exempt Property. All property dedicated to and accepted by a public authority and all 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 assessments created herein. Notwithstanding the foregoing, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VI COMMITTEES

The Board of Directors of the Association shall appoint an Architectural Review Committee, which shall have authority to review and approve any Improvements, as hereinafter defined, to a Lot after occupancy of a dwelling as a residence on said Lot pursuant to a certificate of occupancy or other similar certificate issued by the appropriate governmental authority. The Architectural Review Committee shall be composed of three or more persons appointed by the Board of Directors of the Association. No Improvements to the Lot, including without limitation the replacement of any previously existing Improvements shall be commenced or maintained upon the Property nor shall any exterior addition to or change or alteration thereof be made nor shall a building permit for such Improvements be applied for or obtained until plans and specifications showing information required by the Architectural Review Committee have been submitted to and approved in writing by the same. If the Architectural Review Committee fails to approve or disapprove such proposed Improvements within 60 days after complete plans and specifications have been received

by it, approval will not be required and this Article shall be deemed to have been complied with. The Association shall have the right to charge a reasonable fee for receiving and processing each application.

The Declarant and, after the Declarant no longer owns any Lot within the Property, the Association, shall have the right to promulgate and from time to time amend written architectural standards and construction specifications (“Architectural Guidelines”) which may establish, define and expressly limit the standards and specifications which will be approved, including but not limited to, architectural style, exterior color or finish, roofing material, siding material, driveway material, landscape design and construction technique. Neither the Declarant, the Association, the Board of Directors or the Architectural Review Committee, nor any member or employee of any of them, shall have liability to any person or entity by reason of any acts taken or omitted by them, or any of them, in good faith pursuant to this Article.

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

ARTICLE VII
USE RESTRICTIONS

Section 1: Use. No Lot shall be used except for residential purposes. No Lot shall be subdivided by any Owner except with Declarant's prior 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 (1/2) 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. No business or commercial enterprise may be carried on upon any Lot.

Section 3: Plan approval. The Declarant shall have the sole and absolute right to determine the style and appearance of the Dwellings, including, but not limited to, flags, subject to NCGS §47F-3-121, flag poles, flag staffs, fences, walls, buildings, outbuildings, garages, storage sheds, lawn decorations, structure of any type or color thereof, grading, landscaping, patio covers and trellises, plans of off-street parking of vehicles, utility layout and any other improvements (the “Improvements”) to be built or constructed on any Lot.

No site preparation or initial construction, erection or installation of any improvement, including, but not limited to, dwelling units, outbuildings, driveways, fences, walls, signs, or other structures shall be undertaken upon any Lot or parcel of land on the Property without the prior written

approval of the building plans, exterior paint or color schemes and exterior materials by the Declarant or its successors or designees (including the Architectural Review Committee once Declarant assigns such rights and obligations to the Association). A dumpster is to be placed on each Lot at the commencement of any construction for debris. A detailed landscaping plan must be approved by the Declarant or its successors or designees. All landscaping plans shall reflect and include a minimum of one (1) tree to be planted in the front yard area and shrubbery covering the entire front elevation of the structure. Landscaping shall be completed by the time of occupancy, unless an extension is given by the Declarant. All driveways must be constructed of concrete materials. It is the intent of the Declarant that all exteriors of the structures shall be harmonious with all of the other structures in the Subdivision. No any structure of any type shall be started on any Lot until a plot plan showing the location of such structure has been approved in writing by the Declarant or its successors or designees. If no approval or rejection has been given for such planned use or for such plans which have been hand-delivered to the Declarant, its successors or designees within sixty (60) days after written application, the plan shall be deemed to have been approved.

Section 4: Minimum Square Footage. Any residence constructed on a Lot must have a minimum square footage, more specifically described as heated living area, exclusive of open porches, garage and basements, of not less than One Thousand Eight Hundred (1,800) square feet and a minimum first floor square footage of One Thousand (1,000) square feet. Each residence shall have a minimum two-car garage.

Section 5: Structure Type. No mobile home, pre-fab, modular home, package home or other pre-built home shall be placed on any Lot. 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.

Section 6: Setbacks. No buildings shall be located on any Lot 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.

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.

Section 9: Livestock and Pets. 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 household pets may be kept by the Owner, 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 Owners or to the Property. 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.

Section 10: Parking. No trucks, tractors or trailers may be regularly 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 for his personal conveyance, and such truck may be parked upon the Owner's Lot. No boat, trailer, mobile home, camper or recreational vehicle shall be permitted to remain upon any street or any 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 the Property or any Lot for more than 10 days without a current valid license plate.

Section 11: Clotheslines. No outside clotheslines shall be erected or kept on any Lot.

Section 12: 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, either temporarily or permanently. No solar panel shall be placed on the Lot or the structure without approval of the Declarant.

Section 13: Fences. No fence shall be constructed, built or erected on any Lot, except for wood, wrought iron, vinyl or all black coated chain link fence; and any such fence shall be constructed, built or erected at a height no greater than six (6) feet. No fence of any kind shall be constructed on any Lot 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. On interior Lots or on the interior side of a corner Lot, fences must extend to the side boundary line. No double fencing between Lots is permitted; each Owner shall have the right and easement to extend his or her fence to the fence erected on the adjacent Lot.

Section 14: Signs. No sign of any kind shall be displayed to the public view on any Lot or the Common Area except (a) one sign of not more than eight (8) square feet advertising a Lot for sale, or signs used by a builder, developer, Realtor or Owner to advertise the Lot during construction and then for sale and (b) one sign with the maximum dimensions of 24 inches by 24 inches expressing support of or opposition to political candidates or other issues which will appear on the ballot of a primary, general or special election; provided that such political signs shall not be placed on a Lot earlier than forty-five (45) days before such election and shall be removed within seven (7) days after such election. No yard or lawn ornaments of any kind will be permitted to be 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 15: Lot Maintenance. 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 16: Utilities. All utilities, including but not limited to liquid propane gas tanks, must be placed underground; notwithstanding the foregoing, one natural gas tank with a maximum size of one hundred (100) gallons may be placed above ground so long as the same is placed within five (5) feet of the residence on the Lot.

Section 17: Entertainment Structures. No bicycle, skateboard or other entertainment ramps or other temporary or permanent recreational structures may be erected or placed on any Lot. No above ground swimming pools shall be located on any Lot.

Section 18: Lighting. Following the installation of residential street lighting by means of mercury vapor or sodium vapor lighting units on the Property, any party or person who may then own, or who may hereafter own, any interest in any Lot, shall be obligated to pay to Greenville Utilities Commission or the Town of Winterville, 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 on the Property 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 19: Water Retention Areas. No docks or other structures shall be erected in water retention areas. All other uses of the water retention areas are prohibited without the express consent of the Association.

ARTICLE VII
EASEMENTS

Section 1: Access and Utility Easements. Easements for installation and maintenance of roadways, driveways, walkways, water, gas, telephone, sewer facilities, electric power and cable transmission lines, utilities, storm water drainage facilities and for other public and private utility installations are reserved as shown on the recorded plat of the Property. The Association may grant or reserve easements over the Common Area as provided herein. 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 pipes or channels constructed in in the easements.

For a period of thirty (30) years from the date hereof, Declarant shall have and reserves unto itself and its employees, agents, contractors, successor and assigns, an easement upon and right of ingress, egress, and regress on, over and under the Property for the purposes of constructing and maintaining water, sewer, gas, storm water drainage and retention, telephone, cable television,

electric and other utility facilities and roadways to the extent required by an governmental entity or determined by the Declarant to be necessary or convenient for the development, use and enjoyment of the Property and Common Area and the conduct of construction, sales and marketing activities. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any grading of the soil, relocate utility facilities within said easement and take any other similar actions that it deems necessary or appropriate. After such action has been completed, Declarant shall grade and seed the affected property and otherwise restore the affected property to its original condition to the extent practicable but shall not be required to replace any trees, bushes or shrubbery necessarily removed. Declarant shall give reasonable notice of its intent to take such action to each Owner whose Lot is affected.

Section 2: Easements for Governmental Access. An easement is hereby established over the Common Area and every lot within the Property for the benefit of applicable governmental agencies and utilities for installing, removing, reading water meters, maintaining and replacing water and sewer facilities and acting for other purposes consistent with public safety and welfare, including without limitation, law enforcement, fire protection, garbage collection and the delivery of mail.

ARTICLE 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 way affect any other provisions which shall remain in full force and effect.

Section 3: Amendment. For so long as Declarant owns any Lot within the Subdivision, this Declaration may be amended by the Declarant without the consent or joinder of any other Owner or the Association. Any such amendment shall be effective upon recording of the same in the applicable public registry for Pitt County, North Carolina. No amendment shall be binding upon any Lot or Owner until fifteen (15) days after a copy of such amendment has been provided to such Owner.

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 often (10) years. After Class B Lots cease to exist, Declaration may be amended during the first twenty year period by an instrument signed by the Owners of not less than seventy-five (75%) of the Lots and thereafter amended by an instrument signed by the Owners of not less than sixty-seven percent (67%) of the Lots; provided, however, that so long as there is Class B membership, no amendment adopted by the Owners shall be effective unless and until such amendment is approved in writing by the Declarant. Any amendment shall be

by written instrument signed by the appropriate persons and recorded in the public registry for Pitt County, North Carolina, and upon recordation, shall be binding on all Lots within the Property and the Owners thereof, without regard to whether the Owner of such Lot voted for or against or signed or did not sign the amendment.

Section 4: 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 this Declaration specifically applies. No provision contained in this Declaration shall be deemed to have been waived, abandoned, and 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.

Section 5. Interpretation. Headings used herein are for reference purposes only and shall not be used to interpret or construe any provision hereof. Unless the context requires otherwise, the use herein of the singular shall include the plural and vice versa; the use of one gender shall include all genders; and the use of the work "including" shall mean "including, without limitation." This Declaration shall be construed and enforced in accordance with the laws of the State of North Carolina.

IN WITNESS WHEREOF, the Declarant has executed this document, with authority duly given, the day and year first above written, intending it to be a sealed document.

This the 28 day of August, 2019.

CAROLINA EASTERN HOMES, LLC

By: [Signature] (SEAL)
R. DAVE BRITT, Member/Manager

NORTH CAROLINA
PITT COUNTY

I, Kacie N. Mizell a Notary Public of the County and State aforesaid, certify that R. Dave Britt, personally appeared before me this day in the capacity of Manager of Carolina Eastern Homes, LLC and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 28 day of August, 2019.

[Signature]
Notary Public

My commission expires: 03/30/2023



Type: CONSOLIDATED REAL PROPERTY
Recorded: 5/5/2020 10:20:59 AM
Fee Amt: \$26.00 Page 1 of 2
Pitt County, NC
Lisa P. Nichols REG OF DEEDS

BK 3918 PG 536 - 537

NORTH CAROLINA
PITT COUNTY

Prepared By:
Amy Alston Wells
Gaylord, McNally, Strickland & Snyder, L.L.P.
498 Red Banks Road
Greenville, NC 27858

**AMENDMENT TO DECLARATION OF CONDITIONS, RESTRICTIONS AND COVENANTS
RUNNING WITH THE LAND**

THIS AMENDMENT TO DECLARATION OF CONDITIONS, RESTRICTIONS AND COVENANTS RUNNING WITH THE LAND (the "Amendment") made on the date hereinafter set forth by CAROLINA EASTERN HOMES, LLC, a North Carolina limited liability company, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant executed and recorded that certain Declaration of Conditions, Restrictions, and Covenants Running with the Land at Book 3828, Page 771 (the "Declaration") governing Holly Grove Subdivision as further described in the Declaration; and,

WHEREAS, Declarant desires to amend the Declaration, and pursuant to Article IX, Section 3 of the Declaration, the Declarant has the right and authority to amend the Declaration without the consent or joinder of any lot owner or the Holly Grove Homeowners Association, Inc.;

WHEREAS, Declarant hereby executes this Amendment for the purpose of amending the Declaration as hereinafter set forth.

NOW, THEREFORE, the Declarant desires that the Declaration shall be amended as follows and that the Property, as defined in the Declaration, shall be owned, sold, conveyed, held, hypothecated, encumbered, used, occupied and improved subject to the Declaration as amended herein.

1. Article VII, Section 9 is hereby deleted in its entirety and replaced with the following:

1
Submitted electronically by "Gaylord, McNally, Strickland & Snyder, LLP"
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Pitt County Register of Deeds.

“Section 9: Livestock and Pets. 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 domesticated dogs and cats and small non-offensive household pets may be kept by the Owner, 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 Owners or to the Property. 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.”

2. Except as amended as expressly provided herein, the Declaration is hereby ratified and confirmed in its entirety.

IN WITNESS WHEREOF, the Declarant has executed this document, with authority duly given, the day and year first above written, intending it to be a sealed document.

This the 29th day of April, 2020.

CAROLINA EASTERN HOMES, LLC

By: [Signature] (SEAL)
R. Dale Britt, Member/Manager

NORTH CAROLINA
Carteret COUNTY

I, Denise Lewis a Notary Public of the County and State aforesaid, certify that R. Dale Britt, personally appeared before me this day in the capacity of Manager of Carolina Eastern Homes, LLC and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 29th day of April, 2020.

[Signature]
Notary Public

My commission expires: 7/17/2024

