

STATE OF NORTH CAROLINA COUNTY OF BRUNSWICK

DECLARATION OF THE RULES AND REGULATION OF THE
STONEY CREEK PLANTATION SECTION C – HOMEOWNERS ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, 'The homeowners Association of Stoney Creek' (hereinafter know as the Association') desires that sub-division known as the STONEY CREEK PLANTATION SECTION C (hereinafter known as 'the Sub-division')

- 1: Remains attractive – to homeowner or any future potential purchasers
- 2: Is used for residential purposes only.
- 3: That the tone and ambiance of the sub-division is well maintained
- 4: That each homeowner achieves the full benefit and enjoyment of their home with no greater restriction than is absolutely necessary.

NOW, THEREFORE, the Association does hereby covenant, agree and declare to and with all homeowners, or, any other person acquiring any of the property located within the STONEY CREEK PLANTATION, SECTION C boundaries (as shown on a map recorded in Map Cabinet 19 at Page 410 of the Brunswick County Registry), that they are hereby made subject to the following rules and regulations as written herein.

Note: If a property is rented that property shall be subjected to the same covenant restrictions. Therefore it is the accountability of the renting homeowner to ensure that the 'LEASE' agreement between the renter and the homeowner defines and documents the renters accountability to comply with the covenant (renter will be given a copy of the covenant). The homeowner/s then notifies the 'Association' of their change of address.

- 1: **Homeowner Owners Association:** All homeowners of Stoney Creek plantation section C shall be members of STONEY CREEK PLANTATION OWNERS ASSOCIATION. This association shall be considered a North Carolina nonprofit corporation and shall be subject to and abide by all provisions set forth in that corporation's Articles of Incorporation..

A homeowner shall be a full member 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 at no time shall more than one vote be cast with respect to any one 'Lot'.

2: Purpose for this Covenant: All covenants, restrictions and affirmative obligations as set forth herein shall run with the land and shall be binding on all homeowners including renters. The sole intent is to maintain the properties as directed by law while at the same time assisting in maintaining the tone of the neighborhood

3: Management of the Covenants – These covenants are owned by the homeowners who grant the 'Associations' Board of Directors (hereinafter known as the BOD) the accountability to ensure compliance to this 'Covenant'.

4: Associations Accountability - The Association shall be accountable to ensure that:-

- 4.1 All drainage easements and ways are maintained, repaired and preserved by the abutting homeowners.
- 4.2 All utility easements (as applicable) are maintained and preserved.
- 4.3 All common areas are maintained, repaired and preserved.
- 4.4 The ambiance and tone of the neighborhood is maintained for all homeowners (including 'renters' as applicable).

Note: Severe erosion of drainage 'right-of-ways' under normal weather conditions – If it can be proved that the erosion is caused by a design error (original drainage system) and not a lack of maintenance, then, this erosion problem shall revert to the accountability of the 'Association' (as representative for the Developer). The Association will seek a resolution after which time the homeowner shall take accountability as defined herein (see para 6.1.4/6.1.5). For anything other than normal weather conditions, it is highly recommended that the abutting homeowners with drainage 'right-of way' take out appropriate insurance

5: Amendments to Covenants - These restrictions may be amended by vote of the homeowners of the Association with a two-thirds (2/3's) majority. However drainage situation cannot be amended without State of North Carolina approval (see here-in paragraph 6.5).

6: Covenants, Restrictions and Affirmative Obligation

6.1 Associations Control – Drainage/Water Run-Off

Note: To ensure ongoing compliance with the state 'storm water' management permit number SW8 010922 as issued by the Division of Water Quality. The following heading are express requirement and may not be changed or deleted without the consent of the State.

6.1.1 Impervious Fill - No more than 4,650 square feet of any lot shall be covered by structures of impervious materials. Impervious materials include asphalt, gravel, concrete, brick, stone, slate or similar material but does not include wood decking or the water surface of swimming pools.

Note: Built-upon area in excess of the permitted amount requires a state Storm water management permit modification prior to construction.

6.1.2 Swales - shall not be filled in, piped or altered except as necessary to provide driveway crossings.

6.1.3 Future runoff - All permitted runoff or future development/s shall be directed into the permitted storm water control system. These connections shall be performed in a manner that maintains the integrity and performance of the system as permitted (requires state approval flow is altered)

6.1.4 Homeowner Accountability – Homeowners that own a 'LOT' that contains drainage ditches, drainage canals, swales and so forth; that homeowner (including each lot abutting same) shall keep that drainage area (including the slopes, down to the center of the ditch) mowed and maintained clear/free of debris.

6.1.5 Washouts and/or erosion related conditions shall be rectified by the homeowner and/or adjoining/abutting homeowner. It is an express intent that all drainage ditches, banks and/or swales and so forth shall be the sole responsibility of the homeowner and abutting homeowner/s not the 'Associations' and any fines and/or penalties levied by a state, federal or local governmental agency for violations of any law, ordinance, or, regulation shall be paid by the homeowners and abutter. The Association shall be accountable for all drainage erosion of common areas.

6.2 Residential Homes - Type of Sub-division:

6.2.1 All Homes in the sub-division shall be known as single family residential homes (this includes lots and so forth), and shall be used for residential purposes only. Working from home is permitted provided that work is performed strictly within the home and is not evident to any neighbor.

Note: for the purposes of this covenant a “Single Family Dwelling” is interpreted to mean one that is lived in by a family such as a mother, father, their children, a guardian, parents, grandparents and/or any similar family arrangement. It does not however include, or, extend to, multi-family living arrangement and/or ‘that which relates to extended family’ such as ‘those who are married sisters, brothers, nephews, nieces and so forth and this includes all their husbands and wives as applicable. Short stays/visits are naturally permitted, however, the word ‘short’ means days and/or weeks not months and years. If a home is rented, multi-person (‘condominium’ type) living arrangements are considered in violation of this Covenant’.

6.3 Residential Homes - Construction:

6.3.1 Re-Building - In case of property destruction such as by fire and or storm and so forth no residence shall be built smaller than the smallest structure that existed when the subdivision was completed in 2006..

6.3.2 Building Material – Only wood, vinyl, brick, aluminum material shall be used and in addition, no finished construction shall distract from the existing ambiance of the sub-division.

6.3.3 Detached Structures – All detached garages, sheds or other detached structures shall be constructed of the same materials used in the construction of the residential homes. However, the use of similar (structural) construction materials (for example T-11) are permitted, provided they are painted in a color similar to that of the main residence.

6.3.4 Driveway: All driveways shall be constructed of concrete.

6.3.5 Location of houses on Lot – All structures shall conform with local zoning laws of the state or town of Leland. Plus, all setbacks shall conform to the setbacks established on or before the year 2006. For Example no new house, garage, shed and so forth shall be erected closer to the front lot line, nor to any side line, than the minimum requirements established by the applicable governmental ordinance. Corner lots setback are such that the side having the least frontage is considered the front lot line of the lot.

6.3.6 New construction – Construction that affects the ‘frontal’ view of a house or significantly effects the house profile as viewed from the road shall require the approval of the ‘Association’ before plans are submitted to the town for approval. Building plans shall be submitted to the ‘Association’ at least one (1) month before seeking town approval.

Note: All new construction shall be completed within one (1) year of starting a project (consistent with Town of Leland ordinance)

6.3.7 Restricted Structures – No, tents (except for recreational and then only for a limited time – one (1) week), shack, or, temporary structure of any kind shall be erected that distracts from the tone of the sub-division – front, back or sides. No temporary structure can be used as a residence.

6.4 Residential Homes - Vehicles

6.4.1 Restricted Vehicles - No, house trailer, mobile home, recreational vehicle, boat trailer are permitted to be permanently parked on driveway.

Note: Temporary situations not to exceed 72 hours (in any three (3) week period during Summer month) are permitted to allow homeowners to load and unload restricted vehicles and/or clean same. Abuses shall be considered violations.

6.4.2 Out of Sight Restricted Vehicles – small boat trailer/recreational vehicles (under 25 ft) may be stored in the rear of a lot provided they are out of sight (when viewed from the road). Fence to meet ‘Association’s’ specifications (see para 6.5 herein).

Note: Unsightly situations caused by more than one vehicles/trailer or large boats and/or trailers will probably violate the garden appearance clause (see paragraph 6.10.4). If in doubt, check with the ‘Association’.

6.4.3 Vehicles Parking – All vehicles shall be parked in the garage, or, on the driveway. No vehicle shall be parked on the public streets for more than one(1) night (Town of Leland ordinance). Vehicles not currently registered are not permitted. Examples: Junk Cars, inoperative/stored vehicles and so forth. All shall be towed at the owners expense after notification.

Note: It is understood that **‘temporary’** situations may arise where vehicles may have to be parked on lawns, roadway and so forth. Although this is considered a violation, the important word is TEMPORARY’ and ‘Temporary’ as written herein means DAYS not WEEKS, MONTHS or YEARS.

6.5 Residential Homes - Fences

6.5.1 All Fences - to be constructed of wood (preferable pressure treated) and/or non perishable man made material such a vinyl (preferably white). Strong wire metal (plastic coated) fences (not chicken wire) can be erected, however, they are permissible only if unseen from the road.

6.5.2 Fence heights – A fence shall be no less than 3 feet and no more than 6 feet in height.

6.5.3 Fence Location – A fences can be located at the back corner of the house or, at any point moving towards the approximate mid point of each side of the house. **No other location is permitted except with the approval of the association. Corner lots fences to be approved by the association.**

6.6 Residential Homes - Advertising/Signs/Flags

6.6.1 Signs/ Billboards – A sign of no more than ten (10) square feet in area is permitted so that homeowners can advertise homes for sale and/or rent.

6.7: Residential Homes - Storage Tanks

6.7.1 Flammable/non flammable – No tanks (such as propane) or, similar storage vessel shall be located in front of a house. If located on the side of a house they shall be effectively screened by a fence, or, landscaping.

6.7.2 Flammable – Tank location shall comply with all local ordinances.

6.8 Residential Homes - Sub-division Water

6.8.1 Drinkable – All water used by the 'subdivision' for human consumption shall be obtained from an approved 'water system' such as Brunswick County, or, any source that is approved by the City/County Board of Health.

6.8.2 Non Drinkable – shallow well for irrigation are permitted. However the well shall meet local ordinance requirements and at no time shall a well be located in the front or side to the dwelling.

6.9 Residential Homes - Sewage

6.9.1 Sewage Disposal – Shall use the North Brunswick Sanitary District System.

6.10 Residential Homes - Neighborhood Tone/Ambiance

6.10.1 Activity - No offensive activity shall be permitted by a homeowner that could/would adversely affect tone of the neighborhood. This includes but is not limited to the killing or fighting animals for sacrifice, ceremony or sport, creating loud noises that disturbs neighbors and so forth.

6.10.2 Animals – Cats and dogs are very welcomed, however, no domesticated farm animals or fowls of any kind shall be kept on the property. Plus, homeowners are expected to clean up after their animals.

Note: Persistent barking dogs shall be considered to be a nuisance and shall be reported. Also, animals that are left outside in all weathers 24/7 with no effective shade or cover is considered inhumane and not neighborly.

6.10.3 Unsightly Structures - unsightly structures/objects are not permitted in the front of the house and will be removed at owners expense after notification. Some Examples – dog houses, tents, lean to, carports, children's play houses – some exceptions; Halloween and Christmas.

6.10.4 Gardens – Front, back, and side yards are expected to be properly and neatly maintained by homeowner (if rented by the renter). In the event that this does not occur then the 'Association' shall request the homeowner to rectify the situation. If after two (2) week period there is no improvement, then the association shall be within it's rights to have a 'Contractor' make the necessary improvements at the homeowners expense.

Note 1: In the situation where a homeowner cannot (too ill) maintain the property then he, or, she should contact the Association president.

Note 2: Because high grasses and weeds can become the homes for vermin, rodents, snakes and so forth, out of control grasses and weeds are not considered as landscaping and shall be kept in control per paragraph 6.10.4.

6.10.5 Jointly Owned Landscaped Area – joint owned Islands to be maintained by both homeowners such that neither side distracts from the other.

6.10.6 Garbage Disposal - Each homeowner shall use the garbage receptacle provide by the town. Generally it is desired that these receptacles shall be kept out of sight except on garbage pick up days. However, it is permitted to store this receptacle at the side of the home, but, away from the front and never in front. No bags, cans, cart etc shall be located in and around the garbage receptacle at any time - except on garbage pick up days. Non-adherence to this rule shall be considered a violation.

7.0: Home Owner FEE and Covenant Violations

There is absolutely no desire to have these covenants used for punitive purposes by anyone. We are all homeowners and therefore neighbor's. However, for these covenants to have any meaningful value, rules with respect to violations need to be part of these covenants and therefore:-

7.1 Personal Financial Obligation - Each homeowner joined the 'Association' at the time they bought their home. They also paid 'Association' FEES. It was therefore understood by the homeowner that they accepted the rules of the Association, the covenant and agreed to pay the 'Associations' annual FEE.

Note: Special assessments charges for capital improvements could be levied, however, no special assessment can be levied without a >50% majority vote.

7.2 Purpose of Fees – Fees are levied by the 'Association' for the sole purposes of maintaining common areas and other management expenses.

7.3 Assessments Fees - Shall be charged per household and shall be based upon the Fiscal Year Budget. This budget is the accountability of all homeowners who in-turn instruct the BOD to derive the lowest cost budget consistent with meeting all of the 'Associations' obligations. The budget is approved at the general meeting and needs >50% majority vote. The assessment FEE is calculated based upon the number of members in the 'Association'.

Note: All homeowners pay the same FEE.

7.4 Liens – Homeowner/s who fails to pay the yearly FEE to the treasurer as submitted, shall become liable for penalties and there shall be no excuses for a failure to pay. The ultimate consequences for the failure to pay by a homeowner shall be a LIEN' placed upon the home (see para 7.5).

Note: Delinquent fees together with any applicable penalties, costs and reasonable attorney's fees (if any), shall be the personal obligation of the homeowner owning the property. This obligation of delinquency cannot be passed to any successors unless that successor expressly assumes the obligation (in writing) at the time of transfer of ownership.

Note: The Association considers it unacceptable to pass any financial burden to others.

7.4 Violation of Covenant - If any homeowner violates any of the covenants as written herein, then the 'Association' shall first seek resolution with that homeowner. Should that fail the homeowner shall be FINED and if no resolution is occurs within six (6) months a 'LIEN' shall be placed upon the property (amounting to the fine plus penalties). In serious cases of violation, the Association can prosecute. If this situation arises, then the 'Association' has the right to recover all FINES, penalties and/or other dues for each violation in addition, to recovering reasonable attorney fees as incurred.

7.5 Escalation Process for non-payment of FEE or fines - any FEE not paid within sixty (60) days after the due date shall bear penalties from the due date at the maximum allowed by law. Those failing after sixty (60) days shall receive a second notice that includes the FEE plus penalties amounting to the full sixty (60) days delinquency.

If after ninety (90) days the homeowner is still delinquent a final notice of a pending 'LIEN' shall be delivered (**in person or by telephone if not local**) to that homeowner by the president, (or, a legitimate assign/s). At this meeting the full impact of this delinquency and it's continuance, shall be defined in writing including the latest and future on-going penalties. If the person carrying the message encounters abusive behavior then the 'Association' shall be within it's rights to waive the ninety (90) day grace period (see below) and apply the LIEN immediately.

If after a further three (3) month grace period the 'Association' has not received full payments including penalties, the 'Association; shall place a 'LIEN' on that homeowner/s property (**without further notice**) amounting to FEE plus six (6) months penalty plus any filing fees (if applicable).

Note 1: Should non payment of FEE, FINES or PENALTIES be delinquent for more than two fiscal years (2) then the 'Association' shall be within it's rights to close a unpaid 'LIEN' by prosecuting at law the homeowner obligated to pay the fees and so forth. No owner may waive or otherwise escape liability for any assessments FEE as stated herein by the non-use of the common area or abandonment of a/the lot.

7.6 Failure to pay assessments does not constitute a default of the first mortgage as the 'Associations' LIEN is considered subordinate. However upon the sale of a delinquent property the owner/s shall pay in full any or all 'Association' liens.

IN TESTIMONY WHEREOF, Association has caused this instrument to be signed in its name by its duly authorized officers and its seal to be affixed hereto by authority of its Board of Directors this the --- day of ----- 2008