PH Covenants Table of Contents (note: entries with CV-1 through 14 are specific Covenant Violation items)

ARTIC	CLE I	6
DEFINI	TIONS	6
ARTIC	CLE II	g
PROPE	RTY SUBJECT TO THIS DECLARATION	g
A. E	xisting Property	g
B. A	dditions to Existing Property	10
	CLE III	
RIGHTS	S AND DUTIES OF THE ASSOCIATION	10
	overning Body	
B. A	ssociation's Authority with Respect to the Common Property	
1.	Owner's Easements of Enjoyment.	
2.	Maintenance of Common Property.	
C.	Membership, Voting Rights, Officers and Meetings	
1.	Membership.	
2. 3.	Class Membership Voting. Board of Directors.	
4.	Additional Phases.	
ARTIC	CLE IV	13
COVEN	ANTS FOR ASSESSMENTS	13
A. P	roperty Owners Assessments.	14
1.	Purpose of Property Owners Assessments.	
2.	Annual POA Assessments.	
1.	Special POA Assessments.	15
B. B	oat Slip Owners Assessments	15
2.	Purpose of Boat Slip Owners Assessments.	15
3.	Annual Boat Slip Assessments.	
4.	Special Boat Slip Assessments.	
C.	Late Charges and Interest on Assessments	
1.	Late Charge.	
2. 3.	Interest	
D.	Lien for Unpaid Assessments.	
	emoval of Obstructions and Unsightly Growth, Debris, and Materials	
1.	Removal of Obstructions. (CV-1)	

2. Lien for Cost of Obstruction Removal. (CV-1)	
3. Removal of Unsightly Growth, Debris, and Materials. (CV-	
4. Lien for Cost of Growth, Debris, and Material Removal. (C	CV-1)19
F. Duty to Make Repairs	19
G. Fines for Violations.	20
ARTICLE V	20
ARCHITECTURAL CONTROL	20
A. Establishment of Architectural Review Committee. (CV-2)	20
B. Election of Committee Members	
C. Commencement of Construction. (CV-4)	21
D. Approval of Plans Prior to Construction. (CV-3)	21
E. Procedure for Plan Review. (CV-5)	
F. Responsibility for Construction.	22
G. Road Repair Bond. (CV-6)	22
ARTICLE VI	22
GENERAL USE RESTRICTIONS	22
Residential Use of Lots	23
2. Square Footage	23
3. Setback Requirements	23
4. Lot Combination & Subdivision	24
Connecting premises to roads	24
6. Road right-of-way:	
7. Start of Home Construction (CV-3)	
8. Building Type Limitation	
Home Construction Completion Window	25
a) Improvement Completion Window	25
b) Mitigating Factors	25
10. Alternate Residence Designation (CV-7)	25
a) Approval of Temporary Structure:	26
11. Water Source and Septic	26
a) Drilled Well:	26
12. Exposed Exterior Wall Material	26
13. Declarant Mobile Office	
14. Lot owner Activity Limits (CV-8, CV-9, CV-10)	27
15. Trash Storage, Containers & Burial (CV-1, CV-11)	
16. Declarant Easements	
17. Declarant Easement for Temporary Construction	28
18. Cloths lines, Sat Dishs & Mailboxes (CV-12)	
19. Storage of items (Autos, Boats, trailers, etc.) on Property	•
20. Signage (CV-13)	29

21. Tree Removal Limitations (CV-4)	29
22. Declarant Deeded Space	
23. Declarant Future Development	30
24. Limits to Scope of these Covenants	30
25. Enforcement of these Covenants	30
26. Additional Use Restrictions	30
27. Declarant Assignments	31
28. Line Item Applicability	31
ARTICLE VII	31
BOAT SLIPS	31
A. Establishment of Boat Slip Committee	31
B. Accounting of Boat Slip Assessment Funds	32
C. Designation of Boat Slips	32
D. Duke Energy Lease	32
E. Restrictions on Conveyance. (CV-14)	33
F. Rules and Regulations	
G. Failure to Pay Assessments	33
ARTICLE VIII	34
CAPTIONS, ENFORCEMENT, AND INVALIDATION	34
ARTICLE IX	34
THESE DESTRICTIONS DIN WITH THE LAND	3/

PREPARED BY AND RETURN TO: Casey W. Pope Patrick, Harper & Dixon, LLP PO Box 218 Hickory, NC 28603

STATE OF NORTH CAROLINA COUNTY OF BURKE

AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF PARADISE HARBOR SUBDIVISION PHASES 1, 2, 3, 4, 5, 6, 7, & 8 AND EAST EXTENSION PHASES 1, 2, 3, & 4

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF PARADISE HARBOR SUBDIVISION (the "Declaration") is made this 22nd day of May, 2017, by and between **Paradise Harbor, LLC**, a North Carolina limited liability company (hereinafter, the "Declarant"); and **Paradise Harbor Property Owners Association, Inc.,** a North Carolina nonprofit corporation (hereinafter, the "Association"), for itself and on behalf of each and every lot owner and member in Paradise Harbor Subdivision (hereinafter, the "Subdivision"); and any and all persons, firms, or corporations hereinafter acquiring any of the within described property or any of the property hereinafter made subject to this Declaration.

WITNESSETH:

WHEREAS, the Association and the Subdivision are governed by certain governing documents, including articles of incorporation of the Association (hereinafter, the "Original Articles"), declarations of covenants, conditions, and restrictions on record (including without limitation recorded documents found in (1) Deed Book 1379, Page 1, (2) Deed Book 1428, Page 931, (3) Deed Book 1479, Page 842, (4) Deed Book 1548, Page 785, (5) Deed Book 1803, Page

761, (6) Deed Book 1928, Page 936, (7) Deed Book 1991, Page 62, (8) Deed Book 1991, Page 75, and (9) Deed Book 2151, Page 719, all of the Burke County Registry) (hereinafter referred to, collectively or individually, as the "Original Covenants") and bylaws (hereinafter, the "Original Bylaws") (collectively, the Original Articles, Original Covenants, and Original Bylaws hereinafter referred to as the "Original Governing Documents"); and,

WHEREAS, Declarant is the original developer of the Subdivision; and,

WHEREAS, all of the parties hereto desire to amend the Original Covenants as set forth herein; and,

WHEREAS, all of the parties hereto desire to consolidate all of the Original Covenants, as amended as set forth herein, into a single set of new covenants, conditions, and restrictions for the Association and the Subdivision, hereby replacing all of the Original Covenants with a new uniform single set of governing documents as set forth herein, which shall amend and supersede the terms of the Original Covenants; and,

WHEREAS, more than sixty-seven percent (67%) of the members of the Association have voted to adopt the amended and restated Declaration as hereinafter set forth; and,

WHEREAS, the Subdivision consists of several phases, each of which is more particularly described by the following plats thereof recorded in the Burke County Registry, to which reference is hereby made for a more complete description:

```
Phase 1: Plat Book 37, Page 165-181 (superseding Plat Book 25, Page 190-214)
```

Phase 2: Plat Book 27, Page 17-27

Phase 3: Plat Book 30, Page 75

Phase 4: Plat Book 31, Page 203

Phase 5: Plat Book 33, Page 23 Phase 6: Plat Book 41, Page 170

Phase 6: Plat Book 41, Page 170 Phase 7: Plat Book 41, Page 168

Phase 8: Plat Book 44, Page 13-24

East Extension Phases

Phase 1: Plat Book 28, Page 179-195

Phase 2: Plat Book 29, Page 285-293

Phase 3: Plat Book 33, Page 289

Phase 4: Plat Book 40, Page 39-57, and Plat Book 40, Page 297

; and,

WHEREAS, the lots in the Subdivision are so situated as to comprise a neighborhood unit and it is the intent and purpose of the Declarant to convey the aforesaid lots to persons who will

erect thereon residences to be used for single family purposes, subject to the provisions hereinafter set forth; and,

WHEREAS, Declarant has agreed to establish a general plan of development as herein set out to restrict the use and occupancy of the property subject to the Declaration for the benefit and protection of the Subdivision, and each of the individual lot owners in the Subdivision and for the mutual protection, welfare and benefit of the present and future owners thereof; and,

WHEREAS, Declarant desires to provide for (1) the preservation of values of the Subdivision subject to the terms hereof, and (2) the preservation and maintenance of the Common Property and the Boat Slips established by the Original Covenants as well as in this Declaration.

NOW, THEREFORE, in accordance with the recitals which by this reference are made a substantive part hereof, Declarant declares that all of the property described in the Original Covenants (all of such real property so described and making up the Subdivision, and which is also all of that real property shown on those plats referenced in Article I, Section 18 below, hereinafter referred to as the "Property") as referenced above is made subject to the Declaration and its restrictions and shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of the Subdivision as it now exists and may hereafter be expanded, and that such easements, restrictions, covenants, and conditions shall burden and run with said Subdivision and be binding on all parties now or hereafter owning said Subdivision real property and their respective heirs, successors, and assigns, having any right, title or interest in the properties now or hereafter subjected to the terms hereof, or any part thereof, and shall inure to the benefit of each owner thereof and their respective heirs, successors, and assigns, and it is further acknowledged that the Subdivision, as is now constituted is a Planned Community subject to the terms of the Act (as hereinafter defined).

ARTICLE I

DEFINITIONS

- 1. <u>Act.</u> "Act" shall mean the North Carolina Planned Community Act, Chapter 47F of the North Carolina General Statutes.
- 2. <u>Articles</u>. "Articles" shall mean the Articles of Incorporation of the Association and any amendments thereto.

- 3. <u>Association</u>. The "Association" shall mean and refer to Paradise Harbor Property Owners Association, Inc., a non-profit North Carolina corporation, its successors and assigns.
- 4. <u>Board</u>. "Board" or "Board of Directors" shall mean the Board of Directors of the Association.
- 5. <u>Boat Slip</u>. "Boat Slip" shall mean and refer to a boat slip constructed by Declarant on Lot 204 of the Subdivision.
- 6. <u>Boat Slip Lot</u>. "Boat Slip Lot" shall mean and refer to any Lot to which an exclusive right of use of a designated, appurtenant Boat Slip has been granted in an instrument recorded in the Burke County, North Carolina Registry.
- 7. <u>Boat Slip Owner</u>. "Boat Slip Owner" shall mean and refer to any Owner of a Boat Slip Lot.
- 8. <u>Bylaws</u>. "Bylaws" shall mean the Bylaws of the Association and any replacements thereof, or amendments thereto.
- 9. <u>Committee.</u> "Committee" shall mean the Architectural Review Committee established by the Declarant for the purpose of administering control over architectural, landscaping, and related matters, as provided in Article V of this Declaration.
- 10. <u>Common Property</u>, "Common Property" shall mean all property owned by the Association for the common use and enjoyment of all or a designated classes of members. Common Property includes without limitation all existing and future roads and right-of-ways and all greenways, median strips, cul-de-sac centers, planting areas, and recreational areas, and facilities, open space, walking trails, easements, boat ramps, community boat slips, and community piers, that are developed on the Common Elements (it being understood that this enumeration is by way of description of the type of facilities that may be developed and in no way shall bind or obligate the Declarant to provide any of the described facilities) and all entry way, directional, and informational signs (and the areas set aside for their location) and any other property as may be purchased or provided for the common use and benefit of the Declarant, the Owners, and any member in the Association, including without limitation such Common Property as may be shown on the recorded plat(s) of the Property. Except by the Declarant, the Common Property shall not be used for public commercial purposes, but may be used for the enjoyment of the Association's members, and for fund-raising activities to support the purposes of the Association.

- 11. <u>Contract Buyer.</u> "Contract Buyer" shall mean any person who has a valid long term contract for the purchase of a Lot from Declarant, where pursuant to the terms of such Contract, the Buyer is making long term periodic payments to Declarant and will receive a fee simple deed for the Lot once all payments have been made in full toward the total purchase price. Every Contract Buyer shall have the rights of an Owner and Member of Association, as set forth in this Declaration, but subject to the terms herein, including the right of Declarant to revoke the rights of ownership and membership in the event of Buyer default under such Contract.
- 12. <u>Declarant.</u> "Declarant" shall mean Paradise Harbor, LLC, a North Carolina limited liability company (as original Declarant within the Original Covenants) and its successors and assigns if such successors and assigns acquire two or more undeveloped lots from the Declarant for the purpose of development and if the rights and obligations of the Declarant hereunder are expressly assigned to and assumed by such successors and assigns.
- 13. <u>Dwelling Unit.</u> "Dwelling Unit" shall mean and refer to the completed single family home located upon a Lot.
- 14. <u>Lot</u>. "Lot" shall mean and refer to any improved or unimproved building lot shown upon any recorded subdivision plat of this Subdivision.
- 15. <u>Management Documents</u>. "Management Documents" shall mean this Declaration, the Articles and Bylaws of the Association, and the Rules and Regulations.
- 16. <u>Member</u>. "Member" shall mean and refer to each owner or owners of a Lot within the Subdivision who shall also then be a member of the Association for such period of ownership. If a Lot is owned by more than one person, then such persons collectively shall be the Member and shall be entitled to vote only those voting shares allocated to such Lot.
- 17. Owner. "Owner" shall mean and refer to any contract buyer and/or the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of any of the Property made subject to this Declaration, but excluding those having such interest merely as security for the performance of an obligation; provided, however, Declarant shall not be deemed an Owner.
- 18. <u>Property</u>. "Property" shall mean and refer to that certain property shown on the plats recorded in the Plat Books and Pages listed below, and any additional property which Declarant may make a part of this Subdivision. The terms "Property" and "Subdivision" are interchangeable.
 - Phase 1: Plat Book 37, Page 165-181 (superseding Plat Book 25, Page 190-214)

Phase 2: Plat Book 27, Page 17-27
Phase 3: Plat Book 30, Page 75
Phase 4: Plat Book 31, Page 203
Phase 5: Plat Book 33, Page 23
Phase 6: Plat Book 41, Page 170
Phase 7: Plat Book 41, Page 168
Phase 8: Plat Book 44, Page 13-24

East Extension Phases

Phase 1: Plat Book 28, Page 179-195 Phase 2: Plat Book 29, Page 285-293 Phase 3: Plat Book 33, Page 289

Phase 4: Plat Book 40, Page 39-57, and Plat Book 40, Page 297

- 19. <u>Rules and Regulations.</u> "Rules and Regulations" shall mean reasonable rules and regulations as may be adopted from time to time by the Association.
- 20. <u>Special Declarant Right</u>, "Special Declarant Rights" or "Declarant's Rights" shall mean rights reserved for the benefit of the Declarant, including without limitation the Special Declarant Rights allowed to the Declarant under Section 47F-1-103 (28) of the Act, but shall not include the right to elect, appoint, or remove any officer or member of the Board of Directors of the Association during the period of Declarant control. All such Special Declarant Rights, as authorized by the Act, are reserved to the Declarant.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

A. Existing Property.

The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to the terms of this Declaration, irrespective of whether there may be additions thereto as hereinafter provided, is located in Burke County, North Carolina, and is shown on the Plats referenced in Article I, Section 18, above, and any amendments made thereto.

B. Additions to Existing Property.

Additional property may be brought within the scheme of this Declaration and the jurisdiction of the Association in accordance with the following:

- 1. Declarant reserves the right to subject to this Declaration other contiguous property that it owns or may acquire, which may be developed into tracts and roadways and may later be made a part of the Subdivision. Declarant shall have and hereby reserves the right an option, from time to time and for so long as the Declarant owns any contiguous property, to subdivide all or any portion of the same into additional tracts by the filing of a plat designating such tracts on the records of Burke County, North Carolina, and upon any such filing the number of tracts located on the property shall be increased to include such additional tracts.
- 2. Additional residential property and common area, consisting of not more than five hundred (500) acres, outside of the area may be annexed to the properties and brought within the scheme of this Declaration and the jurisdiction of the Association in future stages of development without the consent of the Association or its members, provided, however, that said annexations, if any, must occur by September 30, 2024.
- 3. The additions authorized under subsections 1. and 2. shall be made by filing of record with the Burke County Registry, Supplementary Declarations of Covenants, Conditions, and Restrictions of the Subdivision, describing the additional real properties which have extended to it the scheme of development of this Declaration and its restrictions and the jurisdiction of the Association , and shall thereafter subject such additional real properties (and each Lot created thereby) to assessments for a share of the Association's expenses as determined hereby. Said Supplementary Declarations may contain such complementary additions and modifications to this Declaration as may be deemed reasonably necessary.

ARTICLE III

RIGHTS AND DUTIES OF THE ASSOCIATION

A. Governing Body.

The Association shall be the governing body for all Owners with respect to the management, administration, maintenance, repair, and replacement of the Common Property. Subject to the provisions of this Declaration and unless expressly prohibited herein, the Association shall have all of the rights, powers, and authority allowed or allowable to it under the Act. The Association shall be governed by a Board of Directors which can act in all instances on behalf of the Association unless the Bylaws or the Act specifically provide otherwise.

B. Association's Authority with Respect to the Common Property.

1. Owner's Easements of Enjoyment.

The Declarant and, to the extent provided by this Declaration, every Owner, shall have a right and easement of ingress, egress, and regress over the Common Property and over the roads within the Property, to be used in common with others, for the purpose of providing access to lot(s) owned or dwelling unit(s) owned by each such Owner for himself, his family, agents, licensees and invitees, and for his and their non-exclusive use and enjoyment of the Common Property, subject however to the limitations on such use and enjoyment of the Common Property as provided for in this Declaration. Every Owner, and the members of such Owner's family that reside with such Owner or the overnight guests of such Owner, shall have the right to use the recreational areas within the Common Property, subject however to such Owner paying when due the dues and assessments of the Association and abiding by all rules and regulations of the Association, including without limitation those governing the use of the recreational areas and the Common Property. Non-Owners shall only be entitled to use the recreational areas on such terms and conditions as the Association may select.

2. Maintenance of Common Property.

The Association shall be responsible for the operation, maintenance, and repair of the Common Property.

a) Rules and Regulations.

The Association shall have the right to adopt, publish, and enforce reasonable Rules and Regulations governing the Property, the use and enjoyment of the Common Property, and the personal conduct thereon of the Owners, their guests, invitees, tenants, and members of their families or households.

C. Membership, Voting Rights, Officers and Meetings.

1. Membership.

Every Owner of a Lot which is subject to this Declaration shall be a Member of the Association. Membership is appurtenant to a Lot and may not be assigned. If and when Declarant develops additional phases in the Subdivision, the Owners of those Lots shall be Members of the Association. The Declarant shall also be a Member so long as it owns property within this expandable Subdivision.

2. Class Membership Voting.

The Association shall have two (2) classes of membership:

a. <u>Class A</u>.

Class A members shall consist of all Owners of Lots that are not Boat Slip Lots and shall be entitled to one vote for each Lot owned. When more than one (1) person owns an interest in a Lot, all such persons shall be members but the vote for such Lot shall be exercised as they, among themselves, shall determine in writing, which writing shall be filed with the Secretary of the meeting prior to voting, but in no event shall more than one (1) vote be cast with respect to any Lot.

b. Class B.

Class B members shall consist of all Owners of Boat Slip Lots and shall be entitled to one vote for each Boat Slip Lot owned. When more than one (1) person owns an interest in a Boat Slip Lot, all such persons shall be members but the vote for such Boat Slip Lot shall be exercised as they, among themselves, shall determine in writing, which writing shall be filed with the Secretary of the meeting prior to

voting, but in no event shall more than one (1) vote be cast with respect to any Boat Slip Lot.

3. Board of Directors.

There shall be five (5) members of the Board of Directors of the Association who shall serve until such time as their successors are duly elected and agree to serve. The Directors shall have annual meetings and other such meetings as may be called at the request of the President of the Association or by any three (3) Directors. All Directors who have been elected by the membership of the Association during Annual Meetings prior to the recording of this Declaration are hereby recognized as duly elected Directors of the Association.

a) Suspension of Voting Rights.

The Association shall have the right, subject to the procedural requirements of the Act, to:

- a. Suspend the voting rights (if any) of an Owner for any period during which the annual POA Assessment and/or Boat Slip Assessment on his Lot remains unpaid, and to enforce collection of the same; and,
- b. Suspend the voting rights (if any) of each Owner who is a Contract Buyer for any period of time during which payments to the Declarant pursuant to the terms of said contract are delinquent, during which period of time the Declarant shall succeed to the voting rights of said Contract Buyer.

4. Additional Phases.

Declarant reserves the right (but is not obligated) to develop one or more additional phases of the Subdivision and incorporate the same within the provisions of this Declaration pursuant to Article II, Section B., above.

ARTICLE IV

COVENANTS FOR ASSESSMENTS

A. Property Owners Assessments.

1. Purpose of Property Owners Assessments.

The Association shall have the duty to repair, replace, and maintain all recreational areas and improvements located thereon, and all streets, roads, road right-of-ways and other Common Property. The Association shall have the right, from time to time, to establish a reasonable assessment chargeable against all Lots (including Boat Slip Lots), which shall be used to pay: (1) the operating and administrative expenses of the Association; (2) the costs of maintenance, upkeep, replacement, and repair of all recreational areas and improvements located thereon, and all streets, roads, road right-of-ways, and other Common Property; and (3) other expenses necessary or useful to maintain and operate the Association and the recreational facilities and Common Property, including, without limitation, the procuring, maintenance and paying the costs of insurance related to the Common Property and of surety and other bonds related to the management of the Common Property and the Association (such assessment shall be referred to herein as the "POA Assessment").

- a. It is understood, by way of example and without limitation, that the POA Assessment funds shall be used for such matters concerning Common Property as the following: maintenance, repair, and replacement of improvements within the recreational areas, the seeding and reseeding of road right-of-ways and Common Areas, erosion control, repairing of road shoulders, surfacing, patching and resurfacing of parking lot and road pavement, placement of gravel, and planting and maintenance of shrubs, trees, and seasonal flowers.
- b. The POA Assessment funds may also be used by the Association for the purpose of adding to the recreational facilities.

2. Annual POA Assessments.

The annual POA Assessment payable by each Owner shall be \$500.00 per Lot per calendar year. The annual POA Assessment shall be due and payable on January 31 of each year, provided the Board of Directors may elect to permit payment in such installments and at such times as it shall determine.

- a. The POA Assessment shall be deferred as to any Lot purchased by a builder with the intent to build a house for resale to the public at large. The POA Assessment will be payable as to any Lot purchased by a builder for the purpose of building a custom home under contract with the ultimate residents. The POA Assessment will be prorated on a calendar year basis from the date title to each Lot for which an POA Assessment is payable is transferred to the Owner.
- b. The annual POA Assessment may be increased or decreased by the Board of Directors of the Association without a vote of the membership to any amount not more than twenty percent (20%) in excess of the annual POA Assessment for the previous year. A majority vote of each class of voting members of the Association must approve an increase or decrease in the annual POA Assessment if such increase or decrease exceeds the POA Assessment amount for the previous year by more than twenty percent (20%).
- c. Annually, the Board of Directors shall have determined and shall have given written notice to each Owner of the annual POA Assessment affixed against each Owner's Lot for the immediately succeeding calendar year.

1. Special POA Assessments.

In addition to the POA Assessments specified herein, the Association may levy special POA assessments for the purpose of supplementing the annual POA Assessments if the same are inadequate to pay the reasonable maintenance expense and operating costs of the Association, provided that any such special POA assessments shall be consented to by a majority of each class of the voting members of the Association at a duly called meeting.

B. Boat Slip Owners Assessments.

2. Purpose of Boat Slip Owners Assessments.

The Association shall have the duty to repair, replace, and maintain the Boat Slips. The Association shall have the right, from time to time, to establish a reasonable assessment chargeable only against the Boat Slip Lots, which shall be used to pay: (1) the costs of maintenance, upkeep, replacement, and repair of the Boat Slips; (2) the annual rental payment to Duke Energy; and (3) other expenses necessary or useful to maintain and operate the Boat Slips, including, without limitation, the procuring, maintenance and paying the costs of insurance related to the Boat Slips and of surety and other bonds related

to the management of the Boat Slips (such assessment shall be referred to herein as the "Boat Slip Assessment").

3. Annual Boat Slip Assessments.

The annual Boat Slip Assessment payable by each Boat Slip Owner shall be \$250.00 per Boat Slip Lot per calendar year, which shall be in addition to the annual POA Assessment attributable to said Boat Slip Lot. The annual Boat Slip Assessment shall be due and payable on January 31 of each year, provided the Board of Directors may elect to permit payment in such installments and at such times as it shall determine.

- a. The annual Boat Slip Assessment may be increased or decreased by the Board of Directors of the Association without a vote of the Class B membership to any amount not more than twenty percent (20%) in excess of the annual Boat Slip Assessment for the previous year. A majority vote of the Class B membership of the Association must approve an increase or decrease in the annual Boat Slip Assessment if such increase or decrease exceeds the Boat Slip Assessment amount for the previous year by more than twenty percent (20%).
- b. Annually, the Board of Directors shall have determined and shall have given written notice to each Boat Slip Owner of the annual Boat Slip Assessment affixed against each Boat Slip Owner's Boat Slip for the immediately succeeding calendar year.

4. Special Boat Slip Assessments.

In addition to the Boat Slip Assessments specified herein, the Association may levy special Boat Slip Assessments against the Boat Slip Owners for the purpose of supplementing the annual Boat Slip Assessments if the same are inadequate to pay the reasonable maintenance expense and operating costs of the Boat Slips as described in Section B.1. hereof, provided that any such special Boat Slip Assessments shall be consented to by a majority of the Class B membership of the Association at a duly called meeting.

C. Late Charges and Interest on Assessments.

Any assessment not paid within thirty (30) days after the due date shall be subject to such late charges and shall bear interest at a rate per annum as shall be determined by the Board of Directors of the Association, which interest rate shall not exceed the highest rate of interest allowed by law.

1. Late Charge.

The initial late charge imposed for late payment of any assessment is \$25.00 and shall be charged as to any assessment that is not paid within 30 days of its due date.

2. Interest.

The initial interest rate for late payment is 18% per year (1.5% per month) which shall commence to accrue on any assessment or other account balance that is not paid within thirty (30) days of the date due.

3. Changes by Board of Directors.

The Board of Directors may, consistent with the requirements of the Act, change the initial late charge, interest rate, due dates and lien assessment date by majority vote of the Board of Directors.

D. Lien for Unpaid Assessments.

- 1. In the event the Owner of any Lot fails and refuses, after demand by the Association, to pay any annual or special assessments, then the Association shall have a lien against said Lot and may enforce collection of said assessment in law or in equity, including without limitation, the filing of a notice of lien and perfecting the same as by law provided to the end that such unpaid assessment together with the costs and expenses of collection, including without limitation, reasonable attorneys' fees, shall be a charge and lien against the Owner's Lot. When a claim of lien is filed of record in the Office of the Clerk of Superior Court of Burke County, the Association may foreclose the claim of lien in like manner as a mortgage on real estate under power of sale under Article 2A of Chapter 45 of the North Carolina General Statutes. Fees, charges, late charges, fines and other charges are enforceable as assessments under this section.
- 2. To secure the payment of the annual and special assessments levied by the Association, together with the cost of collection including attorney's fees, all such charges shall be a continuing lien upon the Lot against which the assessments are made. Such charges shall also be the personal obligation of the person(s) who were the owner or owners of such Lot at the time the assessment came due. Their personal obligation shall remain a lien upon the Lot upon transfer of

title but shall not become the personal obligation of the purchasers thereof unless expressly assumed by them.

- 3. Neither the assessments nor the costs of collection shall be a lien upon any Common Property, nor shall the lien upon any Lot for such charges be senior to any first lien mortgage or first lien deed of trust regardless of the fact the lien arose prior to the date and time of recording of any such first lien mortgage or deed of trust.
 - E. Removal of Obstructions and Unsightly Growth, Debris, and Materials.

1. Removal of Obstructions. (CV-1)

The Association may remove any obstructions of any nature located within road right-ofways or other Common Property or the Boat Slips (including but not limited to trees, shrubs and mailboxes) which, in the opinion of the Association, either might produce a hazard or might interfere with the ability or willingness of the State of North Carolina (or agency or department thereof) to take over the responsibility for maintenance of the roads.

2. Lien for Cost of Obstruction Removal. (CV-1)

The Association shall have the right, in its sole discretion, to charge back the actual cost to it of removing obstructions against the Owner who directly, or through his agents, contractors or invitees caused or permitted an obstruction to be placed in any road right-of-way or other Common Property or the Boat Slips, and such Owner shall indemnify and save the Association harmless from all liability, claims, damages and expense imposed upon the Association, at law or in equity, caused by or resulting from the placement of any such obstruction in the road right-of-ways or other Common Property or the Boat Slips. In the event the Owner responsible for such charge or liability as aforesaid fails and refuses after demand by the Association to pay said charge or liability, then the Association shall have a lien against such Owner's Lot in accordance with the provisions of the Act, and may enforce collection of the charge or liability, together with reasonable attorneys' fees, by any and all remedies afforded by law or in equity, including without limitation, the filing of a notice of lien and perfecting the same as by law provided, to the end that such charge or liability shall become a charge against the Owner's Lot and Dwelling Unit.

3. Removal of Unsightly Growth, Debris, and Materials. (CV-1)

If the Association, in its sole discretion, determines that any Lot has become unsightly due to grass or weeds that have not been mown, or due to debris of any nature having accumulated on the Lot, then the Association shall have the right from time to time to enter the Lot for the purpose of mowing the grass or removing the debris, At least ten (10) days prior to entering a Lot for said purpose, the Association shall advise the Owner by letter, sent to his last known address, of the action to be taken if the Owner does not remedy the problem within the ten (10) day period. The Association shall take reasonable steps to avoid damage to any trees planted on such Lot, to the extent that the Association has been put on written notice in advance by the Owner of the approximate location on a chart or map of such Lot showing the location of planted trees to be avoided.

4. Lien for Cost of Growth, Debris, and Material Removal. (CV-1)

The Association shall have the right in its sole discretion, to charge back the actual cost of mowing the grass or removing the debris against the Owner. In the event the Owner responsible for such charge or liability as aforesaid fails and refuses after demand by the Association to pay said charge or liability, then the Association shall have a lien against the Owner's Lot and may enforce collection of the charge or liability, together with reasonable attorneys' fees, by all remedies afforded by law or in equity, including without limitation, the filing of a notice of lien and perfecting the same as by law, provided to the end that such charge or liability shall become a charge against the Owner's Lot and Dwelling Unit.

F. Duty to Make Repairs.

- 1. Until accepted for maintenance by governmental authority, the obligation for the repairs, maintenance and improvements of the roads as shown on the aforesaid plat(s) or any other Common Property or the Boat Slips shall be the responsibility of the Association, with the Owner of each Lot, except as provided herein, being responsible for payment of the assessments levied by the Association, which assessments shall be the personal obligation of the Owner of each Lot.
- 2. The decision to expend Association funds to repair and maintain the roads or other Common Property or the Boat Slips shall be made by a majority of the Board of Directors of the Association. By such vote, the Board may delegate such authority to any committee of the Board.

No Owner may waive or otherwise avoid liability for the assessments provided for herein by non-use or abandonment of his Lot and/or Boat Slip.

3. Notwithstanding the foregoing, each Owner of a Lot shall be solely responsible for any repairs to a road right-of-way or other Common Property or the Boat Slips caused by the negligent act or acts of said Owner, his or her invitees, agents, licensees, or guests. For these purposes it shall be a negligent act for any building material to be unloaded on any road or road right-of-way.

G. Fines for Violations.

After notice and an opportunity to be heard, the Association may impose reasonable fines or suspend privileges or services provided by the Association (except right of access to lots) for reasonable periods for violations of the Declaration and its restrictions, the Bylaws, and the Rules and Regulations of the Association, including home construction guidelines.

ARTICLE V

ARCHITECTURAL CONTROL

A. Establishment of Architectural Review Committee. (CV-2)

In order to control design and location of the house and other improvements to be constructed, erected, placed or installed (hereinafter "Improvements") upon the lots in the Subdivision, the Declarant hereby creates an Architectural Review Committee (hereinafter "Committee") for the purpose of reviewing, approving, suggesting changes to and rejecting plans and specification for such Improvements (regardless of when such Improvements are made), and the landscaping of each Lot. This Committee is also created for the purpose of reviewing, approving, suggesting changes to, and rejection swimming pools, out buildings boat houses, ramps, piers, driveways, enclosures for satellite dishes, and if Declarant so desires, for mailbox design. This Committee will be responsible for the control of size, color, materials, and content of rental and sales signs in this Subdivision, and for the approval or disapproval of boats, boat trailers, travel trailers, motor homes, tractor trailer trucks or any other such vehicle that are kept or maintained or located upon any Lot unless located within enclosed garages. The Committee will also be responsible for the control of temporary construction shelters or vehicles in this Subdivision. The committee will require a fee of \$250.00 to review house plans

for each Owner wishing to build. The review process may be subcontracted out at the discretion of the Committee.

B. Election of Committee Members.

The Committee shall consist of three (3) persons elected by a majority vote of the Board of Directors, provided, however, Declarant, its successors or assign, shall be entitled to at least one Committee member until all of its Lots in this Subdivision have been sold.

C. Commencement of Construction. (CV-4)

Except within the building site (unless within 20' of the main dwelling), no trees of any kind in excess of six (6) inches in diameter at ground level may be removed from any Lot without prior approval of the Committee. No building, fence, wall, outbuilding, or any other accessory feature to the dwelling or any other structure upon any Lot shall be commenced, erected, placed, maintained, or altered on any Lot of combination of contiguous Lots until the Complete Construction Plans (hereinafter "Plans") are approved in writing by the Committee or its designated agents. For more detailed explanations refer to Lake Rhodhiss Shoreline Protection Ordinance.

D. Approval of Plans Prior to Construction. (CV-3)

Before any clearing, grading or construction of any nature begins on any Lot, written approval in advance must be obtained from the Committee. The Plans include the complete construction plans, the plot plan (showing proposed location and elevation of such building fences, walks, drives, parking area, etc.), proposed building plans and specifications, exterior color, finish, and materials. The areas over which the approval shall be required shall include but shall not be limited to the size and plan of the principal residential structure, and all accessory buildings, structures and improvements on the Lot, the location of the well, septic and repair area, the size and plan of the garage, location and manner of construction of each driveway, swimming pool, utility building, patio, tennis court, and other improvements for athletic, recreational, or gymnastic purposes, and all other exterior improvements, the composition and color of raw and finished materials used on the exterior of all structures and the location and type of any landscaping, shrubbery, and other plantings.

E. Procedure for Plan Review. (CV-5)

The Committee or its designated agents shall have ten (10) days after physical receipt of the Plans to accept or reject the same in whole or in part. If no response by the Committee has been made in writing within said 10 days, the Plans shall be deemed to be approved as submitted. After the Plans are approved and after the Committee gives written permission for construction to begin, the actual construction shall be commenced and completed in accordance with the approved Plans, together with the requirements of this Declaration. The Committee shall have the right to waive setback violations when the remedial costs of the correcting such violation, in the Committee's opinion, would impose undue hardship upon the violator.

F. Responsibility for Construction.

The actual construction shall be the responsibility of the Owner of the Lot and his builder. Any permission granted for construction under this covenant and any designation of approved licensed contractors shall not constitute or be construed as an approval, warranty or guaranty, expressed or implied, by the Declarant or the Committee or its designated agent of the structural stability, design or quality of any building or other improvement or of the contractor who constructs such buildings or other improvements.

G. Road Repair Bond. (CV-6)

Before any clearing, grading or construction begins, a \$1,000.00 refundable road repair bond must be posted with the Association. If the road shoulders and road have not been damaged during construction, the bond will be refunded. The property Owner is responsible for placing and maintaining a stone driveway to facilitate the delivery and distribution of building materials at a centralized staging area on the subject Lot. This driveway is to be used before and during construction and after completion of construction, an Association representative will inspect the roads and road shoulders near and in front of the subject Lot. The owner (or builder) will be responsible for any necessary repairs.

ARTICLE VI

GENERAL USE RESTRICTIONS

Declarant does hereby covenant and agree with all persons, firms, or corporations hereafter acquiring title to any portion of the Property, that the Property shown on the recorded plats referred to herein, all Property presently owned as part of the Subdivision, and all property which may be acquired in the future to be made a part of the Subdivision, is hereby subject to the following restrictions as to the use thereof and do agree, publish and declare that the deeds hereinafter made by it to purchasers of the Property shall be made subject to the Declaration and to the following restrictions (hereinafter, the "Restrictions"):

1. Residential Use of Lots

Except as otherwise provided in these Restrictions, the Lots shall be used for residential purposes only, and no structures shall be erected, placed, altered or permitted to remain on any Lot other than one detached, single-family dwelling and related structures incidental to the residential use of the Lot, such as garages and boat houses, which otherwise comply with these Restrictions, except that Declarant reserves the exclusive right to construct a roadway over any Lot owned by it in order to grant access to other property acquired by Declarant and in such cases the remainder of any such Lot not used for the roadway shall still be subject to these Restrictions.

2. Square Footage

Each single-family dwelling shall have an enclosed, heated living area (exclusive of open porches, garages and other unheated spaces) of:

- a. not less than 1700 square feet on one level and
- b. 1900 square feet on a story and a half and
- c. 2100 square feet on a two story.

Before any clearing, grading or construction of any nature begins on any Lot, the design, location, and construction of all improvements of each Lot (regardless of when such improvements are made) and the landscaping of each Lot must be approved in writing in advance by the Architectural Review Committee, hereinafter referred to as the "Committee", which Committee is established pursuant to this Declaration.

3. Setback Requirements

All improvements to the Lot must comply with setback requirements of Burke County and any other regulatory agencies, any requirements of the Association or Architectural Review Committee rules, regulations or Home Construction Guidelines as well as those set out in the recorded plats.

4. Lot Combination & Subdivision

More than one Lot (as shown on said plats or portions thereof) may be combined to form one or more Lots by or with the written consent of Declarant, its successors and assigns. No one Lot may be subdivided by sale or otherwise, except by (or the written consent of) Declarant, its successors and assigns. Upon combination or subdivision of Lots, the building line requirements prescribed herein shall apply and the easements reserved herein shall be applicable to the rear, side, and front lot lines of such lot as combined or subdivided. The resulting building site and structures erected thereon must otherwise comply with these Restrictions and the new property line of the resulting building site used to compute the setback lines as set forth herein.

5. Connecting premises to roads

All connections of private driveways to the Subdivision's road system, and all connections of the private easements and right-of-ways to that road system shall be constructed and maintained in accordance with the rules, regulations and specifications as approved by the Architectural Review Committee and all requirements of North Carolina Department of Transportation.

6. Road right-of-way:

There shall be no signs, fencing or parking permitted within the road right-of-way.

7. Start of Home Construction (CV-3)

No building, fence, wall, pool, outbuilding, driveway or any other accessory feature to the dwelling or any other structure upon any Lot shall be commenced, erected, placed, maintained or altered on any Lot or combination of contiguous Lots until the Complete Construction Plans (hereinafter "Plans") are approved in writing in advance by the Committee or its designated agents. The Committees' refusal or approval of plans may be based upon purely aesthetic considerations, which in its sole discretion the Committee shall deem sufficient, but approval shall not be unreasonably withheld. Two (2) copies of all Plans and related data shall be furnished to the Committee for its records. If no action is taken by the Committee within ten (10) days after the Plans are submitted to it, the Owner may proceed to build without approval.

8. Building Type Limitation

Construction of new residential buildings only shall be permitted, it being the intent of this covenant to prohibit the moving of any existing building or portion thereof on a lot and remodeling or converting the same into a dwelling unit in this Subdivision, excepting however, Declarant's mobile offices provided herein below.

9. Home Construction Completion Window

With the exception of construction which is interrupted or delayed due to physical damage to the work in progress (such as damage due to fire, lightening, windstorm, hail, not or civil commotion, explosion or theft) any dwelling constructed upon a Lot must be completed within one (1) year subsequent to commencement of construction, except:

- with written consent of Declarant, its successors and assigns, or
- if Declarant so designates, by the Committee.

a) Improvement Completion Window

The normal completion time for outbuildings or other improvements shall be presumed to be four (4) months from the issue date of the building permit.

b) Mitigating Factors

In the event that completion of the dwelling, outbuilding or other improvements on any Lot is not completed within one year, and it is determined that construction progress had diminished to such an extent that completion of the dwelling, outbuilding or other improvements is unlikely within 120 days, the Association will be advised of this determination. The Association shall then have the right to give notice to the Owner that the Owner has the obligation, within 30 days, to complete the removal of all of the construction work in progress, including without limitation, the foundation and all building improvements and all stored building materials, and fill and grade the Lot so that it is restored to its natural grade level, and the Association shall have the right to undertake this work upon Owner's failure to do so and charge the cost to the Owner and place a lien upon the Lot upon Owner's failure to pay these charges.

10. Alternate Residence Designation (CV-7)

No trailer, truck, van, mobile home, motor home, tent, camper, barn, garage or other outbuilding or temporary structure parked or erected on Lots in this Subdivision 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; provided, however, that this prohibition shall not apply to shelters used by the contractors during the construction of the main dwelling house, it being clearly understood that these temporary shelters will not be permitted to remain on any Lot after completion of construction.

a) Approval of Temporary Structure:

The Committee shall have the right to approve or disapprove these temporary shelters or vehicles. The Committee, upon approval of a temporary construction shelter or vehicle, will issue a letter stating the length of time such shelter will be allowed to remain upon such Lot and where such shelter is to be located upon such Lot.

11. Water Source and Septic

All homes constructed in the Subdivision will be supplied with water for normal domestic use from individual privately drilled wells, or must be from a public utility company, if available.

a) Drilled Well:

If drilling a well, each individual Owner shall locate the well drilled on such Owner's Lot so as to comply with all the governmental regulations regulating the minimum distance between such well and septic fields proposed or approved for Owner's Lot and all Lots adjoining such Owner's Lots. Before drilling a well, each Owner must submit a site plan locating the proposed building site, drainage and repair septic field and well site.

12. Exposed Exterior Wall Material

Exposed exterior wall composed of the following materials shall be prohibited from the Subdivision: concrete block, imitation asphalt black siding, imitation asphalt stone siding, and tar paper.

13. Declarant Mobile Office

Declarant shall be permitted to erect one mobile office on any lot that it owns for the purpose of maintaining a sales information center and construction office.

14. Lot owner Activity Limits (CV-8, CV-9, CV-10)

No noxious or offensive trade or activity shall be earned on upon any Lot, nor shall anything be done thereon, which may become an annoyance or nuisance to the neighborhood.

- a. No animals, reptiles or poultry of any kind, except dogs and cats and other indoor household pets may be kept on any Lot except:
- b. horses may be pastured on Lots larger than three (3) acres and the rate of one (1) horse per cleared acre, and fencing must be constructed of white vinyl fencing only and there is a 20 foot easement from rear of the property line.
- c. Each Owner qualifying to pasture horses on their subject property shall be allowed to erect a barn not exceeding four (4) stalls to house their horses subject to any applicable government regulations.
- d. Each Owner must see to it that all of the Owner's dogs are kept on the Owner's property unless leashed.
- e. No dogs shall be permitted to roam the property and the Association may have strays and dogs that are not leashed and are found off their Owner's lot picked up by government authorities.
- f. The throwing or dumping of trash, garbage and waste materials shall not be permitted.
- g. The interferences of any stream or future waterways so as to cause pollution or stagnation in the waterways is prohibited.
- h. There shall be no excavation which does not pertain to the building or construction of a home.
- i. Bottled gas containers and oil tanks shall be screened from public view.
- j. There shall be no above-ground swimming pools, unless approved by the Committee.

15. Trash Storage, Containers & Burial (CV-1, CV-11)

No portion or part of any Lot shall be used or maintained as a dumping ground for rubbish or other refuse.

- a. Trash, garbage or other waste shall not be kept except in sanitary containers screened from view of all roads, all other lots, and from the Common Property provided that the
- b. Declarant, prior to the sale of such Lot, may use portions of such Lot as a burial pit in accordance with government regulations.

16. Declarant Easements

In addition to the easements that are shown on the recorded plats of the Subdivision:

- a. easements ten (10) feet in width along the lot lines of all Lots are reserved by Declarant for installation, repair, replacement, and maintenance of utilities, including the right to keep said easements free and clear from all obstructions.
- b. An easement of twenty (20) feet is reserved for such purposes along the rear lines of all Lots that do not adjoin other Lots or properties within the Subdivision. As between the easements reserved by these Restrictions and the easements that are located to the same areas as shown on the record plats, the easements that are greater in width shall be the easements that are in effect.

17. Declarant Easement for Temporary Construction

Declarant reserves a temporary construction easement of twenty five (25) feet in width along both sides and running parallel to streets or roads, which easements shall expire eighteen (18) months after the particular road construction commences, or upon the acceptance of such streets or roads for maintenance by government authority.

18. Cloths lines, Sat Dishs & Mailboxes (CV-12)

No outside clothes lines shall be permitted.

- a. No satellite dishes shall be permitted unless concealed from view from all lots and open spaces. The design of such enclosures must be approved prior to erection by the Committee.
- b. Mailboxes shall be of a design, color and choice of materials as designated by the Declarant or if the Declarant so designates, by the Committee, and may not violate North Carolina Department of Transportation standards.

19. Storage of items (Autos, Boats, trailers, etc.) on Property (CV-2)

There shall be no junk automobiles,

- a. junk of any sort,
- b. unserviceable vehicles, or salvage vehicles stored or placed or allowed to remain on or in any portion of this Subdivision.
- c. Unless located within enclosed garages,
 - i. no large boat and/or boat trailer (over 28 feet in length),
 - ii. travel trailer,
 - iii. motor home,
 - iv. tractor trailer truck,

- v. or any other such vehicle shall be kept or maintained or located upon any Lot unless and except with prior approval of the Committee.
- d. Other boats and/or boat trailers (less than 28 feet in length) must be stored behind the building setback line.
- e. No vehicles that are disabled or under repair shall be kept upon any Lot unless located within enclosed garages.
- f. Unlicensed automobiles, including antique cars, if present must be stored out of sight in a garage.
- g. Large trucks shall not be parked on a regular basis within this Subdivision.
- h. No Lot shall be used for storage of building materials prior to the issuance of the building permit for the Primary Residence.
- i. Large truck shall be defined as any non-passenger vehicle larger than a pick-up truck.

20. Signage (CV-13)

No billboards or signs of any description shall be displayed upon any Lot.

- a. The Declarant reserves the right to place and maintain appropriate development signs at the entrance to this Subdivision.
- b. Declarant also reserves the right to erect and maintain signs designating streets, speed limits, traffic warnings, boat storage facility, recreation areas, and any other sign that will aid in the development of the Subdivision.

21. Tree Removal Limitations (CV-4)

Except within the building site or within 20 feet of the main dwelling, no trees of any kind in excess of 6 inches in diameter at ground level may be removed from any Lot without prior approval of the Committee.

22. Declarant Deeded Space

Declarant or its successors and assigns, will deed a lot or right of way to the Association which will provide access for Lot Owners to a proposed community pier, or other amenities which will be constructed by the Declarant and maintained by the Association.

a. Notwithstanding anything herein to the contrary, Declarant will also deed to the Association at least one (1) acre for dedicated dry boat storage, or for any other use and maintenance.

b. Declarant will, if permitted by Burke County, provide a security gate across the entrance road to the Subdivision to be maintained by the Association. Other amenities provided by Declarant and deeded to the Association will be maintained by the Association.

23. Declarant Future Development

As provided for herein, it is understood that Declarant, its successors and assigns, may develop subdivide or sell additional tracts or parcels of land. Declarant reserves the right for its successors or assigns to connect such additional property to this Subdivision and to grant easements to use the roads and community access to all Paradise Harbor Phases and recreational areas of this Subdivision.

24. Limits to Scope of these Covenants

Nothing herein contained shall be construed as imposing any covenants and restrictions on any property of the Owners of this Subdivision other than the Property that is subjected to these Restrictions and this Declaration.

25. Enforcement of these Covenants

Enforcement of these Restrictions may be at law or in equity against any person or persons violating or attempting to violate any covenant, condition or restriction herein contained. In the event of enforcement of these Restrictions at law or in equity and a violation including without limitation reasonable attorneys' fees.

26. Additional Use Restrictions

The Declarant and purchasers of Lots in Paradise Harbor Phases to the Subdivision understand that the vesting of rights relating to the proposed piers, docks, boat access ramps, floats, boathouses or disturbances of the shoreline buffer is subject to the terms and conditions set out by Duke Power Company or its assigns. Permits must be obtained from Duke Power. Buildings or construction permits are required from Burke County for the construction of homes and waste water systems. Note: There is a flood easement up to 1005 Foot contour. There may be no dredging or sea wall construction within the impact minimization zones shown on the recorded plats.

27. Declarant Assignments

Declarant reserves the right to assign its rights to a successor who also assumes the Declarant's responsibilities.

28. Line Item Applicability

Judicial invalidation of one or more of the provision hereof shall not adversely affect the remainder hereof which shall remain in full force and effect.

ARTICLE VII

BOAT SLIPS

A. Establishment of Boat Slip Committee.

In order to preserve, enhance and maintain the Boat Slips and access thereto (hereinafter, the "Boat Slip Area"), the Association hereby creates a Boat Slip Committee. The Boat Slip Committee shall be composed of a Chairman and no less than two (2) and no more than four (4) additional members, each of whom shall be a Boat Slip Owner and shall be elected by a majority vote of the Board of Directors.

- 1. The Boat Slip Committee is charged with the responsibility of managing the Boat Slip Area subject to the approval of the Board of Directors of the Association, such approval not to be unreasonably withheld.
- 2. The Boat Slip Committee shall regularly report to the Board of Directors regarding the status and condition of the Boat Slip Area, and shall recommend any action it deems necessary to properly maintain and improve said Boat Slip Area.

- 3. The Boat Slip Committee will also recommend the amount of the annual Boat Slip Assessment required of each Boat Slip Owner, which assessment is generally for the purpose of proper maintenance and repair of the Boat Slip Area.
- 4. The recommendations of the Boat Slip Committee are advisory in nature and are subject to the approval of the Board of Directors.

B. Accounting of Boat Slip Assessment Funds.

Boat Slip Assessment funds shall be held in a separate bank account from the Association general account and shall be called the Boat Slip Account. All expenditures for the Boat Slip Area shall be drawn from this account and the Treasurer of the Board shall separately account and report to the Board of Directors the financial status of this account.

C. Designation of Boat Slips.

Each Boat Slip Owner has been granted an exclusive right to use a particular Boat Slip in a recorded instrument that designates said Boat Slip as an appurtenance to the Boat Slip Owner's individual Lot. The Lot to which a Boat Slip is designated as an appurtenance shall thereafter be a Boat Slip Lot subject to the provisions of this Declaration. Such recorded instrument shall operate to grant the Boat Slip Owner the exclusive right and license to use the designated Boat Slip. The creation of a Boat Slip Lot shall be conclusively deemed to establish a valid sublease of the Boat Slip from the Declarant or Association to the Boat Slip Owner for so long as such Boat Slip Owner's Lot shall remain a Boat Slip Lot. Once designated in such recorded instrument, the exclusive right to use the designated Boat Slip shall not be separated from the ownership of the Boat Slip Lot to which it is appurtenant and shall run with the title of such Boat Slip Lot until the right to use the designated Boat Slip is conveyed by written, recorded instrument as provided herein. Any deed, deed of trust, mortgage, transfer or other conveyance or encumbrance of a Boat Slip Lot shall also transfer, convey, or encumber, as the case may be, the right to use the Boat Slip appurtenant thereto, even if not expressly included therein.

D. Duke Energy Lease.

This use of the Boat Slips is subject to the terms and conditions of the marina lease with Duke Energy (formerly Duke Power Company), which owns the land underlying Lake Rhodhiss. If Duke Energy terminates the marina lease, declines to lease, or will not extend the lease of the

underlying land, the right to use the Boat Slips shall immediately terminate and the Boat Slip Owners right shall have no further rights or interest in the Boat Slips. In that event, the Association and the Boat Slip Committee shall have no responsibility or liability.

E. Restrictions on Conveyance. (CV-14)

No Boat Slip Owner may lease, rent, allow the use of, sell, or otherwise convey his rights to his designated Boat Slip to another unless such person is an Owner of a Lot within the Subdivision. In such event, the use of said Boat Slip shall remain fully subject to all of the terms of this Article VII.

F. Rules and Regulations.

The Declarant, its successors and assigns, and the Association may adopt rules and regulations governing the use of the Boat Slips and the personal conduct thereon of Boat Slip Owners. All such rules and regulations as to the use of the waters of Lake Rhodhiss, the use of the Boat Slips or the Boat Slip Area, or imposed by imposed by Duke Energy under the marina lease shall be strictly adhered to by each Member of the Association.

G. Failure to Pay Assessments.

In the event a Boat Slip Owner fails to pay the annual Boat Slip Assessment within thirty (30) days after the date upon which it becomes due, the Owner shall be in default of its obligations under this Declaration, and, in addition to the Association's rights under Article IV, above, the Association shall be permitted to file a lien against said Boat Slip Owner's Lot and its associated rights to use the appurtenant Boat Slip, to pursue enforcement of such lien in any manner permitted by this Declaration and the Act with respect delinquent assessments generally, and to take further action to suspend the Boat Slip Owner's right to use the Boat Slip (which shall be treated as a privilege that can be suspended pursuant to NCGS 47F-3-107.1). Should the Association secure such a foreclosure or judgment against the Boat Slip Owner, in the event of final order in the foreclosure or execution of the judgment against the Boat Slip Lot, the Association shall also have (together with rights to the Boat Slip Lot) all of the rights of use to the appurtenant Boat Slip and shall therefore be entitled to lease out, rent or sell the rights to said Boat Slip to another Lot Owner in the Subdivision.

ARTICLE VIII

CAPTIONS, ENFORCEMENT, AND INVALIDATION

- A. Whenever the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural, and vice versa, and the masculine gender shall include the feminine and neuter and the neuter shall include the masculine and feminine
- B. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration nor the intent of any provisions hereof
- C. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages in the event it is necessary to enforce this Declaration by appropriate legal or equitable proceedings, the party or parties violating or attempting to violate the same shall be liable for the cost of such proceedings including reasonable attorneys' fees
- D. Invalidation of any one or more of these covenants by judgment or court shall not adversely affect the balance of this Declaration, which shall remain in full force and effect
- E. The Declarant reserves the right to amend this Declaration from time to time without joinder of any of the Owners (1) to clarify the meaning of or to correct clerical errors in the Declarations, and (2) to correct grammar, spelling, capitalization and other matters of syntax. All other amendments to this Declaration shall require an affirmative vote of at least sixty-seven percent (67%) of the Lot Owners and the vote of the Declarant, its successors, and assigns.

ARTICLE IX

THESE RESTRICTIONS RUN WITH THE LAND

This Amended and Restated Declaration of Covenants, Conditions and Restrictions of Paradise Harbor Subdivision, along with any additional Covenants, Conditions and Restrictions

PARADISE HARBOR, LLC

CATAWBA COUNTY

for additional phases of Paradise Harbor Subdivision as recorded in the Office of the Register of Deeds of Burke County, compose the general plan of development of the Property herein described and run with the land and shall benefit and be binding on all parties and persons (and their respective heirs, representatives, successor and assigns) claiming title to any of the Property herein described for a period of thirty (30) years from the date this Declaration is recorded, after which time said Restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a sixty-seven percent (67%) majority of the then Owners of the Lots and the Declarant has been recorded agreeing to change said Restriction in whole or in part. These Restrictions may be amended by the affirmative vote of the Owners representing sixty-seven percent (67%) of the Lots and the Declarant at the time of the vote.

IN WITNESS WHEREOF, the parties hereto have caused this Declaration to be duly executed this 22nd day of May, 2017.

By:_____Oscar O. Vasquez, Member and Manager PARADISE HARBOR PROPERTY OWNERS ASSOCIATION, INC. By:______ Jerry Maldonado, Co-President By:_____ Deborah Pelick, Co-President Attest:_____ Sally Baird, Secretary NORTH CAROLINA

I, the undersigned Notary Public of the County and Member and Manager of Paradise Harbor, LL acknowledged the execution of the foregoing instruction.	C, personally appeared before me this day and
Witness my hand and official stamp or seal this	day of, 2017.
	Notary Public
	Print Name:
	My commission expires:
NORTH CAROLINA	
COUNTY	
I, the undersigned Notary Public of the County and Co-President of Paradise Harbor Property Observe me this day and acknowledged the execution	wners Association, Inc., personally appeared
Witness my hand and official stamp or seal this	day of, 2017.
	Notary Public
	Print Name:
	My commission expires:
NORTH CAROLINA	
COUNTY	

\mathbf{r}	ac				_	
к	20	7	tΛ		()	
ப	ac.	_	w	_	v	•

Co-President of Paradise Harbor Property Over before me this day and acknowledged the execution		appeared
Witness my hand and official stamp or seal this	day of, 201	7.
	Notary Public	
	Print Name:	
	My commission expires:	
NORTH CAROLINA		
COUNTY		
I, the undersigned Notary Public of the County Secretary of Paradise Harbor Property Owners me this day and acknowledged the execution of the	Association, Inc., personally appear	
Witness my hand and official stamp or seal this	day of, 2017	7.
	Notary Public	
	Print Name:	
	My commission expires:	

I, the undersigned Notary Public of the County and State aforesaid, certify that Deborah Pelick,