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STATE OF NORTH CAROLINA

COUNTY OF HOKE

DECLARATION OF EASEMENTS AND COVENANTS FOR SCOTT HILL RESERVE

This Declaration of Easements and Covenants for Scott Hill Reserve (this "Declaration"), is made and entered into by **CHS Land Investors, LLC**, a North Carolina limited liability company (the "Declarant").

In addition, **A&G Residential, LLC**, a North Carolina limited liability company ("A&G Residential"), hereby joins in the execution hereof to subject the A&G Lots (as defined below) to the terms of this Declaration.

WITNESSETH:

WHEREAS, Declarant owns fee simple title to Lots 2, 3, 4, 5, 6, 17B, 17C, 18A, 18B, 19, 20, 21, and the "Open Space" lot (the "Open Space Lot") of the Scott Hill Reserve subdivision, as shown on that certain plats duly recorded in Plat Book 4182, Pages 2– 3 and Plat Book 4207, Page 01, Hoke County, NC Registry (together, the "Plat") (each a "Lot", and together, the "Declarant Lots");

WHEREAS, A&G Residential owns fee simple title to Lots 7, 8, 9, 10, 11, 12, 13, 14, and 15 as shown on the Plat (each a "Lot", and together, the "A&G Lots") (Note: the Declarant Lots and the A&G Lots are collectively referred to herein as the "Property");

WHEREAS, Declarant, by this Declaration, wishes to bind itself, its successors and

assigns and to provide for certain easement rights for the benefit of Lots 7, 8, 9, and 10, for offsite septic over, under and across portions of the Open Space Lot, which shall include certain maintenance obligations related thereto; and

WHEREAS, Declarant, by this Declaration, also wishes to bind itself, its successors and assigns, and to impose certain other conditions, covenants and easements upon the Property (to include allowing for the transfer of ownership and control of the Open Space Lot to an incorporated owners' association).

NOW, THEREFORE, Declarant and A&G Residential, as the collective owners of the Property, each agrees for itself and any and all persons, firms or corporations hereinafter acquiring any of the Property, that the same shall be subject to the following easements, conditions and covenants relating to the use and occupancy thereof, which easements, conditions and covenants shall run with the Property and inure to the benefit of and be binding upon the successors and assigns of Declarant and A&G Residential and other acquiring parties and persons.

ARTICLE I

The Property shall be held, transferred, sold and conveyed subject to the terms of this Declaration. For clarification purposes, it is noted that the Property does not include (and the terms of this Declaration shall be not applicable to) Lot 1, Lot 1A and Lot 17A as shown on the Plat.

ARTICLE II

Declarant hereby reserves for the benefit of Lots 7, 8, 9 and 10, a perpetual non-exclusive easement for (i) offsite septic (to allow the installation, maintenance, repair, and replacement of underground septic drain lines, appurtenances and equipment) in, and (ii) vehicular and pedestrian ingress, egress and regress related thereto, over and across, the portion of the Open Space Lot identified on the Plat as "30' Septic & Access Easement" (the "Shared Septic Easement").

In addition, Declarant hereby reserves for the benefit of Lot 7, a perpetual exclusive easement for offsite septic (to allow the installation, maintenance, repair, and replacement of underground septic tank, drain lines, appurtenances and equipment) in the area identified on the Plat as "Offsite Septic Lot 7". In addition, Declarant hereby reserves for the benefit of Lot 8, a perpetual exclusive easement for offsite septic (to allow the installation, maintenance, repair, and replacement of underground septic tank, drain lines, appurtenances and equipment) in the area identified on the Plat as "Offsite Septic Lot 8". In addition, Declarant hereby reserves for the benefit of Lot 9, a perpetual exclusive easement for offsite septic (to allow the installation, maintenance, repair, and replacement of underground septic tank, drain lines, appurtenances and equipment) in the area identified on the Plat as "Offsite Septic Lot 9". In addition, Declarant hereby reserves for the benefit of Lot 10, a perpetual exclusive easement for offsite septic (to allow the installation, maintenance, repair, and replacement of underground septic tank, drain lines, appurtenances and equipment) in the area identified on the Plat as "Offsite Septic Lot 10"

(Note: the Lot specific septic easements referenced in this paragraph are collectively referred to herein as the "Lot Specific Septic Easements").

The Shared Septic Easement and the Lot Specific Septic Easements shall be appurtenant to and shall pass with title to Lots 7, 8, 9 and 10, respectively; and such easements cannot be separated from or conveyed separately from fee simple title to said Lots 7, 8, 9 and 10, respectively.

The owners of Lots 7, 8, 9 and 10, respectively, shall be individually responsible for maintaining their respective Lot Specific Septic Easements. Such maintenance obligation shall include keeping such areas free of litter and debris, as well as keeping grass and vegetation trimmed and in presentable condition. The above notwithstanding, the Association shall be responsible for maintaining the access drive area between Lots 9 and 10 (which provides vehicular and pedestrian access to the offsite septic easements from Reservation Road, which is a public right of way).

In no event shall the grass and vegetation in such easement areas be trimmed less than (2) times during the growing season, unless otherwise agreed by the Association's Board of Directors. The Association (as defined in Article IV below) shall have the right to step in and maintain the easement areas, if the responsible Lot owners neglect their maintenance obligations (as determined in the sole discretion of the Association's Board of Directors); and any expense incurred by the Association in maintaining the easement areas shall be assessed against the responsible Lot owners, whether one or more (payable within 30 days of receipt of an invoice therefor), and shall be a charge and continuing lien against the Lots against which any such assessment is made.

ARTICLE III

Declarant (and/ or the Association, as defined in Article IV below) reserves the right to grant necessary easements to any utility provider, over, across, or under the Open Space, for the installation and maintenance of necessary utilities that will serve the Lots. In addition, the Board of Directors of the Association shall have the right to enact reasonable rules and regulations for the Open Space. The Open Space shall be kept in its natural state and shall not be developed (as per Hoke County ordinance).

ARTICLE IV

Within thirty (30) days of the recordation of this Declaration in the Hoke County, NC Registry, Declarant shall convey the Open Space Lot to the Scott Hill Reserve Owners Association, Inc., a North Carolina non-profit corporation (the "Association"). The Association shall be responsible for the ownership and control of the Open Space Lot.

ARTICLE V

Every Lot owner shall automatically become a member ("Member") of the Association. Each Member shall be entitled to one (1) vote for each Lot which such Member owns. The vote for

each Lot shall be exercised as the Member may determine, but in no event shall more than one (1) vote be cast with respect to any Lot. The Association shall be governed by a board of directors (the "Board of Directors") consisting of between one (1) and three (3) persons. The Declarant shall have the right to appoint and remove the Board of Directors until the earlier to occur of (i) twelve (12) calendar months after Declarant no longer owns a Lot within the Property, or (ii) Declarant relinquishes in writing its right to appoint and remove the Board of Directors (the "Declarant Control Period"). Upon the expiration of the Declarant Control Period, the Members shall then have the right to elect the Board of Directors; and each Member shall be entitled to one (1) vote for each Lot owned, multiplied by the number of directors to be elected (if more than one (1)); but such Member may not cast all of such votes for any one (1) director and must distribute them among the total number of directors to be voted for; and all votes must be cast in whole numbers and not fractions thereof, it being the intent hereby to prohibit cumulative voting.

The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges which are common expenses; and (2) special assessments for extraordinary maintenance and capital improvements. The annual and special assessments, together with interest and costs, and reasonable attorney's fees for collection, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his/ her successors in title unless expressly assumed by them.

Each Lot owner covenants to pay each assessment levied by the Association on the Lot described in such conveyance to him/ her within ten (10) days of the due date as established by the Board of Directors, and further covenants that if said assessment shall not be paid within thirty (30) days of the due date, the payment of such assessment shall be in default and the amount thereof become a lien upon said owner's Lot as provided herein and shall continue to be such lien until fully paid.

The assessments levied by the Association shall be used exclusively for the paying of "common expenses" related to the ownership and control of the Open Space, together with reasonable and prudent reserves, including but not limited to, the payment of taxes and public assessments assessed against the Open Space Lot (if any), the procurement and maintenance of insurance (liability or otherwise) as deemed appropriate by the Board of Directors or as required by statute, accounting and management expenses, the employment of counsel, accountants and other professionals for the Association when necessary, landscaping expenses (to the extent reasonably necessary), enforcement obligations, and such other needs as may arise.

The initial annual assessment for common expenses shall be determined in the fiduciary discretion of the Association based on the calendar year budget; and such annual assessment for each Lot shall commence upon the sale of each Lot upon which a newly constructed residence has been built to a homebuyer (or upon the sale of a Lot to a buyer who intends to construct their own residence thereon). Any builder who purchases a Lot and intends to construct a residence thereon for sale to a homebuyer shall be exempt from the annual assessment until the eighteenth (18th) month

anniversary of the builder's purchase of such Lot (after which date the builder shall be responsible for payment of the annual assessment on a pro rata basis, until such time as the builder has sold the Lot to a homebuyer). In addition, any buyer of a Lot upon which a newly-constructed residence has been built (or any buyer of a Lot upon which said buyer intends to construct their own residence) may be assessed a one-time capital start-up fee to be determined in the discretion of the Association, which shall be collected upon the purchase of such Lot. The Association, acting by and through its Board of Directors, shall have the fiduciary discretion to adjust the initial capital start-up fee and/or initial annual assessment for common expenses on any annual (or more frequent) basis, as reasonably necessary; and shall have the authority to determine when such assessments shall be due and payable. The above notwithstanding, it is understood and agreed that the Declarant and/ or any building company having common ownership with Declarant, shall be fully-exempt from any and all assessment and/ or start-up fee requirements as set forth herein.

Any assessment not paid within thirty (30) days after the due date shall be delinquent, in default and shall bear interest from the due date at the rate of eighteen (18%) per annum or the maximum rate allowed by law, whichever is less. The Association may bring an action at law against the Lot owner personally obligated to pay the same plus interest, costs, late payment charges and reasonable attorneys' fees, or foreclose the lien against the Lot. The lien herein granted unto the Association shall be enforceable (and may be foreclosed) in accordance with Chapter 47F of the North Carolina General Statutes, as such may be amended.

The North Carolina Planned Community Act (NCGS 47F-1-101 et seq) (the "Planned Community Act") shall govern the Property and control the governance and procedures of the Association. The Declarant reserves the right to adopt bylaws for the Association during the Period of Declarant Control, as may be required by the Planned Community Act, which shall be kept with the records of the Association. Notwithstanding anything to the contrary in Section 47F-3-109(a) of the Planned Community Act, it is agreed that a quorum shall be present throughout any meeting of the membership of the Association if persons entitled to cast a minimum of fifty-one percent (51%) of the Lot votes are present in person or by proxy at the beginning of the meeting.

ARTICLE VI

The following Lot pairs (each a "Lot Pair") shall each benefit from a shared driveway: Lots 3 and 4; Lots 5 and 6; Lots 8 and 9; Lots 10 and 11; Lots 12 and 13; and Lots 14 and 15. As such, a non-exclusive easement is hereby reserved, for the benefit of each Lot Pair, for perpetual ingress, egress and regress over and across (as well as for placement, maintenance and repair of) the shared portion of the driveway that traverses each Lot of such Lot Pair, once the shared portion of the driveway is built thereon (and in the location as initially constructed) (each, a "Shared Driveway Area"), for purposes of allowing vehicular and pedestrian access to and from Reservation Road, it being agreed that the owners of each Lot of such Lot Pair shall be jointly responsible for the future maintenance and repair of their respective Shared Driveway Area. No Lot owner affected hereby shall erect any barrier or place any obstacle upon their respective Shared Driveway Area that would impede ingress, egress and regress; and each Shared Driveway Area shall remain open for passage at all times. Further, each Shared Driveway Area shall be kept in good condition and repair at all times. The easement rights created herein shall run with the land.

ARTICLE VII

The Property shall remain subject to the restrictive covenants set forth in Exhibit B of that certain prior deed recorded in Book 1444, Page 884, which are memorialized here:

1. The Property shall only be used for family residential and horse/ cattle farm purposes. Commercial/ business purposes are prohibited.
2. No commercial livestock shall be raised, bred, or kept on the Property. No hog, chicken, or turkey houses/ farms allowed.
3. All pets shall be confined to their owner's property and shall not be allowed to run loose.
4. No single-wide trailers/ mobile homes or double wide manufactured homes, shacks, or temporary structures are allowed.
5. No structure shall be within 30 feet of the boundary lines of former Lot 1 as shown on prior plat recorded in Map Book 4178, Page 0008, Hoke County Register of Deeds, until such time as the owners of former Lot 1 release such setback restriction.
6. No obnoxious or offensive trade or activity shall be carried out on the Property. No ATV, dirt bike, motorcycle tracks shall operate on the Property. No illegal activity shall occur on the Property.
7. No inoperable or unlicensed vehicles on the Property for more than ninety (90) days. No bus bodies, stripped/ junked vehicles or parts thereof, shall be allowed on the Property.

Invalidation of any of the deed restrictions set forth in Number 1 through 7 shall in no way affect any of the other restrictions set forth above, which shall remain in full force and effect.

ARTICLE VIII

The terms of this Declaration shall run with and be appurtenant to the Property and shall be binding upon the heirs, successors and assigns of each record owner of a Lot.

ARTICLE IX

Any Lot owner and/ or the Association shall have the right to enforce, by any proceeding at law or in equity, all easements, conditions, covenants, liens and charges imposed by the terms of this Declaration. Failure by any Lot owner and/ or the Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE X

The easements, conditions, and covenants of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. As long as the Declarant owns a Lot, the Declarant reserves the right to amend this Declaration unilaterally without the consent of any other Lot owners (other than A&G Residential, which must also agree to any such amendment as long as it still owns a Lot). Otherwise, this Declaration may be amended by an instrument signed by not less than sixty-seven percent (67%) of the Lot owners. As long as the Declarant owns a Lot, then any amendment to this Declaration must also be approved and signed by the Declarant in order to be effective (and, as long as A&G Residential owns a Lot, then any amendment to this Declaration must also be approved and signed by A&G Residential). Any amendment must be properly recorded with the Hoke County, NC Registry.

ARTICLE XI

Invalidation of any one of these covenants by judgment or court order shall in no way effect any of the other provisions which shall remain in full force and effect.

ARTICLE XII

For the purpose of this Declaration, the singular shall include the plural, the masculine shall include the feminine and neuter, and vice versa, as the meaning may require.

**[The Remainder of This Page Intentionally Left Blank;
Signature Page Attached Hereto]**

IN WITNESS WHEREOF, the undersigned parties have caused this Declaration to be duly executed as of the dates set forth in the below notary acknowledgements, the latter of which shall comprise the effective date hereof.

DECLARANT:**CHS Land Investors, LLC**By: William Harris / By: [Signature]Print Name: William HarrisPrint Name: Patrick Simpson

Title: Manager

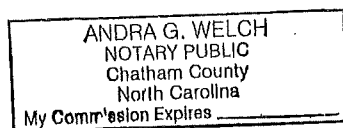
Title: Manager

STATE OF NORTH CAROLINA**COUNTY OF** Moore

I certify that the following person personally appeared before me this day, acknowledging to me that he voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Patrick Simpson & William Harris in his capacity as Manager of CHS Land Investors, LLC, a North Carolina limited liability company.

Date: 10-13-2023Official Signature of Notary: Andra G. WelchNotary's Printed Name: Andra G. WelchMy commission expires: 8-3-2028

[Affix Notary Seal or Stamp]



A&G Residential, LLC*

By: _____

Print Name: D. Wells Alderman IV

Title: Manager

*A&G Residential, LLC joins in the execution of this Declaration to subject the A&G Lots to the terms of this Declaration.

STATE OF NORTH CAROLINA

COUNTY OF _____

Cumt

I certify that the following person personally appeared before me this day, acknowledging to me that he voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: D. Wells Alderman IV, in his capacity as Manager of A&G Residential, LLC, a North Carolina limited liability company.

Date: _____

October 13, 2023

Official Signature of Notary: _____

Notary's Printed Name: _____

Leonard H. Reaves

My commission expires: _____

My Commission Expires August 25, 2024

[Affix Notary Seal or Stamp]

