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COUNTY OF WARREN

**AMENDED AND RESTATED DECLARATION OF COVENANTS, RESTRICTIONS,
 PROPERTY OWNERS ASSOCIATION AND LIMITATIONS RUNNING WITH THE LAND
 FOR PINNACLE SHORES AT LAKE GASTON SUBDIVISION**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, RESTRICTIONS, PROPERTY OWNERS ASSOCIATION AND LIMITATIONS FOR PINNACLE SHORES AT LAKE GASTON SUBDIVISION, made and published this 27 day of June, 2018, by THE PENINSULA AT HYCO LAKE, LLC (hereinafter, "Declarant"), hereafter referred to together with its successors-in-title who come to stand in the same relation to the property as its predecessor did as "Declarant".

WHEREAS, Declarant is the fee simple owner of all the tract or parcel of land lying and being in Hawtree Township, North Carolina, and being 179.089 acres, as shown on a Plat of survey as recorded in Plat Cabinet1, Slide339, Plat #11-17 (hereinafter called "Plat") Warren County, North Carolina said Plat being incorporated herein by reference and made a part hereof; and

WHEREAS, it is the intent of Declarant to establish a general plan and uniform scheme of development and improvement of the upon referenced property; and

WHEREAS, it is the intent of the Declarant to hereby delete in its entirety that certain Declaration of Covenants, Restrictions Property Owners Association and Limitations Running With the Land for Pinnacle Shores at Lake Gaston Subdivision as recorded in Deed Book 01025, Pages 0385-0397, Warren County, North Carolina records; and

WHEREAS, it is the intent of the Declarant to hereby have this Amended and Restated Declaration of Covenants, Restrictions Property Owners Association and Limitations Running With the Land for Pinnacle Shores at Lake Gaston Subdivision serve as the established general plan and uniform scheme of development and improvement of the upon referenced property; and

WHEREAS, the Declarant is the owner of the real property (hereinafter called "Property") described in this Declaration of Covenants, Conditions and Restrictions (hereinafter called the "Covenants") and is desirous of subjecting the Property to the protective covenants, conditions and restrictions hereinafter set forth, each and all of which is and are for the benefit of the Property, for the benefit of the parcels or tracts located thereon, whether now already or hereafter subdivided and platted (hereinafter called the "Tracts"), and for the benefit of each owner of the parcels or tracts which are now already or may hereafter be subdivided and platted within the Property (hereinafter called the "Property Owners) and shall apply to and bind the owners thereof, their heirs, successors and assigns thereafter running with the land; and

WHEREAS, the Property is subjected to these Covenants in order to insure the best use and the most appropriate development and improvement of the Property and the tracts located therein; to protect the owners thereof against such improper use of surrounding tracts as will depreciate the value of their property; to preserve, so far as practicable, the natural beauty of the Property; to guard against the erection thereon of poorly designed or proportioned structures, and structures built of improper or unsuitable materials; to obtain harmonious color schemes; to encourage and insure the highest and best development of the Property; to encourage and secure the building of attractive homes thereon, with appropriate locations thereof on the Property; to prevent haphazard and inharmonious improvement of the Property; to secure and maintain an aesthetically pleasing quality of development and improvement of the property, and thereby to enhance the values of the Property.

NOW, THEREFORE, Declarant, for itself, its successor and assigns, hereby deletes in its entirety that certain Declaration of Covenants, Restrictions Property Owners Association and Limitations Running With the Land for Pinnacle Shores at Lake Gaston Subdivision as recorded in Deed Book 01025, Pages 0385-0397, Warren County, North Carolina records AND declares that the Property is and shall be held, transferred, sold, devised, assigned, conveyed, given, Purchased, leased, occupied, possessed, mortgaged, encumbered and used subject to these Covenants. These Covenants, the benefits of these Covenants and the affirmative and negative burdens of these Covenants, whether pertaining to items, benefits and obligations presently existing or to be created or executed in the future, do and shall, in equity and at law, touch and concern, benefit and run with the land and any estates in the land herein referred to as the Property and these Covenants are intended to be Covenants and servitudes burdening and benefitting all persons now or hereafter deriving a real property estate in the Property, whether by assignment, succession or inheritance or other method of conveyance.

1. The property shall be used for single-family residential use only. No lot or tract shall be subdivided, nor shall more than one (1) residence be constructed on any lot. Building setbacks shall be as follows: Front 30', Side 10', Rear 25', Rear Lakefront 75', Side on Corner Lots 30', Front on Major Thoroughfare 40', VEPCO Boundary 50'.

2. All residences constructed within the development shall have a minimum square footage requirement as follows: Waterfront Lots shall have 1800 square feet of heated floor space, Off Water Lots shall have 1400 square feet of heated floor space. Guest houses shall be limited to one such structure per lot and cannot exceed 50% of the primary dwelling. House plans must first be approved by Warren County Planning and Zoning, Declarant and/or the property owners association when the same is formed prior to the commencement of any construction. Lot owners may have one outbuilding or storage shed per lot.

3. No building shall be erected upon the granted premises which has cinder blocks or concrete blocks visible from the exterior of such building nor shall any building be erected thereon with exterior asphalt or asbestos siding or cobble or creek stone. Primary residences and guest houses shall be site built homes. No vinyl siding shall be used and hardy plank or better shall be utilized for the façade. No mobile or modular structures shall be allowed.

4. No mobile homes, house trailers, or junk or inoperable motor vehicles shall be allowed upon any granted lot or tract, if the same is visible from any street right of way within said development. No building of a temporary character shall be erected or allowed to remain on said property for a continuous period in excess of three (3) months unless approved by the Declarant or by Pinnacle Shores at Lake Gaston Property Owners' Association when the same is formed.

5. All boats, trailers, and campers, must be in an enclosed building or out of site of the neighboring properties.

6. When the construction of a building is commenced by the owner of any lot or tract in said development, the exterior construction of said building shall be completed within twelve (12) months from the date construction is stated.

7. Dock construction on Lakefront lots shall meet the requirements and guidelines set forth in Dominion Power's Shoreline Management Plan as found at dominionenergy.com.

8. The owners of any granted lot or lots agree that they will maintain their respective premises in a neat, presentable and attractive condition, including, but not limited to, the keeping of garbage in closed containers, the cutting of grass and weeds, and the removal from the premises of trash and debris; and said property owners further agree that when deemed necessary by the Declarant, or the Pinnacle Shores at Lake Gaston Property Owners Association, or its successors and assigns, that the Declarant, or the Pinnacle Shores at Lake Gaston Property Owners Association may perform or cause to be performed the maintenance work, and the owners agree to reimburse the Declarant, or the Pinnacle Shores at Lake Gaston Owners Association for all expense incurred in the performance of the maintenance work on their individual premises.

9. No part of said premises shall be used or occupied injuriously as to affect the use, occupation or value of the adjoining or adjacent premises for residence purposes, or the neighborhood whereto the premises are situated. Farm animals, including, but not limited to, cattle, livestock, chickens and swine, are prohibited. Households pets, properly maintained, are allowed. A lot owner may have one (1) horse per fenced acre as long as the horse or horses are property maintained on the property.

10. It is the purpose and intent of these covenants that the subject property be preserved in its current rural character and that the existing serene peaceful atmosphere and setting of the area be maintained. No lot may be used for any illegal activities.

11. There shall be no commercial activities on any tract, specifically including, but not limited to, the operation of garages, car repair shops, machine shops, offices or business complexes, sawmills or logging facilities.

12. No signs of any type shall be displayed to public view on any portion of said property

without written Declarant approval. Once written approval is obtained, one sign of not more than 24 inches by 24 inches advertising property for sale or a temporary builder's sign, or such permits as required by law. All said signs shall be professionally lettered and neatly installed. Declarant reserves the right to erect entrance signs and remove any signs on future event sale dates.

13. All parcel or Lot Owners become members of the Pinnacle Shores at Lake Gaston Property Owners' Association, Inc. (hereinafter Association) at time of closing and shall be subject to all assessments and rules and regulations as may be adopted by the Property Owner's Association. In the event that any owner or owners should re-subdivide any lot or tract, pursuant to paragraph one (1) above, and a dwelling shall be constructed upon the subdivided lot or tract, the owner of said dwelling and land shall be subject to the same assessments as set forth in paragraphs 16 & 17 below; and shall become a member of the Association as all other owners of lots or tracts within said development and said re-subdivided lot shall be subject to these covenants. Each parcel or Lot shall enjoy one (1) vote only regardless of whether the parcel or Lot is owned by multiple titleholders owning jointly. The Declarant and its successors are all members of the Association until all lots are sold. The Association, acting through its Board of Directors shall have the rights and authority as set forth in the Declaration and in the By-Laws, to be adopted by the Declarant or the Association as set forth herein.

14. Lake Lot Owners of property bordering Lake Gaston shall waive the fifteen-foot setback requirement as shown on the Pinnacle Shores Plat of Survey as it pertains to dock placement and the effect of said placement on the dock permitted property and the adjoining property line for dock placement purposes. Each Lake Lot shall be conveyed subject to the reciprocal right of the lot owner on each side of the boundary line which extends into the water impound area of Lake Gaston for the issuance of a dock permit from the proper permitting agency and to construct and maintain a dock which would service the above described lot. This right eliminates the fifteen-foot setback on the adjoining property line for dock purposes.

15. Any Lake Lot Owner intending to place a dock for access to and enjoyment of Lake Gaston shall notify the HOA of such intention and receive written approval from the HOA as to the location of dock placement. Failure to obtain written approval from the HOA shall be deemed a violation of this Restriction and result in the removal of said dock. All legal fees etc. incurred for enforcing this Restriction shall be the responsibility of the violating Lot Owner(s). Said enforcement stated within this Restriction shall not preclude the enforcement of any other remedy available as stated in the Restrictions as a whole or such rights and remedies available at law.

16. ASSESSMENTS. The initial assessments shall be \$500.00 per lot per year, except no assessment is due on any Lot owned by Declarant. Said assessments shall be used for the maintenance and upkeep of roads, common areas and community docks within the development. The assessment shall be payable to the Pinnacle Shores at Lake Gaston Property Owners Association. Any owner of contiguous Lots will pay only one set of assessments.

(a) The Owners of each parcel or Lot owned within the Property by acceptance of a deed therefore, hereby covenants, whether or not it shall be so expressed in such deed and is deemed to covenant and agree to pay the Association annual assessments and special assessments subject to the terms of this paragraph. Any expenses incurred by the Association

to enforce the covenants, restrictions and limitations described herein, or as amended, against an Owner(s) shall immediately accrue as an assessment to said Owner(s) in question. These additional accrued assessments may include, but are not limited to, any expenses incurred by the Association as a result of an Owner's failure to adequately maintain their Lot as required herein such as landscaping, mowing or weed eating.

(b) Declarant and later the Association shall keep this money in an escrow account and keep an accurate accounting of how this money was used. Any money in this escrow account upon Declarant relinquishing this responsibility to the Association shall be turned over to the Association.

(c) The annual and special assessments, together with interest costs and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who is the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall also pass to his successors in title, provided the Association has caused a claim of lien to be recorded in the Public Records of Warren County giving notice to all persons that the Association is asserting a claim of lien upon the parcel or Lot prior to the conveyance of title to the parcel or Lot. Said claim of lien shall state the description of the residence, the name of the record Owner thereof, the amount due and the date when due, and the lien shall continue in effect until all sums secured by the lien have been fully paid. Such claims of lien shall be signed and verified by an officer of the Association or by a managing agent of the Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien. Liens for assessment may be foreclosed by suit brought in the name of the Association in like manner as a foreclosure of a mortgage on real property. In such foreclosure, the Owner of a residence shall be required to pay a reasonable rental for the residence and the Association shall be entitled as a matter of law, to the appointment of a receiver to collect the same.

(d) The streets in this subdivision are private streets and are neither maintained by Warren County nor considered part of the road system of Warren County. The responsibility for the upkeep and maintenance of the streets shown hereon lies with the property owners as further specified in the private road maintenance agreement, and not Warren County.

17. PURPOSE OF ASSESSMENTS.

Section 1. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of all owners and residents in Pinnacle Shores at Lake Gaston and in particular for the acquisition, improvement, replacement, maintenance, use and operation of the Common Property including but not limited to roadways, security gates, boat storage and day dock marina, and to pay for the services which the Association is authorized to provide, including, but not limited to, the maintenance of roadways including reasonable reserves therefore, erection and maintenance of security gates, the payment of taxes and insurance on Common Property, construction of repairs, replacement and additions to Common Property payment of the costs of labor, employees, agents, accountants, attorneys, equipment, material, management and supervision necessary to carry out its authorized function

including reasonable reserves for replacement of all capital improvements. The HOA will maintain the Marina to the highest safety, structural integrity and operational standards. These expenses shall be and designated respectively as "Common Expenses".

Section 2. Due Date of Annual Assessments. The annual assessments shall be fixed on a calendar year basis, provided however, that liability for payment of the initial annual assessment shall accrue on the initial purchase of any Lot by an Owner and shall be prorated on a daily basis according to the number of days remaining in the year (365 days) of purchase. Thereafter, payment of subsequent annual assessments shall be due on the first day of each calendar year or Page 6 of 14 on such other dates as from time to time may be established. The Association may provide for monthly, quarterly or semi-annual payment due dates for the annual assessment in lieu of an annual payment date, provided the Property Owners are given thirty (30) days prior to notice of any change. Payment of the assessment shall be delinquent thirty (30) days after any due date or billing date. The due date of any special assessment shall be fixed in the resolution authorizing such assessment.

Section 3. Uniform Rate of Assessment and Share of Common Expenses. The amount of any annual or special assessment and share of Common Expenses shall be the same for all owners except as herein after set out.

Section 4. Determination of Assessments.

- (a) **General Assessments:** The Board of Directors has the power to and shall fix and determine, from time to time, the sum or sums necessary and adequate for the general expenses of the Corporation. The purposes and the basis of general assessments are set forth in Article VIII herein.

General assessments are necessarily made upon projections and estimates of the Board of Directors and may be in excess or less than the sums required to meet the cash requirements of the Corporation in which event the Board of Directors may increase or decrease the amount of such assessment and make such adjustments in cash or otherwise as they shall deem proper, including the assessment of each member for his pro rata share of any deficits. Notice of all changes in assessments shall be given to all members. When the Board of Directors has determined the amount of any general assessment, the Secretary shall submit a statement of such assessment to each member. Such notice shall state the date when said assessment is due, and thereafter said assessment shall bear interest at the rate of ten percent (10%) per annum simple interest until paid. General assessments shall be paid by the members in advance on a monthly, quarterly, semi-annual, or annual basis, as the Board of Directors shall, from time, direct. General assessments shall be payable at the office of the Corporation.

- (b) **Special Assessments:** The Board of Directors has the power to fix and determine special assessments from time to time. The purposes and basis of special assessments are set forth herein as Common Expenses. Any special assessments must be approved by a majority vote of the Board at a meeting duly called for this purpose, written notice of which shall be sent to all members of the Board at least Ten (10) days in advance and shall set forth the

purpose of the meeting. Special assessment shall be levied by the Board of Directors in the same manner as the Board of Directors shall determine.

Special assessments, when authorized and approved, may be made upon projections and estimates of the Board of Directors and may be in excess or less than the sums required to meet the cash requirements of the Corporation, in which event the Board of Directors may increase or decrease the amount of assessments Page 7 of 14 and make such adjustment in cash or otherwise as they shall deem proper, including the assessment of each member for his pro rata share of any deficits. Notices of all changes in special assessments shall be given to all members. When the Board of Directors has determined the amount of any special assessment, the Secretary shall submit a statement of special assessment due thereafter said assessment shall bear interest at the rate of ten percent (10%) per annum simple interest until paid. Special assessments shall be payable at the office of the Corporation.

- (c) **Individual Assessments:** Pursuant to the Corporation's power and authority to enforce the covenants, protections, rules and regulations as set forth in the Declaration of Protective Covenants, Easements and Protections for Pinnacle Shores at Lake Gaston, the Board of Directors has the power to separately assess individual members of the Corporation. When the Board of Directors has determined the amount of any individual assessment, the Secretary shall submit a statement of such assessment to the member involved and assessment shall be due and payable upon thirty (30) days after receipt of the statement and thereafter said assessment shall bear interest at the rate of ten percent (10%) per annum simple interest until paid. Individual assessments are payable at the office of the Corporation.
- (d) **Budget:** The Board of Directors shall adopt a budget for each fiscal year that shall include the estimated funds required to defray anticipated expenses and to provide and maintain funds to cover current expenses, including a reasonable allowance for contingencies, betterments, which shall include the funds to be used for capital expenditures for additional property that will be a part of the Corporation property, and operations, the amount of which may be to provide working funds or to meet losses.
- (e) **Co-Mingling of Funds.** All sums collected by the Corporation from assessments may be co-mingled in a single fund or divided into more than one fund, as determined by the Board of Directors.

Section 5. Acceleration of Assessment Installments Upon Default. The Board of Directors shall have the power to collect assessments in monthly, quarterly, or semi-annual installments. If a member shall be in default in the payment of an installment upon any assessment, the Board of Directors may accelerate the remaining installments for the fiscal year upon notice thereof to the member and thereupon the unpaid balance of the assessment shall become due upon the date stated in the notice.

Section 6. Lien. Each of the parcels, lots, or units within Pinnacle Shores at Lake Gaston is automatically made subject to a lien and permanent charge in favor of the Corporation for general

assessments special assessments and individual assessments. Any and all of the assessments together with interest thereon, if any, shall constitute a permanent charge upon and a continuing lien on the parcel, lot dwelling unit to which such assessments relate and such permanent charge and lien shall bind such parcel, lot, or dwelling unit in the hands of any and all persons. In the event that any assessment shall not have been paid within thirty (30) days of the due date, the Secretary of Page 8 of 14 the Corporation shall send a delinquency notice by certified mail to the delinquent member. In the event that any assessment shall not have been paid within thirty (30) days of receipt of said delinquency notice, the Treasurer shall certify to the Board of Directors the name and address, as well as the amount in arrears, of the member. The Board of Directors shall then cause to be prepared, for execution by the President of the Corporation, a Notice of Lien to be filed with the Clerk of the Superior Court of Warren County, North Carolina. When necessary, on receipt of payment of a delinquent assessment, a satisfaction of lien shall be executed by the President and recorded. In the event that any assessment continues to remain in default, the Corporation may pursue its remedies at law or in equity.

Section 7. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment. In the event of foreclosure upon said mortgage or mortgages such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a foreclosure of the mortgage. Such sale or transfer shall not relieve such property from liability for any assessment thereafter becoming due nor from the lien of any subsequent assessment.

Section 8. Creation of Lien. Each Owner by acceptance of a deed conveying ownership of a lot or dwelling unit in Pinnacle Shores at Lake Gaston is deemed to be subject to the Protective Covenants and agrees to abide by the terms and requirements of these By-Laws and assumes the obligation to pay to the Corporation annual, individual and special assessments provided for herein. Such annual, individual and special assessments together with interest thereon and costs of collection thereon hereinafter provided, shall be a charge and continued lien on the lot, against which each assessment is made, and shall also be the personal obligation of the person who is the Owner of such real property at the time when the assessment first becomes due and payable. If required to employ an attorney to collect any assessments, the Association shall be entitled to recover all costs of collection including reasonable attorney's fees.

Section 9. Duties of the Board of Directors. The Board of Directors of the Association shall have such powers and duties as prescribed in the Association's Articles and Bylaws, as amended from time to time, and by law, which shall include the following duties: to fix the amount and due date of all special, annual or other periodically payable assessments; to provide for interest to accrue on unpaid assessments after the due date thereof at the rate of ten (10%) percent per annum or at such other rate as the Board deems appropriate; to provide for the charging of a late fee and the payment of costs of collection, including reasonable attorney's fees, incident to the collection of delinquent assessments and the enforcement and foreclosure of the association's assessment lien and charge as provided for herein; to cause written notice of every assessment to be sent to the Owner subject to such assessment at least thirty (30) days prior to the due date thereof; upon demand at any time to cause to any person legitimately interested, a statement in writing signed by the President, the Treasurer, or other appropriate officer of the Association setting forth the amount of any unpaid assessments with respect to a Lot or Dwelling Unit subject to assessment by the Association or stating that all assessments with respect to the Lot or Dwelling Unit which is the subject of the statement have been paid, as the case may be. Page 9 of 14

Section 10. Subordination of Charges and Liens to Security Deeds. The lien and permanent charge of any assessment (together with any interest accruing thereon, late charges and costs of collection) pertaining to any Lot or Dwelling Unit is and shall be subordinate to lien of any security deed placed on such Lot or Dwelling Unit by the Owner. This shall not apply to all such assessments having a due date prior to the date such security deed is filed for record. Such subordination shall not relieve the Owner of the encumbered property of his personal obligation to pay all assessments coming due at a time when he is Owner; shall not relieve such property from the lien and permanent charge provided herein; and no sale or transfer of such property to the security deed grantee or to any other person pursuant to foreclosure, or pursuant to any other proceeding in lieu of foreclosure, or pursuant to a sale under power, shall relieve any Owner of any personal obligation, or relieve the Lot or Dwelling Unit or the then and subsequent Owners from liability for any assessment coming due after such sale or transfer. Notwithstanding the foregoing, the Association may at any time, either before or after any security deeds are placed on such property, waive, relinquish or quit claim in whole or in part the right of the Association to collect the assessments with respect to such Property coming due during the period while such Property is or may be held by a security deed grantee pursuant to such sale or transfer.

Section 11. Remedies of Association Upon Failure to Pay Assessments. If any assessments are not paid within ninety (90) days from the date due, the Association may bring an action at law against the delinquent Owner personally for payment of the assessment, interest and charges due hereunder, or in the alternative, may file an action to foreclose the lien of the Association against the Lot or Dwelling Unit of such Owner in the same manner in which actions are committed for the collection and foreclosure of mechanics and material men's liens against the property as permitted by the laws of the State of Georgia.

Section 12. Exempt Property. Until conveyed to an Owner other than Declarant, or a builder under contract with Declarant each Lot or Dwelling Unit shall be exempt from the assessments, charges and liens created herein while owned by Company or by such builder. All Common Property, including any Lot or Dwelling Unit which may be designated for use as such by Declarant shall be exempt from the assessments, charges and liens created herein.

18. DELINQUENT ASSESSMENTS. If the annual or special assessments, or assessments for maintenance of limited common area, are not paid on or before fifteen (15) days after the date when due, then such assessment shall become delinquent and shall, together with interest thereon and costs of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. If the Association files a claim, of lien on the public records of Warren County, against any parcel or Lot, a Seventy-Five Dollar (\$75.00) lien fee may be charged and shall be added to the unpaid assessment and secured by the lien hereby created.

- (a) If the annual assessment is not paid within thirty (30) days after the date when due, the assessment shall bear interest from the date of delinquency at the rate of fifteen percent (15%) per annum, or the maximum allowed by law, whichever is less. The Association may bring an action of law against the Owner personally obligated to pay the same, or to foreclose the lien against the property, in the same manner as foreclosure of a mortgage, and there shall be added to the amount of such assessment interest as provided herein together with the costs of the action and collection of the assessment, including a reasonable attorney's fee and costs

and fees on appeal. Reasonable attorney's fees and costs of collection shall be recoverable whether or not suit is brought.

(b) In addition, if the annual assessment is not paid within thirty (30) days after the date when due, then the Owner shall lose right to use of the Common Property (excluding subdivision roads) until such time as assessments are paid in full.

(c) The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessment as to payment which shall be due for such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof.

19. ARCHITECTURAL REVIEW COMMITTEE. The Board of Directors is authorized to establish an Architectural Review Committee and to delegate to said Board the following powers:

- (a) to adopt, administer, and enforce uniform architectural and landscaping standards which conform to the architectural, landscaping and other protections in the Declaration of Protective Covenants, Easements and Protections recorded as to the property within the Development. Said standards shall be adopted with the goal of maintaining the beauty of the natural environment of the areas and the overall plan of development for the Development; and
- (b) to adopt, administer, and appoint review committees with the goal of fairly and impartially enforcing architectural and landscaping standards; and
- (c) to make special exceptions to any standards adopted by the Architectural Review Committee or any review committees, upon proper allocation to the Architectural Review Committee. The means and manner of such application shall be adopted by the Architectural Review Committee.

Said Architectural Review Committee shall consist of no fewer than Three (3) members, at least One (1) of whom shall be a member of the Corporation, and One (1) of said Three (3) shall be a member of the Board of Directors. However, until the annual meeting of the membership, (after control of the Association has been relinquished by the Developer, as provided in the provision above in Article IV, Section 5) members of the Architectural Review Committee need not be members of the Corporation. The Board of Directors, may, in its sole discretion, appoint a professional architect, engineer, or land planner, who may or may not be a member of the Association serve on said Architectural Review Committee and may provide that said architect, engineer, or land planner be fairly compensated for services. The Board of Directors may approve the distribution of funds to meet the reasonable expenses of the Architectural Review Committee.

The Architectural Review Committee shall be responsible to the Board of Directors, which shall have a veto power over any decision made by the Architectural Review Committee. The veto power may be exercised by a majority of the Directors at any Board of Directors meeting, after application made by an aggrieved member or by any member of the Architectural Review Committee. However, no approval is needed for authorized

action taken if no application is made by an aggrieved member. The Architectural Review Committee shall promulgate from time to time such procedural rules and regulations as it deems necessary and proper, which shall include, but not necessarily be limited to the following:

- (1) Guidelines and procedure to be followed by an applicant seeking its approval.
- (2) Guidelines and procedure to be followed by an applicant seeking a special exception.
- (3) An adequate application form to be prepared and submitted by an applicant seeking its approval as a special exception.
- (4) A schedule of reasonable fees applicable for the processing of applications.
- (5) A procedure for calling a meeting of the Board of Directors or committee (which may include regularly scheduled meetings).
- (6) Such other procedural rules, regulations, and requirements as the Architectural Review Committee may deem necessary and proper, which are not in conflict with the By-Laws, and Declaration of Protective Covenants and Protections.

20. COMMON AREA. The Common Area shall mean any and all real and personal property and easements and other interests therein, together with any facilities and improvements located thereon, now owned by the Declarant and hereafter owned by the Association for the common use and enjoyment of the Owners. Common property includes but is not limited to the portions of the property described as roads, access easements, and Common Area as shown on that certain plat of survey as recorded as shown on the aforesaid Plat.

- (a) There shall be no obstruction of the Common Area, nor shall anything be kept, parked or stored on any part of the Common Area without prior written Board consent, except as specifically provided herein. This includes, but is not limited to, parking in any of the roadways or streets that serve the subdivision, or the cul-de-sacs, or the common areas.
- (b) The common area is for the sole use of the Declarant, the Association and its Owners. The Association reserves the right to implement such scheduling and/or additional restrictions as deemed necessary to ensure the proper use.
- (c) Neither the Declarant nor the Association shall be liable for any damage or injury resulting from such use of the Common Area to the extent permitted by law.

21. INVALIDATION. Invalidation of any one or more of the foregoing covenants by court order or otherwise shall in no way affect any of the other covenants or restrictions herein set forth, and they shall remain in full force and effect.

22. DECLARANT CONTROL PERIOD. Declarant Control Period shall mean the time to which Declarant has to exercise rights such as, but not limited to, appointing and/or removing one or more of the Board of Directors of the Association and vetoing certain amendments to the Declaration. The Declarant Control Period shall be the earlier of twenty-five (25) years after the date of the Declaration or when all of Pinnacle Shores at Lake Gaston (platted at such times and in such

Phases as determined in Declarant's sole discretion) has been sold or transferred to parties other than Declarant or such earlier time as determined in Declarant's sole discretion. Any additional property annexed and further subdivided in accordance with the provisions stated in this Declaration shall be sold in their entirety before it can be deemed that all lots have been sold.

23. The covenants, restrictions, easements, reservations, terms and conditions contained in this declaration shall run with the land and shall be binding upon all Lot Owners and their heirs, successors and assigns, provided, however that the Declarant retains the absolute right to amend this declaration, as deemed necessary, during the period Declarant is in control of the Association and all such amendments shall be binding upon all Lot Owners. Furthermore, the Association shall have the right to amend these covenants once Declarant no longer controls the association by approval of the Owners of 75% of the Lots subject to this declaration; provided, however, that the parcels and Lots shall NOT be divided into smaller tracts than as shown on the plats of survey above referenced except as provided in paragraph 1 above and that the land designated as common area shall NOT be sold and shall not be used for residential or commercial purposes during the duration of these covenants and restrictions. All amendments to the Declaration shall become effective upon recordation, unless a later effective date is specified in the amendment.

24. The above covenants and restrictions are placed on the property hereinabove set forth as a part of a general plan of development for the benefit of all owners of the property hereinabove specified within Pinnacle Shores at Lake Gaston Subdivision, and the covenants are and shall be binding upon the present owners of the property, their successors, heirs and assigns and shall be covenants running with the land, binding on all future owners of the property.

25. All covenants and restrictions herein set forth shall remain with the land and be binding on all parties and persons claiming under them until and including 31st day of December, 2032, and after the initial period, the covenants shall automatically be extended for successive periods of twenty (20) years each, unless an instrument signed by the owners of a majority of the lots or tracts of land herein affected by these covenants has been recorded in the Office of the Clerk of Superior Court of Warren County, North Carolina agreeing to a modification or change of the covenants, in whole or in part.

26. The affirmative vote of no less than two-thirds (2/3) of all votes by Qualified Voting Members entitled to be cast by the Association shall be required in order for the Association to (1) file a complaint, on account of an act or omission of Declarant, with any governmental agency which has regulatory or judicial authority over the Pinnacle Shores at Lake Gaston development or any part thereof; or (2) assert a claim against or sue Declarant.

27. Streets in this Subdivision are private streets and are neither maintained by Warren County nor considered part of the road system of Warren County. The responsibility for the upkeep and maintenance of the streets shown hereon are the responsibility of the individual Homeowners through the Subdivision's Homeowners Association.

28. Additional property annexed in accordance with procedures set forth in Item 27 of this Declaration shall become subject to this Declaration. Additional property shall mean all that property and any as may be adjacent to or contiguous with the Property which may be added to the Pinnacle Shores On Lake Gaston community in accordance with the terms of this Declaration. Property shall be deemed to be adjacent to or contiguous with the property if it physically connects to such property, at any point, or if it is separated only by a road, public or private, or water course, including

any river, creek or lake. In the event the Declarant adds additional property to the Property which is the subject of this Declaration, the Declarant shall have the absolute right to use any portion of the Property for roadway or other access to the property being added. This right shall include, but not be limited to, the right to use platted private streets and/or lots for vehicular and/or pedestrian access to the additional property. Furthermore, it is expressly understood that any annexed additional property added to Pinnacle Shores at Lake Gaston may be further subdivided and said subdivided additional property lots/lot owners shall have the absolute right to use any Pinnacle Shores at Lake Gaston private streets for vehicular and/or pedestrian access from the subdivided additional property through the Pinnacle Shores at Lake Gaston property and to a public road.

29. As the owner or, if not the owner, with the consent of the owner, Declarant shall have unilateral right, privilege, and option from time to time at any time until ten (10) years after the recording of this Declaration to subject all or any portion of any property that the Declarant may own presently or in the future that borders Pinnacle Shores on Lake Gaston Subdivision as shown on the above referenced Plat, to the provisions of this Declaration and the jurisdiction of the Association by filing for record in Warren County, North Carolina a Supplementary Declaration describing the property being annexed.

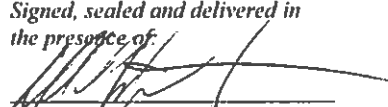
30. No amendment may remove, revoke, or modify any right or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege.

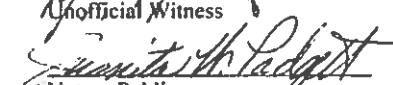
SO EXECUTED this 27 day of June, 2018.

THE PENINSULA AT HYCO LAKE, LLC


By: Jason C. Shott – Member/Manager

Signed, sealed and delivered in
the presence of:


Unofficial Witness


Notary Public

My commission expires
(Affix Notarial Seal here)

