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STATE OF NORTH CAROLINA)
)
COUNTY OF CATAWBA)

Magnolia Cove Subdivision

First Amendment to the Declaration of
Covenants, Conditions and Restrictions for
Magnolia Cove Subdivision

(RECORDERS PAGE)

Submitted electronically by "Tonnsen Bach Law Firm"
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Catawba County Register of Deeds.

STATE OF NORTH CAROLINA	)	FIRST AMENDMENT TO THE
	)	DECLARATION OF COVENANTS,
COUNTY OF CATAWBA	)	CONDITIONS AND RESTRICTIONS
	)	FOR MAGNOLIA COVE SUBDIVISION

The "Declaration of Covenants, Conditions and Restrictions for the Magnolia Cove Community" (Covenants) were recorded in the Catawba County Register of Deeds Office on December 1, 2020 at Book DE 3617 beginning at Page 337.

Whereas, Article 6, Section 4(a) of the Covenants states that the Covenants may be unilaterally amended by the Declarant during the Declarant Control Period.

Whereas on 29th, July, 2024, the Declarant approved the enclosed "First Amendment to the Declaration of Covenants, Conditions and Restrictions for the Magnolia Cove Subdivision" (First Amendment).

Accordingly, this First Amendment to the Declaration of Covenants, Conditions and Restrictions for Magnolia Cove Subdivision is hereby adopted and approved by the Declarant this 29th day of July, 2024. Except as herein specifically modified, the terms of the "Declaration of Covenants, Conditions and Restrictions for the Magnolia Cove Subdivision" remain effective. In the event of a conflict between this Amendment and the "Declaration of Covenants, Conditions and Restrictions for Magnolia Cove Community," the Bylaws, and/or the rules and regulations, the terms of this Amendment shall control. **The terms of this Amendment shall be effective as of the date of this recording.**

1. Exhibit "B" (the Initial Rules and Regulations), is hereby <u>amended</u> as follows:

2. Restricted Activities.

a. Parking any vehicles on streets or thoroughfares at any time within the Community or parking of commercial vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats and other watercraft, trailers, stored vehicles, or inoperable vehicles in places other than an enclosed garage; however, exempt from this is any construction, service or delivery vehicle during daylight hours that are present for the benefit of an Owner or the Association. Commercial signage or any decals/wraps/company logos/county vehicles/EMS vehicles/or any other type of vehicle appearing to be commercial. Any dually or dual rear-end wheel trucks or vehicles displaying a commercial plate on any Lot . Any vehicles parked on the streets or thoroughfares. Sideways parking on driveways or walkways. Parking on the apron or sidewalk of the driveway as these need to allow access for robotic devices. Two vehicles per driveway maximum. Partial parking of any type on any part of any grass.

These rules shall apply to all Owners including their family members, guests, invitees, agents, employees, and/or contractors. Fines will be issued for violations of any of the foregoing. Owners shall be responsible for any and all fines as well as any and all

damages or claims arising in any manner from violations of any parking rules. The Association shall bill the Owner for all violations of same;

2. Exhibit "B", (the Initial Rules and Regulations) Section 2 is hereby supplemented as follows:

y. Any items placed in yard or garden beds. This includes items placed in those areas or like areas including yard flags, door ornaments, signs, or any other items;

z. Any alteration, removal, addition, or any other similar act regarding landscaping on any Lot or within any Common Area. Only the Association may touch any landscaping or grounds within the community. Any such act will result in a $500 fine per occurrence;

aa. Direct hiring by any owner of any subcontractor or subcontractors to remove, alter, or add to, any exterior items. Only the Association is approved to alter or modify the exterior of any home. This includes any alterations of the home in any way. Any items the Association deems to have been improperly altered will be corrected by the Association at the sole cost of the Owner. Any such act will also result in a fine of $500.00 per occurrence and continued noncompliance with this section shall result in further fines and actions taken by the Association;

bb. Any maintenance, service, or like conduct on any type of passenger or other off-road or recreational vehicles. Recreational vehicles are not permitted in the neighborhood. Only permitted passenger cars are permitted, and they may be washed in the community. No other forms of any type of maintenance are permitted. This also includes maintenance in garages or other areas on any lot;

cc. Any placement or erection of yard ornaments. All current yard ornaments shall be removed. Any placement or erection or failure to remove a yard ornament shall result in a daily fine. If items are not removed in two weeks from the recording of the "First Amendment to the Covenants, Conditions, and Restrictions for Magnolia cove Subdivision," the yard ornaments will be removed by the Declarant or Association;

dd. Any change or modification to any exterior lights. The Association will provide and install lightbulbs for all standard Lots. Any exterior lights that have previously been modified or removed must be removed by the Owner. Violations of this provision will result in a daily fine in an amount subject to the Declarant's discretion;

ee. Erection or installation of any security cameras. Only security cameras pre-approved in writing by the Association as to their location and specification may be erected or installed.

ff. Leaving garage doors open when not in use. Garage doors shall remain closed when not in use. Violation of this section will result in fines of $125 per occurrence.

gg. Any storage of hoses except as approved by the Association. Hoses shall be stored in approved holders or containers provided to the Owner at a cost determined by the Association. Any hoses stored in violation of this provision shall be subject to a fine in an amount subject to the Declarant's discretion.

hh. Vehicles shall be in good working order and in a presentable condition. No vehicle is permitted to have mismatched wheels, crashed condition, missing body panels, faded paint, or any other condition that the Declarant or Association deems unacceptable or incompatible to the

Community-Wide Standard. Damage to driveways from leaking oil or fluids shall result in a violation.

ii. Smoking within the community is not permitted at any time if such activity is deemed a nuisance. Smoking is strictly prohibited in all common areas and the rest of the subdivision.

jj. No displays of any type, at any time, are permitted in the windows of any homes. Only white blinds are permitted to be seen from the outside of a home.

kk. Temporary items. No holiday yard decorations, lights, inflatables, signs, etc., are allowed. No bounce houses or trampolines are allowed. No decorative items placed upon the exterior of a home are allowed. Nothing is permitted in the yards and beds at any time.

ll. All patio areas must be kept in a neat and tidy condition. Adjustments to the patio areas may be issued by the Board.

mm. Any interruption of any and all maintenance including lawncare equipment or personnel will result in a fine. Harassment or interruption of any worker will result in a fine. Direct communication with a worker is not permitted. Any debris that causes interruption or repair of any robotic equipment performing work is a $125 fine per occurrence and damage caused due to owner action will be billed to the owner.

nn. Any rude acts or harassment to any HOA staff or Declarant will not be tolerated. Each occurrence will result in a $500 fine. Any such activity will be logged and the police notified.

oo. No fireworks of any type are allowed at any time.

pp. Pet waste. Any instance there is pet waste that must be cleaned up by the association or its employees is a $125 fine.

3. Exhibit "B", (the Initial Rules and Regulations) Section 4 is hereby amended as follows:

4. Leasing of Lots.

Leasing is defined as the regular, exclusive occupancy of a Lot by any person other than the Owner for which the Owner receives consideration of benefit.

All leases shall be in writing and shall have a minimum lease term of six (6) months, unless otherwise determined by the Board. No owner shall lease any Lot without first providing said lessees with a copy of the Declaration and these Restrictions, and each lease shall require acknowledgment of such. A true and accurate copy of each Lease shall be provided to the Board for approval in advance of execution . Any Owner who is delinquent on assessments is prohibited from leasing their Lot. Any Owner that is in violation of any provisions of the Declaration and these Restrictions shall be prohibited from leasing until the Association determines said Owner is in full compliance with same. If any renter violates any of the Association's governing documents more than once, the Board has the sole discretion to immediately terminate the lease. Violations of these rules will include daily fines in an amount determined by the Board. The Board has the sole authority to prohibit leasing for any owner at any time at its discretion.

Any future homes sales or transfer of ownership of any owner other than the Declarant forfeit any right to lease the property. No outside individuals, investors, rental companies will be allowed to operate or rent homes within the subdivision.

4. Article V, Section 2 is hereby amended as follows:

2. Association Responsibility. Prior to their acceptance for public or private maintenance, the Association shall maintain any roads, streets, walks, entranceways, cul-de-sacs, and utilities in the Community. Such maintenance shall include repair and reconstruction, when necessary. Maintenance of the roads, streets, entranceways, and cul-de-sacs in the Community shall conform to the standard of maintenance (if one is ascertainable), which would be required by the North Carolina Department of Transportation or other governmental entity before it would accept such roads, streets, entranceways, and cul-de-sacs for maintenance.

The Association shall also maintain the following:

a. All landscaped rights-of-way and all entry features;

b. All Common Areas, and all landscaping, paving, streets, structures, and improvements of any nature located thereon; and

c. All ponds, streams and culverts located on the Property which serves as part of any Stormwater Control Facilities; and

d. All subdivision lawns, trees, shrubs, and exterior landscaping on every lot unless homeowner installs an approved rear fence. If a fence is installed, The Association shall be responsible for areas outside the fence and Owner shall be responsible to maintain all areas inside the fence and said maintenance shall comply with all other applicable provisions and restrictions.

e. All exteriors of each Lot. This includes the exterior lighting and mechanical facilities, and includes repair and maintenance of all parking areas, driveways, repainting, and exterior damage to all structures.

f. Under no circumstances shall the Association or any of its employees or contractors be denied access to any lot or property for purposes of maintenance or repair. It is not an act of trespassing in any way for the association to enter any lot or property for purposes of maintenance or repair.

Owners shall make any exterior maintenance needs or requests through the online system TenantCloud or provide such requests to the Board of Directors.

5. Article V, Section 3 is hereby amended as follows:

3. Owner's Responsibility. Each Owner shall maintain his or her Lot and all unimproved Common Areas along the boundaries of his or her Lot (e.g., area between lot line and curb). Each Owner shall maintain all paving, structures, and improvements of any nature whatsoever located on his or her Lot. Said repairs to such property can only be performed by the Association and

under its direction. Each Owner's maintenance of his or her Lot and adjoining, unimproved Common Areas shall include, but not be limited to:

a. Keeping the area free and clear of all litter, trash, refuse and wastes; and
b. Complying with all governmental health and police requirements.

6. Article VIII, Section 2 is hereby amended as follows:

2. Creation of the Lien and Personal Obligation for Assessments. Each Owner of a Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association and any and all assessments levied by the Association hereunder (including, without limitation, Base Assessments, Special Assessments, and Specific Assessments) and any other charges established pursuant to the terms of this Declaration, including, but not limited to, reasonable fines as may be imposed in accordance with the terms of this Declaration and the Bylaws. In addition to the foregoing, the Board may charge each Owner a service, collection, consulting or administration fee (an "Administrative Fee") in an amount to be determined by the Board from time to time in connection with the assessment and collection of the assessments provided for in this Declaration.

Each such assessment, together with late charges (in an amount determined by the Board from time to time, but not to exceed the greater of Twenty and NO/ 100 Dollars ($20.00) per month or ten percent (10%) of any assessment installment unpaid or such higher amount as may be permitted by the Act), interest (at a rate not to exceed the lesser or the maximum permitted by law or eighteen (18%) per annum or such other amount as may be permitted by the North Carolina Planned Community Act), costs of collection, reasonable attorney's fees actually incurred and any Administrative Fee, shall be the personal obligation of the person who was the Owner of such Lot at the time the assessment fell due. Each Owner shall be personally liable for his or her portion of each assessment coming due while he or she is the Owner of a Lot and his or her successor-in-title shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance; provided, further, however, the liability of a grantee for the unpaid assessments of the grantor shall not apply to any First Mortgagee or other purchaser taking title through foreclosure proceedings or deed in lieu of foreclosure. All attorney's fees and costs of collection incurring in collecting delinquent assessments shall be paid by the delinquent Owner. The collection fees shall be in addition to what is owed the association and added to any owner's account if needed.

No Owner may waive or otherwise be exempt from liability for assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the Lot, or non-use of the Common Property. No diminution or abatement of any assessment shall be claimed or allowed by reason of any failure of the Association to take some action or perform some function required to be taken or performed by the Association, or for inconvenience or discomfort arising from the making of repairs or improvements that are the responsibility of the Association, or from any action taken by the Association to comply with any law, ordinance, or directive of any governmental or municipal authority, the obligation to pay assessments being a separate and independent covenant on the part of each Owner. All payments shall be applied first to costs, then to late charges, then to interest, and then to delinquent assessments.

Assessments shall be paid at a uniform rate per Lot in such manner and on such dates as may be fixed by the Board of Directors, which may include, without limitation, acceleration, upon ten (10) days' written notice, of assessments for delinquent assessments; provided however, (a) notwithstanding any provision in this Declaration to the contrary, assessments to pay a judgment against the Association may be made only against the Lots in the Community at the time that the judgment was entered; and (b) if any common expense is caused by the negligence or misconduct of any Owner or Occupant, the Association may assess the expenses exclusively against that Owner's Lot.

Assessments shall be due and owed upon the first day of each month. Each Owner shall make payments in a manner agreeable to the Declarant or Board of Directors. Payments received by check will not be accepted. All payments will be processed by TenantCloud, where the Association will also communicate with the Owners. All information regarding the Subdivision will also be available online through TenantCloud. Using TenantCloud is required for all aspects of community management and each owner is required to have a login and use the platform. Fines will be assessed for those that refuse to use the platform.

All sums assessed against any Lot pursuant to this Declaration, together with late charges (in an amount determined by the Board from time to time, but not to exceed the greater of twenty and 00/100 dollars ($20.00) per month or ten percent (10%) of any installment unpaid or such higher amount as may be permitted under the Act), interest on the principal amount due (at a rate not to exceed the lesser of the maximum rate allowed by law or eighteen percent (18%) per annum), costs of collection, reasonable attorney's fees actually incurred and any administrative fee when remaining unpaid for thirty (30) days or longer, shall be secured by a lien on such Lot in favor of the Association when the Association files a claim of lien in the Catawba County Clerk of Court's office. Such lien shall be superior to all other liens and encumbrances on such Lot, except for (i) liens and encumbrances recorded before the docketing of the claim of lien, and (ii) liens for real estate taxes and other governmental assessments and charges against the Lot. This Section does not affect the priority of a mechanics' and materialmen's' lien.

7. Article IV is hereby <u>supplemented</u> as follows:

9. <u>Flags</u>. The official flag of the United States and the official flag of the State of North Carolina may be displayed on any Lot provided (i) the flag is displayed in a location approved by the Association, (ii) the type of flag is approved by the Association, and (iii) the size of the flag is approved by the Association.

8. Article V, Section 4 is hereby <u>amended</u> as follows:

4. <u>Association's Right to Perform Responsibility of Owner</u>. If any Owner or Occupant of a Lot fails to perform any of the duties or responsibilities set forth in this subsection, then the Association or Declarant may give such person written notice of such failure and such person must, within ten (10) days after receiving such notice, perform the care and maintenance required or otherwise perform the duties and responsibilities of such Owner. Such notice shall be deemed to

have been received upon deposit in any official depository of the United States mail, addresses to the party to whom it was intended to be delivered at that party's current address as shown by the records of the Association, and sent by certified mail, return receipt requested.

Should any such person fail to fulfill this duty and responsibility within such period, then the Declarant or the Association acting through its authorized agent or agents, shall have the right and power to enter onto the Lot in question and perform such care and maintenance without any liability for damages for wrongful entry, trespass, or otherwise at person. All performance of such care and maintenance shall be completed by the Declarant or the Association on any Lot from sunup to sundown. All Owners of a Lot on which such work is performed shall be liable for the cost of such work together with interest on the amounts expended by the Association or the Declarant in performing such work computed at the rate of twelve percent (12.00%) per annum from the date(s) such amounts are expended until repaid to Association or the Declarant, as the case may be, and for all costs and expenses incurred, including attorney's fees, in seeking the compliance of such Owner with his duties and responsibilities hereunder, and shall reimburse the Association or the Declarant, as the case may be, on demand for such costs and expense (including interest as above provided). If such Owner shall fail to reimburse the Association or the Declarant, as the case may be, within thirty (30) days after mailing to such Owner of a statement for such costs and expenses by the Association or Declarant for the work performed on the Lot of the delinquent Owner(s), the Association may charge a Specific Assessment for such amounts against the Lot of such Owner, and proceed to collect such Specific Assessment as provided in Article IX below.

9. Article Seventeen, Section 4 is revised as follows:

Subject to the provisions herein, the Declarant, any Owner, and/or the Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, and covenants imposed by this Declaration. In all cases, the Declarant and the Association shall be entitled to recover all collection costs, expenses, and reasonable attorney's fees incurred in enforcing any violations of the Association's governing documents.

(Signature Page Follows)

CERTIFICATION

IN WITNESS WHEREOF, the undersigned certifies that this "First Amendment to the Restated Declaration of Covenants, Conditions and Restrictions for the Magnolia Cove Subdivision" was duly executed this the 29th day of July, 2024. The undersigned further certifies that this "First Amendment to the Declaration of Covenants, Conditions and Restrictions for the Magnolia Cove Subdivision" was approved by the Declarant.

Magnolia Cove, LLC

By: Aaron Guess
Its: Manager

IN THE PRESENCE OF:

1st Witness

2nd Witness (notary)

MARKUS BOWLING
Notary Public - North Carolina
Iredell County
My Commission Expires Mar 27, 2027

STATE OF NORTH CAROLINA)
)
COUNTY OF Catawba)

ACKNOWLEDGEMENT

I, the undersigned notary, do hereby certify that the above-named Aaron Guess, as Manager of Magnolia Cove, LLC personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 29 day of July, 2024.

Notary Public for North Carolina
My Commission Expires: Mar 27, 2027

Print Notary's Name here: Markus Bowling