FILED ELECTRONICALLY
CATAWBA COUNTY NC
DONNA HICKS SPENCER
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FILED Aug 23, 2024
AT 10:07:00 AM
BOOK 03890
START PAGE 1341
END PAGE 1349
INSTRUMENT # 15010
EXCISE TAX $0.00
KD

STATE OF NORTH CAROLINA)
)
COUNTY OF CATAWBA)

MAGNOLIA COVE SUBDIVISION

SECOND AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS ND 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	)	SECOND 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 on July 30, 2024, the "First Amendment to the Declaration of Covenants, Conditions and Restrictions for the Magnolia Cove Subdivision" (First Amendment) was recorded in the Catawba County Register of Deeds Office at Book DE 3886 at Page 0077.

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, the Declarant desires to substitute and replace the First Amendment with the herein Second Amendment to the Declaration of Covenants, Conditions, and Restrictions for Magnolia Cove Subdivision (Second Amendment).

Accordingly, this Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Magnolia Cove Subdivision is hereby adopted and approved by the Declarant this 22nd day of August, 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 Second 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 Second Amendment shall control. **The terms of this Second 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. Partial parking of any type on any part of any grass.

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

y. Any items placed in yard or garden beds, including but not limited to, yard flags, door ornaments, signs, or any other items.
z. Any alteration, removal, addition, or any other similar act regarding landscaping on the Lot or within any Common Area.
aa. Hiring by any owner of any subcontractor or subcontractors to remove, alter, or add to any landscaping.
bb. Any cleaning, maintenance, service, or like conduct regarding off-road or recreational vehicles.
cc. Any placement or erection of yard ornaments.
dd. Any change or modification to any exterior lights without prior written approval from the Association.
ee. Erection or installation of any exterior security cameras without prior written approval from the Association as to their exact location and specification.
ff. Leaving garage doors open when not in use. Garage doors shall remain closed at all times when not in use.
gg. Any storage of hoses on the Lot except in approved holders or containers provided to the Owner at a cost determined by the Association.
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 incompatible with the Community-Wide Standard. Damage to driveways from leaking oil or fluids shall result in a violation.
ii. Holiday decorations, lights, or other objects in the yard.
jj. All patio areas must be kept in a neat and tidy condition. Adjustments to the patio areas may be issued by the Board.
kk. Any interruption or harassment of maintenance equipment or personnel.
ll. Any harassment or offensive conduct to any Association representative or the Declarant.
mm. Use of fireworks of any type.
nn. All pet waste must be cleaned immediately by the pet's Owner.

These rules shall apply to all Owners including their family members, guests, invitees, agents, employees, contractors, and/or subcontractors. Violations of any of the Rules and Regulations will result in fines following notice and an opportunity to be heard as provided in Article 16 of the Declaration. Such fines shall be assessments secured by liens as provided in the Declaration. The Board shall have the right to use any enforcement methods as provided under the Declaration or applicable law.

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 within 10 days of execution. Any Owner who is delinquent on assessments or is found to be in violation of the Declaration or the Rules and Regulations following notice and an opportunity to be heard is prohibited from leasing their Lot until the Owner is determined to be in full compliance with same. Owners are responsible for their tenant's violations of the governing documents and Rules and Regulations. The Association shall have discretion to revoke an Owner's right to lease the residence due to multiple violations of the Declaration—including but not limited to the Rules and Regulations—following notice and an opportunity to be heard as provided in Article 16 of the Declaration.

Any future homes sales or transfer of ownership of any owner other than the Declarant forfeit the right to lease the property. No outside individuals, investors, or rental companies will be allowed to operate or rent homes within the subdivision as such activity constitutes a business, trade, or similar activity. Violations of any of these leasing restrictions will result in fines in an amount determined by the Board following notice and an opportunity to be heard as provided in Article 16 of the Declaration. Such fines shall be assessments secured by liens as provided in the Declaration. The Board shall have the right to use any enforcement methods as provided under the Declaration or applicable law.

4. Article V, Section 2 is hereby <u>amended</u> as follows:

2. <u>Association Responsibility</u>. 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;

c. All ponds, streams and culverts located on the Property that serve 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. The Association shall be entitled to reasonable access to the Lots for purposes of maintenance and repair.

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. 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 waste;
b. Keeping exterior lighting and mechanical facilities in working order;
c. Keeping parking areas and driveways in good repair;
d. Complying with all governmental health and police requirements;
e. Repainting of all structures; and
f. Repair of any exterior damage to all structures.

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.

The association shall be entitled to recover attorney's fees and costs it incurs in connection with collection of any sums due. A lot owner may not be required to pay attorneys' fees and court costs until the lot owner is notified in writing of the association's intent to seek payment of attorneys' fees, costs, and expenses. The notice must be sent by first-class mail to the physical address of the lot and the lot owner's address of record with the association and, if different, to the address for the lot owner shown on the county tax records for the lot. The association must make reasonable and diligent efforts to ensure that its records contain the lot owner's current mailing address. There shall be no requirement that notice under this subsection be mailed to an address which is known to be a vacant lot on which no dwelling has been constructed or a lot for which there is no United States postal address. The notice shall set out the outstanding balance due as of the date of the notice and state that the lot owner has 15 days from the mailing of the notice by first-class mail to pay the outstanding balance without the attorneys' fees and court costs. If the lot owner pays the outstanding balance within this period, then the lot owner shall have no obligation to pay attorneys' fees, costs, or expenses. The notice shall also inform the lot owner of the opportunity to contact a representative of the association to discuss a payment schedule for the outstanding balance and shall provide the name and telephone number of the representative.

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.

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 supplemented as follows:

9. Flags. 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.

10. Political Signs. Nothing in the Declaration shall prohibit the indoor or outdoor display of 1 (one) political sign by an Owner provided that (i) the sign is displayed no earlier than 45 days prior to the election nor more than 7 days thereafter; (ii) the sign is no larger than 24 inches by 24 inches, and (iii) the sign is located on the owner's property. Moreover, the political sign shall not interfere with the Association's maintenance and repair obligations under the Declaration, and the Association shall be permitted to remove the sign temporarily to complete same.

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

4. Association's Right to Perform Responsibility of Owner. 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, addressed 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 <u>revised</u> 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. The prevailing party shall be entitled to recover reasonable attorney's fees incurred in enforcing any violations of the Declaration and Rules and Regulations.

(Signature Page Follows)

CERTIFICATION

IN WITNESS WHEREOF, the undersigned certifies that this "Second Amendment to the Restated Declaration of Covenants, Conditions and Restrictions for the Magnolia Cove Subdivision" was duly executed this the 22nd day of August, 2024. The undersigned further certifies that this "Second 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 Thomas 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 22 day of Aug, 2024.

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

Print Notary's Name here: Markus Bowling