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Onslow County, NC  
Rebecca L. Pollard Reg. of Deeds

BK **4841** PG **691-700**

STATE OF NORTH CAROLINA  
COUNTY OF ONSLOW

**SECOND AMENDMENT TO DECLARATION OF  
EASEMENTS, COVENANTS AND RESTRICTIONS  
FOR WARD FARM COMMERCIAL SUBDIVISION  
AND WARD VILLAGE RESIDENTIAL  
SUBDIVISION**

Prepared by: Gaylor Edwards & Vatcher, P.A.  
219 New Bridge Street  
Jacksonville, NC 28540

**THIS SECOND AMENDMENT TO DECLARATION OF EASEMENTS, COVENANTS AND RESTRICTIONS FOR WARD FARM COMMERCIAL SUBDIVISION AND WARD VILLAGE RESIDENTIAL SUBDIVISION (the "Second Amendment"),** is made this 4th day of September, 2018, by and among **WARD FARM, L.L.C.**, a North Carolina limited liability company, being hereinafter referred to as the "**Declarant**," **COSTA CRISTAL, LLC**, a North Carolina limited liability company, hereinafter referred to as "**Costa Cristal**," **WARD FARM OWNERS' ASSOCIATION, INC.**, a North Carolina non-profit corporation, being hereinafter referred to as "**Commercial Association**," and **WARD VILLAGE HOMEOWNERS' ASSOCIATION, INC.**, a North Carolina non-profit corporation, being hereinafter referred to as "**Residential Association**":

**WHEREAS**, Declarant, Costa Cristal, Swansboro Methodist Church, Inc., a North Carolina non-profit corporation, and Ward Shore Builders, Inc., a North Carolina corporation, heretofore caused to be recorded a First Amendment to the Declaration of Easements, Covenants and Restrictions for Ward Farm Commercial Subdivision and Ward Village Residential Subdivision in Book 3960, Page 459, in the Office of the Register of Deeds of Onslow County, North Carolina, the "**Declaration**";

**WHEREAS**, Article XXIV, Section 24.03 of the Declaration, authorizes the Commercial Declarant, by affirmative vote of the Owners of fifty-one percent (51.0%) of all of the votes in the Commercial Association to amend provisions in Articles III through XI, inclusive;

**WHEREAS**, Article XXIV, Section 24.04 of the Declaration, authorizes the Residential Declarant, by affirmative vote of the Owners to whom not less than sixty-seven percent (67%) of all votes in the Residential Association, to amend Articles XII through XX, inclusive, of the Declaration;

**WHEREAS**, Article XXIV, Section 24.05 of the Declaration, authorizes both Associations, by affirmative vote of the Owners of fifty-one percent (51.0%) of all of the aggregate votes in both Associations to amend provisions in Articles I, II, XXI, XXII, XXIII and XXIV.

**WHEREAS**, Declarant desires to amend the Declaration as hereinafter provided, and has received the affirmative vote of the requisite percentages of votes of both Associations;

**NOW, THEREFORE**, the Declarant, Commercial Association and Residential Association, do hereby modify and amend the Declaration as follows:

1. All references to Ward Shore Builders, Inc. in the Declaration are hereby stricken and deleted in their entirety.
2. For clarification and ease of interpretation of the Declaration, Articles I, II, XXI, XXII, XXIII and XXIV apply to and are binding upon the Commercial Subdivision and Residential Subdivision; Articles III through XI, inclusive, apply to and are binding upon only the Commercial Subdivision, and Articles XII through XX, inclusive, apply to and are binding upon only the Residential Subdivision.
3. Article I, Definitions, the following definitions are hereby amended and restated as follows:

(N) "Commercial Development Period" means the period commencing on the date on which this Second Amendment is recorded in the Office of the Register of Deeds of Onslow County, North Carolina and terminating on the earlier to occur of: (i) when Declarant no longer owns a Lot in the Commercial Subdivision; (ii) the date that Declarant relinquishes in writing Declarant's right to appoint Directors to the Commercial Board; or (iii) the occurrence of the date twenty (20) years from the date of recording this Second Amendment, renewable for an additional twenty (20) year period with the written consent of a majority of the Commercial Lot Owners, other than the Declarant.

(U) "Commercial Property" or "Commercial Subdivision" shall mean and refer to that certain real estate described in Exhibit A, as may now be, or is hereafter, subdivided and/or reconfigured by recordation of a duly authorized recorded plat and all other real estate that may be annexed into this Declaration and the Commercial Property by the Declarant.

(AA) "Dwelling Unit" shall mean and refer to an individual family living unit situated in the Residential Property or Commercial Property.

(UU) "Residential Declarant" shall mean and refer to WARD FARM, L.L.C., a North Carolina limited liability company, its successors and assigns, as the Residential Declarant, sometimes referred to as "Declarant".

(VV) "Residential Development Period" means the period commencing on the date on which this Second Amendment is recorded in the Office of the Register of Deeds of Onslow County, North Carolina and terminating on the earlier to occur of: (i) when Declarant no longer owns a Lot in the Residential Subdivision; (ii) the date that Declarant relinquishes in writing Declarant's right to appoint Directors to the Residential Board; or (iii) the occurrence of the date twenty (20) years from the date of recording this Second Amendment, renewable for an additional twenty (20) year period with the written consent of a majority of the Residential Lot Owners, other than the Declarant.

(CCC) "Residential Property" or "Residential Subdivision" shall mean and refer to that certain real estate described in Exhibit "B" as may now be, or is hereafter, subdivided and/or reconfigured by recordation of a duly authorized recorded plat and all other real estate that may be annexed into this Residential Subdivision, and the Residential Association, by the Declarant.

4. Article IV, Section 4.07, Maintenance Obligation of the Commercial Lot Owners, is amended as follows:

Section 4.07(C) is modified and restated to read: Not to change the paint color or otherwise alter, decorate or change the appearance of any exterior portion of his/her Improvements, without the prior written consent of the Commercial Association.

Section 4.07(E) is modified by deleting the references to Section 5.03 and Section 10.07 in paragraph (E), and substituting therefore Section 5.04.

5. Article V, Section 5.01, Commercial Regular Assessments is amended as follows:

Section 5.01(A) is amended by deleting the terms and provisions set forth therein and substituting the following in its entirety:

(A) The **annual** Commercial Regular Assessments for the payment of Stormwater Maintenance and other Commercial Common Expenses shall be made in the manner provided herein. The Commercial Regular Assessment is established for the benefit and use of the Commercial Association and shall be used to pay all Commercial Common Expenses. The annual initial minimum Commercial Regular Assessment for each Commercial Lot Owner for Stormwater Maintenance, and all other Commercial Common Expenses shall be as set forth in Section 5.03, below. The Commercial

Owner's first Regular Assessment (or prorated portion thereof for a partial calendar year) as determined in accordance with Section 5.03 is to be paid upon the closing of the sale and purchase of the Commercial Owner's Lot. The Declarant shall not be obligated to pay Commercial Regular Assessments, but shall pay the balance due for Commercial Stormwater Maintenance and other Common Expenses not covered by the Commercial Regular Assessments paid or payable by Lot Owners.

6. Article V, Sections 5.03(A) is deleted in its entirety, Sections 5.03(B) and (C), are hereby modified and amended, and new Section 5.03(D) is added, as follows:

(A) Deleted.

(B) Stormwater Maintenance Assessments. All Commercial Common Expenses relating to maintenance, repair, upkeep and compliance with the Commercial Stormwater Permit and Retention Pond and any drainage areas in the Commercial and Residential Subdivisions shall be divided among the Commercial Lot Owners, Residential Association, Hotel and Church in accordance with the following percentage shares:

<u>Lot #</u>	<u>BUA (square ft)</u>	<u>% Share</u>	<u>Initial Annual Amount</u>
1	7,600	1.00%	\$ 26.00
2	7,000	1.00%	\$ 24.00
3	16,500	3.00%	\$ 57.00
4	8,200	1.50%	\$ 29.00
5	8,000	1.50%	\$ 29.00
6	42,000	7.00%	\$ 146.00
7	46,700	8.00%	\$ 162.00
8	34,000	6.00%	\$ 118.00
9	35,800	6.00%	\$ 124.00
Residential Ass'n	276,600	39.00%	\$ 785.00
Hotel Property**	93,793	16.00%	\$1,500.00
Church Property***	72,500	10.00%	\$ 500.00
TOTAL	717,572	100.00%	\$3,500.00

\*\*The Hotel Property shall be responsible for the annual fee of \$1,500.00 or thirty-one percent (31.0%) of the total maintenance costs, whichever is greater, pursuant to the Agreement recorded in Book 3382, Page 687, Onslow County Registry.

\*\*\*The Church Property shall be responsible for the annual fee of \$500.00 or its percentage share as calculated above, whichever is greater, pursuant to the Agreement recorded in Book 4821, Page 714-721, Onslow County Registry.

(C) All other Commercial Common Expenses shall be divided amount the Commercial Lot Owners in accordance with the percentage shares as follows:

<u>Lot#</u>	<u>% Share</u>	<u>Initial Annual Amount</u>
Hotel Property*		\$ 1,000.00
1	4.00%	\$ 185.00
2	3.00%	\$ 170.00
3	8.00%	\$ 400.00
4	4.00%	\$ 200.00
5	4.00%	\$ 194.00
6	20.00%	\$ 1,020.00
7	23.00%	\$ 1,135.00
8	17.00%	\$ 826.00
9	17.00%	\$ 870.00
TOTAL	100.00%	\$ 6,000.00

\*The Hotel Property is obligated to pay \$1,000.00 for Common Area maintenance costs pursuant to the Agreement recorded in Book 3382, Page 687, Onslow County Registry.

Section 5.03(D) Computations for Subdivided Commercial Lot or Lots  
In the event a Commercial Lot or Lots is or are subdivided in accordance with Section 8.06 of the Declaration, the Built Upon Area ("BUA"), Stormwater Maintenance Assessments and all other Commercial Common Expenses for such subdivided Commercial Lots shall be equal to the pro rata portion of the area of the original Commercial Lot or Lots.

7. Article V, Section 5.14. Non-Liability of Foreclosure Sale Purchaser for Past Due Common Expenses is amended by deleting the provisions set forth therein and substituting the following it its entirety:

When the holder of a first mortgage or first deed of trust of record or grantee of a Commercial Lot acquires title to the Commercial Lot as a result of a foreclosure of the first mortgage, first deed of trust, or by deed in lieu of foreclosure, such grantee of title shall not be liable for Commercial Regular or Special Assessments charged to said Commercial Lot which became due prior to the recordation of the deed of conveyance to such Commercial Lot in the Onslow County Registry. This provision shall not relieve such grantee from payment of all assessments and charges accruing after the date of recordation of said deed.

8. Article XI, Commercial Association Insurance, is hereby amended by deleting the entire Article and substitution of the following:

Section 11.01. General Insurance. The Commercial Association shall carry a master policy of fire and extended coverage, vandalism, malicious mischief and liability insurance, and if required by law, workmen's compensation insurance with respect to the Commercial Subdivision and the Commercial Association's administration thereof in accordance with the following provisions:

(A) The Commercial Association shall purchase a master policy, which may be made up of several different policies purchased from different agencies and issued by different companies, for the benefit of the Commercial Association, the Commercial Lot Owners, and their mortgagees as their interest may appear, subject to the provisions of this Second Amendment, the Declaration, and Commercial Association Bylaws.

(B) All Commercial Common Areas, now or at any time hereafter constituting a part of the Commercial Subdivision, shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount not less than eighty percent (80.0%) of the replacement value thereof, with a deductible agreed to by the Commercial Board of Directors.

(C) The master policy shall comply with the coverage and certificate requirements of NCGS Section 47F-3-113.

Section 11.02. Other Insurance. The Commercial Board of Directors may, in its discretion, obtain fidelity, and directors' and officers' errors and omission insurance, at such time or times as deemed reasonable or necessary.

Section 11.03. Premiums. All premiums upon insurance purchased by the Commercial Association shall be Commercial Common Expenses.

Section 11.04. Proceeds. Proceeds of all insurance policies owned by the Commercial Association shall be received by the Commercial Association for the use of the Commercial Lot Owners and their mortgagees, as their interest may appear; provided, however, the proceeds of any insurance received by the Commercial Association because of property damage shall be applied to repair and reconstruction of the damaged property, except as otherwise permitted by the Declaration, as amended by this Second Amendment.

Section 11.05. Power of Attorney. Each Commercial Lot Owner shall be deemed to appoint the President of the Commercial Association as his/her true and lawful agent to act in connection with all matters concerning the purchase and maintenance of the master policy or any other insurance policy obtained by the Commercial Association, and settlement of all claims under such policies.

Section 11.06. Responsibility of Commercial Lot Owner. Each Commercial Lot Owner, shall upon commencement of construction or placement of any improvements upon his/her Commercial Lot, obtain comprehensive public liability insurance with a financially responsible insurance company or companies licensed to do business in the State of North Carolina insuring against claims on account of loss of life, bodily injury and property damage that may arise from, or be occasioned by the condition, use or occupancy of such Commercial Owner's Lot; such insurance shall provide for a limit of not less than One Million and 00/100 Dollars (\$1,000,000.00) for personal or bodily injury or death per occurrence, and a limit of not less than One Million and 00/100 Dollars (\$1,000,000.00) with respect to property damage. All policies of insurance carried by the Commercial Lot Owner pursuant to this Section shall name the Commercial Association as an additional insured and provide that the same may not be canceled or amended without at least thirty (30) days prior written notice being given by the insurer to the Commercial Association. Each Commercial Lot Owner shall deliver to the Commercial Association evidence that the insurance described herein is in full force and effect.

9. Article XIV, Section 14.14. Non-Liability of Foreclosure Sale Purchaser for Past Due Common Expenses is amended by deleting the provisions set forth therein and substituting the following in its entirety:

When the holder of a first mortgage or first deed of trust of record or grantee of a Residential Lot acquires title to the Residential Lot as a result of a foreclosure of the first mortgage, first deed of trust, or by deed in lieu of foreclosure, such grantee of title shall not be liable for Residential Regular or Special Assessments charged to said Residential Lot which became due prior to the recordation of the deed of conveyance to such Residential Lot in the Onslow County Registry. This provision shall not relieve such grantee from payment of all assessments and charges accruing after the date of recordation of said deed.

10. Article XX, Residential Association Insurance, is hereby amended by deleting the entire Article and substitution of the following:

Section 20.01. General Insurance. The Residential Association shall carry a master policy of fire and extended coverage, vandalism, malicious mischief and liability insurance, and if required by law, workmen's compensation insurance with respect to the Residential Subdivision and the Residential Association's administration thereof in accordance with the following provisions:

(A) The Residential Association shall purchase a master policy, which may be made up of several different policies purchased from different agencies and issued by different companies, for the benefit of the Residential Association, the Residential Lot Owners, and their mortgagees as their interest may appear, subject to the provisions of this Second Amendment, the Declaration, and Residential Association Bylaws.

(B) All Residential Common Areas, now or at any time hereafter constituting a part of the Residential Subdivision, shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount not less than eighty percent (80.0%) of the replacement value thereof, with a deductible agreed to by the Residential Board of Directors.

(C) The master policy shall comply with the coverage and certificate requirements of NCGS Section 47F-3-113.

Section 20.02. Other Insurance. The Residential Board of Directors may, in its discretion, obtain fidelity, and directors' and officers' errors and omission insurance, at such time or times as deemed reasonable or necessary.

Section 20.03. Premiums. All premiums upon insurance purchased by the Residential Association shall be Residential Common Expenses.

Section 20.04. Proceeds. Proceeds of all insurance policies owned by the Residential Association shall be received by the Residential Association for the use of the Residential Lot Owners and their mortgagees, as their interest may appear; provided, however, the proceeds of any insurance received by the Residential Association because of property damage shall be applied to repair and reconstruction of the damaged property, except as otherwise permitted by the Declaration, as amended by this Second Amendment.

Section 20.05. Power of Attorney. Each Residential Lot Owner shall be deemed to appoint the President of the Residential Association as his/her true and lawful agent to act in connection with all matters concerning the purchase and maintenance of the master policy or any other insurance policy obtained by the Residential Association, and settlement of all claims under such policies.

Section 20.06. Responsibility of Residential Lot Owner. Each Residential Lot Owner, shall upon commencement of construction or placement of any improvements upon his/her Residential Lot, obtain comprehensive public liability insurance with a financially responsible insurance company or companies licensed to do business in the State of North Carolina insuring against claims on account of loss of life, bodily injury and property damage that may arise from, or be occasioned by the condition, use or occupancy of such Residential Owner's Lot; such insurance shall provide for a limit of not less than One Million and 00/100 Dollars (\$1,000,000.00) for personal or bodily injury or death per occurrence, and a limit of not less than One Million and 00/100 Dollars (\$1,000,000.00) with respect to property damage. All policies of insurance carried by the Residential Lot Owner pursuant to this Section shall name the Residential Association as an additional insured and provide that the same may not be canceled or amended without at least thirty (30) days prior written notice being given by the insurer to the Residential Association. Each Residential Lot Owner shall deliver to the Residential Association evidence that the insurance described herein is in full force and effect.

Capitalized terms in this Second Amendment shall have the same meaning as set forth in the Declaration, unless otherwise provided herein.

EXCEPT as hereby amended and modified, the easements, covenants and restrictions set forth in the Declaration shall remain in full force and effect.

**IN WITNESS WHEREOF**, the Declarant, Costa Cristal, Commercial Association and Residential Association have caused this instrument to be signed by a duly authorized officer or manager, with authority duly given, effective the day and year first above written.

**WARD FARM, L.L.C.**, a North Carolina  
limited liability company

By: John R. Freshwater  
Name: John R. Freshwater  
Title: Member/Manager



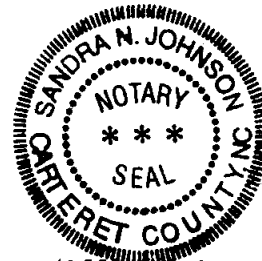
STATE OF NORTH CAROLINA  
COUNTY OF ONSLOW

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purposes stated therein and in the capacity(ies) indicated:  
**John R. Freshwater**

Date: September 4, 2018

*Sandra N. Johnson*  
(Official Signature of Notary)

Sandra N. Johnson  
(Notary's printed or typed name)



(Official Stamp or Seal)

My commission expires: May 26, 2023

**COSTA CRISTAL, LLC**, a North Carolina limited liability company

By: *John R. Freshwater*  
John R. Freshwater,  
Member/Manager

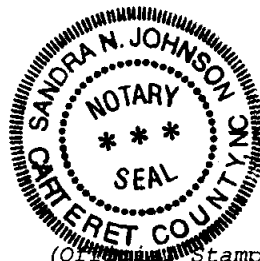
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Date: September 4, 2018

*Sandra N. Johnson*  
(Official Signature of Notary)

Sandra N. Johnson  
(Notary's printed or typed name)



(Official Stamp or Seal)

My commission expires: May 26, 2023

WARD FARM OWNERS' ASSOCIATION, INC., a  
North Carolina non-profit corporation

By: Paul E. Williams  
Name: Paul E. Williams  
Title: President

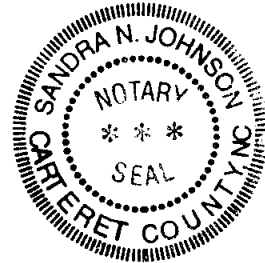
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**Paul E. Williams.**

Date: September 4, 2018

Sandra N. Johnson  
(Official Signature of Notary)

Sandra N. Johnson  
(Notary's printed or typed name)



(Official Stamp or Seal)

My commission expires: May 26, 2023

WARD VILLAGE HOMEOWNERS' ASSOCIATION, INC.,  
a North Carolina non-profit corporation

By: Paul E. Williams  
Name: Paul E. Williams  
Title: President

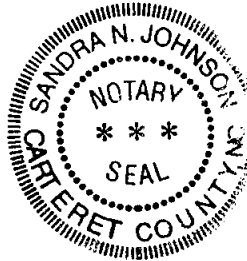
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**Paul E. Williams.**

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Sandra N. Johnson  
(Official Signature of Notary)

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(Notary's printed or typed name)



(Official Stamp or Seal)

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