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Onslow County, NC  
Maryland K. Washington Reg. of Deeds  
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DECLARATION

STATE OF NORTH CAROLINA  
COUNTY OF ONSLOW

THIS DECLARATION, made and entered into this the 20<sup>th</sup> day of October, 2007, by and between C & N DEVELOPERS, INC. (hereinafter called "Declarant"); and ALL PROSPECTIVE PURCHASERS of Lots numbered 41 through 47, inclusive as same are shown and delineated on a map of Hall's Creek North, Section III recorded in Map Book 54, Page 33, Slide M147 (hereinafter referred to as "Subdivision") and any other property annexed by Declarant in the future into the Subdivision pursuant to the provisions of Paragraph 16 hereof;

WITNESSETH:

WHEREAS, Declarant heretofore acquired title to a tract of land which has been subdivided into lots numbered 41 through 47, inclusive (said numbered lots being hereinafter referred to individually as "Lot" and collectively as "Lots") as same are shown on a map entitled "Hall's Creek North, Section III" which map is recorded in Map Book 54, Page 33, Slide M147 (said map hereinafter is referred to as the "Recorded Plat"); and,

WHEREAS, Declarant intends to convey said Lots as same are shown and delineated on the Recorded Plat by deeds, deeds of trust, mortgages and other instruments to various persons and entities, subject to the restrictive and protective covenants, conditions and easements herein set forth which are deemed to make the Subdivision more desirable and to be for the benefit of all those who acquire title to any one or more of said Lots to the end that the restrictive and protective covenants, conditions and easements herein set out shall inure to the benefit of each person or entity which may acquire title to any or all of said Lots and which shall

be binding upon each such person or entity to whom or to which Declarant hereafter may convey any of said Lots by deed, mortgage, deed of trust or other instrument.

NOW, THEREFORE, in consideration of the premises, Declarant hereby covenants and agrees with said prospective purchasers that each of the Lots as shown on the Recorded Plat shall be held, sold and conveyed subject to the restrictive and protective covenants, conditions and easements hereinafter set forth (hereinafter referred to as the "Restrictions") and said Restrictions shall become a part of each instrument conveying title to any of said Lots as fully and to the same extent as if the Restrictions were set forth therein. As a condition of the sale or conveyance of each of said Lots, the purchaser agrees and covenants to abide by and conform to these Restrictions. No property shown on the Recorded Plat except the Lots is encumbered by these Restrictions. Property which is not included in a numbered Lot is not encumbered by these Restrictions. Declarant is not obligated to impose these Restrictions upon any property other than the Lots.

THE RESTRICTIONS ARE AS FOLLOWS:

1. ARCHITECTURAL COMMITTEE. There hereby is constituted the Hall's Creek North, Section III Architectural Committee ("Committee") to be appointed, to be replaced, to possess the qualifications and to possess the powers as specified herein. The Committee shall consist of one individual to be appointed by Declarant until Declarant transfers its right to make such appointment. The initial member of the Committee hereby appointed by Declarant is Nicholas Semanderes. He shall serve until he resigns or is replaced by Declarant. If the initial member of the Committee resigns, the Declarant shall have the sole and absolute right to replace said member unless the Declarant has transferred the right to appoint the Committee as provided herein. The Declarant may transfer the power to appoint the Committee by a written document recorded in the office of the Register of Deeds of Onslow County specifically referencing this Declaration and specifically specifying the property for which the Committee

appointment rights are transferred. If Declarant transfers its right to appoint the Committee by a document recorded in the office of the Register of Deeds of Onslow County specifically referring to this Declaration, the designated transferee shall possess the powers specified in this Paragraph 1 to appoint the Committee as to, but only as to, the property for which the Committee appointment rights have been transferred. The member(s) of the Committee shall serve without compensation or reimbursement. The Committee shall have the right to bring suit in its own name or in the name of the owners of the Lots. If the Committee has more than one (1) member, any member of the Committee may call a meeting upon five (5) days notice to the other member(s) of the Committee. A written decision signed by a majority of the member(s) of the Committee shall be the decision of the Committee. Until changed by a written document executed by the Declarant and recorded in the office of the Register of Deeds of Onslow County, the address of the Committee is 3257 Henderson Drive, Jacksonville, North Carolina 28546, Attention: Nicholas Semanderes.

The Declarant may transfer to a party such as the Corporation (hereinafter defined), its right to appoint the Committee for Hall's Creek North, Section III and nevertheless retain the right to appoint the committee for any property hereinafter annexed into the Subdivision, with the result that there may be more than one (1) committee operating simultaneously, with the members of one (1) committee being appointed by the party to whom Declarant may have transferred the right to appoint the Committee and the members of additional committee(s) being appointed by Declarant.

The provisions of this Paragraph 1 also shall apply to any committee appointed by Declarant for property subsequently annexed into the Subdivision.

2. PROPERTY CONTROL.

a. Before any structure or improvement whatsoever (including, but not limited to, residential dwellings, fences, mailboxes, paperboxes, patios, walls, storage

buildings, swimming pools, outbuildings, garages, carports or gazebos) may be erected upon any Lot, the plans and specifications for such structure or improvement; the proposed location and orientation in relation to streets or other Lots; and the construction materials, the covering material, style and slope of the roofs and exterior color schemes shall have been approved in writing by the Committee. Any garage, carport, gazebo or other outbuilding erected upon a Lot shall have the same siding material and siding color and shall have the same roof material and roof color as the residential dwelling located upon the Lot. After initial construction of a structure, any exterior changes or additions to the structure and any exterior remodeling, reconstruction, alteration or building addition on a Lot also shall require the prior written approval of the Committee.

b. Before construction of any structure commences, there shall be submitted to the Committee two (2) complete sets of the final plans, specifications and details for the proposed structure, the erection or alteration of which is desired. Such plans, specifications and details shall include plot plans showing the location on the Lot of all structures proposed to be constructed or altered, together with the proposed construction materials, color schemes for exterior walls and roofs and proposed landscape planting.

c. The Committee shall approve or disapprove plans, specifications and details within thirty (30) days from the receipt thereof. One (1) set of said plans, specifications and details, with the approval or disapproval of the Committee endorsed thereon, shall be returned to the person submitting them and the other copy thereof shall be retained by the Committee for its permanent files. Any disapproval shall state specific reasons for the disapproval. In the event the plans, specifications and details are not disapproved within thirty (30) days after their receipt by the Committee, they shall be deemed approved.

d. The Committee shall have the right to disapprove any plans, specification or details submitted to it in the event they are not in accordance with the provisions

of these Restrictions; if the design, height, construction materials, exterior finish or color scheme of the proposed structure is not in harmony with the general surroundings of such Lot or with the adjacent structures; if the plans, specifications and details submitted are incomplete; or if the Committee deems the plans, specifications or details, or any part thereof, to be contrary to the interests, welfare or rights of the owner of any Lot. All decisions of the Committee shall be final.

e. Once the plans, specifications and details have been approved by the Committee, construction shall adhere to those plans, specifications and details in all material respects. If a material deviation is proposed, it shall be approved in writing by the Committee before construction proceeds.

f. Neither the Committee nor any member thereof shall be responsible or liable for any defects in any plans, specifications or details submitted, revised or approved; for any structural or other defects in any work done according to such plans, specifications or details; for refusing to approve plans for any reason whatsoever; for the failure of any plans submitted to comply with these Restrictions; for the failure of any approved or unapproved construction to conform to the provisions of the plans, specifications or details or these Restrictions; for failure to enforce these Restrictions; or for the failure to enjoin construction which has either not been approved by the Committee or which is not being performed in accordance with plans, specifications and details which have been approved by the Committee. Approval by the Committee shall not relieve a Lot owner from obtaining any required governmental approval of any proposed action or from conforming to the provisions of these Restrictions.

3. USE, SIZE, CONSTRUCTION AND PLACEMENT OF RESIDENCES AND STRUCTURES.

a. Only one (1) single-family residential dwelling designed for use as, and used as, a single-family residential dwelling, one (1) outbuilding and other appurtenant structures which are not outbuildings, all of which comply with these Restrictions and all of which shall have been approved by the Committee may be constructed, erected, placed or maintained on any Lot. Each Lot shall be used for single-family residential purposes only and no more than one (1) single family (and its attendant butler, maid or nanny) may reside on a Lot at any one time. No improvement of any kind, other than one single-family residential dwelling and other improvements which are not prohibited herein may be constructed, erected, placed or maintained on any Lot. Except as hereinafter provided, no Lot shall be used for an office, business, or other operation to which persons physically visit to obtain goods or services; no goods shall be stored on a Lot for the purpose of delivery to persons not residing on that Lot; and no goods shall be delivered to a Lot by delivery trucks or otherwise if the goods are intended to be delivered thereafter to persons not residing on that Lot. The foregoing notwithstanding, the storage by an occupant living in the residential dwelling on a Lot of goods intended to be delivered as gifts to a family member or personal acquaintance of said occupant is not prohibited by this Paragraph 3(a). No lot may be used for a daycare center, after-school care center, nursery or similar use. However, it shall not be a violation of these Restrictions for an occupant residing on a Lot to hire a sitter or other caregiver to come upon that Lot to care for members of said occupant's family who also reside on that Lot. It is provided, however, that notwithstanding the foregoing restrictions, Declarant, or a party designated by Declarant in writing, may operate or allow the operation of a model home and/or sales office on a Lot so long as Declarant or such designated party is offering for sale either Lots or previously unoccupied residential dwellings located in the Subdivision, located on any other property owned by Declarant or such designated

party and located in the same area as the Subdivision, or located on the property described in the deed recorded in Book 2622, Page 329.

b. Each residential dwelling in the Subdivision shall contain no less than 1,800 square feet of heated floor area and no less than 1,000 square feet of heated floor area on the first floor. Unless they are the one (1) permitted outbuilding, garages shall be attached to the residential dwelling in the manner provided in Paragraph 4 hereof. Any permitted outbuilding erected upon a Lot shall have the same siding material and siding color and shall have the same roof material and roof color as the residential dwelling located upon the Lot. All roofs on the residential dwelling and on any permitted outbuilding shall have a least a 5/12 roof pitch.

c. No residential dwelling constructed on a Lot shall exceed two and one-half (2½) stories in height. The Committee shall have the authority to establish regulations pertaining to the height and size requirements of all other types of structures.

d. No building, underground pool or above ground structure, except approved fences, mailboxes and paper boxes, shall be located nearer to any Lot boundary line than the building setback lines shown on the Recorded Plat. The variance provisions set forth herein shall apply to setbacks and utility easements shown on the Recorded Plat. The establishment of standard inflexible building setback lines for the location of buildings tends to force construction of structures both directly behind and directly to the side of other structures with detrimental effects on privacy, preservation of important trees and wetland areas. Therefore, no specific setback lines are established by these Restrictions except as set forth above. In order to insure, however, that the location of structures will be staggered where practical and appropriate; that the maximum amount of view and attractiveness will be available to each structure; that the structures will be located with regard to the topography of each individual Lot; and that the location will take into consideration the location of large trees, lot

elevations, wetland areas, Stormwater Management Facilities (as hereinafter defined), and similar considerations, the Committee shall have, and hereby is granted, the right to control absolutely and to decide in its sole discretion the precise site and location of any residential dwelling or other structure upon any Lot; provided, however, that such location shall be determined only after reasonable opportunity is afforded the owner of the Lot to recommend a specific site, but such location shall be within the minimum setback lines shown on the Recorded Map. The exact location of the residential dwelling and any permitted outbuildings shall be shown on the site plan for each Lot and approved by the Committee. The provisions of these Restrictions supersede the Recorded Plat.

e. Except as hereinafter provided in this Paragraph 3(e), any fence located on a Lot shall be constructed behind the front face of the residential dwelling located on the Lot and shall be no greater than six (6) feet in height. It is provided, however, that a privacy fence enclosing an area not larger than one hundred sixty (160) square feet may be constructed at a height greater than six (6) feet but not greater than eight (8) feet. Any such permitted privacy fence shall be located behind the rear face of the residential dwelling located on the Lot. All fences shall be constructed of pressure treated wood; decay and insect resistant wood such as cedar, juniper or redwood, or of vinyl. No chain link fences shall be constructed on any Lot. All swimming pools shall be enclosed by an approved privacy fence meeting the criteria set forth above.

f. No above-ground structure, except approved fences, mailboxes, paper boxes, and paving may be constructed or placed on any Lot in the Subdivision except within the building lines stated in this Paragraph 3. All mailboxes constructed within the Subdivision shall be constructed and located according to mailbox plans and specifications from time-to-time adopted by the Committee. The intention of these Restrictions is that all mailboxes shall be identical.



g. The exterior of any residential dwelling or other permitted outbuilding located on a Lot shall be brick, stucco, vinyl, wood, masonry fibrous cement board such as "Hardie Plank," or split-face block, or some combination of the aforesaid sidings. Any wood siding shall be juniper, cedar or cypress. No exterior surface shall consist of masonite, asbestos, metal sidings or exposed concrete blocks (except masonry fibrous cement board such as "Hardie Plank" or split face block). All sidings shall be cleaned as often as is necessary to prevent the accumulation of mildew on the siding.

h. The roofing material of any residential dwelling or other permitted outbuilding located on a Lot shall be either "architectural style" or "three dimensional asphalt" shingles.

i. At the time a residential dwelling is constructed on a Lot, there also shall be constructed by the installation of Centipede, Saint Augustine or Zoysia grass sod, a contiguous lawn from the front face of the residential dwelling located on said Lot to the pavement of the road right of way in front of said Lot and from side lot line to side lot line. The lawn shall extend from the edge of the pavement on which the Lot fronts to the rear face of the dwelling located upon the Lot. Further, the Lots which are corner Lots also shall have a lawn from the pavement on the road beside said Lot to the face of the dwelling located on said Lot and front front-lot line to rear-lot line. Exhibit A, attached hereto and incorporated herein by reference sets for the lawn requirements provided in this Paragraph. That lawn shall comply with the North Carolina State Stormwater Management Permit No. 8061223 for the Subdivision and any amendments, additions or replacements thereof. With respect to any Lot hereinafter annexed into the Subdivision, there also shall be constructed a lawn as provided above (hereinafter all North Carolina Stormwater Management Permits applicable to the Lots and any Lots hereinafter annexed into the Subdivision, and any amendments, additions or replacements thereof are collectively referred to as the "Permit"). Thereafter, such lawn, including any portion

thereof upon which is located any Stormwater Management Facilities (hereinafter defined), shall be maintained by the owner of the Lot in a mowed condition, and the owner of said Lot shall not damage or allow any damage to occur to any such Stormwater Management Facilities. Until such time as ground cover is established on a Lot, any stormwater diversion swale located on said Lot shall not be graded or otherwise modified except in compliance with the Permit. The Permit requires, at a minimum, the replacement of the stormwater diversion swale with a silt fence until ground cover is established on the entire Lot. After ground cover is established on a Lot, the stormwater diversion swale located on a Lot may be graded; provided, however, that such grading is performed in compliance with the Permit. The owner of the Lot upon which such grading is performed shall be responsible for all maintenance of the swale and for compliance with all requirements of the Permit.

j. The Subdivision is subject to North Carolina Sedimentation and Erosion Control Permits. The owner of any Lot or any Lot hereinafter annexed, subject to such North Carolina Sedimentation and Erosion Control Permits shall be responsible for compliance with all requirements of said permits.

k. Those builders who construct dwellings on those Lots which have swales located on the lot lines agree to sod the banks of the swale from the bottom of the swale to ten (10) feet beyond the top of the bank of the swale, such sod to be as provided in Paragraph 3(i) hereof. If a swale is located along a lot line, the last builder to construct a dwelling beside the swale shall fill in the sediment trap within the swale, and remove the check dam in a manner satisfactory to the Department of Environment and Natural Resources requirements and cover the sediment trap with sod as above provided.

l. Unless otherwise agreed to by Declarant in a document recorded in the office of the Register of Deeds of Onslow County, within one year after the conveyance by Declarant of a Lot, the grantee of that conveyance and their heirs, successors and assigns in the

ownership of such Lot (collectively "Grantee") shall construct on said Lot a four (4) foot wide concrete sidewalk-bicycle path along the front Lot line of such Lot in the location required by the Town of Swansboro. For Lots located on cul-de-sacs, the construction of such sidewalk-bicycle path shall be required only if, and to the extent, required by the Town of Swansboro. With respect to those Lots which also abut a side street (or an area reserved for a side street), there also shall be constructed that portion of the sidewalk-bicycle path as required by the Town of Swansboro along the side street abutting the Lot. If the Grantee fails to comply with the provisions of this Paragraph, the obligations set forth herein may be enforced by Declarant. If Declarant brings an action to enforce Grantee's obligations, Declarant shall be entitled to recover from Grantee, Declarant's court costs and reasonable attorneys' fees.

4. GENERAL PROHIBITIONS AND REQUIREMENTS.

a. Without the approval of the Committee, no well shall be installed or used upon any Lot. Water shall be provided by public water supply. All plumbing fixtures, dishwashers, toilets and sewage disposal systems shall be connected to a sewage system approved by the appropriate governmental authority, which system may be an individual septic tank. No outside toilet shall be constructed or permitted on any Lot except during construction of the main residence.

b. All structures constructed or placed on any Lot shall be built of substantially new material and no used structure shall be relocated or placed on any such Lot.

c. Any residential dwelling located on any Lot shall be "stick built" on site; provided, however, this does not prohibit the use of trusses and similar structural items which are built off-site and transported to a Lot by a vehicle and placed on the residential dwelling. No temporary residence, mobile home, double-wide or multiple-wide mobile home, modular home (whether built off-site on a frame or constructed off-site in modules and transported to a Lot by vehicle and placed on a permanent foundation on-site), trailer, camper,

tent or other building shall be placed on or erected on any Lot. It is provided, however, that Declarant may grant permission for the use of a temporary structure for storage of materials during construction. Any such temporary structures as may be approved shall not be used at any time as a residential dwelling.

d. Once construction is started on any Lot, the improvements and landscaping shall be completed in accordance with the plans, specifications and details, as approved, within twelve (12) months from commencement, with extensions as approved by Declarant or its designated successor or assign. No residential dwelling may be occupied until it is completed and a Certificate of Occupancy issued.

e. No animals, birds or fowl shall be kept or maintained on any Lot except not more than two (2) dogs, two (2) cats, four (4) rabbits and a reasonable number of pet birds and fishes may be kept thereon for the pleasure and use of the owners of a Lot, but not for any commercial use or purpose. All pets must remain within the confines of the owner's property.

f. Except when used during and as a part of the construction of a residential dwelling on the Lot, no trucks or buses (other than pickup trucks of one (1) ton capacity or less, small vans, or small trailers) shall be parked overnight on any Lot except in an enclosed garage. A pleasure boat on its trailer and recreational vehicles may not be parked or stored on a Lot except behind the front face of the residential dwelling located on the Lot and not nearer than ten (10) feet to any side or rear lot line.

g. All vehicles parked on any Lot shall have current license plates and registration and, if the vehicle is a motor vehicle, the vehicle shall have a current motor vehicle inspection sticker.

h. No vehicle or other item may be parked on any street or street right-of-way except by contractors during the construction of a residential dwelling on a Lot, or during the construction of the streets and utilities of the Subdivision.

i. Every storage tank, including but not limited to fuel storage tanks, and every outdoor receptacle for ashes, trash, rubbish or garbage shall be installed underground, screened with fences or shrubs or placed and kept so as not to be visible from other Lots or from any street.

j. No outdoor clotheslines shall be located on a Lot.

k. All Lots upon which a residential dwelling has been constructed shall be well maintained and no unattractive growth shall be permitted. No accumulation of rubbish or debris shall be permitted on any Lot.

l. No noxious, offensive or illegal activities shall be allowed on any Lot nor shall anything be done on any Lot that shall be or become an annoyance or nuisance to the neighborhood.

m. Only one antenna mast which shall not extend more than ten (10) feet above the highest ridge of the residential dwelling to which it is attached is allowed on any Lot. No towers are permitted. Any satellite dish shall not exceed thirty-four (34") inches in diameter and shall be mounted behind the front face of the residential dwelling located on the Lot.

n. Any residential dwelling or outbuilding on any Lot which is destroyed in whole or in part by fire, windstorm or by any other cause, shall be rebuilt or all debris removed and the Lot restored to a sightly condition with reasonable promptness; provided, however, that in no event shall such debris remain longer than ninety (90) days.

o. No trash, ashes, garbage or other refuse shall be dumped or stored or accumulated on any Lot. No burning of household refuse is permitted.

p. All signs, such as builder's signs and realtor's signs shall be approved by the Committee. Those signs shall be placed in the center of the Lot at least six (6) feet behind the street right-of-way line. Under no circumstances may signs be nailed to trees. Such signs may be used only on a temporary basis. It is provided, however, that "for sale" type signs may be placed by the Declarant or its designated successors and assigns on any property owned by Declarant or its designated successor and assigns and within the street rights-of-way without the approval of the Committee.

q. All residential dwellings shall have a concrete driveway at least nine (9) feet in width running from the pavement of the street on which the Lot fronts to the front face of the residential dwelling located on the Lot.

r. Each Lot shall contain off street parking spaces for parking two (2) automobiles.

s. Resubdivision of Lots is not prohibited so long as the number of Lots is not increased and so long as each resultant Lot contains the number of square feet required by any applicable law or ordinance. In case of any such resubdivision or in the event two (2) or more Lots are combined, any drainage and utility easements not then being used and setback lines which theretofore existed along the side Lot lines of said Lots, whether reserved in these Restrictions or shown on the Recorded Plat, shall be moved automatically to the side Lot lines of the resubdivided or combined Lots. Notwithstanding the foregoing, no such resubdivision of Lots shall affect the location of any Stormwater Management Facilities or the obligations of the owners of said resubdivided Lots with respect to said Stormwater Management Facilities located upon the Lots as resubdivided.

t. No above-ground swimming pool shall be located on a Lot.

u. All electrical, telephone, cable, television service and other utility lines in the Subdivision shall be installed underground.

v. Each owner whose Lot is adjacent to available underground electrical service also agrees to complete the underground secondary electrical service to said owner's residential dwelling.

w. "Stormwater Management Facilities" as those words are used in these Restrictions shall mean all areas consisting of ditches and swales in existence at the time the Subdivision roads are constructed and which are constructed pursuant to, and regulated by, the Permit. Some of the Stormwater Management Facilities are located on the Lots. No structure, plantings or other material shall be placed or permitted to remain, and no activities shall be undertaken on, the portion of any Lot upon which Stormwater Management Facilities are located which may damage or interfere with the maintenance, use and operation of the Stormwater Management Facilities; which may affect or change the direction of the flow of water through such facilities; which damage, interfere or are not in compliance with the slope ratios required by the Permit; or which create erosion problems. In the event the owner of a Lot shall damage or through negligent failure to act allow damage to occur to any such Stormwater Management Facilities, the owner of said Lot shall be responsible and liable for the repair or replacement of said Stormwater Management Facilities as provided in these Restrictions. Further, in the event the owner of any Lot shall damage or through negligent failure to act shall allow damage to occur to any Stormwater Management Facilities located on said owner's Lot, shall fail to comply with all applicable North Carolina Sedimentation and Erosion Control permits, shall fail to comply with the obligations of the Lot owner as set forth in this Declaration and if, as a result of such failure, any fine is levied against the Declarant, Committee, or Corporation, or if any enforcement action is brought against the Declarant, Committee, or Corporation, the Lot owner shall indemnify and hold harmless the Declarant, Committee, or Corporation as the case may be from all loss, cost, claim, suit, damage, expense, fine, or liability (including reasonable attorneys' fees) as the result thereof.

x. The covenants in this Subparagraph 4(x) are intended to ensure ongoing compliance with the Permit, as issued by the Division of Water Quality under NCAC 2H.1000. Each owner of each Lot within the Subdivision, with respect to such owner's Lot, agrees and covenants to comply with the following covenants with respect to the Permit and the Stormwater Management Facilities and agrees to the activities set forth below.

(i) Declarant, the Corporation and the State of North Carolina are made a beneficiary of the covenants in this Subparagraph 4(x) to the extent necessary to maintain compliance with the Permit. The covenants contained in this Subparagraph 4(x) are to run with the land and be binding on all persons and parties claiming under them. This Subparagraph 4(x) pertaining to stormwater regulations may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality. Alteration of the drainage as shown on the approved plan may not take place without the concurrence of the State of North Carolina, Division of Water Quality.

(ii) The maximum allowable "Built-upon Area" for each Lot in Section III is 5,827 square feet. This allotted amount includes all Built-upon Area constructed within the Lot property boundaries and that portion of the right-of-way between the lot line and the edge of the pavement abutting on such Lot. "Built-upon Area" includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, coquina, driveways and parking areas, but does not include raised, open wood decking or the water surface of swimming pools. No owner of a Lot shall allow the Built-upon Area of said owner's Lot to exceed the maximum Built-upon Area allotted to said owner's Lot. Should Declarant annex additional Lots into the Subdivision, Declarant may set forth any limitation on the Built-upon Area that may be located on each such additional Lot annexed into the Subdivision.



(iii) Filling in, or piping or altering of any 3:1 vegetative conveyances or other vegetative conveyances (ditches, swales, etc.) associated with the development, except for average driveway crossings, is strictly prohibited by any persons.

(iv) Each Lot will maintain a thirty (30) foot wide vegetated buffer between all Built-upon Areas and the mean high water line of impervious areas and surface waters. All roof drains shall terminate at least thirty (30) feet from the mean high water line of surface waters. Filling in, piping or altering any designated 5:1 curb outlet swale associated with the development is prohibited by any person.

(v) The Subdivision contains a curb outlet system. Each designated curb outlet swale shown on the approved plan must be maintained at a minimum one hundred (100) feet long with 5:1(H:V) slide slopes or flatter, have a longitudinal slope no steeper than five percent (5%), carry the flow from a ten (10) year storm in a non-erosive manner, and maintain a dense vegetated cover and be located in either a dedicated common area or a recorded drainage easement.

(vi) All permitted runoff from outparcels or future development property shall be directed into the permitted stormwater control system. These connections to the stormwater control system shall be performed in a manner that maintains the integrity and performance of the stormwater control system as permitted.

(vii) Declarant, the Corporation, the State of North Carolina and their respective successors and assigns, reserve and retain the right to go upon any Lot to inspect for compliance of such Lot with the Permit and to maintain, repair, replace and construct ditches and devices necessary to insure that such Lot is in compliance with the Permit.

y. Not more than one (1) building which is not attached to the residential dwelling by a shared common wall at least twelve (12) feet in length shall be constructed, erected, placed or maintained on any Lot. Any building not so attached

("outbuilding") shall have a floor-area square footage of at least one hundred forty-four (144) square feet. The roof pitch, color and other characteristics shall be the same as the residential dwelling located upon the Lot.

z. Lots Nos. 41 and 47 as shown on the Recorded Plat, are corner Lots. These Lots shall be limited to one (1) driveway per lot, the location of which shall be approved by the Committee at the time it reviews the construction plans for said Lots. The only permitted driveway for Lots 41 and 47 shall be to Creek Court. Lots Nos. 41 and 47 shall not access N.C.S.R. 1511 directly, but only over Creek Court.

5. RESERVATION OF EASEMENTS AND RIGHTS BY DECLARANT.

Declarant hereby reserves for itself, its successors and assigns, for any purposes it deems useful to its development of the Subdivision or the development of other property now owned or which may be owned in the future by Declarant, or the development of other property to which Declarant may grant the benefit of such easements (including, but not limited to the property presently owned by C & N Developers, Inc. described by the deed recorded in Book 2622, Page 329), those easements shown on the Recorded Plat and the following additional easements and rights:

a. A perpetual easement for ingress, egress, regress, access, the installation and maintenance of utilities, further subdivision, and the right to dedicate to public use, over, under and upon Creek Court, all streets shown on the Recorded Plat, all drainage and utility easements shown on the Recorded Plat or lying within the Subdivision and the water and sewer easements shown on the Recorded Plat or lying within the Subdivision.

b. The right to grant easements (i) for the purposes of ingress, egress, regress, access, the installation, use and maintenance of utilities and further subdivision, over, under and upon Creek Court and (ii) for the purposes of drainage and utilities and easements for

the water and sewer systems located within the Subdivision, to any property outside the Subdivision to which Declarant deems the grant of such easements desirable.

c. A perpetual easement over, under and upon Creek Court and the drainage and utility easements shown on the Recorded Plat for the purposes of establishing, constructing and maintaining any underground utility, conduits and wires for telephone, electric power and other purposes and of laying, installing and maintaining facilities for sewage, potable and non-potable water, gas, storm drainage and other utilities therein. This reservation shall not be construed as an obligation of Declarant to provide or maintain any such activity or services.

d. A perpetual access easement over, under and upon the Lots to trim, cut and remove any trees and brush necessary for the installation, operation and maintenance of utility lines, gas, water and sewer mains and other services for the convenience of the Lot owners and appurtenances thereto.

e. A perpetual and exclusive easement for the installation and maintenance of radio and television transmission cables within the rights-of-way and easement areas reserved and defined above.

f. The right to subject the real property in the Subdivision to a contract with Progress Energy or any other public utility for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Progress Energy or other public utility by the owner of each Lot.

g. On each Lot, the rights-of-way and easement areas reserved by Declarant or dedicated to public utilities purposes shall be maintained continuously by the Lot owner and no structure, plantings or other material shall be placed or permitted to remain, or other activities undertaken which may damage or interfere with the installation or maintenance of utilities, or which may change the direction of the flow of water through drainage channels in

the easements, or which damage or interfere with established slope ratios or which create erosion problems. It is provided, however, that where the existing location of an easement or drainage channel reserved in these Restrictions or shown on the Recorded Plat would hinder the orderly development of the Lot on which the easement is located, the easement or drainage channel may be relocated by Declarant. Improvements within such areas also shall be maintained by the Lot owner except for those for which a public authority or utility is responsible.

h. A perpetual utility easement forty feet (40') in width, over, under, and upon Lots 42, 43, 44, 45, 46, and 47, in the location shown on the Recorded Plat. No building of any kind will be constructed or permitted to remain in the easement area, including, but not limited to fences, driveways, storage sheds, and other structures that would prevent or impede Onslow Water and Sewer Authority from maintaining this line.

6. FURTHER RESTRICTIONS AND EASEMENTS.

a. Lots Nos. 41 and 47 are subject to the restriction set forth in Paragraph 8 of the document recorded in Book 855, Page 133, said restriction appearing on Page 16 of said document at Book 855, Page 148.

b. OMITTED.

7. RIGHT OF DECLARANT, COMMITTEE AND CORPORATION TO PERFORM CERTAIN MAINTENANCE.

In the event the owner of any Lot shall fail to maintain the Lot and/or the improvements situated thereon in a manner in keeping with these Restrictions, in addition to any other rights set forth herein or provided by law, the Declarant and the Committee shall have the right, but not the obligation, through their agents and employees, to enter upon said Lot and clear, clean, repair, maintain and restore the Lot, the exterior of any building and any other improvements erected thereon. There is included in the authority herein granted the power to clear Lots of undergrowth, rubbish, debris, weeds or grass. In the event the owner of any Lot

shall damage or through negligent failure to act allow damage to occur to any Stormwater Management Facilities located on said owner's Lot or fail to comply with all applicable North Carolina Sedimentation and Erosion Control Permits, in addition to any other rights set forth herein or provided by law, the Declarant, the Committee and the Corporation shall have the right, but not the obligation, through their agents and employees, to enter upon said Lot and clear, clean, repair, maintain and restore the Stormwater Management Facilities and to bring the Lot into compliance with the applicable North Carolina Sedimentation and Erosion Control Permits. There is included in the authority herein granted the power to clear Lots of undergrowth, rubbish, debris, weeds or grass.

The cost of the maintenance or repair authorized by this Paragraph 7 shall be considered the legal obligation of the Lot owner, and the Declarant, the Committee or the Corporation, as applicable, may maintain an action in court having jurisdiction for such cost. The cost shall not constitute a lien on said Lot unless and until the final judgment of such court shall be entered in the office of the Clerk of Court of Onslow County. Any such lien obtained shall be subordinate to any first deed of trust.

8. HALL'S CREEK NORTH SECTION III HOA, INC.

a. A corporation named the Hall's Creek North Section III HOA, Inc. (the "Corporation") has been or will be formed at the direction of the Declarant pursuant to the rules and requirements of the Nonprofit Corporation Act (Chapter 55A) of the General Statutes of North Carolina as an association of the owners of the Lots. Its purposes are to oversee, inspect, maintain, repair and replace the Stormwater Management Facilities constructed pursuant to the Permit; to enforce the provisions of the Permit; to enforce each Lot owner's obligations with respect to the Stormwater Management Facilities pursuant to the Restrictions; to enforce each Lot owner's obligations with respect to all applicable North Carolina Sedimentation and Erosion Control Permits; and, if and only if, and when and only when, Declarant transfers to the

Corporation the right to appoint the members of a Committee in the manner provided in Paragraph 1 hereof, to appoint the members of such Committee. The Corporation shall have no authority to do any act except in regard to the Permit, the Stormwater Management Facilities; the North Carolina Sedimentation and Erosion Control Permits; and if and only if, and when and only when, Declarant transfers its right to appoint the Committee to the Corporation, then and only then, to appoint the Committee. The Corporation shall have no authority with respect to the Committee for Lots located in the Subdivision until such time as Declarant transfers to the Corporation its right to make the appointments to the Committee pursuant to the provisions of Paragraph 1 hereof. The Corporation shall have no authority with respect to the Committee for Lots hereinafter annexed into the Subdivision until such time as Declarant transfers to the Corporation Declarant's right to make such appointments to the Committee for the annexed property pursuant to the provisions of Paragraph 1 hereof. Declarant may transfer to the Corporation its rights to appoint the Committee for Hall's Creek North Section III and nevertheless retain the right to appoint the Committee for any property hereinafter annexed into the Subdivision, with the result that there may be more than one (1) committee operating simultaneously, with the members of one (1) committee being appointed by the Corporation and the members of another committee(s) being appointed by Declarant.

b. Declarant shall have the right, but not the obligation, to annex into the Subdivision additional property now or in the future owned by Declarant and adjacent to the Subdivision including, but not limited to, property included in the tract of land described by the deed recorded in Book 2622, Page 329. From and after the date of such annexation, the annexed lots shall be subject to the jurisdiction of the Corporation (except for Declarant's retained right to appoint the Committee for such annexed lots) and the owners of the annexed lots shall be members of the Corporation.

c. Each owner of each Lot within the Subdivision shall be a member of the Corporation. Declarant, by this Declaration, and the owners of each individual Lot, by their acceptance of a deed thereto, covenant and agree with respect to the Corporation: (A) That for so long as each is an owner of a Lot within the Subdivision, each will perform all acts necessary to remain in good and current standing as a member of the Corporation; and (B) That any unpaid assessment, whether general or special, levied by the Corporation in accordance with these Restrictions, the Articles of Incorporation (herein called the "Articles") or the Bylaws of the Corporation (herein called the "Bylaws") shall be a lien upon the Lot upon which such assessment was levied and also shall be the personal obligation of the person who was the owner of the Lot at the time the assessment fell due.

d. Each membership in the Corporation shall relate to and have a unity of interest with an individual Lot which may not be separated from the ownership of said Lot. The books and all supporting documentation, the Declaration, the Articles, the Bylaws, and all amendments thereto shall be available for examination by all Lot owners, and their lenders or their lenders' agents during normal business hours at the principal office of the Corporation.

e. The Corporation shall have one (1) class of members. The members shall be all owners of a Lot, and they shall be entitled to one (1) vote for each Lot owned; provided, however, when more than one (1) person holds an interest in any Lot, all such persons shall be members; however, the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote or any fraction of a vote be cast with respect to any Lot.

f. Declarant shall, at its sole cost and expense, initially construct all Stormwater Management Facilities required to be located upon the Lots or upon any property annexed into the Subdivision by Declarant to the standards required by the applicable Permit. Upon completion of the initial construction of said Stormwater Management Facilities located in

Hall's Creek North Section III and, thereafter, upon completion of the initial construction of the Stormwater Management Facilities required by the applicable Permit for any additional property annexed by Declarant into the Subdivision, Declarant shall transfer the applicable Permit for Hall's Creek North Section III and the applicable Permit for the property annexed by Declarant into the Subdivision to the Corporation and the Corporation shall accept the transfer of the applicable Permit from Declarant upon the earlier to occur of (i) the date the North Carolina Department of Environment and Natural Resources allows such transfer to occur; or, (ii) in the case of Hall's Creek North Section III, the date after which at least fifty percent (50%) of the Lots are conveyed to owners other than Declarant. With respect to property hereinafter annexed into the Subdivision by Declarant, the Permit may be transferred by Declarant after the date upon which at least fifty percent (50%) of the annexed Lots are conveyed to owners other than Declarant. Prior to any such transfer, the Stormwater Management Facilities for the respective Subdivision section, including any property annexed by Declarant into the Subdivision, shall be certified, either by state inspection or by a licensed engineer, as being in compliance with the applicable Permit prior to such assignment or transfer. The Corporation shall indemnify and hold Declarant harmless from any loss, cost, claim, fee, fine, suit, damage or expense, including reasonable attorneys' fees, incurred by Declarant in the defense of any action against Declarant as the holder of the Permit occurring after Declarant tenders transfer of the Permit to the Corporation following the approval of such transfer by the North Carolina Department of Environment and Natural Resources and the certification of compliance as set forth above. Further, Declarant may bring an action for specific performance of the obligations of the Corporation pursuant to this paragraph. From and after the transfer of the Permit from Declarant following the approval of the North Carolina Department of Environment and Natural Resources, the oversight, supervision, management and administration of the Permit shall be the sole responsibility of the Corporation. The Corporation's duties with regard to the Permit shall



be carried out in accordance with the terms and conditions of these Restrictions, the Articles, the Bylaws and the Permit. The Corporation hereby is granted and conveyed an easement over, under and upon each Lot for the purpose of access to and inspection, maintenance, repair and replacement of all Stormwater Management Facilities located upon each Lot. In the event Declarant annexes additional property into the Subdivision and transfers the applicable Permit to the Corporation, the Corporation shall have, and hereby is granted and conveyed, an easement over, under and upon each annexed lot for the purpose of access to and inspection, maintenance, repair and replacement of all Stormwater Management Facilities located upon each annexed lot.

g. The expenses of the Corporation shall include:

(i) All amounts expended by the Corporation in holding and being responsible for the obligations of the Permit and overseeing, supervising, administering, managing, repairing, replacing and insuring all Stormwater Management Facilities located within the Subdivision as required by these Restrictions; all amounts expended by the Corporation in enforcing the provisions of these Restrictions; all amounts expended by the Committee in the performance of its Committee duties hereunder from and after the time Declarant transfers its right to appoint the members of the Committee pursuant to the provisions of Paragraph 1 hereof; and all amounts expended by the Corporation in legal, engineering or architectural fees and all similar fees which may be incurred by the Corporation from time to time in performing the functions delegated to the Corporation by these Restrictions.

(ii) All amounts expended by the Corporation in carrying out any duty or discretion as may be required or allowed by these Restrictions, the Articles or the Bylaws.

h. Declarant and each Lot owner hereby covenant and agree, and each owner of any Lot by acceptance of a deed for the same (whether or not it shall be so expressed in such deed) is deemed to covenant and agree, to pay to the Corporation annual

general assessments or charges as hereinafter provided. The annual general assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge and lien on the land and, subject to the provisions of Paragraph 8(o) hereof, shall be a continuing lien upon the property against which each such assessment is made. Furthermore, each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of the Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to a successor in title to a Lot unless expressly assumed by them, but, subject to the provisions of this Declaration, delinquent assessments shall continue to be a lien upon such Lot.

(i) Until January 1, 2009, the annual general assessment shall be Fifty Dollars (\$50.00) per Lot.

(ii) From and after January 1, 2009, the annual general assessment may be increased upon the vote of a majority of the Board of Directors of the Corporation by no more than ten percent (10%) of the annual general assessment for the preceding year.

(iii) Any increase of the annual general assessment exceeding ten percent (10%) of the annual general assessment for the preceding year must be approved by the owners of at least two-thirds (2/3) of the Lots who are voting in person or by proxy at a meeting called for this purpose.

(iv) Once the annual general assessment has been set, notice of the annual general assessment shall be given to all Lot owners. It is provided, however, that no owner is relieved from the obligation to pay the assessment because of failure to give such notice. After the initial notice of the assessment, no bills for such assessment will be forwarded to any owner but such assessment thereafter shall become due and payable as provided by the Board of Directors.

(v) As provided in the Bylaws, and subject to the restrictions and limitations provided herein, the Board of Directors shall establish an Annual Budget in advance for each fiscal year. Such budget shall project all expenses for the forthcoming fiscal year which may be required for the proper operation, management and maintenance of the Stormwater Management Facilities, the North Carolina Sedimentation and Erosion Control Permits, the Entrance Sign and the Corporation, including a reasonable allowance for contingencies and reserves. The budget shall take into account any projected or anticipated income. Upon adoption of such Annual Budget by the Board of Directors, copies of the Annual Budget shall be delivered to each Lot owner together with a statement of the assessment for each Lot as provided herein, based upon such Annual Budget; however, the non-delivery of a copy of said Annual Budget shall not affect the liability of any Lot owner for such assessment. The Annual Budget shall be divided by the number of Lots subject to the annual general assessments at the time of the annual meeting of the members and the quotient shall be the annual general assessment per Lot for the succeeding fiscal year.

(vi) The Board of Directors, in establishing the Annual Budget for operation, management and maintenance of the Stormwater Management Facilities, the enforcement of these Restrictions relating to all applicable North Carolina Sedimentation and Erosion Control Permits and the Corporation, shall designate therein a sum to be collected and maintained as a reserve fund for the maintenance, repair and replacement of the Stormwater Management Facilities and the enforcement of the North Carolina Sedimentation and Erosion Control Permits.

(vii) All monies collected by the Corporation shall be treated as the separate property of the Corporation and such monies may be applied by the Corporation to the payment of any expense of operating and managing the Corporation or the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles and

the Bylaws. As monies for any assessment are paid into the Corporation by any owner, the same may be commingled with monies paid to the Corporation by the other Lot owners. Although all funds and any increments thereto or profits derived therefrom shall be held for the benefit of the members of the Corporation, no member of the Corporation shall have the right to assign, hypothecate, pledge or in any manner transfer said Lot owner's membership interest therein, except as an appurtenance of said owner's Lot. When the owner of a Lot shall cease to be a member of the Corporation by reason of said owner's divestment of ownership of such Lot, by whatever means, the Corporation shall not be required to account to such Lot owner for any share of the fund or assets of the Corporation, including any monies which said Lot owner may have paid to the Corporation, as all monies which any Lot owner has paid to the Corporation shall be and constitute an asset of the Corporation which may be used in the operation and management of the Corporation.

i. Written notice of any meeting called for the purpose of taking any action requiring a meeting shall be sent to all members not less than thirty (30) days, or more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast thirty percent (30%) of the votes of all members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

j. Annual general assessments and special assessments shall, except as otherwise provided herein, be fixed at a uniform rate for all Lots.

k. The annual general assessments provided for herein shall commence as to all Lots on the first day following the recordation of this Declaration in the office of the Register of Deeds of Onslow County and shall be prorated on a calendar year basis

through the date of such recordation. The annual general assessments shall be assessed for each calendar year thereafter and shall be payable annually, with the due date for such payments being as established by the Board of Directors. The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Corporation within ten (10) days of the due date for such payment. When in default, the delinquent assessment shall bear interest at the rate of ten percent (10%) per annum until such delinquent assessment and all interest due thereon has been paid in full.

l. The annual general assessment levied by the Corporation shall be used exclusively to oversee, inspect, maintain and repair the Stormwater Management Facilities; to enforce the provisions of these Restrictions relating to the Stormwater Management Facilities, the Permit, the applicable North Carolina Sedimentation and Erosion Control Permits; to pay the expenses of the Committee from and after the time, if ever, Declarant transfers or releases the right to appoint the Committee to the Corporation; and to pay the expenses of the Corporation. The Corporation's sole function is to oversee, inspect, maintain and repair the Stormwater Management Facilities; to enforce the provisions of these Restrictions relating to the Stormwater Management Facilities, the Permit, and the applicable North Carolina Sedimentation and Erosion Control Permits; and the right to appoint the Committee from and after the time, if ever, the right to appoint the Committee has been transferred or released by Declarant to the Corporation. The powers of the Corporation may not be expanded beyond those purposes. Nothing herein relieves the owner of a Lot from said owner's obligation to maintain the areas upon said owner's Lot upon which the Stormwater Management Facilities are located as provided herein and not to damage or allow damage to occur to said Stormwater Management Facilities and to comply with the provisions of all applicable North Carolina Sedimentation and Erosion Control Permits.

m. The Corporation shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Corporation setting forth whether the assessments

on a specified Lot have been paid. A properly executed certificate of the Corporation as to the status of assessments on a Lot is binding upon the Corporation as of the date of its issuance.

n. General special assessments and specific special assessments may be levied against Lots for such reasons as are provided in these Restrictions, the Articles or the Bylaws, and on such terms as provided by the directors and the members. Upon a two-thirds (2/3) vote of the Directors and a two-thirds (2/3) vote of the owners of Lots who are voting in person or by proxy at a meeting duly called for this purpose, the Corporation may levy and impose special assessments. The purposes for which special assessments may be levied are limited to providing funds to pay for the oversight, inspection, maintenance and repair of the Stormwater Management Facilities, to enforce the provisions of these Restrictions relating to the Stormwater Management Facilities, the Permit and all applicable North Carolina Sedimentation and Erosion Control Permits which exceed the general assessment funds then on hand to pay same and to provide a contingency fund for capital improvements and extraordinary expenses. General special assessments shall be levied at a uniform rate for all Lots. Specific special assessments may be assessed against the owner of a Lot after written notice has been given by the Corporation to the owner of said Lot at the address of the owner appearing upon the records of the Corporation by United States mail, postage prepaid, that the Stormwater Management Facilities located on said Lot have been damaged by the act or negligent failure to act of said owner or that said owner has failed to comply with all applicable North Carolina Sedimentation and Erosion Control Permits and that, as a result, such Stormwater Management Facilities are in need of repair or replacement in order to comply with the Permit or actions must be taken in order to comply with the applicable North Carolina Sedimentation and Erosion Control Permits and the owner of said Lot has not taken the necessary action to bring the Stormwater Management Facilities located on said owner's Lot into compliance with the Permit or to comply with the provisions of all applicable North Carolina Sedimentation and Erosion Control Permits

within thirty (30) days after the mailing of said notice. If said owner commences the necessary action to repair or replace the Stormwater Management Facilities located on said owner's Lot and to bring the Stormwater Management Facilities into compliance with the Permit or to bring the Lot into compliance with the applicable North Carolina Sedimentation and Erosion Control Permits within the thirty (30) day period set forth above, the imposition of a specific special assessment shall be deferred by the Corporation for the period during which said owner diligently pursues to completion the repair or replacement of the Stormwater Management Facilities located on said Lot or compliance with the applicable North Carolina Sedimentation and Erosion Control Permits. Specific special assessments shall be limited to the amount of funds actually expended, or in the discretion of the Board of Directors, the amount of funds reasonably estimated by the Board of Directors will be expended, by the Corporation to repair or replace the Stormwater Management Facilities located upon the Lot or to comply with the applicable North Carolina Sedimentation and Erosion Control Permit applicable to the Lot upon which the specific special assessment is assessed. Special assessments, either general or specific, together with interest, costs and reasonable attorneys' fees, shall be a charge and lien on the land and, subject to the provisions of Paragraph 8(o) hereof, shall be a continuing lien upon the Lot against which each such assessment is made. The personal obligation of an owner of a Lot for delinquent special assessments, whether general or specific, shall not pass to a successor in title to a Lot unless expressly assumed by the successor, but, subject to the provisions of this Declaration, delinquent special assessments shall continue to be a lien upon such Lot.

o. Any annual general assessment, general special assessment or specific special assessment, if not paid within thirty (30) days after the date such assessment is due, together with interest at the rate of ten percent (10%) per annum, costs of collection, court costs, and reasonable attorneys' fees shall constitute a lien against the Lot upon which such assessment is levied. The Corporation may record notice of the same in the Office of the Clerk

of Superior Court of Onslow County or file a suit to collect such delinquent assessments and charges. The Corporation may file Notice of Lis Pendens, bring an action at law against the owner personally obligated to pay the same and/or bring an action to foreclose the lien against the Property. The lien of any assessment 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 foreclosure of a first mortgage or any proceeding in lieu therefor, shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. No owner may waive or otherwise escape liability for the assessments provided for herein.

p. In the event the Articles and/or Bylaws are amended to expand the rights and duties of the Corporation, those amendments shall have no effect on the Lots or the Subdivision unless, by recorded amendment to this Declaration, joined in by Declarant, it is agreed that such amendments affect the Lots and the Subdivision.

9. REMEDIES. In the case of failure of a Lot owner to comply with the terms and provisions contained in these Restrictions, the Articles or the Bylaws of the Corporation, the following relief shall be available:

a. Declarant (whether or not Declarant is the owner of any Lot), the Corporation, the Committee, any Lot owner and any party to whose benefit these Restrictions inure, including but not limited to the State of North Carolina or its assignees with respect to the Permit, may proceed at law and in equity to prevent the violation of any of these Restrictions, the Articles and Bylaws and also recover damages for such violation and the court in any such action may award the successful party said party's reasonable expenses and costs in prosecuting such action, including reasonable attorney's fees.



b. The remedies hereby specified are cumulative and this specification of them shall not be taken to preclude an aggrieved party's resort to any other remedy at law, in equity or under any statute. No delay or failure on the part of the Corporation, the Committee, the Declarant or an aggrieved party to invoke an available remedy with respect to a violation of any of these Restrictions, the Articles and Bylaws shall be held to be a waiver by that party of (or an estoppel of that party to assert) any right available to that party upon the reoccurrence or continuation of said violation or the occurrence of a different violation.

10. GRANTEE'S ACCEPTANCE.

a. The owner of any Lot subject to these Restrictions, by acceptance of a deed conveying title thereto, accepts such deed subject to each and all of these Restrictions and agreements herein contained, and subject to the jurisdiction, rights and powers of the Committee and the Corporation. The owner of any Lot subject to these Restrictions, by acceptance of a deed conveying title thereto, shall for said Lot owner, said Lot owner's heirs, personal representatives, successors and assigns, covenant, consent and agree to and with the Corporation, the Committee, Declarant and the owners and subsequent owners of each of the Lots within the Subdivision, to keep, observe, comply with and perform said Restrictions and agreements.

b. The owner of any Lot subject to these Restrictions, by acceptance of a deed conveying title thereto, agrees to assume, as against the Corporation, the Committee and Declarant, their successors or assigns, all the risks and hazards of ownership or occupancy attendant to such Lot.

11. SEVERABILITY. Every one of these Restrictions is independent and severable from the rest of the Restrictions and from every other one of the Restrictions and from every combination of the Restrictions. Therefore, if any of these Restrictions shall be held to be invalid or to be unenforceable or to lack the quality of running with the land, that holding shall

be without effect upon the validity, enforceability or "running" quality of any other one of the Restrictions.

12. VARIANCES. The Committee may allow reasonable variances and adjustments of these Restrictions in order to overcome practical difficulties and prevent unnecessary hardships in the application of the provisions contained herein; provided, however, that such is done in conformity with the intent and purpose of the general development scheme, that in every instance such variance or adjustment will not be materially detrimental or injurious to other property or improvements in the neighborhood of the Subdivision and that in each instance such variance or adjustment complies with the requirements of the Permit. Any such variance shall be recorded in the office of the Register of Deeds of Onslow County.

13. CAPTIONS. The captions preceding the various paragraphs and subparagraphs of the Restrictions are for convenience of reference only and none of them shall be used as an aid to the construction of any provision of the Restrictions. Whenever applicable, the singular form of any word shall be taken to mean or apply to the plural, and the masculine form shall be taken to mean or apply to the feminine or the neuter.

14. AMENDMENT OF RESTRICTIONS. The Restrictions shall run with and bind all land to which they are applicable until February 28, 2010 after which time they shall be extended automatically for successive periods of ten (10) years. Except as provided below, the Restrictions may be amended at any time in full or in part by an instrument executed by both at least sixty-seven percent (67%) of the owners of the Lots, and by Declarant, which instrument is recorded in the office of the Register of Deeds of Onslow County and noted on the margin of the Restrictions, if possible. No such amendment shall affect the rights of Declarant, or any party to whom Declarant has transferred its Declarant rights, unless Declarant, or such other party, joins in the execution of the amendment. In addition to the above requirements, any amendment of the Restrictions set forth in Paragraph 4(x) hereof may not be made without the

express written consent of the State of North Carolina, Division of Water Quality. Further, Declarant reserves and retains the right, but not the obligation, in Declarant's sole discretion unilaterally to amend these Restrictions to comply with any requirements imposed by any agency of the State of North Carolina with regard to the Permit. These Restrictions may not be amended without Declarant's written consent recorded in the office of the Register of Deeds of Onslow County.

15. RESTRICTIONS CONTROL MAP. If there is any conflict between any Restrictions contained herein and any restriction or easement shown or noted on the Recorded Plat, the provisions of these Restrictions shall control. Further, the provisions of these Restrictions dealing with amelioration of the effect of a Restriction, such as those governing variances, shall apply to the restrictions shown by the Recorded Plat.

16. APPLICABILITY AND EXCEPTIONS; ANNEXATION. These Restrictions shall apply only to the Lots. No other property is restricted and such other property may be used for any purpose whatsoever. Declarant reserves the right (but is under no obligation) to annex into the Subdivision any property now or in the future owned by Declarant including, but not limited to, the property described by the deed recorded in Book 2622, Page 329, and to make such annexed property subject to the Restrictions provided herein without the consent of the owners of the Lots. In the event Declarant does so, from and after said annexation, the owners of all Lots in the Subdivision shall have identical rights and duties except with respect to the Committee applicable to said annexed lots. From and after such time, if ever, Declarant transfers to the Corporation the right to appoint the members of the Committee for the annexed lots, the owners of said annexed lots shall have identical rights and duties with respect to the Committee as all other owners of Lots subject to the Committee appointed by the Corporation. Any such annexation(s) shall be evidenced by a written instrument of annexation

recorded in the office of the Register of Deeds of Onslow County, which instrument shall specifically refer to this Declaration.

17. TRANSFER BY DECLARANT. Declarant, by written and recorded instrument specifically referring to this Declaration, may, but is not required to, transfer to the Corporation, the Committee or to a subsequent owner of property now owned or acquired by Declarant in the future and located in the general area of the Subdivision, any of the rights herein reserved by Declarant.

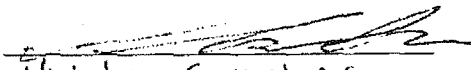
18. The Declaration of Conservation Covenants and Restrictions ("Conservation Declaration") recorded in Book 2967, Page 957, in the office of the Onslow County Register of Deeds also restricts the Lots hereinabove described in the manner set forth in said Conservation Declaration.

19. REFERENCES. All references herein to recorded documents are references to documents recorded in the office of the Register of Deeds of Onslow County.

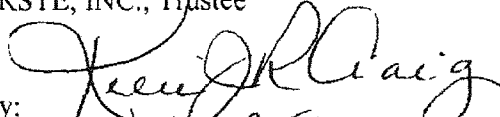
20. TRSTE, INC., as Trustee and Wachovia Bank, National Association, as Beneficiary, of the deed of trust recorded in Book 2622, Page 335 in the office of the Register of Deeds of Onslow County hereby join in the execution of this Declaration for the purpose of consenting to the provisions of this Declaration and for the purpose of subordinating the lien of the above-referenced deed of trust to the terms and provisions of this Declaration.

IN WITNESS WHEREOF, the parties have caused this instrument to be signed in a manner so as to be binding, this the day and year first above written.

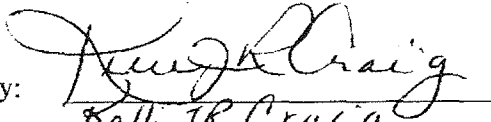
C & N DEVELOPERS, INC.

By:   
Nicholas Semanderes,  
President

TRSTE, INC., Trustee

By:   
Kelli JR Craig,  
Vice President

WACHOVIA BANK, NATIONAL ASSOCIATION, Beneficiary

By:   
Kelli JR Craig,  
AV President

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 purpose stated therein and in the capacity indicated: Nicholas Semanderes

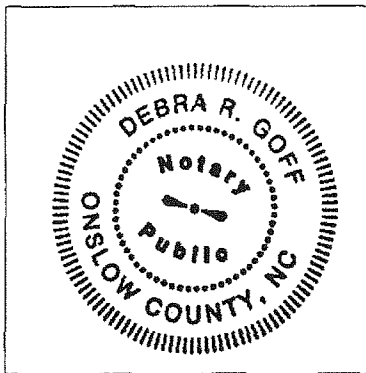
Date 11/9/07

Debra R Goff  
Signature of Notary Public

(Official Seal)

DEBRA R. Goff, Notary Public  
Printed or typed name

My commission expires: July 30, 2012



Notary seal or stamp must appear within this box.

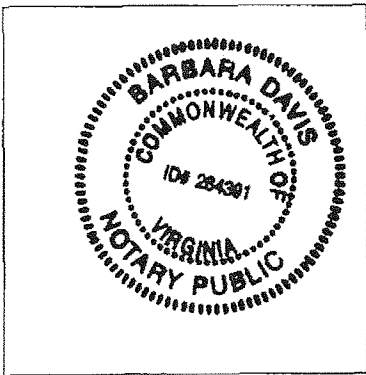
Chesapeake <sup>Virginia</sup> COUNTY, ~~NORTH CAROLINA~~

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document for the purpose(s) stated therein, in the capacity indicated, and having been first authorized to do so: \_\_\_\_\_

Kelli JRCraig (insert name(s) of signer(s)),  
Vice President (insert capacity, such as "Manager" or "President")  
of TRSTE, INC., Trustee (insert name of company).

Date 10/26/07

Barbara Davis  
Signature of Notary Public  
My commission expires: 10-31-07



Notary seal or stamp must appear within this box.

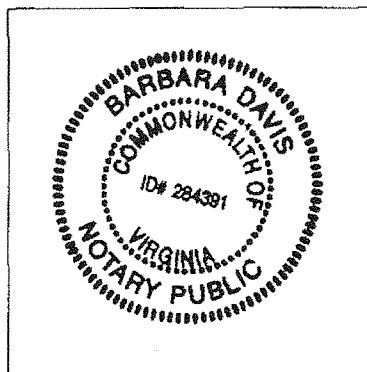
Chesapeake Virginia  
COUNTY, NORTH CAROLINA

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document for the purpose(s) stated therein, in the capacity indicated, and having been first authorized to do so: \_\_\_\_\_

Kelli JR Craig (insert name(s) of signer(s)),  
Asst. Vice President (insert capacity, such as "Manager" or "President")  
of WACHOVIA BANK, NATIONAL ASSOCIATION, Beneficiary (insert name of company).

Date 10/26/07

Barbara Davis  
Signature of Notary Public  
My commission expires: 10/31/07



Notary seal or stamp must appear within this box.

NBMAIN\716183\4



EXHIBIT A

