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

BK 3472 PG 276-293

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS  
OF  
**HERITAGE VILLAGE**

This Declaration of Covenants, Conditions, Restrictions and Easements of **HERITAGE VILLAGE**, made and entered into as of the 13<sup>th</sup> day of August, 2010, by and between **CAROLINA SOUTH BUILDERS, INC.**, hereinafter referred to as "Declarant" and **ALL PROSPECTIVE PURCHASERS OF OWNERS of the Lots of all Phases of Heritage Village**, the first phase being Lots 1 through 36 shown and depicted on the plan entitled, ["**HERITAGE VILLAGE SECTION ONE,**"]

WITNESSETH:

WHEREAS, **CAROLINA SOUTH BUILDERS, INC.**, ("DECLARANT") is the owner of the Lots and Common Areas lying and being situated in Onslow County, North Carolina, and being more particularly described herein; and,

WHEREAS, in order to create uniformity in the Development, Declarant has imposed the covenants herein set forth on the property more particularly described as follows:

Lots: [ 1-36 ]

Common Area: Those tracts shown and depicted as Recreation Area and Stormwater treatment lot on the plat of Heritage Village recorded in Map book 60 pg. 67 of the Onslow County Registry.

WHEREAS, Declarant desires to develop a single family residential community and intends by the recordation of this Declaration to impose rules, regulations, restrictions, covenants, conditions, reservations, exceptions, and easements contained herein (hereinafter sometimes called Restrictions) on the land depicted on the aforesaid map and any other land which is hereafter annexed into the Subdivision to the end that the Lots and Common Areas defined herein shall be held subject to said Restrictions.

NOW, THEREFORE, the Declarant hereby does declare that the Restrictions contained herein shall run with the property defined herein as Lots; shall be a burden on and a benefit to such property; shall be binding on all parties having or acquiring any right, title or interest in the property or any part thereof; and, shall inure to the benefit of each Owner or any part hereof.

A. Definitions As used herein,

- (1) "Articles" means the Articles of Incorporation of Heritage Village Homeowners Association of Richlands, Inc., and any amendments thereto.
- (2) "Bylaws" means the Bylaws of Heritage Village Homeowners Association of Richlands, Inc., and any amendments thereto.
- (3) "Common Areas" means all real property (including the improvements thereto) and interests in real property now owned or hereafter acquired by the Corporation for the common use and enjoyment of the Owners. The Common Areas to be conveyed by Declarant to and owned by the Corporation are those tracts depicted as Recreation Area and Storm Water Treatment Lot on the plat of Heritage Village. The Common Areas are subject to those easements set forth in this instrument, including but not limited to, Article I hereof.
- (4) "Corporation" means Heritage Village Homeowners Association of Richlands, Inc., its successors and assigns.
- (5) "Declarant" means Carolina South Builders, Inc., and anyone designated by Carolina South Builders, Inc., or its assigns.
- (6) "Dwelling" means a structure located on a Lot built in accordance with the requirements of Article L hereof.
- (7) "Lot" means a separately numbered tract of land shown on the aforesaid plat and any other separately numbered tract of land which is annexed into the Subdivision upon which a Dwelling is to be built. At the present time, the Lots are numbered 1 through 36, inclusive. "Lot" shall not include any portion of the Common Area as defined herein.
- (8) "Owner" means the record Owner, whether one or more persons, of fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- (9) "Person" or "Persons" means any individual, group of individuals, corporation, partnership or any other entity, including any combination thereof.
- (10) "Subdivision" means all of the property defined herein as Lots and Common Areas and such additions or annexations of property hereafter brought within the jurisdiction of the Corporation. No property other than property described in the Deed recorded in Map book 60 pg.67 may be annexed into the Subdivision.
- (11) "Board of Directors" means the Board of Directors of Heritage Village Homeowners Association of Richlands, Inc.
- (12) "Declaration" means this Declaration of Covenants, Conditions, Restrictions and Easements of Heritage Village.
- (13) "Committee" means Heritage Village Architectural Control Committee constituted and having the powers as provided in Article J hereof.

B. Membership

(1) A corporation named, "Heritage Village Homeowners Association of Richlands, Inc.," has been or will be formed at the direction of the Declarant pursuant to the rules and requirements of the Non-profit Corporation Act (Chapter 55A of the North Carolina General Statutes) as an association of the Owners of Lots. Its purposes are to own, manage, maintain, and operate the Common Areas and facilities located upon the Common Areas; to enforce the Restrictions contained herein; and, to make and enforce rules and regulations governing the Owners' use and occupation of Lots.

(2) Each Owner of each Lot within the Subdivision shall be a member of the Corporation. The Declaration, by this Declaration, and the Owners of individual Lots by their acceptance of individual deeds 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 or the Bylaws shall be a lien upon the Lot upon which such assessment was levied and shall be the personal obligation of the person who was the Owner of the Lot at the time the assessment fell due.

(3) Each membership in the Corporation shall relate to and have a unity of interest with an individual Lot which may not be separated from 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.

(4) The Corporation shall have two classes of members:

CLASS A. Class A member(s) shall be all Owners, with the exception of any Owners who qualify as Class B members, and they shall be entitled to one vote for each Lot owned; provided, however, when more than one 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 even shall more than one vote or any fraction of a vote be cast with respect to any Lot.

CLASS B. Class B member(s) shall be the Declarant. Class B members shall be entitled to five votes for each Lot owned and notwithstanding any other provisions herein, shall not be assessed at any rate. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(A) On January 1, 2016; or,

(B) When the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; provided, however, that in the event additional land is annexed into the Subdivision without the consent of Class A members pursuant to the development of such additional property by the Declarant as provided in Paragraph 7 of the Article I below and before the date in subparagraph (A) above, Class B membership shall be reinstated until January 1, 2015 or until the total votes in the Class A membership equal or exceed the total votes in the reinstated Class B membership.

C. Management and Administration

The management and administration of the affairs of the Common Areas of the Subdivision shall be the sole right and responsibility of the Corporation. The management shall be carried out in accordance with the terms and conditions of these Restrictions, the Articles and the Bylaws of the Corporation.

D. Community Expenses

The Community Expenses of the Subdivision include:

(1) All amounts expended by the Corporation in operating, administering, managing, repairing, replacing and improving the Common Areas of the Subdivision; all amounts expended by the Corporation in insuring the Common Areas of the Subdivision; 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.

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

(3) All amounts declared to be Community Expenses in the Bylaws or in these Restrictions.

(4) All taxes and special assessments which may be levied from time to time by any governmental authority upon then Common Areas in the Subdivision.

E. Annual General Assessments

(1) Each owner of any Lot by acceptance of a deed for same (whether or not it shall be so expressed in such deed) is deemed to covenant and agrees to pay to the Corporation annual general assessments or charges as hereinafter provided. The annual general assessments, together with interest, costs and reasonable attorneys' fee, shall be a charge and lien on the land and, subject to the provisions of Paragraph 8 of this Article, shall be 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.

(2) Beginning January 1, 2011 the annual general assessment shall be \$100.00 per year, payable on or before December 31 of each year.

(A) From and after January 1, 2011 until January 1, 2016 or until Class A membership is in the majority, the annual general assessment may be increased by 20% over the general assessment of the previous year provided the proposed increase is approved by a vote of two-thirds (2/3) of the Board of Directors, at a meeting duly called for this purpose. An increase of the general assessment over 20% of the previous year will require a majority vote of the membership.

(B) The Board of Directors may fix the annual general assessments which come due after January 1, 2015 at an amount not in excess of the ceiling established herein.

(C) 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.

(D) 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 forthcoming fiscal year which may be required for the proper operation, management and maintenance of the Corporation and the Common Area, including a reasonable allowance for contingencies and reserves. The budget shall take into account any projected or anticipated income. The Board of Directors shall keep separate and accumulate the funds on paper for capital improvements in accordance with Paragraph (F) hereof, items relating to the daily operation, management and maintenance of the Corporation and Common areas from items relating to capital improvements. This is not to say there will be different bank accounts. Upon adoption of such Annual Budget by the Board of Directors, copies of said Budget shall be delivered to each owner and the assessment for said year shall be established, subject to the restrictions and limitations provided herein, based upon such budget; however, the non-delivery of a copy of said Budget to each Owner shall not affect the liability of any Owner for such assessment. The Annual Budget shall be divided by the number of Lots subject to the annual general assessment 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.

(E) The Board of Directors, in establishing the Annual Budget for operation, management and maintenance of the Corporation and Common Areas, shall designate therein a sum to be collected and maintained as a reserve fund for the periodic maintenance, repair and replacement of capital improvements to the Common Areas, which capital improvement and replacement fund (Capital Improvement Fund) shall be for the purpose of enabling the Corporation to maintain, repair or replace structural elements and mechanical equipment constituting a part of the Common Areas, as well as tree planting and removal and the replacement of personal property which may constitute a portion of the Common Areas held for the joint use and benefit of the Owners. The amount to be allocated to the Capital Improvement Fund may be established by said Board of Directors so as to collect and maintain a sum reasonably necessary to anticipate the need for repair, maintenance and replacement of capital improvements to the Common Areas. The amount collected for the Capital Improvement Fund shall be accounted for and accumulated on paper and such monies shall be used only for periodic maintenance, repair and replacement of Capital Improvements to the Common Areas. The Capital Improvement Fund shall be maintained out of the annual general assessments.

(F) 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, except that monies placed in the Capital Improvement Fund shall be used only for the specified purposes of said fund. 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 Owners. Although all funds, including other assets of the Corporation, and any increments thereto or profits derived therefrom or from the leasing or use of Common Areas, 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 his membership interest therein, except as an appurtenance to his Lot. When the Owner of a Lot shall cease to be a member of the Corporation by reason of his divestment of ownership of such Lot, by whatever means, the Corporation shall not be required to account to such Owner for any share of the fund or assets of the Corporation, including any monies which Owner may have paid to the Corporation, as all monies which any 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.

(2) Written notice of any meeting called for the purpose of the Board of Directors taking any action authorized under paragraph (2)(B) shall be sent to all members not less than 30 days, nor more than sixty days in advance of the meeting. Any member present at such meeting shall be given the opportunity to be heard by the Board of Directors for a length of time to be set by the Board of Directors, but in no event for less than three minutes per member wishing to be heard.

(3) Annual and special assessments shall, except as otherwise provided herein, be fixed at a uniform rate for all Lots except Declarant shall not be assessed at any rate. This exclusion of annual general assessments due on Lots owned by the Class B member shall terminate as to a particular Lot upon the Lot being conveyed by the Class B member by deed, lease or rental agreement (excluding mortgage or deed of trust) to any person other than Declarant; further, this exclusion of annual general assessments due by the Class B member shall cease upon the termination of Class B membership as herein provided.

(4) The annual general assessments provided for herein shall commence as to all Lots on January 1, 2011. The annual general assessments shall be payable annually on or before December 31 of each year except on those lots owned by Declarant. 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 paid in full.

(5) The annual general assessments levied by the Corporation shall be used exclusively to improve, maintain, and repair the Common Areas, to pay the expenses of the Corporation, to pay the costs of mowing the common areas, to pay for street lighting to Progress Energy, to pay to pay the cost of any insurance the Corporation determines to purchase and to promote the recreation, health, safety and welfare of the members, and to comply with all terms of State Stormwater Management Permit No. SW8 081027. Taxes, hazard insurance and maintenance on Dwellings and Lots shall not be a purpose of said assessment; but rather, shall be an individual cost to be borne by each Lot Owner.

(6) 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.

(7) The lien of the assessments provided for the 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 of any proceeding in lieu therefore, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall release such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

F. Special Assessments

Special Assessments may be levied against Lots for such reasons as are provided in these Restrictions, the Articles of the Bylaws, and on such terms as provided by the directors and the members. Upon a two-thirds (2/3) vote of the Directors, the Corporation may levy and impose special assessments. The purposes of which special assessments may be levied include, but are not limited to, providing funds to pay Community Expense which exceed the general assessment fund then on hand to pay same (specifically improvement upon the Common Areas, including fixtures and personal property related thereto) and providing a contingency fund for capital improvements and extraordinary expenses. Furthermore, special assessments may be assessed against specific lots. Special 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 of Article E, shall be a continuing lien upon the property against which each such assessment is made. Furthermore, each assessment, together with interest costs and reasonable attorneys' fees, shall 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 special assessments shall not pass to a successor in the 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. Written notice of any meeting of the members called for the purpose of levying and imposing special assessments shall be sent to all members not less than thirty (30) days, nor more than sixty (60) days in advance of the meeting. At first such meeting called, the presence of members or of proxies entitled to cast ten percent (10%) of all votes of each class of membership shall constitute a quorum. If the required quorum is not presented, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-quarter (1/4) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

G. Special Assessments for Lot Mowing and Mildew on siding

In the event the grass on any Lot exceeds six inches in height, then the Declarant of the Corporation may, at its election, cause the Lot to be mowed and assess the Lot owner the cost of such mowing. The cost shall include an administrative expense to the Corporation for the arrangement of such mowing. Also, in the event a home or outbuilding has an unacceptable amount of mildew on it, then the Declarant of the Corporation may, at its election, cause the home or building to be washed and assess the lot owner the cost of the cleaning. The cost may include an administrative expense to the corporation for the arrangement for such cleaning.

H. Liens for Assessments

Any general or special assessment, if not paid without thirty (30) days after the date of such assessment is due, together with interests 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 assessments 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 being an action to foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein.

I. Compliance With This Declaration, The Articles and the Bylaws of the Corporation

In 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:

(1) An aggrieved Lot Owner or Owners within the Subdivision or any Lot Owner on behalf of all the Lot Owners within the Subdivision shall have the right to bring action and recover sums due, damages, injunctive relief, and/or such other further relief as may be just and appropriate.

(2) If the Violation is the nonpayment of any general or special assessment, the Corporation shall have the right to suspend the offending Owner's voting rights for any period during which an assessment against the Lot remains unpaid.

(3) The remedies provided by this Article are cumulative, and are in addition to any other remedies provided by law.

(4) The failure of the Corporation or any Person to enforce any restriction contained in these Restrictions, the Articles or the Bylaws shall not be deemed to waive the right to enforce such restrictions thereafter as to the same violation or subsequent violation of similar character.

J. Property Rights of the Lot Owners, Cross-Easements, and Exceptions and Reservations by Declarant

(1) Every Owner of a lot within the Subdivision as an appurtenance to such a Lot shall have a perpetual easement over and upon the Common Areas within the Subdivision for each and every purpose or use to which such Common Areas were intended as determined by their type, or for which Common Areas generally are used. Such easements shall be appurtenant to and shall pass with the title to every Lot located within the Subdivision, whether or not specifically included in the deed thereto, subject to the following provisions:

(A) The Corporation shall have the right to make reasonable rules and regulations respecting the use of same.

(B) The Corporation may make reasonable rules respecting parking on the streets of the Subdivision.



(C) The Corporation shall have the right to dedicate or transfer fee simple title to all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed by the Board of Directors.

(D) The Corporation shall have the right to mortgage, pledge, deed in trust, hypothecate, sell, or convey all or part of the Common Areas; provided, however, no such action may occur until an instrument agreeing to such action signed by two-thirds (2/3) of the Board of Directors.

(2) The Corporation hereinafter may grant easements for utility purposes for the benefit of the Subdivision and the Lots now or hereafter located herein, over, under, along and through any Common Areas located within the Subdivision.

(3) Any owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Areas and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

(4) Easements for the installation and maintenance of utilities and drainage facilities are as shown on the recorded plat and over the rear 10 feet of each lot and such easements 5 feet in width are reserved along each side line of each lot. Those easements are reserved by Declarant for the purposes of benefiting this subdivision and its other property in the area. Except as otherwise provided herein, no structure, planting, or other material shall be placed or permitted to remain within these easements which may interfere with the installation and maintenance of utilities, which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. Declarant specifically reserves the right to grant any public utility, municipality or other property owner similar nonexclusive easement rights in said utility and drainage easements shown on the aforesaid plat and reserved herein.

(5) The Declarant reserved the right to subject the Lots in the Subdivision to a contract with Progress Energy or any other public utility or municipality for street lights, which contract may require an initial payment and/or continuing monthly payments to Progress Energy or any other public utility or municipality. The declarant reserves the right to grant to any public utility or municipality necessary easements to allow for the installation of those utilities.

(6) Additional residential property and Common Areas may be annexed into the Subdivision and the corporation with the consent of one-third (1/3) of the Board of Directors. Annexation of additional property shall be accomplished by recording a Declaration of Annexation describing the property annexed and incorporating the provision of this Declaration by reference. The additional land shall be deemed annexed to the Subdivision and under the jurisdiction of the Corporation on the date of the recordation of the Declaration of Annexation. The Declaration of Annexation shall be duly executed by the Declarant.

(7) Each Owner of any Lot within the subdivision, as an appurtenance to such Lot, has and is hereby conveyed a perpetual, nonexclusive right of way and easement for the purposes of ingress, egress and regress to and from said Lot over, through and across the streets and roads shown on the Subdivision plat and/or described herein.

(8) Each Owner of any Lot, by acceptance of the deed thereto, and the corporation by acceptance of a deed for the Common Areas, grants to the Declarant, its successors and assigns, and Declarant hereby reserves perpetual nonexclusive general access and utility easements located over, along and through the streets and roads, utility lines, water lines and sewage lines presently existing, shown on the aforesaid plat or hereafter constructed. Such easements are nonexclusive and are for the purposes of providing utilities, water and sewage service and ingress, egress, regress and access to such area is annexed into this Subdivision. In its sole, unfettered discretion, Declarant may grant similar nonexclusive easement rights to various parties as they deem necessary and proper.

(9) The Common Areas shall remain common areas in perpetuity, and no action of the corporation shall eliminate any portion of the Common Areas unless such action is specifically authorized in writing by the appropriate Government Entity.

K. Architectural control and Architectural Restrictions

(1) The Architectural control Committee ("Committee") shall be comprised of three (3) persons. Any natural person may serve as a member of the Committee. Until January 1, 2016, Declarant shall have the right to appoint and remove the three (3) committee members with or without cause. After such date, the Board of Directors of Corporation shall have the right to appoint and remove members of the Committee with or without cause.

(2) Except as provided in Paragraph 7 of this Article J, before any structure, fence, building, wall or addition to any of the same shall be commenced, erected, or maintained upon and Lot and before any alteration (including painting) of the exterior portion of any structure located upon any Lot in the Subdivision shall be commenced (except as shall be undertaken by the Corporation itself), the party desiring to make such changes or erections shall submit and have approved by the Committee (hereinafter called "Committee"), plans and specifications detailing the changes and erections. The plans and specifications must show the structure, kind, shape, height, materials, color and locations of the change or erection. Two (2) complete sets of Committee Application forms, final plans, and specifications for any and all proposed improvements, shall be (1) hand delivered to the committee, or (2) mailed certified or registered mail with the return receipt requested to the Committee. The Committee shall approve or disapprove such plans within thirty (30) days of receipt thereof. One set of plans and specifications and details with the approval or disapproval of the Committee shall be returned to the party submitting them and the other copy shall be retained by the Committee for its permanent files. Until January 1, 2016, the address of the Committee is 166 Center Street, Jacksonville, NC 28546. After such date, the address is the address of the Corporation.

(3) Committee shall make its decision approving or disapproving the plans by taking into consideration the nature of the Subdivision, the aesthetics of proposed changes or alterations, the harmony of the proposed change or erection with the architectural style of neighboring buildings. Color schemes, durability of construction, relative costs, and protection of the investment of the Owners of the Other Lots in the Subdivision. Submission of incomplete or inaccurate plans and specifications may result in disapproval. The decisions of the Committee shall be final and not subject to appeal or review.

(4) If the Committee fails either to approve or disapprove any plans so submitted within thirty (30) days of their submission, the plans will be deemed approved. If court action challenging the lack of approval is not brought before a certificate of occupancy had been issued by the appropriate inspection department or the improvement, the plans will be deemed approved.

(5) Neither the Committee nor any agent of the Declarant shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the forgoing provisions nor any structural or other defect in any work done according to such plans and specifications.

(6) The requirements of this Article shall not constitute a lien or encumbrance on any Lot on which construction is complete, and any subsequent purchaser thereof for value without notice thereof is in no way affected by failure of his predecessors in title to comply with the terms hereof.

(7) The provisions of this Article shall not apply to the original construction on a Lot by Declarant and no such approval shall be required for original construction by Declarant.

(8) The initial members of the Committee shall be Danny Whaley, James Maides, and Karen Ramos.

L. Insurance

(1) The corporation shall purchase and maintain at all times a comprehensive general liability insurance policy covering all Common Areas, public ways and any other areas that are under its supervision. The liability shall insure against liability to the public or to other lot owners, their tenants, guests or invitees, relating in any way to the ownership, operation, maintenance and/or use of the Common Areas and any part thereof, and any other areas under the Corporation's supervision including public ways, if the Corporation supervises any such public ways. Such insurance policy shall contain a "severability of interest endorsement" or equivalent coverage which precludes the insurer from denying the claim of a Lot Owner because of the negligent acts of the Corporation or other Lot Owners. Limits of liability shall be at least One Million Dollars (\$1,000,000.00) covering all claims for personal injury and/or property damage arising out of losses related to employment contracts of the Corporation. The policy shall require the insurer to notify in writing the Corporation at least ten (10) days before the insurer cancels or substantially changes the coverage.

(2) It is the responsibility of each Owner to purchase and maintain hazard insurance on such Owner's Dwelling, personal property, fixtures and appliances. Each owner shall be responsible for purchasing the maintaining of any desired liability insurance covering his Lot and Dwelling.

M. Restrictions on Use and Occupancy

(1) The division of Lots is permissible provided that the number of Lots in the Subdivision is not increased (i.e., portions of lots are combined with other lots or other portions of lots to form a new Lot). Any such Lot which has been formed with portions of one or more Lots shall be considered a Lot as defined herein notwithstanding the fact that said Lot actually consists of portions of more than one original Lot. Drainage and utility easements not actually in use shall be moved to the perimeter lot lines of the reconfigured Lot. No Lot shall be used except for single family residential purposes. No building shall be located on any Lot except a Dwelling as defined herein and such other outbuildings as may be normal and customary

accessories for a single family residential dwelling, including a private garage, and located within the building lines for said Lot as shown on the recorded plat.

(2) Every residential Dwelling constructed on a Lot shall contain at least eleven hundred (1100) square feet of heated area. No mobile home, doublewide or prefabricated dwelling shall be allowed on any Lot, except modular homes as defines by the North Carolina residential building Code, are allowed. In addition, every dwelling shall have concrete drives and walks, sodded front yard from curb to the front of the house and ten (10) three-gallon shrubs in the front yard.

(3) Any appurtenant structure shall be like materials, construction methods, and techniques, as the principle residential dwelling. Installation and/or construction of fences and appearance structures are permissible to the extent the intention and use are consistent with enjoyment of the property as defined under single family residential uses. These appurtenant structures shall not be allowed if they are made of metal, tin, aluminum, or any pre-manufactured application or technique that does not substantially resemble the principle residential dwelling materials and construction. All appurtenant structures shall be approved by the committee.

(4) No fences shall be permitted on any Lot unless erected by the Declarant or approved by the Committee . Only decorative fences shall be allowed in the front yard of the dwelling as may be approved by the Committee. For the purposes of this provision, "front yard of the dwelling" shall mean the area between the street on which a dwelling faces and the front face of the dwelling. Decorative fences are limited to three (3) feet in height and shall be installed behind sidewalk. Approved fences may be wood, or pvc. Approved fences of wood or pvc may not exceed six (6) feet in height. Wood Privacy fences shall have a minimum of three (3) runners on which the slats are nailed. A fence approved for one Lot shall not be considered approval of the same or similar fence on any other Lot; each such fence must have the approval of the Committee. No Privacy fence shall be erected along the front line of any lot nor along the side line of any lot that adjoins a street. No fence, other than decorative fences, shall be erected upon any lot closer to the front line of said lot than the mid point of the primary structure. On a corner lot, no fence may be erected any closer to the side street than the minimum building line.

(5) Without the prior written consent of the Committee, nothing shall be done or kept in Dwelling or on Lot which will increase the rate of insurance applicable to the other buildings in the Subdivision. No Owner shall permit anything to be done or kept in his dwelling or on his Lot which will result in the cancellation of insurance on his Dwelling or of that of any of the neighbors. No waste may occur in the Common Areas.

(6) Placement and/or storage of any items on the exterior of a dwelling shall be permissible only to the extent the placement or storage is temporary in nature and is consistent with the enjoyment of the property as defined under the single family residential use. Temporary shall be defined as a period no greater than one calendar month.

(7) All motor vehicles of any type kept within the Subdivision shall have current registration and inspection certifications. Only automobiles, pick-up trucks or vans of a size of three-quarter ton or smaller and motorcycles shall be allowed to remain overnight on the Lots. No tractor, trailer or tractor-trailer may be kept within the Subdivision. No trailer, camper, or like vehicle shall be parked on any lot at any time for any purpose nor shall any such vehicle be allowed to remain on any lot at any time for any purpose unless it is parked behind the main dwelling structure or place inside the carport or garage. It is provided, however, that during

construction and development, construction trucks, tractors and equipment may be kept within the Subdivision by the Developer or his designees.

(8) No signs of any kind shall be displayed to the public view on any Lot except signs used by the Declarant or its agents to advertise the property during construction and sales period or one sign not more than six (6) square feet advertising the property for sale or rent.

(9) No trash, ashes, garbage, or other refuse shall be dumped or stored or accumulated on the exterior of any Dwelling, except normal construction debris during construction.

(10) All outdoor receptacles located on a lot for ashes, trash, rubbish or garbage shall be screened or so placed and kept as not to be visible from the street, except Declarant or a Builder may have a dumpster located on a Lot during construction.

(11) No noxious or offensive activity shall be conducted upon any Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

(12) No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any Dwelling except that dogs, cats, or other household pets may be kept or maintained provided they are not kept or maintained for commercial purposes. Such pets shall be reasonable in size and number. Animals or pets shall not run at large. NO ROTWILERS, PITBULLS OR DOBERMANS, OR BREEDS WITH THESE BLOODLINES SHALL BE ALLOWED IN THE SUBDIVISION, EITHER BY OWNERS OR THEIR GUESTS.

(13) The provisions of this Article are subject to the condition that for so long as the Declarant retains any Lot or any portion of the property in the Subdivision, whether shown and delineated on the aforesaid plat or later annexed into the Subdivision, which has not been sold leased, rented, or otherwise conveyed, the Declarant is hereby expressly permitted to maintain signs on the Common Areas.

(14) No outside radio or television antennas, or towers of any kind, shall be erected on any Lot or Dwelling. Satellite dishes are allowed but must not exceed twenty-four (24) inches in diameter and shall not be placed in front yard of any lot, or in side yard or front yard on a corner lot. If dish is placed in yard it must be on a round metal galvanized post.

(15) All plumbing fixtures, dishwashers, toilets, or sewage disposal systems shall be connected to a sewage system approved by the appropriate governmental authority and the Declarant. No outside toilet shall be constructed or permitted on any Lot after completion of the principal residential dwelling. Portable toilets shall be allowed during the construction period.

(16) No temporary house, manufactured mobile home, trailer, camper, tent, garage or other outbuilding shall be placed on or erected on a Lot. Provided, however, the Committee may grant permission for a temporary structure for storage of materials during the construction period and the Declarant may maintain construction and/or sales trailers during the development period. No such temporary structure or appurtenant structure as may be approved shall be used at any time as a dwelling.

(17) Once construction of improvements is started on any Lot, improvements must be substantially completed in accordance with the plans and specifications as approved by the Committee within a reasonable time after commencement.

(18) No residence shall be occupied until the same has been substantially completed and a Certificate of Occupancy has been issued by the appropriate governmental authority.

(19) All structures constructed or placed on any Lot shall be build of substantially new materials and no used structure or materials shall be moved, relocated, or placed on any such Lot.

(20) Fuel storage tanks shall be buried below the surface of the ground or screened by shrubbery or other satisfactory means so that they will be hidden from street on which the home faces.

(21) No structure erected upon any Lot may be used as a model exhibit or model home unless prior written consent to do so has been obtained from the Committee. Provided, however, that notwithstanding any other provisions of this Declaration, Declarant may maintain model homes and sales offices in the Subdivision as long as Declarant own a Lot within the area described in Article A(10).

(22) No outside burning of garbage or refuse shall be permitted.

(23) Mail Boxes will be a standard design as specified by the Declarant.

N. Waiver

No provisions contained in these Restrictions, the Articles or the Bylaws, shall be deemed to have been waived, abandoned, or abrogated by reason of failure to enforce them on the part of any person as to the same or similar future violations, no matter how often the failure to enforce is repeated.

O. Variances

The Committee in its discretion may allow reasonable variances and adjustments of these Restrictions in order to alleviate practical difficulties and hardship in their enforcement and operation. Any such variances shall not violate the spirit of the intent of this document to create a subdivision of Lots owned in fee by various persons with each such Owner having an easement upon areas owned by the Corporation. No variance or adjustment will be permitted if such would be materially detrimental or injurious to the welfare of the other property and improvements in the Subdivisions as determined by the Committee.

To be effective, a variance hereunder shall be recorded in the Office of the Register of Deeds of Onslow County; shall be executed on behalf of the Committee; and, shall refer specifically to this Declaration.

P. Duration, Amendment and Termination

(1) The covenants and restrictions contained in the Declaration shall run with and bind the land until June 1, 2030, after which time they shall be extended automatically for successive periods of ten (10) years. This Declaration may be amended in full or in part prior to January 1, 2016, by an instrument signed by not less than two-thirds of the membership, and thereafter, by an Instrument signed by not less than three-fourths (3/4) of members provided, that no amendment shall alter any obligation to pay ad valorem taxes on the Common Areas or assessments for street lighting as herein provided, or affect any lien for the payment of same or alter the corporation's obligations under the State Stormwater Management Permit No. SW8 081027. Further, no such amendment shall affect the rights of Declarant unless such party executes the amendment.

(2) Invalidation of any one of these covenants or Restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

(3) Notwithstanding any other provisions of this document, Declarant may amend this instrument without the joinder or consent of any other person or entity if such amendment is required by any governmental agency for governmental approval.

(4) So long as there is a Class B Membership, annexation of additional properties, dedication of common areas and amendments to this Declaration of Covenants, Condition, Restriction and Easements shall first be approved by the Department of Veterans Affairs.

Q. Common Areas: Private

(1) Every Common Area and any facility thereon is private. Neither the Declarant's execution nor recording of the plat nor any other act of the Declarant with respect to the property is or is intended to be or shall be construed as a dedication to the public of any of said parks, recreational facilities or amenities other than as reflected herein. An easement for the use and enjoyment of each of the areas designated as Common Areas is reserved by the Declarant, its successors and assigns, for the benefit and use of its remaining property as described above and an easement for the use of such areas may be granted to the owners of such remaining property.

(2) All Common Areas shall be owned by the Corporation and shall be acquired by the Corporation free and clear of all liens and encumbrances except pro rata ad valorem real property taxes for the year of conveyance, rights and easements reserved herein, and drainage and utility easements and mineral reservations as established in the chain of title.

R. Remedies

Enforcement of these restrictions and conditions shall be by proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or condition, either to restrain violation thereof or to recover damages therefore. Injunction shall not issue to compel the removal of or moving of any completed residence for violation of side setback or front setback restrictions, the sole remedy of any offended person being a suit for damages.

S. Applicability

These Restrictions shall apply only to the Lots specified herein or hereinafter annexed into the Subdivision. No other property is restricted.

T. Captions

The captions preceding the various Articles of these Restrictions are for the convenience of reference only, and shall not be used as an aid in interpretation or construction of these Restrictions. As used herein, the singular includes the plural and where there is more than one Owner of a Lot, said Owners are jointly and severally liable for the obligations herein imposed. Throughout this Declaration, references to the masculine shall be deemed to include the feminine, the feminine to include the masculine, and the neuter to include the masculine and feminine.

U. Notice

All notices provided for or permitted pursuant to these Restrictions shall be in writing and, except as is herein otherwise expressly provided, notice shall be deemed sufficient and service thereof completed upon hand delivery or receipt, refusal or non-delivery of same when mailed postage prepaid to the party to or upon whom notice is being given or served at the address of such party last reflected on the records of the Corporation.

V. Liberal Construction

The provisions of this Declaration shall be construed liberally to effectuate its purpose of creating a Subdivision of fee simple ownership of Lots and buildings governed and controlled by rules, regulations, restrictions, covenants, conditions, reservations and easements administered by and Owners' association with each Owner entitled to and burdened with the rights and easements equivalent to those of other Owners. In the case of conflict between this Declaration, the Articles or the Bylaws, this Declaration shall control the Articles and the Bylaws, and the Articles shall control the Bylaws.

W. Stormwater Regulations

(1) The following covenants are intended to ensure ongoing compliance with State Stormwater Management Permit Number SW8 081027, as issued by the Division of Water Quality under NCAC 2H.1000.

(2) The State of North Carolina is made a beneficiary of these Covenants to the extent necessary to maintain compliance with the stormwater management permit.

(3) These covenants are to run with the land and be binding on all persons and parties claiming under them.

(4) The covenants pertaining to stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality.

(5) Alteration of the drainage as shown on the approved plan may not take place without the concurrence of the Division of Water Quality.

(6) The maximum allowable built-upon area per lot is 3000 square feet for 36 lots. This allotted amount includes any built-upon area constructed within the lot property boundaries, and that portion of the right-of-way between the front lot line and the edge of the



pavement. Built upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, coquina and parking areas, but does not include raised, open wood decking, or the water surface of swimming pools.

(7) All runoff from the built-upon areas on the lot must drain into the permitted system. This may be accomplished through a variety of means including roof drains and gutters, which drain to the street, grading to lot to drain toward the street, or grading perimeter swales to collect the lot runoff and directing them into a component of the stormwater system. Lots that will naturally drain into the system are not required to provide these additional measures.

(8) Built upon area in excess of the permitted amount will require a permit modification.

a. If permeable pavement credit is requested, the property owner must submit a request, with supporting documentation to the permittee and receive approval prior to the construction of built upon area.

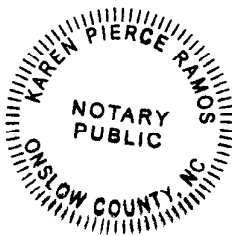
IN WITNESS WHEREOF, Declarant has caused this instrument to be properly executed in such form as to be binding after proper authority having been given this the day and year first above written.

CAROLINA SOUTH BUILDERS, INC.  
By: [Signature]  
Vice Presi

NORTH CAROLINA, Onslow COUNTY

I, Karen Pierce Ramos, a Notary Public, certify that Danny Whaley, personally came before me this day and acknowledged that he is Vice President of CAROLINA SOUTH BUILDERS, INC., a North Carolina corporation, and that he, as Vice President being authorized to do so, executed the foregoing instrument on behalf of the corporation.

Witness my hand and official stamp or seal, this 31 day of August, 2009



Karen Pierce Ramos  
Notary Public

My Commission Expires: 1-27-14

NORTH CAROLINA, \_\_\_\_\_ COUNTY

The certificate(s) of the foregoing notary(ies) is/are certified to be correct. This instrument was presented for registration this day and hour and duly recorded in the Office of the Register of Deeds of \_\_\_\_\_ County, North Carolina, in Book \_\_\_\_\_ at Page \_\_\_\_\_.

This the \_\_\_\_ day of \_\_\_\_\_, 2005, at \_\_\_\_ o'clock \_\_\_\_ m.

\_\_\_\_\_  
Register of Deeds

By \_\_\_\_\_  
Assistant/Deputy Register of Deeds