

BOOK 1062 PAGE 88

LAW OFFICES
OF
FRANK W. ERWIN

Prepared by: FRANK W. ERWIN, ATTORNEY
P. O. Box 7206
Jacksonville, NC 28540

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Box 115 Old Branch Square
825 Old Branch Road
P. O. Box 7206
Jacksonville, N.C. 28540

NORTH CAROLINA

RESTRICTIVE COVENANTS
(SF/WOA)

ONslow COUNTY

THIS DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS, made the 23rd day of JULY, 1992, by GARLAND W. TUTON and wife, SUE C. TUTON and DEERFIELD BUILDERS, INC., corporations organized and existing under and by virtue of the laws of the State of North Carolina, hereinafter called "Declarant."

WITNESSETH:

THAT WHEREAS, the Declarant is the owner of the real property described in Paragraph 1 of this Declaration and is desirous of subjecting said real property to the protective covenants hereinafter set forth, each and all of which is and are for the benefit of such property and for each owner thereof, and shall inure to the benefit of and pass and run with said property, and each and every lot or parcel thereof, and shall apply to and bind the successors in interest and any owner thereof.

NOW, THEREFORE, Declarant hereby declares that the real property in and referred to in Paragraph 1 hereof is and shall be held, transferred, sold and conveyed subject to the protective covenants set forth below:

1. DESCRIPTION OF REAL PROPERTY:

The real property which is, and shall be held, transferred, sold and conveyed subject to the protective covenants set forth in the articles of this Declaration is located in the County of Onslow, State of North Carolina, and is more particularly described as follows:

BEING all of those numbered lots as shown on that plat entitled "Baywood at Hunters Creek" as recorded in Map Book 29, Page 1, of the Onslow County Registry.

2. USES:

No lot, lots, or portions thereof shall be put to any use other than for residential purposes, except that any lot may be used by the Declarant for a street or roadway.

For Easement refer to Bk 123 / Pg. 363 3-2795

JACKSONVILLE
919-346-9671
EMERALD ISLE
919-354-3242
SWANSDORD
919-326-4008
FACSIMILE
919-346-5883

3. GENERAL RESTRICTIONS:

Section 1. Residential Use: No structure shall be erected, altered, placed or permitted to remain on any Lot other than a single, one family dwelling not to exceed three stories in height, a private garage which may contain living quarters for occupancy by domestic servants of the lot occupant only, provided that the same are constructed in line with general architectural design and construction standards used as the dwelling itself. Each dwelling shall contain a minimum of 850 heated square feet, and if two-story, the first floor shall contain a minimum of 500 square feet. This covenant shall not be construed as prohibiting the use of a new dwelling as a model home for sales/rental purposes.

Section 2. Prohibited Structure: No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence either temporary or permanently. No trailer, mobile home, camper or like vehicle shall be allowed on the property at any time, or any other structure which is finished or partially finished at a manufacturing unit or plant and transported for quick assembly or which is designed to be disassembled and relocated shall be allowed. It is specifically the intention and purpose of this covenant to prohibit the location of mobile homes, trailers, modular houses, relocatable houses, or similar type structures on the property. This covenant shall not be construed as prohibiting the use of such a structure as a sales/ rental model, office or construction site facility.

Section 3. Building Location: No building shall be located on any corner lot nearer to the front line or any side street line than as shown on the recorded plat. No building shall be located with respect to interior side lot lines so as to be nearer than as shown on the recorded plat. No dwelling shall be located on any interior lot nearer to the front lot line than as shown on the recorded plat. No dwelling shall be located nearer than ten (10) feet to the rear lot line, and no garage or other permitted accessory building shall be located nearer than ten (10) feet to the rear lot line. For the purpose of this covenant, eaves, steps, open porches, and carports shall not be considered as a part of a building provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot. An error of not more than ten percent (10%) in the location of a building on the lot with respect to the minimum set back lines shall not be considered a violation of this covenant.

Section 4. Nuisances: No noxious, offensive, or illegal activity shall be carried on or conducted upon any Lot nor shall anything be done on any Lot that shall be or become an unreasonable annoyance or nuisance to the neighborhood. All Lots, whether occupied or unoccupied, shall be well maintained and no unattractive growth or accumulation of rubbish or debris shall be permitted to remain on a Lot. No automobile, other vehicle(s), motorcycle(s) or other similar items shall be repaired or placed "on blocks" or stands except in an enclosed garage. Declarant, its successors or assigns, reserves the right to enter upon and cut grass,

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weeds, or undergrowth on any lot or easement, but shall be under no obligation to do so. The Declarant may contract for, and assess to owner, any maintenance necessary to enforce his covenant.

Section 5. Animals: No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that household pets may be kept provided that said pet shall not exceed 50 pounds in weight and are not kept for breeding or commercial purposes. Any such household pet shall not be allowed off the Lot of the Owner of said pet unless said pet is attended and on a leash. Owners shall be solely and absolutely liable for the acts of any pet kept on their Lot.

Section 6. Garbage and Refuse Disposal: No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be burned or disposed of on any Lot and shall be kept in sanitary containers approved by the Architectural Committee. All equipment for the storage prior to disposal of such material shall be kept in a clean and sanitary condition. The placement of containers shall be approved by the Architectural Committee and, in any event, shall be kept in an enclosed area not subject to view from any person, from any direction. The Declarant reserves the right for itself, its successors and assigns, to contract for garbage collection services for each lot in the subdivision and the lot owner shall be responsible for the payment of such garbage services to the company providing the same.

Section 7. Exterior Lights: All light bulbs or other lights installed in any fixture located on the exterior of any dwelling, building or other structure located on any Lot shall be clear or white lights or bulbs. No mercury vapor or similar wide area lighting similar to street lights shall be allowed without prior Architectural Committee approval.

Section 8. Sight Distance at Intersections: No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply on any lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 9. Mailboxes: All mailboxes shall retain the same style, design, color and location of the mailbox as originally provided at construction of any residence. The Architectural Committee reserves the right to approve the style, design, color and location prior to any original installation or replacement. Application shall be made to the Architectural

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Committee prior to installation or replacement. By accepting a deed to any subject property, owner gives the Architectural Committee the right to remove any non-approved mailbox in a reasonable manner; all costs for same shall be paid by owner, and all damages against the Architectural Committee are waived.

Section 10. Signs: No sign, billboard, or other advertising of any kind, including without limitation professionally prepared "for sale" and "for rent" signs, shall be placed or erected on any Lot, right of way or Common Area save and except a professionally prepared "for sale" or "for rent" sign not to exceed six (6) square feet in size. Although approval by the Architectural Committee is not required prior to the display of such signs, the Architectural Committee may itself remove, have removed, or require the removal of any such sign which in its opinion would not otherwise be allowed under paragraph 6 of this Declaration. A valid easement shall exist on any Lot for such removal by the Architectural Committee or its agents. Provided, however, nothing shall prohibit or limit in any manner "construction" signs designating the job site and builder which may be placed upon a Lot during the period of the construction of a residential dwelling on the Lot but must be immediately removed upon final completion of such construction. Notwithstanding the above, any additions to the Project Property in the Development area may be further limited in regard to signs, billboards or advertising asset out in any Supplemental Declaration. Nothing herein shall prohibit any sign erected by the Declarant or its assigns.

Section 11. Antennae: There shall be no exterior antennae of any kind for receiving and/or sending of T.V., radio or other signals unless same have first been approved by the Architectural Committee.

Section 12. Driveways/Parking: All driveways constructed on any Lot shall be paved with either asphalt or concrete. An Owner shall provide a minimum of one (1) paved off-street parking space(s), excluding garage space(s) and shall provide at least one per automobile or other vehicle owned and regularly used at the Lot. On street parking is prohibited except for temporary, short gatherings.

Section 13. Subdivision: No lot shall be subdivided if the result of each subdivision is separate ownership of less than a whole lot; provided, however, that the Declarant, its successors or assigns, reserves the right to make minor boundary line adjustments between lots so long as said adjustment does not exceed ten percent (10%) of the total area of a given lot; and further provided that one lot may be combined with another lot or lots or a portion thereof to create a larger lot, in which case these Restrictive Covenants shall be construed to apply to the larger lot so created.

Section 14. Vehicles, Boats, Storage, Travel Trailers, etc.: No vehicle without current inspection sticker, vehicle over 5000 pounds empty weight, camper trailer, motor homes or bus

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shall be parked overnight on any lot except in an enclosed garage; provided, however, guests of an owner may so park such vehicle for a period not to exceed seven (7) days each calendar year. A pleasure boat on its trailer may be parked and raw firewood, bicycles, motorcycles, or other items may be stored only on that part of any lot away from the street lying beyond the front line of the house so that it is not viewable from any street. No automobile, other vehicle(s), motorcycle(s) or other similar items shall be repaired or placed "on blocks" or stands except in an enclosed garage.

Section 15. Window Appearance: All draperies or other window dressings in each dwelling unit shall be white or off white or in lieu thereof shall have a white lining.

Section 16. Trees: Except as to development or construction by Declarant, or as may be approved by the Architectural Committee, no tree four (4") inches in diameter at any location on said tree or ten feet (10') in height shall be cut, removed or intentionally damaged on any Lot unless first approved by Architectural Committee.

Section 17. Swimming pools: Outdoor swimming pools, hot tubs, jacuzzis, and other similar facilities may be located on a lot only after the Architectural Committee approval, and shall be screened and fenced. All such improvements shall be subject to approval and compliance with all governmental laws and regulations.

Section 18. Clotheslines: Clotheslines shall be not more than six (6) feet in height from the ground and shall not be viewable from the street, or shall be surrounded by a privacy fence approved by the Architectural Control Committee.

Section 19. Fence Minimum Requirements: No fences over four (4) feet in height shall be constructed on any lot. No fence shall be erected between any building and the street right of way. Any portion of any fence which can be viewed from the street right of way shall be of an ornamental nature. The term fence shall include but not be limited to, a wall, fence, landscaping, berm, or hedge which act as a fence or privacy or security inducing structure. Architectural review requirements must be met prior to construction of any fence.

Section 20. Street Lighting Agreement: The developer reserves the right to subject the real property in this subdivision to a contract with an electric utility company for the installation of underground electric cables and/or the installation of street lighting, either or both which may require an initial payment and/or a continuing monthly payment to an electric utility company by the owner of each dwelling.

4. ARCHITECTURAL CONTROL COMMITTEE:

Except for original and initial construction and subsequent modification of improvements by the Declarant on any Lot which such construction is and shall be exempt

from the provisions of this provision, no building, wall, fence, landscaping, berm or hedge which act as a fence or privacy inducing structure, pier, dock, ornamentation, or other structure or improvements of any nature shall be erected, placed or altered on any Lot until the construction plans and specifications and a plan showing the location of the structure and landscaping as may be required by the Architectural Committee have been approved in writing by the Architectural Committee. Each building, wall, fence or other structure or improvements of any nature, together with any ornamentation or landscaping, shall be erected, placed or altered upon the premises only in accordance with the plans and specifications and plot plan so approved. Refusal of approval of plans, specifications and plot plans, or any of them, may be based on any ground, including purely aesthetic grounds, which in the sole and uncontrolled discretion of said Architectural Committee deem sufficient. Any change in the appearance of any building, wall, fence or other structure or improvements and any change in the appearance of the landscaping (excepting the planting of flowers and shrubs indigenous to the area), shall be deemed an alteration requiring approval. The Architectural Committee shall have the power to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this paragraph.

A majority of the Architectural Committee may take any action said Board is empowered to take, may designate a representative to act for the Architectural Committee, and may employ personnel and consultants to act for it. In the event of death, disability or resignation of any member of the Architectural Committee, the remaining members shall have full authority to designate a successor. The members of the Architectural Committee shall not be entitled to any compensation for services performed pursuant to this covenant. The Architectural Committee shall act on submissions to it within thirty (30) days after receipt of same, or else the request shall be deemed approved. Requests and submissions shall, however, be in such form and contain such information as the Architectural Committee may require prior to its being required to act.

The Architectural Committee may establish a fee to cover the expense of reviewing plans and related data at the time plans are submitted for review in order to compensate any consulting architects, landscape architects, urban designers or attorneys.

The paint, coating, stain and other exterior finishing colors on all buildings may be maintained as that originally installed, without prior approval of the Architectural Committee, but prior approval by the Architectural Committee shall be necessary before any such exterior finishing color is changed.

Until such time as the sale of the last numbered lot in the subject property is evidenced by the recordation of a deed therefore, all rights, privileges, powers and authority granted herein to the initial Architectural Control Committee, to whom the specific power to act hereunder is expressly conveyed, shall be exercised by Declarant, its successors or assigns. In

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the event of the dissolution of Declarant or the failure of Declarant, to specifically assign the rights, privileges, powers and authority hereunder prior to the sale of the last numbered lot in the subdivision known as the subject property on the second Monday in January of each calendar year, after notice to each of them by registered mail, as the owners of each lot may elect, at a regular meeting where a quorum is present, by a majority vote of those present and constituting a quorum, an Architectural Control Committee, which said committee shall serve until the next anniversary date of these restrictions. A quorum for any regular or special meeting of individual lot owners shall be the owners of at least ten percent (10%) of the lots in the subdivision known as the subject property. At any time thereafter the said individual owners of record in a special meeting called by any six of them, after notice by registered mail to all of the other said lot owners of record, may elect a New Architectural Control Committee, fill any vacancies on the Architectural Control Committee, or remove the members of the existing Architectural Control Committee.

Any requirement for registered mail service shall be complied with by personal delivery to the occupant of a respective owner's lot.

5. EASEMENTS:

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat and over the rear ten (10) feet of each lot. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may obstruct or retard the flow of water through a drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible.

The grantor reserves for itself, its successors or assigns, an easement and right at any time in the future to grant a right of way under, over and along ten (10) feet off the side, rear and front property lines of each and every lot in the subdivision described herein, for the installation and maintenance of poles, lines, conduits, pipes and other equipment necessary to or useful for furnishing electric power, gas, telephone service, drainage or other utilities including water and sewer services.

For a period of two (2) years from the date of conveyance of the first Lot in the subject property, the Declarant reserves a blanket easement and right of way on, over and under the ground to maintain and correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary. Following such action the Declarant shall restore the affected property

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to its original condition as near as practical. The Declarant shall give reasonable notice of its intent to take such action to all affected Owners, unless in the opinion of the Declarant an emergency exists which precludes such notice. At the expiration of such two year period, said easement to correct drainage shall automatically expire.

6. GENERAL PROVISIONS:

Section 1. Term: These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty (20) years from the date these covenants are recorded, after which time such covenants shall be automatically extended for successive periods of ten (10) years.

Section 2. Enforcement: In the event of a violation or breach of any of these restrictions, covenants, agreements and conditions by any person or concern claiming by, through or under the undersigned, or by virtue of any judicial proceedings, the Association, its successors and assigns and the owners of the number lots in the subdivision, or any of them, jointly or severally, shall behave the right to proceed at law or in equity to compel compliance with the terms thereof or to prevent the violation or breach of any of them. The failure to enforce any right, reservation, restriction or condition contained herein, however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement.

Section 2.1. Remedies Extended to the State of North Carolina: To ensure that this subdivision is maintained consistent with the laws of the State of North Carolina, the State of North Carolina is specifically empowered to take such acts necessary by and through its officers to enforce any of these covenants against an Owner. The State of North Carolina is specifically made a beneficiary of these covenants.

Section 3. Modification of Restrictive Covenants: Except as to specific rights retained by Declarant, these restrictions are subject to being altered, modified, canceled or changed at any time as to said subdivision as a whole or as to any subdivided lot or part thereof during the first twenty (20) year period by written document executed by the Declarant or their successors in title and by the owner of not less than ninety percent (90%) or more of the subdivided lots, the Declarant may alter or amend these covenants without consent of anyone. After the expiration of the initial twenty (20) year period, these restrictions are subject to being altered, modified, canceled or changed at any time as to said subdivision as a whole or as to any subdivided lot or part thereof by written document executed by not less than seventy-five percent (75%) of the Lot Owners, and recorded in the office of the Register of Deeds of the County in which this Declaration is recorded.

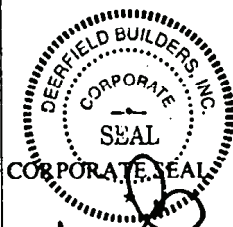
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Section 4. ~~Severability~~: Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

IN TESTIMONY WHEREOF, the Declarant has caused this instrument to be signed in its corporate name by its President, attested to by its Secretary, its common corporate seal affixed hereto, all as the act and deed of the said corporation and by authority of its Board of Directors duly and legally given this with its corporate seal, and attested by himself as its Assistant Secretary.

Garland W. Tuton (SEAL)
GARLAND W. TUTON

Sue C. Tuton (SEAL)
SUE C. TUTON



DEERFIELD BUILDERS, INC.

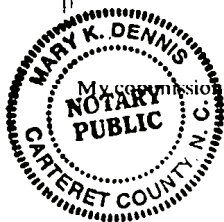
By: Garland W. Tuton
President

ATTEST: [Signature]
Asst. Secretary

NORTH CAROLINA
COUNTY OF Carteret

I, a Notary Public of the County and State aforesaid, certify that GARLAND W. TUTON and wife, SUE C. TUTON personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 23rd day of JULY, 1992.



My commission expires: 6-24-97

Mary K. Dennis
Notary Public

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NORTH CAROLINA
COUNTY OF Carteret

I, a Notary Public of the aforesaid County and State, do hereby certify that Frank W. Ewin personally appeared before me this day and acknowledged that (s)he is Asst. Secretary of DEERFIELD BUILDERS, INC., a North Carolina Corporation, and by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Asst. Secretary.

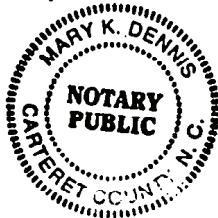
Witness my hand and notarial seal, this 23rd day of JULY, 1992.

Mary K. Dennis
Notary Public

My Commission Expires:

6-24-97

RESCOV\FWOA.RC(289)
TEMP\BAYWOOD.RC(072792)
R-M165



NORTH CAROLINA, ONSLOW COUNTY
The foregoing certificate(s) of _____

Mary K. Dennis

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 1062 Page 88 This 27th day of July 1992 at 1:01 o'clock P. M.
Mildred M. Thomas _____
Register of Deeds, Onslow County Register of Deeds

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Prepared by: FRANK W. ERWIN, ATTORNEY

P. O. Box 7206

Jacksonville, NC 28540

1993 MAY 21 AM 11:02

NORTH CAROLINA

RESTRICTIVE COVENANTS

ONSLow COUNTY

(SF/WOA)

THIS DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS, made the 20 day of MAY, 1993, by HUNTER DEVELOPMENT CORPORATION, corporations organized and existing under and by virtue of the laws of the State of North Carolina, hereinafter called "Declarant."

WITNESSETH:

THAT WHEREAS, the Declarant is the owner of the real property described in Paragraph 1 of this Declaration and is desirous of subjecting said real property to the protective covenants hereinafter set forth, each and all of which is and are for the benefit of such property and for each owner thereof, and shall inure to the benefit of and pass and run with said property, and each and every lot or parcel thereof, and shall apply to and bind the successors in interest and any owner thereof.

NOW, THEREFORE, Declarant hereby declares that the real property in and referred to in Paragraph 1 hereof is and shall be held, transferred, sold and conveyed subject to the protective covenants set forth below:

1. DESCRIPTION OF REAL PROPERTY:

The real property which is, and shall be held, transferred, sold and conveyed subject to the protective covenants set forth in the articles of this Declaration is located in the County of Onslow, State of North Carolina, and is more particularly described as follows:

BEING all of those numbered lots as shown on that plat entitled "Baywood II at Hunters Creek" as recorded in Map Book 29, Page 166, of the Onslow County Registry.

2. USES:

No lot, lots, or portions thereof shall be put to any use other than for residential

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purposes, except that any lot may be used by the Declarant for a street or roadway.

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3. GENERAL RESTRICTIONS:

Section 1. Residential Use: No structure shall be erected, altered, placed or permitted to remain on any Lot other than a single, one family dwelling not to exceed three stories in height, a private garage which may contain living quarters for occupancy by domestic servants of the lot occupant only, provided that the same are constructed in line with general architectural design and construction standards used as the dwelling itself. Each dwelling shall contain a minimum of 850 heated square feet, and if two-story, the first floor shall contain a minimum of 500 square feet. This covenant shall not be construed as prohibiting the use of a new dwelling as a model home for sales/rental purposes.

Section 2. Prohibited Structure: No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence either temporary or permanently. No trailer, mobile home, camper or like vehicle shall be allowed on the property at any time, or any other structure which is finished or partially finished at a manufacturing unit or plant and transported for quick assembly or which is designed to be disassembled and relocated shall be allowed. It is specifically the intention and purpose of this covenant to prohibit the location of mobile homes, trailers, modular houses, relocatable houses, or similar type structures on the property. This covenant shall not be construed as prohibiting the use of such a structure as a sales/ rental model, office or construction site facility.

Section 3. Building Location: No building shall be located on any corner lot nearer to the front line or any side street line than as shown on the recorded plat. No building shall be located with respect to interior side lot lines so as to be nearer than as shown on the recorded plat. No dwelling shall be located on any interior lot nearer to the front lot line than as shown on the recorded plat. No dwelling shall be located nearer than ten (10) feet to the rear lot line, and no garage or other permitted accessory building shall be located nearer than ten (10) feet to the rear lot line. For the purpose of this covenant, eaves, steps, open porches, and carports shall not be considered as a part of a building provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot. An error of not more than ten percent (10%) in the location of a building on the lot with respect to the minimum set back lines shall not be considered a violation of this covenant.

Section 4. Nuisances: No noxious, offensive, or illegal activity shall be carried on or conducted upon any Lot nor shall anything be done on any Lot that shall be or become an unreasonable annoyance or nuisance to the neighborhood. All Lots, whether occupied or unoccupied, shall be well maintained and no unattractive growth or accumulation of rubbish or debris shall be permitted to remain on a Lot. No automobile, other vehicle(s), motorcycle(s)

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or other similar items shall be repaired or placed "on blocks" or stands except in an enclosed garage. Declarant, its successors or assigns, reserves the right to enter upon and cut grass, weeds, or undergrowth on any lot or easement, but shall be under no obligation to do so. The Declarant may contract for, and assess to owner, any maintenance necessary to enforce his covenant.

Section 5. Animals: No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that household pets may be kept provided that said pet shall not exceed 50 pounds in weight and are not kept for breeding or commercial purposes. Any such household pet shall not be allowed off the Lot of the Owner of said pet unless said pet is attended and on a leash. Owners shall be solely and absolutely liable for the acts of any pet kept on their Lot.

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Section 8. Sight Distance at Intersections: No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply on any lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No trees shall be permitted to remain within such distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

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Section 10. Signs: No sign, billboard, or other advertising of any kind, including without limitation professionally prepared "for sale" and "for rent" signs, shall be placed or erected on any Lot, right of way or Common Area save and except a professionally prepared "for sale" or "for rent" sign not to exceed six (6) square feet in size. Although approval by the Architectural Committee is not required prior to the display of such signs, the Architectural Committee may itself remove, have removed, or require the removal of any such sign which in its opinion would not otherwise be allowed under paragraph 6 of this Declaration. A valid easement shall exist on any Lot for such removal by the Architectural Committee or its agents. Provided, however, nothing shall prohibit or limit in any manner "construction" signs designating the job site and builder which may be placed upon a Lot during the period of the construction of a residential dwelling on the Lot but must be immediately removed upon final completion of such construction. Notwithstanding the above, any additions to the Project Property in the Development area may be further limited in regard to signs, billboards or advertising as set out in any Supplemental Declaration. Nothing herein shall prohibit any sign erected by the Declarant or its assigns.

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Section 13. Subdivision: No lot shall be subdivided if the result of each subdivision is separate ownership of less than a whole lot; provided, however, that the Declarant, its successors or assigns, reserves the right to make minor boundary line adjustments between lots so long as said adjustment does not exceed ten percent (10%) of the total area of a given lot;

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and further provided that one lot may be combined with another lot or lots or a portion thereof to create a larger lot, in which case these Restrictive Covenants shall be construed to apply to the larger lot so created.

Section 14. Vehicles, Boats, Storage, Travel Trailers, etc. No vehicle without current inspection sticker, vehicle over 5000 pounds empty weight, camper trailer, motor homes or bus shall be parked overnight on any lot except in an enclosed garage; provided, however, guests of an owner may so park such vehicle for a period not to exceed seven (7) days each calendar year. A pleasure boat on its trailer may be parked and raw firewood, bicycles, motorcycles, or other items may be stored only on that part of any lot away from the street lying beyond the front line of the house so that it is not viewable from any street. No automobile, other vehicle(s), motorcycle(s) or other similar items shall be repaired or placed "on blocks" or stands except in an enclosed garage.

Section 15. Window Appearance: All draperies or other window dressings in each dwelling unit shall be white or off white or in lieu thereof shall have a white lining.

Section 16. Trees: Except as to development or construction by Declarant, or as may be approved by the Architectural Committee, no tree four (4") inches in diameter at any location on said tree or ten feet (10') in height shall be cut, removed or intentionally damaged on any Lot unless first approved by Architectural Committee.

Section 17. Swimming pools: Outdoor swimming pools, hot tubs, jacuzzis, and other similar facilities may be located on a lot only after the Architectural Committee approval, and shall be screened and fenced. All such improvements shall be subject to approval and compliance with all governmental laws and regulations.

Section 18. Clotheslines: Clotheslines shall be not more than six (6) feet in height from the ground and shall not be viewable from the street, or shall be surrounded by a privacy fence approved by the Architectural Control Committee.

Section 19. Fence Minimum Requirements: No fences over four (4) feet in height shall be constructed on any lot. No fence shall be erected between any building and the street right of way. Any portion of any fence which can be viewed from the street right of way shall be of an ornamental nature. The term fence shall include but not be limited to, a wall, fence, landscaping, berm, or hedge which act as a fence or privacy or security inducing structure. Architectural review requirements must be met prior to construction of any fence.

Section 20. Street Lighting Agreement: The developer reserves the right to subject the

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real property in this subdivision to a contract with an electric utility company for the installation of underground electric cables and/or the installation of street lighting, either or both which may require an initial payment and/or a continuing monthly payment to an electric utility company by the owner of each dwelling.

4. ARCHITECTURAL CONTROL COMMITTEE:

Except for original and initial construction and subsequent modification of improvements by the Declarant on any Lot which such construction is and shall be exempt from the provisions of this provision, no building, wall, fence, landscaping, berm or hedge which act as a fence or privacy inducing structure, pier, dock, ornamentation, or other structure or improvements of any nature shall be erected, placed or altered on any Lot until the construction plans and specifications and a plan showing the location of the structure and landscaping as may be required by the Architectural Committee have been approved in writing by the Architectural Committee. Each building, wall, fence or other structure or improvements of any nature, together with any ornamentation or landscaping, shall be erected, placed or altered upon the premises only in accordance with the plans and specifications and plot plan so approved. Refusal of approval of plans, specifications and plot plans, or any of them, may be based on any ground, including purely aesthetic grounds, which in the sole and uncontrolled discretion of said Architectural Committee deem sufficient. Any change in the appearance of any building, wall, fence or other structure or improvements and any change in the appearance of the landscaping (excepting the planting of flowers and shrubs indigenous to the area), shall be deemed an alteration requiring approval. The Architectural Committee shall have the power to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this paragraph.

A majority of the Architectural Committee may take any action said Board is empowered to take, may designate a representative to act for the Architectural Committee, and may employ personnel and consultants to act for it. In the event of death, disability or resignation of any member of the Architectural Committee, the remaining members shall have full authority to designate a successor. The members of the Architectural Committee shall not be entitled to any compensation for services performed pursuant to this covenant. The Architectural Committee shall act on submissions to it within thirty (30) days after receipt of same, or else the request shall be deemed approved. Requests and submissions shall, however, be in such form and contain such information as the Architectural Committee may require prior to its being required to act.

The Architectural Committee may establish a fee to cover the expense of reviewing plans and related data at the time plans are submitted for review in order to compensate any consulting architects, landscape architects, urban designers or attorneys.

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The paint, coating, stain and other exterior finishing colors on all buildings may be maintained as that originally installed, without prior approval of the Architectural Committee, but prior approval by the Architectural Committee shall be necessary before any such exterior finishing color is changed.

Until such time as the sale of the last numbered lot in the subject property is evidenced by the recordation of a deed therefore, all rights, privileges, powers and authority granted herein to the initial Architectural Control Committee, to whom the specific power to act hereunder is expressly conveyed, shall be exercised by Declarant, its successors or assigns. In the event of the dissolution of Declarant or the failure of Declarant, to specifically assign the rights, privileges, powers and authority hereunder prior to the sale of the last numbered lot in the subdivision known as the subject property on the second Monday in January of each calendar year, after notice to each of them by registered mail, as the owners of each lot may elect, at a regular meeting where a quorum is present, by a majority vote of those present and constituting a quorum, an Architectural Control Committee, which said committee shall serve until the next anniversary date of these restrictions. A quorum for any regular or special meeting of individual lot owners shall be the owners of at least ten percent (10%) of the lots in the subdivision known as the subject property. At any time thereafter the said individual owners of record in a special meeting called by any six of them, after notice by registered mail to all of the other said lot owners of record, may elect a New Architectural Control Committee, fill any vacancies on the Architectural Control Committee, or remove the members of the existing Architectural Control Committee.

Any requirement for registered mail service shall be complied with by personal delivery to the occupant of a respective owner's lot.

5. EASEMENTS:

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat and over the rear ten (10) feet of each lot. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may obstruct or retard the flow of water through a drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible.

The grantor reserves for itself, its successors or assigns, an easement and right at any time in the future to grant a right of way under, over and along ten (10) feet off the side, rear

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and front property lines of each and every lot in the subdivision described herein, for the installation and maintenance of poles, lines, conduits, pipes and other equipment necessary to or useful for furnishing electric power, gas, telephone service, drainage or other utilities including water and sewer services.

For a period of two (2) years from the date of conveyance of the first Lot in the subject property, the Declarant reserves a blanket easement and right of way on, over and under the ground to maintain and correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary. Following such action the Declarant shall restore the affected property to its original condition as near as practical. The Declarant shall give reasonable notice of its intent to take such action to all affected Owners, unless in the opinion of the Declarant an emergency exists which precludes such notice. At the expiration of such two year period, said easement to correct drainage shall automatically expire.

6. GENERAL PROVISIONS:

Section 1. Term: These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty (20) years from the date these covenants are recorded, after which time such covenants shall be automatically extended for successive periods of ten (10) years.

Section 2. Enforcement: In the event of a violation or breach of any of these restrictions, covenants, agreements and conditions by any person or concern claiming by, through or under the undersigned, or by virtue of any judicial proceedings, the Association, its successors and assigns and the owners of the number lots in the subdivision, or any of them, jointly or severally, shall behave the right to proceed at law or in equity to compel compliance with the terms thereof or to prevent the violation or breach of any of them. The failure to enforce any right, reservation, restriction or condition contained herein, however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement.

Section 2.1. Remedies Extended to the State of North Carolina: To ensure that this subdivision is maintained consistent with the laws of the State of North Carolina, the State of North Carolina is specifically empowered to take such acts necessary by and through its officers to enforce any of these covenants against an Owner. The State of North Carolina is specifically made a beneficiary of these covenants.

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Section 3. Modification of Restrictive Covenants: Except as to specific rights retained by Declarant, these restrictions are subject to being altered, modified, canceled or changed at any time as to said subdivision as a whole or as to any subdivided lot or part thereof during the first twenty (20) year period by written document executed by the Declarant or their successors in title and by the owner of not less than ninety percent (90%) or more of the subdivided lots, the Declarant may alter or amend these covenants without consent of anyone. After the expiration of the initial twenty (20) year period, these restrictions are subject to being altered, modified, canceled or changed at any time as to said subdivision as a whole or as to any subdivided lot or part thereof by written document executed by not less than seventy-five percent (75%) of the Lot Owners, and recorded in the office of the Register of Deeds of the County in which this Declaration is recorded.

Section 4. Severability: 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.

IN TESTIMONY WHEREOF, the Declarant has caused this instrument to be signed in its corporate name by its President, attested to by its Secretary, its common corporate seal affixed hereto, all as the act and deed of the said corporation and by authority of its Board of Directors duly and legally given this with its corporate seal, and attested by himself as its Assistant Secretary.

HUNTER DEVELOPMENT CORPORATION

CORPORATE SEAL

ATTEST:

[Signature]
Secretary

By: *[Signature]*

Vice President



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NORTH CAROLINA

COUNTY OF Onslow

I, a Notary Public of the aforesaid County and State, do hereby certify that Frank W. Eriem personally appeared before me this day and acknowledged that (s)he is Asst Secretary of HUNTER DEVELOPMENT CORPORATION, a North Carolina Corporation, and by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal, and attested by himself as its Asst Secretary.

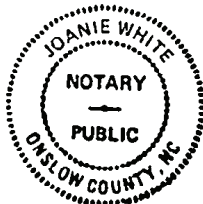
Witness my hand and notarial seal, this 20th day of May, 1992 ~~1992~~ 93

Joanie White
Notary Public

My Commission Expires:

5-24-93

RESCOV\SFWOA.RC(289)
TEMP\BAYWDII.RC(051993)
R-M165



NORTH CAROLINA, Onslow County
The foregoing certificate(s) of

Joanie White

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 1111 Page 237 This 21st day of May 19 93 A.D. at 11:02 o'clock A. M. By Mildred M. Thomas Register of Deeds, Onslow County

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Prepared by: FRANK W. ERWIN, ATTORNEY

P. O. Box 7206
Jacksonville, N C 28540

004 MAR 17 PM 1:15

NORTH CAROLINA

RESTRICTIVE COVENANTS
(SF/WOA)

ONslow COUNTY

THIS DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS, made the 24th day of FEBRUARY, 1994, by HUNTER DEVELOPMENT CORPORATION, a corporation organized and existing under and by virtue of the laws of the State of North Carolina, hereinafter called "Declarant."

WITNESSETH:

THAT WHEREAS, the Declarant is the owner of the real property described in Paragraph 1 of this Declaration and is desirous of subjecting said real property to the protective covenants hereinafter set forth, each and all of which is and are for the benefit of such property and for each owner thereof, and shall inure to the benefit of and pass and run with said property, and each and every lot or parcel thereof, and shall apply to and bind the successors in interest and any owner thereof.

NOW, THEREFORE, Declarant hereby declares that the real property in and referred to in Paragraph 1 hereof is and shall be held, transferred, sold and conveyed subject to the protective covenants set forth below:

1. DESCRIPTION OF REAL PROPERTY:

The real property which is, and shall be held, transferred, sold and conveyed subject to the protective covenants set forth in the articles of this Declaration is located in the County of Onslow, State of North Carolina, and is more particularly described as follows:

BEING all of those numbered lots as shown on that plat entitled "Final Plat Baywood III at Hunter's Creek" as recorded in Map Book 30, Page 100, of the Onslow County Public Registry.

2. GENERAL RESTRICTIONS:

Section 1. Residential Use: No lot, lots, or portions thereof shall be put to any use other

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than for residential purposes, except that any lot may be dedicated by the Declarant for a street or roadway. No structure shall be erected, altered, placed or permitted to remain on any Lot other than a single, one (1) family dwelling not to exceed three (3) stories in height, (which may include separate living quarters for one or more members of the owners' family or relative), a private garage which may contain living quarters for occupancy by domestic servants of the lot occupant only, provided that the same are constructed in line with general architectural design and construction standards used as the dwelling itself. Each dwelling shall contain a minimum of 820 heated square feet, and if two-story, the first floor shall contain a minimum of 500 square feet. This covenant shall not be construed as prohibiting the use of a new dwelling as a model home for sales/rental purposes.

Section 2. Prohibited Structure: No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence either temporary or permanently. No trailer, mobile home, camper or like vehicle shall be allowed on the property at any time, or any other structure which is finished or partially finished at a manufacturing unit or plant and transported for quick assembly or which is designed to be disassembled and relocated shall be allowed. It is specifically the intention and purpose of this covenant to prohibit the location of mobile homes, trailers, modular houses, relocatable houses, or similar type structures on the property. This covenant shall not be construed as prohibiting the use of such a structure as a sales/rental model, office or construction site facility.

Section 3. Building Location: No building, residence, garage or other permitted accessory building shall be located on any lot nearer to the front line, any side street line, interior or rear lot line, than as shown on the recorded plat. For the purpose of this covenant, eaves, steps, open porches, and carports shall not be considered as a part of a building provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot. An error of not more than ten (10) percent in the location of a building on the lot with respect to the minimum set back lines shall not be considered a violation of this covenant.

Section 4. Nuisances: No noxious, offensive, or illegal activity shall be carried on or conducted upon any Lot nor shall anything be done on any Lot that shall be or become an unreasonable annoyance or nuisance to the neighborhood. All Lots, whether occupied or unoccupied, shall be well maintained and no unattractive growth or accumulation of rubbish or debris shall be permitted to remain on a Lot. No automobile, other vehicle(s), motorcycle(s) or other similar items shall be repaired or placed "on blocks" or stands except in an enclosed garage. Declarant, its successors or assigns, reserves the right to enter upon and cut grass, weeds, or undergrowth on any lot or easement, but shall be under no obligation to do so. The

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Declarant may contract for, and assess to owner, any maintenance necessary to enforce his covenant.

Section 5. Animals: No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that household pets may be kept provided that said pet shall not exceed fifty (50) pounds in weight and are not kept for breeding or commercial purposes. Any such household pet shall not be allowed off the Lot of the Owner of said pet unless said pet is attended and on a leash. Owners shall be solely and absolutely liable for the acts of any pet kept on their Lot.

Section 6. Garbage and Refuse Disposal: No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be burned or disposed of on any Lot and shall be kept in sanitary containers approved by the Architectural Control Committee. All equipment for the storage prior to disposal of such material shall be kept in a clean and sanitary condition. The placement of containers shall be approved by the Architectural Control Committee and, in any event, shall be kept in an enclosed area not subject to view from any person, from any direction. The Declarant reserves the right for itself, its successors and assigns, to contract for garbage collection services for each lot in the subdivision and the lot owner shall be responsible for the payment of such garbage services to the company providing the same.

Section 7. Exterior Lights: All light bulbs or other lights installed in any fixture located on the exterior of any dwelling, building or other structure located on any Lot shall be clear or white lights or bulbs. No mercury vapor or similar wide area lighting similar to street lights shall be allowed without prior Architectural Control Committee approval.

Section 8. Sight Distance at Intersections: No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply on any lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 9. Mailboxes: All mailboxes shall retain the same style, design, color and location of the mailbox as originally provided at construction of any residence. The

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Architectural Control Committee reserves the right to approve the style, design, color and location prior to any original installation or replacement. Application shall be made to the Architectural Control Committee prior to installation or replacement. By accepting a deed to any subject property, owner gives the Architectural Control Committee the right to remove any nonapproved mailbox in a reasonable manner; all costs for same shall be paid by owner, and all damages against the Architectural Control Committee are waived.

Section 10. Signs: No sign, billboard, or other advertising of any kind, including without limitation professionally prepared "for sale" and "for rent" signs, shall be placed or erected on any Lot, right of way or Common Area save and except a professionally prepared "for sale" or "for rent" sign not to exceed six (6) square feet in size. Although approval by the Architectural Control Committee is not required prior to the display of such signs, the Architectural Control Committee may itself remove, have removed, or require the removal of any such sign which in its opinion would not otherwise be allowed under paragraph 6 of this Declaration. A valid easement shall exist on any Lot for such removal by the Architectural Control Committee or its agents. Provided, however, nothing shall prohibit or limit in any manner "construction" signs designating the job site and builder which may be placed upon a Lot during the period of the construction of a residential dwelling on the Lot but must be immediately removed upon final completion of such construction. Notwithstanding the above, any additions to the Project Property in the Development area may be further limited in regard to signs, billboards or advertising as set out in any Supplemental Declaration. Nothing herein shall prohibit any sign erected by the Declarant or its assigns.

Section 11. Antennas: There shall be no exterior antenna of any kind for receiving and/or sending of T.V., radio or other signals unless same have first been approved by the Architectural Control Committee. In any event, it shall not be viewable from any other lot.

Section 12. Driveways/Parking: All driveways constructed on any Lot shall be paved with either asphalt or concrete. An Owner shall provide a minimum of one (1) paved off-street parking space(s), excluding garage space(s) and shall provide at least one per automobile or other vehicle owned and regularly used at the Lot. On street parking is prohibited except for temporary, short gatherings.

Section 13. Subdivision: No lot shall be subdivided if the result of each subdivision is separate ownership of less than a whole lot; provided, however, that the Declarant, its successors or assigns, reserves the right to make minor boundary line adjustments between lots so long as said adjustment does not exceed ten percent (10%) of the total area of a given lot; and further provided that one lot may be combined with another lot or lots or a portion thereof to create a larger lot, in which case these Restrictive Covenants shall be construed to apply to

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the larger lot so created.

Section 14. Vehicles, Boats, Storage, Travel Trailers, etc.: No vehicle without current inspection sticker, vehicle over 5000 pounds empty weight, camper trailer, motor homes or bus shall be parked overnight on any lot except in an enclosed garage; provided, however, guests of an owner may so park such vehicle for a period not to exceed seven (7) days each calendar year. A pleasure boat on its trailer may be parked and raw firewood, bicycles, motorcycles, or other items may be stored only on that part of any lot away from the street lying beyond the front line of the house so that it is not viewable from any street. No automobile, other vehicle(s), motorcycle(s) or other similar items shall be repaired or placed "on blocks" or stands except in an enclosed garage.

Section 15. Window Appearance: All draperies or other window dressings viewable from the exterior of a dwelling unit shall be white or off white or in lieu thereof shall have a white lining.

Section 16. Trees: Except as to development or construction by Declarant, or as may be approved by the Architectural Control Committee, no tree four (4") inches in diameter at any location on said tree or ten feet (10') in height shall be cut, removed or intentionally damaged on any Lot unless first approved by Architectural Control Committee.

Section 17. Swimming pools: Outdoor swimming pools, hot tubs, jacuzzis, and other similar facilities may be located on a lot only after the Architectural Control Committee approval, and shall be screened and fenced. All such improvements shall be subject to approval and compliance with all governmental laws and regulations.

Section 18. Clotheslines: Clotheslines shall be not more than six (6) feet in height from the ground and shall not be viewable from the street, or shall be surrounded by a privacy fence approved by the Architectural Control Committee.

Section 19. Fence Minimum Requirements: No fences over six (6) feet in height shall be constructed on any lot. No fence shall be erected between any building and the street right of way. Any portion of any fence which can be viewed from the street right of way shall be of an ornamental nature. The term fence shall include but not be limited to, a wall, fence, landscaping, berm, or hedge which act as a fence or privacy or security inducing structure. Architectural review requirements must be met prior to construction of any fence.

Section 20. Street Lighting Agreement: The developer reserves the right to subject the real property in this subdivision to a contract with an electric utility company for the

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installation of underground electric cables and/or the installation of street lighting, either or both which may require an initial payment and/or a continuing monthly payment to an electric utility company by the owner of each dwelling.

3. ARCHITECTURAL CONTROL COMMITTEE:

Section 1. Except for original and initial construction and subsequent modification of improvements by the Declarant on any Lot which such construction is and shall be exempt from the provisions of this provision, no building, wall, fence, landscaping, berm or hedge which act as a fence or privacy inducing structure, pier, dock, ornamentation, or other structure or improvements of any nature shall be erected, placed or altered on any Lot until the construction plans and specifications and a plan showing the location of the structure and landscaping as may be required by the Architectural Control Committee have been approved in writing by the Architectural Control Committee. Each building, wall, fence or other structure or improvements of any nature, together with any ornamentation or landscaping, shall be erected, placed or altered upon the premises only in accordance with the plans and specifications and plot plan so approved. Refusal of approval of plans, specifications and plot plans, or any of them, may be based on any ground, including purely aesthetic grounds, which in the sole and uncontrolled discretion of said Architectural Control Committee deem sufficient. Any change in the appearance of any building, wall, fence or other structure or improvements and any change in the appearance of the landscaping (excepting the planting of flowers and shrubs indigenous to the area), shall be deemed an alteration requiring approval. The Architectural Control Committee shall have the power to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this paragraph.

Section 2. (a) Within 30 days after receipt of all required information, the Architectural Control Committee shall submit in writing to the owner of the lot a response stating whether or not the requested improvements are approved. Unless a response is given by the Architectural Control Committee within 30 days, the plan shall be deemed approved. The response of the Architectural Control Committee may be an approval, a denial, an approval with conditions or a request for additional information. A request for additional information shall be deemed a determination that the information submitted was inadequate and the 30 day time period for response shall only commence upon the receipt of the requested additional information. Conditional approvals may be granted and if approval with conditions is granted and thereafter construction begins, the construction shall be deemed approved by the owner of the lot of the conditions imposed.

(b) Refusal of approval of plans, specifications and plot plans or any of them may be based upon any ground, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the Architectural Control Committee shall deem sufficient. The Architectural Control Committee shall make the following affirmative findings before any plans are

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approved:

- (1) That the improvements sought to be constructed will not have a negative economic impact on any other lot within the subdivision.
- (2) That all required specific buildings standards and other conditions contained within the Restrictive Covenants, By Laws and other subdivision documents have been met.
- (3) That the improvements are architecturally compatible with proposed or constructed improvements on other lots within the subdivision.
- (4) That the natural features of the lot have been retained to the maximum extent possible.

Section 3. The paint, coating, stain and other exterior finishing colors on all buildings may be maintained as that originally installed, without prior approval of the Architectural Control Committee, but prior approval by the Architectural Control Committee shall be necessary before any such exterior finishing color is changed.

Section 4. Until such time as the sale of the last numbered lot in the subject property is evidenced by the recordation of a deed therefore, all rights, privileges, powers and authority granted herein to the initial Architectural Control Committee, to whom the specific power to act hereunder is expressly conveyed, shall be exercised by Declarant, its successors or assigns. In the event of the dissolution of Declarant or the failure of Declarant to specifically assign the rights, privileges, powers and authority hereunder prior to the sale of the last numbered lot in the subdivision known as the subject property, then any owner may provide notice to each owner by registered mail of a meeting to be held not less than 30 days thereafter, where the owners may elect, by a majority vote of those present and a quorum having been obtained, an Architectural Control Committee. The said committee shall be composed of three (3) owners and who shall serve until the next meeting. At any time after the initial meeting, the individual owners of record of three (3) lots may call a meeting to be held after 30 days notice by registered mail to all of the other said lot owners of record, and may elect a new Architectural Control Committee, fill any vacancies on the Architectural Control Committee, or remove the members of the existing Architectural Control Committee. A quorum for any meeting of individual lot owners shall be the owners of at least ten percent (10%) of the lots in the subdivision known as the subject property.

Section 5. A majority of the Architectural Control Committee may take any action said Committee is empowered to take, may designate a representative to act for the Architectural Control Committee, and may, upon the approval of the Board of Directors, employ personnel and consultants to act for it. In the event of death, disability or resignation of any member of the Architectural Control Committee, the remaining members shall have full authority to designate a successor. The members of the Architectural Control Committee shall not be

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entitled to any compensation for services performed pursuant to this covenant. The Architectural Control Committee may establish a fee to cover the expense of reviewing plans and related data at the time plans are submitted for review in order to compensate any consulting architects, landscape architects, urban designers or attorneys.

Section 6. Any requirement for registered mail service shall be complied with by mailing said notice to the address shown on the county tax records for the respective lot owner.
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4. EASEMENTS:

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat and over the rear ten (10) feet of each lot. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may obstruct or retard the flow of water through a drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible.

The grantor reserves for itself, its successors or assigns, an easement and right at any time in the future to grant a right of way under, over and along ten (10) feet off the side, rear and front property lines of each and every lot in the subdivision described herein, for the installation and maintenance of poles, lines, conduits, pipes and other equipment necessary to or useful for furnishing electric power, gas, telephone service, drainage or other utilities including water and sewer services.

For a period of two (2) years from the date of conveyance of the first Lot in the subject property, the Declarant reserves a blanket easement and right of way on, over and under the ground to maintain and correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary. Following such action the Declarant shall restore the affected property to its original condition as near as practical. The Declarant shall give reasonable notice of its intent to take such action to all affected Owners, unless in the opinion of the Declarant an emergency exists which precludes such notice. At the expiration of such two (2) year period, said easement to correct drainage shall automatically expire.

5. GENERAL PROVISIONS:

Section 1. Term: These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty (20) years from the date

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these covenants are recorded, after which time such covenants shall be automatically extended for successive periods of ten (10) years.

Section 2. Enforcement: In the event of a violation or breach of any of these restrictions, covenants, agreements and conditions by any person or concern claiming by, through or under the undersigned, or by virtue of any judicial proceedings, the Association, its successors and assigns and the owners of the number lots in the subdivision, or any of them, jointly or severally, shall behave the right to proceed at law or in equity to compel compliance with the terms thereof or to prevent the violation or breach of any of them. Costs and reasonable attorney fees shall be recoverable by the Association as part of any judgment or order to enforce these Restrictive Covenants. The failure to enforce any right, reservation, restriction or condition contained herein, however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement.

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Section 2.1. Remedies Extended to the State of North Carolina: To ensure that this subdivision is maintained consistent with the laws of the State of North Carolina, the State of North Carolina is specifically empowered to take such acts necessary by and through its officers to enforce any of these covenants against an Owner. The State of North Carolina is specifically made a beneficiary of these covenants.

Section 3. Reserved

Section 4. Modification of Restrictive Covenants: Except as to specific rights retained by Declarant, these restrictions are subject to being altered, modified, cancelled or changed at any time as to said subdivision as a whole or as to any subdivided lot or part thereof during the first twenty (20) year period by written document executed by the Declarant or their successors in title and by the owner of not less than ninety percent (90%) or more of the subdivided lots, the Declarant may alter or amend these covenants without consent of anyone. After the expiration of the initial twenty (20) year period, these restrictions are subject to being altered, modified, cancelled or changed at any time as to said subdivision as a whole or as to any subdivided lot or part thereof by written document executed by not less than seventy-five percent (75%) of the Lot Owners, and recorded in the office of the Register of Deeds of the County in which this Declaration is recorded.

Section 5. Severability: 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.

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IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, or if corporate, have caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, this the day and year first above written.

HUNTER DEVELOPMENT CORPORATION

CORPORATE SEAL

ATTEST:

Asst. Secretary

By: Michael C. Tita
Vice President



NORTH CAROLINA

COUNTY OF Onslow

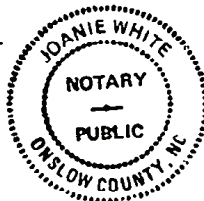
I, a Notary Public of the aforesaid County and State, do hereby certify that Frank W. Erwin personally appeared before me this day and acknowledged that (s)he is Asst. Secretary of HUNTER DEVELOPMENT CORPORATION, a North Carolina Corporation, and by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal, and attested by himself as its Asst. Secretary.

Witness my hand and notarial seal, this 24th day of February, 1994.

Joanie White
Notary Public

My Commission Expires: 5-24-98

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NORTH CAROLINA, Onslow County
The foregoing certificate(s) of

Joanie White

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 1170 Page 455 This 17th day of March.

1994 P. at 1:15 o'clock P. M.
Michael C. Tita By -----
Register of Deeds, Onslow County Register of Deeds