

1406-831

122
Jisdale
NORTH CAROLINA
ONslow COUNTY

RECORDED IN 3:00

DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION, made this 29th day of October, 1997, by B & O ENTERPRISES, INC., a North Carolina corporation, hereinafter called the "Declarant";

WITNESSETH:

WHEREAS, the Declarant is the owner of the real property described in Article I hereof and is desirous of subjecting said real property to the protective and restrictive covenants herein 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 is in interest of any owner, thereof:

ARTICLE I - PROPERTY

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

Being all of those numbered lots as shown on that certain map entitled "RAINTREE, Phase IV, Section I" which map was prepared by Lanier Surveying Company and is recorded in Map Book 35, page 153, Slide J-660, Onslow County Registry, which map and the data thereon contained is herein included by reference as though fully herein set out and is made a part hereof for a fuller and more accurate description.

ARTICLE II - LAND USE AND BUILDING TYPE

No numbered lot shall be used except for "single family residential purposes." A single family residential unit shall not be used nor shall residential purposes as herein set out be defined as covering the following types of uses: fraternities, sororities, family care homes, boarding homes, or any type residence in which a person or persons' care is paid for by himself or herself or others. No structure shall be erected, placed, altered or permitted to remain on any such lot other than one detached single family dwelling as defined above not to exceed two and one-half stories in height and such outbuildings as may be reasonably appurtenant to the dwelling, provided that the same are constructed in line with the general architectural design and construction standards used in the dwelling itself. All construction shall be custom type construction built on the lot and no old building constructed elsewhere shall be moved onto the lot for residential or any other purposes. No mobile homes, double wides or premanufactured homes or any unit requiring a Division of Motor Vehicles Certificate of Title shall be placed or constructed on any numbered lot in the subdivision hereinabove described. This covenant shall not be construed as prohibiting the use of a new single family detached dwelling as a model home for sales purposes.

300 1406 PAGE 832

ARTICLE III - NATIVE GROWTH

The native growth of such premises shall not be permitted to be destroyed or removed except as necessary to erect structures, to construct driveways and other graveled areas, and to provide a reasonable area surrounding buildings. Each homeowner shall maintain his/her own yard. All maintenance of drainage ditches and swales shall be performed by the Homeowners Association in accordance with Article XVI hereof.

ARTICLE IV - EASEMENT RESERVATION

The grantor reserves for itself as developer, its successors or assigns, in that capacity, an easement, ten (10) feet in width, five (5) feet of each side of the side lot line of each numbered lot as herein in Article VII determined that adjoin other numbered lots and ten (10) feet in width along all streets and back lot lines, and right at any time in the future to grant a right-of-way under, over, and along said easement along 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 of all utilities including, electric power, gas, telephone service, Cable TV, drainage, and other utilities including water and sewer service. Within these easements, no structure, fence, 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 change the direction of flow or drainage channels in the easements, or which may obstruct or retard the flow of water through 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.

Notwithstanding any other provisions herein contained to the contrary and under no circumstances shall no more than 7500 square feet for Lots 411, 412, 413, 414, 415 (Section III) and 3700 square feet for the remaining 58 lots (Sections I and II), including that portion of the right-of-way between the edge of pavement and the front lot line, shall be covered by impervious structures, including asphalt, gravel, concrete, brick, stone, slate or similar material, not including wood decking or the water surface of swimming pools. This covenant is intended to ensure continued compliance with the stormwater permit issued by the State of North Carolina. The covenant may not be changed or deleted without the consent of the State.

No one may fill in or pipe any roadside or lot-line swale, except as necessary to provide a minimum driveway crossing.

For curb outlet system projects, no one may pipe, fill in, or alter any lot line swale used to meet North Carolina Stormwater Management Permit requirements.

ARTICLE V - DWELLING, QUALITY AND SIZE

The ground floor area of the main structure, exclusive of one (1) story open porches and garages, shall be not less than 800 square feet for a one (1) story dwelling, nor less than 500 square feet for the first floor of a two (2) or more story dwelling.

BOOK 1406 PAGE 833

ARTICLE VI - BUILDING LOCATION

No building or dwelling shall be located on any numbered lot nearer to a front or side street than the minimum building line as shown on the recorded plat hereinabove referred to. No residential building shall be located on any numbered lot nearer than fifteen (15) feet from the back lot line and no building shall be located nearer than six (6) feet to the rear lot line or eight (8) feet to the side lot lines. For the purpose of this covenant, eaves, steps, and open porches 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 setback lines or side or rear lot line setbacks shall not be considered a violation of this covenant.

ARTICLE VII - LOT AREA AND WIDTH

No numbered lot shall be subdivided for purposes of construction except that a dwelling and its setback area may be built on one lot and a portion of another and the existing side lot line between the two said numbered lots be ignored, provided however, that the remainder of the lot divided shall be added to the adjacent lot and the dividing line between the divided lot shall be the new dividing line for purposes of set back of buildings as herein set out, unless the remaining portion of the lot from which a portion has been cut off is of a size sufficient in area to build a residence thereon. This shall be determined insofar as area is concerned as being of sufficient area to build on if said remaining portion of said lot is as large or larger than the smallest numbered lot in the above described and referred to subdivision and the dwelling placed thereon shall meet the minimum size requirement and be placed on the lot so as to meet the minimum building line setbacks and side and rear line setbacks as hereinabove set out in Article VI. All numbered lots on the above described plat may be built on insofar as area is concerned.

ARTICLE VIII - NUISANCES

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No unused or junk cars or parts thereof shall be kept on any lot in said subdivision. No more than two cords of wood shall be stored on any lot and none shall be sold from said lot.

ARTICLE IX - LIVESTOCK AND POULTRY

No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purposes. Goats, cows, pigs, horses and ponies shall not be considered household.

ARTICLE X - BUILDING PLANS AND SPECIFICATIONS

No dwelling or other building shall be erected upon any lot unless the plans and specifications thereof meet or exceed the requirements of "minimum property standards for one or two living units." (FHA No. 300), Federal Housing Administration.

BOOK 1406 PAGE 834

ARTICLE XI - ERECTION OF FENCES

No fence shall be erected between the front building line and the street right-of-way line except decorative fences such as a split rail or picket not in excess of three (3) feet in height. For purposes of this article a chain link fence even though not in excess of three (3) feet in height shall not be considered a decorative fence. No fence shall be erected between the front building line of the main dwelling and back lot line in excess of six (6) feet in height. Where corner lots occur with adjacent lots sharing the same right-of-way line, no fence in excess of three (3) feet in height shall be construed along the right-of-way of the corner lots or nearer the right-of-way than the front building line of the adjacent lots.

ARTICLE XII - SIGNS

No sign of any kind shall be displayed to the public view on any lot except one (1) professional sign of not more than one (1) square foot parallel to the building line, one (1) sign of not more than three (3) square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sale period.

ARTICLE XIII - 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 kept except in sanitary containers. All equipment for storage or disposal of such material shall be kept in clean and sanitary condition.

ARTICLE XIV - SIGHT DISTANCE AT INTERSECTIONS

No fence, wall, hedge, tree or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadway shall be placed or permitted to remain on any corner lot within the triangular sight area shown on the above referred to Map. 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. This Article shall be construed and interpreted according to the Department of Motor Vehicles regulations and their rulings shall control.

ARTICLE XV - TEMPORARY STRUCTURES

No structure of a temporary character, mobile home, trailer, prefabricated or modular home or any unit requiring a Division of Motor Vehicles Certificate of Title, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently. No trailer, mobile homes, camper or like vehicle shall be parked on any lot at any time for any purpose unless it is parked behind the main dwelling structure or placed inside the carport or garage.

ARTICLE XVI - COVENANTS FOR MAINTENANCE ASSESSMENT AND CREATION OF HOMEOWNERS ASSOCIATION

Section 1. Membership. At such time as Declarant shall have sold and conveyed the last lot there shall be established an unincorporated Homeowners Association and all Lots shall be subject to assessment. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event can more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. 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. When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

b. On the fifth anniversary of the conveyance of the first Lot or other parcel within the development.

Section 3. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Annual assessments of charges, and (2) Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment to be made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 4. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to maintain all drainage ditches as set forth on the plat of the real property hereinbefore referenced including the operation and maintenance for grassed line swales as follows:

a. Mowing will be accomplished as needed according to the season. Grass height will not exceed six (6) inches at any time.

b. Swales will be inspected monthly or after every runoff producing rainfall event for sediment build-up, erosion and trash accumulation.

c. Accumulated sediment and trash will be removed as necessary. Swales will be reseeded or sodded following sediment removal.

d. Eroded areas of the swales will be repaired and reseeded. Swales will be revegetated as needed based on the monthly inspections.

e. Velocity reduction devices will be inspected monthly or after every runoff producing rainfall event. Trash and debris will be cleared away from velocity reduction devices.

BOOK 1406 PAGE 836

Section 5. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$100.00 per Lot and may be paid monthly, quarterly or semi-annually as determined by the Association.

a. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership.

b. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above ten percent (10%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

c. The Homeowners Association may fix the annual assessment at an amount not in excess of the maximum.

d. Any lots titled in the name of the Declarant shall be exempt from assessment. Declarant shall maintain the drainage and utility ditches until such time as the Declarant no longer holds title to any lot herein. Thereafter the other provisions of this article shall apply.

Section 6. Notice and Quorum for Any Action Authorized Under Section .
Written notice of any meeting called for the purpose of taking any action authorized under Section 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and shall be collected on a monthly basis. However, notwithstanding this section or any other section contained herein, Declarant shall be obligated to pay only one-fourth (1/4) of the Uniform Assessment provided the lot is unoccupied and has not been deeded by Declarant if improvements have been placed on the lot. Prior to the placement of improvements on the Lot, Declarant shall not be required to pay any assessment.

Section 8. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Areas. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Homeowners Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Homeowners Associations. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot

Book 1406 Page 837

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

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum or such other rate as the Association may determine. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien of Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE XVII - 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-five (25) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the owners of the lots has been recorded, agreeing to change said covenants in whole or in part.

ARTICLE XVIII - ENFORCEMENT

Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damage.

ARTICLE XIX - SEVERABILITY

Invalidation of any of these covenants by judgment or Court order shall in no way affect any of the other provisions which shall remain in full force and effect.

ARTICLE XX - ALTERATION, MODIFICATION OR CHANGE IN THESE RESTRICTIONS

These Restrictions as they apply to the numbered lots hereinabove described may be altered, modified or changed at any time as to said numbered lots hereinabove described by written document executed and recorded in the Onslow County Registry by the then owners of not less than sixty percent (60%) of the numbered lot described in Article I above to which these restrictions apply. If the Declarant owns sixty percent (60%) or more of the subdivided lots, the Declarant may alter, modify or change these covenants without consent of anyone.

ARTICLE XXI - STREET LIGHTING

The developer reserves the right to subject the real property in this Subdivision to a contract with Carolina Power and Light Company for the installation of

BOOK 1406 PAGE 838

underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Carolina Power and Light Company by the owner of each building.

IN TESTIMONY WHEREOF, B & O ENTERPRISES, INC., has caused this Declaration to be signed in its corporate name by its _____ President and attested by its Assistant Secretary and its corporate seal to be hereunto affixed, by authority of its Board of Directors duly given, as of the day and year first above written.

B & O ENTERPRISES, INC.

BY: Sheila H. Troup

ATTEST:

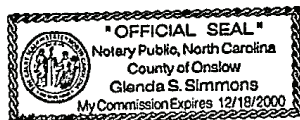
Sheila H. Troup
Assistant Secretary
(CORPORATE SEAL)



NORTH CAROLINA, ONSLOW COUNTY

I, a Notary Public of the County and State aforesaid, certify that Sheila H. Troup personally came before me this day and acknowledged that she is Asst. Secretary of B & O ENTERPRISES, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its named by it _____ President, sealed with its corporate seal and attested by Sheila H. Troup as its Asst. Secretary. Witness my hand and official stamp or seal, this 29th day of October, 1997.

Glenda S. Simmons
Notary Public

My commission expires: 12/18/2000

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

Glenda S. Simmons

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 1406 Page 831 This 29th day of October 19 97 at 3:00 o'clock P. M. By Michael M. Brennan Register of Deeds, Onslow County

110
Jisdale

NORTH CAROLINA
ONSLow COUNTY

BOOK 1472 PAGE 212

1998 JUL 23 PM 4:13

FIRST AMENDMENT TO DECLARATION OF RESTRICTIVE COVENANTS

THIS FIRST AMENDMENT to a Declaration of Restrictive Covenants is made this 23rd day of July, 1998, by B & O ENTERPRISES, INC., a North Carolina corporation and OMNI HOMES, INC., a North Carolina corporation, hereinafter collectively referred to as "Declarant".

WITNESSETH:

WHEREAS, B & O Enterprises, Inc., has heretofore executed a Declaration of Restrictive Covenants for all of that certain tract or parcel of real property described as "Raintree, Phase IV, Section I", a map of which was prepared by Lanier Surveying Company and is recorded in Map Book 35, Page 153, Slide J-660, Onslow County Registry; and

WHEREAS, pursuant to Article XX thereof, said restrictive covenants could be altered, modified or changed by the affirmative action of the owners of not less than sixty percent (60.0%) of the numbered lots described and depicted on the aforereferenced recorded plat; and

WHEREAS, Declarant is desirous of amending those certain restrictive covenants recorded in Book 1406, Page 831, as more particularly hereinafter set forth.

ARTICLE I

The provisions contained in Article VI captioned "Building Location" as same would relate to Lot 383 shall hereinafter specifically provide that the minimum building line for Lot 383 shall be as specified on a plat captioned "Raintree, Phase IV, Section I, Lot 383 Revised", a plat of which is recorded in Map Book 36, page 172, Slide J-920, the information contained thereon being incorporated herein by reference as through fully herein set forth.

BOOK 1472 PAGE 213

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed in their respective corporate names by its _____ President and attested by its Assistant Secretary and its respective corporate seal has hereunto been affixed by authority of its Board of Directors duly given, as of the day and year first

above written.



B & O ENTERPRISES, INC.

By: Kaylan Bahler
President



OMNI HOMES, INC.

By: Kaylan Bahler
President

NORTH CAROLINA, ONSLOW COUNTY

I, a Notary Public of the County and State aforesaid, certify that Sheila H. Troup personally came before me this day and acknowledged that s he is Ass't Secretary of B & O ENTERPRISES, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed by its _____ President, sealed with its corporate seal and attested by her as its Ass't Secretary. Witness my hand and official stamp or seal, this 23rd day of July, 1998.

Agnes M. Marshall
Notary Public

My commission expires: Sept 6, 2001

NORTH CAROLINA, ONSLOW COUNTY

I, a Notary Public of the County and State aforesaid, certify that Sheila H. Troup personally came before me this day and acknowledged that s he is Ass't Secretary of OMNI HOMES, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed by its _____ President, sealed with its corporate seal and attested by her as its Ass't Secretary. Witness my hand and official stamp or seal, this 23rd day of July, 1998.

Agnes M. Marshall
Notary Public

My commission expires: Sept 6, 2001

NORTH CAROLINA, Onslow County
The foregoing certificate(s) of Agnes M. Marshall

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in
Book 1472 Page 212 This 23rd day of July
19 98 A.D. at 4:13 o'clock P. M.
Michael M. Howard By _____
Register of Deeds, Onslow County Register of Deeds

Prepared by Norwood Boyd Tisdale, Attorney at Law

BOOK 1512 PAGE 747

NORTH CAROLINA
ONslow COUNTY

1998 DEC 29 PM 3:28

DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION, made this 23rd day of December, 1998, by B & O ENTERPRISES, INC., a North Carolina corporation, hereinafter called the "Declarant";

WITNESSETH:

WHEREAS, the Declarant is the owner of the real property described in Article I hereof and is desirous of subjecting said real property to the protective and restrictive covenants herein 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 is in interest of any owner, thereof:

ARTICLE I - PROPERTY

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

Being all of those numbered lots as shown on that certain map entitled "RAINTREE, Phase IV, Section II" which map was prepared by Lanier Surveying Company and is recorded in Map Book 37, page 69, Slide K-56, Onslow County Registry, which map and the data thereon contained is herein included by reference as though fully herein set out and is made a part hereof for a fuller and more accurate description.

ARTICLE II - LAND USE AND BUILDING TYPE

No numbered lot shall be used except for "single family residential purposes." A single family residential unit shall not be used nor shall residential purposes as herein set out be defined as covering the following types of uses: fraternities, sororities, family care homes, boarding homes, or any type residence in which a person or persons' care is paid for by himself or herself or others. No structure shall be erected, placed, altered or permitted to remain on any such lot other than one detached single family dwelling as defined above not to exceed two and one-half stories in height and such outbuildings as may be reasonably appurtenant to the dwelling, provided that the same are constructed in line with the general architectural design and construction standards used in the dwelling itself. All construction shall be custom type construction built on the lot and no old building constructed elsewhere shall be moved onto the lot for residential or any other purposes. No mobile homes, double wides or premanufactured homes or any unit requiring a Division of Motor Vehicles Certificate of Title shall be placed or constructed on any numbered lot in the subdivision hereinabove described. This covenant shall not be construed as prohibiting the use of a new single family detached dwelling as a model home for sales purposes.

BOOK 1512 PAGE 748

ARTICLE III - NATIVE GROWTH

The native growth of such premises shall not be permitted to be destroyed or removed except as necessary to erect structures, to construct driveways and other graveled areas, and to provide a reasonable area surrounding buildings. Each homeowner shall maintain his/her own yard. All maintenance of drainage ditches and swales shall be performed by the Homeowners Association in accordance with Article XVI hereof.

ARTICLE IV - EASEMENT RESERVATION

The grantor reserves for itself as developer, its successors or assigns, in that capacity, an easement, ten (10) feet in width, five (5) feet of each side of the side lot line of each numbered lot as herein in Article VII determined that adjoin other numbered lots and ten (10) feet in width along all streets and back lot lines, and right at any time in the future to grant a right-of-way under, over, and along said easement along 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 of all utilities including, electric power, gas, telephone service, Cable TV, drainage, and other utilities including water and sewer service. Within these easements, no structure, fence, 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 change the direction of flow or drainage channels in the easements, or which may obstruct or retard the flow of water through 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.

Notwithstanding any other provisions herein contained to the contrary and under no circumstances shall no more than 7500 square feet for Lots 411, 412, 413, 414, 415 (Section III) and 3700 square feet for the remaining 58 lots (Sections I and II), including that portion of the right-of-way between the edge of pavement and the front lot line, shall be covered by impervious structures, including asphalt, gravel, concrete, brick, stone, slate or similar material, not including wood decking or the water surface of swimming pools. This covenant is intended to ensure continued compliance with the stormwater permit issued by the State of North Carolina. The covenant may not be changed or deleted without the consent of the State.

No one may fill in or pipe any roadside or lot-line swale, except as necessary to provide a minimum driveway crossing.

For curb outlet system projects, no one may pipe, fill in, or alter any lot line swale used to meet North Carolina Stormwater Management Permit requirements.

ARTICLE V - DWELLING, QUALITY AND SIZE

The ground floor area of the main structure, exclusive of one (1) story open porches and garages, shall be not less than 800 square feet for a one (1) story dwelling, nor less than 500 square feet for the first floor of a two (2) or more story dwelling.

BOOK 1512 PAGE 749

ARTICLE VI - BUILDING LOCATION

No building or dwelling shall be located on any numbered lot nearer to a front or side street than the minimum building line as shown on the recorded plat hereinabove referred to. No residential building shall be located on any numbered lot nearer than fifteen (15) feet from the back lot line and no building shall be located nearer than six (6) feet to the rear lot line or eight (8) feet to the side lot lines. For the purpose of this covenant, eaves, steps, and open porches 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 setback lines or side or rear lot line setbacks shall not be considered a violation of this covenant.

ARTICLE VII - LOT AREA AND WIDTH

No numbered lot shall be subdivided for purposes of construction except that a dwelling and its setback area may be built on one lot and a portion of another and the existing side lot line between the two said numbered lots be ignored, provided however, that the remainder of the lot divided shall be added to the adjacent lot and the dividing line between the divided lot shall be the new dividing line for purposes of set back of buildings as herein set out, unless the remaining portion of the lot from which a portion has been cut off is of a size sufficient in area to build a residence thereon. This shall be determined insofar as area is concerned as being of sufficient area to build on if said remaining portion of said lot is as large or larger than the smallest numbered lot in the above described and referred to subdivision and the dwelling placed thereon shall meet the minimum size requirement and be placed on the lot so as to meet the minimum building line setbacks and side and rear line setbacks as hereinabove set out in Article VI. All numbered lots on the above described plat may be built on insofar as area is concerned.

ARTICLE VIII - NUISANCES

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. No unused or junk cars or parts thereof shall be kept on any lot in said subdivision. No more than two cords of wood shall be stored on any lot and none shall be sold from said lot.

ARTICLE IX - LIVESTOCK AND POULTRY

No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purposes. Goats, cows, pigs, horses and ponies shall not be considered household.

ARTICLE X - BUILDING PLANS AND SPECIFICATIONS

No dwelling or other building shall be erected upon any lot unless the plans and specifications thereof meet or exceed the requirements of "minimum property standards for one or two living units." (FHA No. 300), Federal Housing Administration.

BOOK 1512 PAGE 750

ARTICLE XI - ERECTION OF FENCES

No fence shall be erected between the front building line and the street right-of-way line except decorative fences such a split rail or picket not in excess of three (3) feet in height. For purposes of this article a chain link fence even though not in excess of three (3) feet in height shall not be considered a decorative fence. No fence shall be erected between the front building line of the main dwelling and back lot line in excess of six (6) feet in height. Where corner lots occur with adjacent lots sharing the same right-of-way line, no fence in excess of three (3) feet in height shall be construed along the right-of-way of the corner lots or nearer the right-of-way than the front building line of the adjacent lots.

ARTICLE XII - SIGNS

No sign of any kind shall be displayed to the public view on any lot except one (1) professional sign of not more than one (1) square foot parallel to the building line, one (1) sign of not more three (3) square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sale period.

ARTICLE XIII - 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 kept except in sanitary containers. All equipment for storage or disposal of such material shall be kept in clean and sanitary condition.

ARTICLE XIV - SIGHT DISTANCE AT INTERSECTIONS

No fence, wall, hedge, tree or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadway shall be placed or permitted to remain on any corner lot within the triangular sight area shown on the above referred to Map. 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. This Article shall be construed and interpreted according to the Department of Motor Vehicles regulations and their rulings shall control.

ARTICLE XV - TEMPORARY STRUCTURES

No structure of a temporary character, mobile home, trailer, prefabricated or modular home or any unit requiring a Division of Motor Vehicles Certificate of Title, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently. No trailer, mobile homes, camper or like vehicle shall be parked on any lot at any time for any purpose unless it is parked behind the main dwelling structure or placed inside the carport or garage.

ARTICLE XVI - COVENANTS FOR MAINTENANCE ASSESSMENT AND
CREATION OF HOMEOWNERS ASSOCIATION

Section 1. Membership. At such time as Declarant shall have sold and conveyed the first lot there may be established an unincorporated Homeowners Association and all Lots shall be subject to assessment. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

BOOK 1512 PAGE 751

Section 2. Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event can more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. 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. When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

b. On the fifth anniversary of the conveyance of the first Lot or other parcel within the development.

Section 3. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Annual assessments of charges, and (2) Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment to be made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 4. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to maintain all drainage ditches as set forth on the plat of the real property hereinbefore referenced including the operation and maintenance for grassed line swales as follows:

a. Mowing will be accomplished as needed according to the season. Grass height will not exceed six (6) inches at any time.

b. Swales will be inspected monthly or after every runoff producing rainfall event for sediment build-up, erosion and trash accumulation.

c. Accumulated sediment and trash will be removed as necessary. Swales will be reseeded or sodded following sediment removal.

d. Eroded areas of the swales will be repaired and reseeded. Swales will be revegetated as needed based on the monthly inspections.

e. Velocity reduction devices will be inspected monthly or after every runoff producing rainfall event. Trash and debris will be cleared away from velocity reduction devices.

BOOK 1512 PAGE 752

Section 5. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$100.00 per Lot and may be paid monthly, quarterly or semi-annually as determined by the Association.

a. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership.

b. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above ten percent (10%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

c. The Homeowners Association may fix the annual assessment at an amount not in excess of the maximum.

d. Any lots titled in the name of the Declarant shall be exempt from assessment. Declarant shall maintain the drainage and utility ditches until such time as the Declarant no longer holds title to any lot herein. Thereafter the other provisions of this article shall apply.

Section 6. Notice and Quorum for Any Action Authorized Under Section 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and shall be collected on a monthly basis. However, notwithstanding this section or any other section contained herein, Declarant shall be obligated to pay only one-fourth (1/4) of the Uniform Assessment provided the lot is unoccupied and has not been deeded by Declarant if improvements have been placed on the lot. Prior to the placement of improvements on the Lot, Declarant shall not be required to pay any assessment.

Section 8. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Areas. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Homeowners Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Homeowners Associations. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot

BOOK 1512 PAGE 753

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

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum or such other rate as the Association may determine. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien of Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE XVII - 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-five (25) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the owners of the lots has been recorded, agreeing to change said covenants in whole or in part.

ARTICLE XVIII - ENFORCEMENT

Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damage.

ARTICLE XIX - SEVERABILITY

Invalidation of any of these covenants by judgment or Court order shall in no way affect any of the other provisions which shall remain in full force and effect.

ARTICLE XX - ALTERATION, MODIFICATION OR
CHANGE IN THESE RESTRICTIONS

These Restrictions as they apply to the numbered lots hereinabove described may be altered, modified or changed at any time as to said numbered lots hereinabove described by written document executed and recorded in the Onslow County Registry by the then owners of not less than sixty percent (60%) of the numbered lot described in Article I above to which these restrictions apply. If the Declarant owns sixty percent (60%) or more of the subdivided lots, the Declarant may alter, modify or change these covenants without consent of anyone.

ARTICLE XXI - STREET LIGHTING

The developer reserves the right to subject the real property in this Subdivision to a contract with Carolina Power and Light Company for the installation of

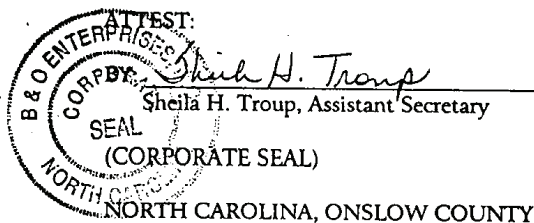
BOOK 1512 PAGE 754

underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Carolina Power and Light Company by the owner of each building.

IN TESTIMONY WHEREOF, B & O ENTERPRISES, INC., has caused this Declaration to be signed in its corporate name by its _____ President and attested by its _____ Assistant Secretary and its corporate seal to be hereunto affixed, by authority of its Board of Directors duly given, as of the day and year first above written.

B & O ENTERPRISES, INC.

BY: Raybourne Batchelor, Jr.
Raybourne Batchelor, Jr., President

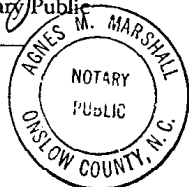


I, a Notary Public of the County and State aforesaid, certify that Sheila H. Troup personally came before me this day and acknowledged that she is Assistant Secretary of B & O ENTERPRISES, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its named by its President, sealed with its corporate seal and attested by her as its Assistant Secretary.

Witness my hand and official stamp or seal, this 23rd day of December, 1998.

Agnes M. Marshall
Notary Public

My commission expires: Sept 6, 2001



1998 DEC 29 PM 3:28

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

Agnes M. Marshall

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 1512 Page 747 This 29th day of December 19 98 A.D., at 3:28 o'clock P. M.
Agnes M. Marshall By _____
Register of Deeds, Onslow County Register of Deeds