

NORTH CAROLINA:

3

ONSLOW COUNTY:

RESTRICTIVE COVENANTS

THIS DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS,

MADE THIS 27 DAY OF January, 2012, BY B & H

ASSOCIATES, INC., a North Carolina 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 "STALLION ACRES, PHASE ONE", as recorded in Map Book 63, Page 105, Slide O-138 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 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 heights, (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 by the dwelling itself. Each dwelling shall contain a minimum of 1200 heated square feet, and if a two-story dwelling, a minimum of 1400 heated square feet. Minimum square footage subject to up to 10% variance with approval of Declarant. 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 plat and transported for quick assembly or which is designed to be disassembled and relocated shall be allowed. It is specifically the intention and purposes of this covenant to prohibit the location of mobile homes, trailer, modular homes, relocatable houses, or similar type structures on the property. This covenant shall not be construed as prohibiting the uses 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, that 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 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 but not 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. Note: Any lot containing one or more acres (subject to 10% variance) may have up to one horse per acre. Note: Owners shall be solely and absolutely liable for the acts of any pet or horse 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. 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 in an enclosed area not subject to view 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 .

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.

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. Provided, however, nothing shall prohibit or limit in any manner “construction” signs designating the job site and builder which may be placed upon the 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. Nothing herein shall prohibit any sign erected by the Declarant or its assigns.

Section 11. Antennas: Satellite dishes must not exceed 24 inches in diameter and must be attached to the house. No other exterior antennas of any kind used for receiving and/or sending of TV, radio, or other signals will be permitted.

Section 12. Driveways/Parking: All driveways constructed on any Lot shall be paved with either asphalt or concrete. Any driveway in excess of 150 feet (in length) from NC DOT right of way, shall be paved with either asphalt or concrete (from street asphalt to edge of DOT right of way). Remainder of drive to residence may be gravel. 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 (10%) percent 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 the 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 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. Trees: Except as to development or construction by Declarant, no tree four (4) inches in diameter at any location on said tree or ten (10) feet in height shall be cut, removed or intentionally damaged on any Lot.

Section 16: Swimming Pools: Outdoor swimming pools, hot tubs, Jacuzzi, and other similar facilities may be located on a lot and shall be screened and fenced. All such improvements shall be subject to approval and compliance with all governmental laws and regulations.

Section 17: 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.

Section 18: Fence Minimum Requirements: No fences over six (6) feet in height shall be constructed on any lot. No fence shall be erected between the rear of 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 fences shall include but not be limited to, a wall, fence, landscaping, berm, or hedge which acts as a fence or privacy or security-inducing structure.

Section 19. 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 of which may require an initial payment and/or a continuing monthly payment to an electric utility

company by the owner of each dwelling. Street lighting facilities and appurtenances shall be and remain the property of the electric company.

3. 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 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 grading of 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 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 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 Declarant, its successors and assigns and the owners of the number lots in the subdivision, or any of them, jointly or severally, shall have 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 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.

Section 3. Remedies Extended to the State of North Carolina: To ensure that this subdivision is maintained consistent with the laws of North Carolina, the State of North Carolina is specifically empowered to take such acts necessary by and through its offices to enforce any of these covenants against an Owner. The State of North Carolina is specifically made a beneficiary of these covenants.

Section 4. Stormwater Runoff: The following covenants are intended to ensure ongoing compliance with State Stormwater Management Permit Number SW8 110109, as issued by the Division of Water Quality under NCAC 2H.1000:

- a. The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the stormwater management permit.
- b. These covenants are to run with the land and be binding on all persons and parties claiming under them.
- c. The covenants pertaining to stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality.
- d. Alteration of the drainage as shown on the approved plan may not take place without the concurrence of the Division of Water Quality.
- e. The maximum built-upon area per lot is specified below. This allotted amount includes any built-upon area constructed within the lot property boundaries, and that portion of the right-of-way between the front lot line and the edge of the pavement. Built-upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, and coquina, but does not include raised, open wood decking, or the water surface of swimming pools.

Lot #	Max BUA (sf)	Lot #	Max BUA (sf)	Lot #	Max BUA (sf)	Lot #	Max BUA (sf)
1	13,359	6	7,094	11	9,370	16	7,420
2	7,390	7	7,035	12	15,919	17	6,679
3	8,412	8	9,642	13	7,879	37	9,449
4	12,559	9	9,079	14	8,368	38	21,416
5	7,642	10	11,448	15	7,657	39	59,745

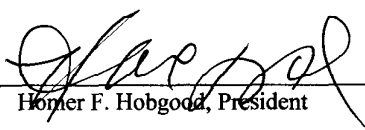
- f. Filling in or piping of any vegetative conveyance (ditches, swales, etc.) associated with the development except for average driveway crossings is strictly prohibited by any persons.
- g. For those lots adjacent to surface waters, each lot will maintain a minimum 50 foot wide vegetated buffer adjacent surface waters.
- h. All roof drains shall terminate at least 50 feet from the surface waters.

Section 5. 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 (90) percent 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 (75%) percent of the Lot Owners, and recorded in the office of the Register of Deeds of the County in which this Declaration is recorded.

Section 6. 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 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 officer by authority of its Board of Directors, this the day and year first above written.

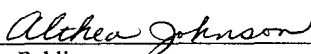
B & H ASSOCIATES, INC.

By: 
Homer F. Hobgood, President

NORTH CAROLINA, ONSLOW COUNTY:

I, a Notary Public for the County and State aforesaid, do hereby certify that HOMER F. HOBGOOD personally came before me this day and acknowledged that he is the President of B & H ASSOCIATES, INC., a North Carolina corporation, and that by authority duly given and as the act of such entity, he signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and notarial stamp or seal, this the 27 day of January, 2012.

ALTHEA JOHNSON
Notary Public
Onslow County, NC


Notary Public
My Commission Expires: July 24, 2013