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STATE OF NORTH CAROLINA

COUNTY OF ONSLOW

DECLARATION OF RESTRICTIONS, CONDITIONS, EASEMENTS
COVENANTS, AGREEMENTS, LIENS AND CHARGES OF
RESTRICTIVE COVENANTS

THE VILLAGE OF STUMP SOUND

This DECLARATION made this 20th day of May,
1991, by XANADU ASSOCIATES, a North Carolina General Partnership,
hereinafter called "Declarant":

WITNESSETH:

WHEREAS, Declarant is the owner of that certain real property
located in New Hanover County, North Carolina as set forth on those
certain survey maps or plats entitled:

"The Village of Stump Sound, Onslow County, North Carolina"
(hereinafter sometimes referred to as "maps"), which maps or plats
are recorded in Map Book 27, Pages 107-107B through AND Pages 111-111B
in the Office of the Register of Deeds of Onslow County, North
Carolina, said property being more particularly described on said
map or plat; and

WHEREAS it is the desire and intention of Declarant to sell
the above described real property and to impose upon it mutual
beneficial restrictions, conditions, easements, covenants, agreements,
liens and charges under a general plan or scheme of improvement for
the benefit of all said lands and the future owners of said lands;

NOW, THEREFORE, Declarant hereby declares that all of the property
described above is held and shall be held, conveyed, hypothecated
or encumbered, leased, rented, used, occupied, and improved subject
to the following provisions, restrictions, conditions, easements,
covenants, agreements, liens and charges, all of which are declared
and agreed to be in furtherance of a plan for the property, improvement
and sale of the real property and are established and agreed upon
for the purpose of enhancing and protecting the value, desirability,
and attractiveness of said real property and every part thereof,
and all of which shall run with the land and shall be binding on
all parties having or acquiring any right, title or interest in the
described lands or any part thereof.

For First Amendment refer to Book 1079 Pg. 119 11-5-92 MMT

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1. **Definitions:** As used in this Declaration of Restrictive Covenants, the following shall mean:

(a) "Declarant", (sometimes referred to as the "Company") as used herein shall include Xanadu Associates, a North Carolina General Partnership, and its successors and assigns.

(b) "Record" or "Recording" refers to record or recording with the Register of Deeds for Onslow County, North Carolina.

(c) "Property" generally means the lands known as The Village of Stump Sound, Onslow County, North Carolina.

(d) "Residential lots" or "lots" means those portions of the property specifically allocated, platted and/or recorded as lots for sale and/or use as single family residences.

(e) "Association" shall mean The Village of Stump Sound its successors and assigns.

(f) "Restrictions" shall means the restrictions and covenants set forth in this Declaration of Restrictive Covenants.

2. (a) **Reservations:** The company reserves the right to change, alter or redesignate roads, utility and drainage facilities, and to change, alter or redesignate such other present and proposed amenities or facilities as may, in the sole judgment of the Company, be necessary or desirable.

(b) **Variances:** The Company and/or the Architectural Committee appointed by the Company shall have the power to and may allow adjustments of the conditions and restriction herein in order to overcome practical difficulties and prevent unnecessary hardships in application of the regulations contained herein, provided, however, that such is done in conformity to the intent and purposes hereof, and provided also, that in every instance such variance or adjustment will not be materially detrimental or injurious to the property or improvements in the neighborhood. Variances and adjustment of height, size, and setback requirements may be granted hereunder.

(c) **Building and Site Improvements:** No building, fence, wall, bulkheading or other structure shall be erected, placed or altered on any residential lot, nor shall the grade or elevation or physical characteristics including, but not limited to, slopes, ridges, and tree growth, of any such lot, or portion thereof, be altered in any way whatsoever, until the proposed building plans specifications, exterior colors and finishes, including brick siding, etc., site and grading plans (showing the proposed location of such building or structure, drives, parking areas and proposed alterations

to the grade elevation or physical characteristics of the site), and construction schedule shall have been approved in writing by the Company. Refusal of approval of any such plans, location or specifications may be based by the Company upon ground, including purely aesthetic and environmental considerations, that in the sole and uncontrolled discretion of the Company shall seem sufficient. Without the prior written consent of the Company, no changes or deviations in or from such plans or specifications as approved shall be made. No alterations in the exterior appearance of any building or structure, or in the grade, elevation, or physical characteristics of any lot shall be made without like approval by the Company. One (1) copy of all plans and related data shall be furnished the Company for its records. The Company shall not be responsible for any structural or other defects in plans or specifications submitted to it or in any structure erected according to such plans and specifications.

3. Approval of Plans:

(a) Property owners are encouraged to have their architects contact the Company, prior to any costly design work, for information pertaining to the architectural objectives of The Village of Stump Sound.

(b) No house plans will be approved unless the proposed house will have the minimum required square footage of the enclosed dwelling area. The term "enclosed dwelling area" as used in the minimum size requirements shall mean the total enclosed area within a dwelling; provided, however, that such term does not include garages, terraces, decks, open porches, and like areas. The minimum enclosed dwelling area shall be:

(1) 1800 square feet for oceanfront Lot Numbers 4, 6, 8, 10, 12, 14, 16, 18, 20, 22, 24, 26, and 28

(2) 1600 square feet for oceanview Lot Numbers 2, 3, 5, 7, 9, 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, 35, 37, and 38

(3) 1400 square feet for oceanside Lot Numbers 39-63

(4) 1400 square feet for soundside Lot Numbers 1, 2, 3, and 43-54

(5) 1600 square feet for soundfront and soundview Lot Numbers 4-42

(6) Lot 1 shall have no more than 6 multi-family units with a 1200 square feet minimum per unit.

(c) The Village of Stump Sound setback guideline requirements are as follows: The front building setback line shall be a minimum of Twenty (20) feet from the front of each lot. The

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side building setback line shall be a minimum of Eight (8) feet from each side of each lot. The rear building setback line shall be a minimum of Ten (10) feet from the rear of each lot. In the event of any conflict between these guideline requirements and any others later imposed by any governmental authority, Declarant's guideline shall govern. (Refer to recorded plat for typical building envelope.)

Since the establishment of standard inflexible building setback lines or location of houses on lots tends to force construction of houses both directly behind and directly to the side of other homes with detrimental effects on privacy, view of the Sound or ocean, preservation of land contour, important trees and other vegetation, ecological and related consideration, variances for these specific setback guidelines are established by these Restrictions in Paragraph 1(b) hereinabove. In order to assure, however, that the foregoing considerations are given maximum effect, the Company reserves the right to control and approve absolutely the site and location of any house or dwelling or any structure upon any lot.

All oceanfront lots shall be able to extend deck (non-covered) areas up to the toe of the dune structure from the major CAMA line (subject to architectural review). However, deck must not affect the dune structure, and in no way can a deck extend more than 20 feet past the major CAMA line. No decks shall be allowed to be placed over the dunes to the ocean except those provided by the Company. The Company reserves the right to control and approve absolutely the site, location and size of any oceanfront deck.

Heated and covered porch areas not to extend beyond major CAMA line as shown on recorded plats; however, Lot 20 is excepted from this sentence referring to heated and covered porch areas.

(d) The exterior of all houses and other structures must be completed within twelve (12) months after the construction of same shall be commenced, except where such completion is impossible or would result in great hardship to the owner or builder due to strikes, fires, national emergency or natural calamities.

(e) Each lot owner shall provide receptacles for garbage, in a screened area not generally visible from the road, or provide underground receptacles or similar facility in accordance with reasonable standards established by the Company.

(f) Each lot owner shall provide space for parking two automobiles off the street prior to the occupancy of any dwelling constructed on said lot in accordance with reasonable standards established by the Company.

(g) The Company encourages the planting of flowering shrubs and trees; however, no trees, bushes, shrubs, grasses or other vegetation whatever may be removed, planted or installed from or on any lot without prior written approval of the Company, based upon a site plan, landscaping plan or planting plan submitted to the Company.

(h) No structure, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on any residential lot other than a detached single family dwelling on all lots except Lot 1, not to exceed two (2) stories in height, unless the Company approves in writing a structure of more than two stories pursuant to Paragraphs 2(b) and 3(a) hereof, provided the use of such dwelling does not in the opinion of the Company overcrowd the site, and provided, further, that such building is not used for the activity normally conducted as a business. All garages and carports must be attached to the building. No building or other structure, or part thereof, at any time situate on such residential lots shall be used as a professional office or charitable or religious institution, or for business or manufacturing purposes, or for any use whatsoever other than residential and dwelling purposes as aforesaid, except the company temporary sales office.

(i) If the finished building or other structure does not comply with the submitted plans and specifications, the Company retains the right to make the necessary changes at owner's expense, and the further right to file under the North Carolina lien laws notice of liens for any costs incurred. Any changes in plans or specifications must first be reapproved by the Company in accordance with the procedure herein specified.

(j) **Structural Approval Procedures.** At least thirty (30) days prior to the anticipated commencement of any landscaping or construction of any structure or improvement on any Lot, the owner of such Lot (or his duly appointed agent) shall submit to the Declarant a survey of the Lot, which survey shall show each Lot corner. There shall further be shown on said survey the proposed location of all proposed and existing structures or improvements, including driveways, bulkheads, piers, patios, decks and walkways. There shall further be provided to the Declarant sufficient building elevations and other site plans, including a statement of exterior building materials and proposed exterior colors, to allow the Declarant to appropriately and accurately evaluate what is proposed for construction on the Lot. The survey shall be prepared by a registered or licensed land surveyor, and the building elevations and other site plans shall be prepared professionally. There shall be submitted two copies of all information required to be submitted.

Within thirty (30) days after receipt of all required information, the Declarant shall submit in writing to the owner of the Lot whether or not the requested improvements are approved. Unless a response is given by the Declarant within thirty (30) days, the plan shall be deemed approved. The response of the Declarant 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 thirty (30) day time for response shall only commence upon the receipt of the requested additional information. If approval with conditions is granted, and construction then begins, the construction shall be deemed approved by the owner of the Lot of the conditions imposed.

The Declarant shall approve the plans as submitted, if all required information is submitted, and the following affirmative findings are made by the Declarant:

(1) that the improvements sought to be constructed will not have negative economic impact on any other Lot within Village of Stump Sound;

(2) that all required specific building standards and other conditions contained within the New Covenants and other applicable legal documents have been complied with;

(3) that the improvements are architecturally compatible with proposed or constructed improvements on other Lots within Village of Stump Sound; and

(4) the natural features of the Lot have been retained to the maximum extent feasible.

All notices required to be given herein shall be given in writing, hand delivered or mailed, postage prepaid, return receipt requested, and the Declarant shall be obligated to specify the particular grounds upon which denial of any application is founded. One set of plans, denoted as approved (or approved with specified conditions) shall be retained by the Declarant and the other shall be returned to the applicant.

4. Residential Use:

(a) All of the above designated lots shall be used for residential purposes exclusively.

(b) No trailer, tent, mobile home, or other structure of a temporary character shall be placed upon any lot at any time, provided however, that this prohibition shall not apply to shelters used by the contractor during the construction of the main dwelling house, it being clearly understood that these latter temporary shelters may not, at any time, be used as residences or permitted to remain on the lot after completion of construction.

(c) No fuel tanks or similar storage receptacles may be exposed to view. Any such receptacles may be installed only within an accessory building with a screened area, or buried underground; provided however, that nothing contained herein shall prevent the Company from erecting, placing or permitting the placing of tanks,

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or other apparatus, on the property for uses related to the provision of utility or other service.

5. Maintenance:

(a) It shall be the responsibility of each lot owner to prevent the development of any unclean, unsightly or unkept conditions of buildings or grounds on such lot which shall tend to substantially decrease the beauty of the neighborhood as a whole or the specific area.

(b) No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to the neighborhood. There shall not be maintained any plants or animals, or device or thing of any sort whose normal activities or existence is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the owners thereof.

6. Assessments:

(a) The owner of each residential lot shall, by the acceptance of a deed or other conveyance for such lot, be deemed obligation to pay to The Village of Stump Sound Property Owners' Association an annual assessment or charge to be fixed, established and collected on a lot by lot basis as hereinafter provided. Said annual assessment or charge shall be due on January 1 of the year for which it is assessed, provided that the Association may make provision for payment thereof in installments. Each annual assessment or charge (or installment thereof) shall, when due, become a lien against the lot against which such assessment or charge is made. Upon demand, the Association shall furnish to any owner or mortgagee a certificate showing the assessments or charges, or installments thereof, due as of any given date. Each lot subject to these restrictions is hereby made subject to a continuing lien to secure the payment of each assessment or charge (or installment thereof) when due.

(b) Such assessment or charge shall be in an amount to be fixed from year to year by the Association, which may establish different rates from year to year as it may deem necessary and may establish different rates for various general classifications of lots according to the use or location of said lots. Assessments shall not exceed the sum of \$300.00 per year prior to January 1, 1993, at which time a new figure shall be determined by the Association. Declarant shall make up any deficits realized up until January 1, 1993. The Association may levy additional assessments if necessary to meet any emergency conditions arising out of the prosecution of the purposes outlined in 6(c) below.

(c) The funds arising from said assessment or charge of additional assessment may be used for any or all of the following purposes: Maintenance, operation, improvement and protection of the property, including (but not limited to) pool and clubhouse; collecting and disposing of garbage, ashes, rubbish and the like; maintenance and improvement of the streets, roads, drives, rights-of-way, community land and facilities, boardwalks, dune crossovers, green areas; employing watchmen; enforcing these restrictions; and, in addition doing any other things necessary or desirable in the opinion of the Association to keep the property in neat and good order and to provide for the health, welfare and safety of owners and residents of The Village of Stump Sound.

(d) **Enforcement.** These New Covenants, including any amendment hereto, may be enforced by any individual lot owner; by the Association, upon action by its Board of Directors; or by Declarant, as long as Declarant owns any Lot within Village of Stump Sound. Appropriate remedies shall include, but not be limited to, specific performance. In any action to enforce these New Covenants, including any action to collect assessments, either regular or special, or to foreclose upon any real property for payment of such assessment, all costs associated with said collection, including court costs and reasonable attorney's fees, shall be collected as an additional assessment. In addition, interest at the rate of fifteen per cent (15%) per annum shall be collected from the due date of any assessment, until the assessment is paid in full.

(e) The monies collected by virtue of the assessments or charges of additional assessments, or the lien provided by this section, shall be paid to the Association to be used in such manner and to the extent as the Association may determine, in accordance with Paragraph 6(c) hereof, for the benefit of the residents of The Village of Stump Sound. The judgment of the Association in the making of assessments or charges of additional assessments and the expenditures of funds shall be final.

(f) The Association shall not be obligated to spend in any one calendar year all of the sums collected during said year by way of assessments or charges of additional assessments and may carry forward to surplus any balance remaining. The Association shall not be obligated to apply any such surplus to the reduction of charges in the succeeding year.

(g) The Association shall have authority, in its discretion, to borrow money to expend for the purposes set forth in Paragraph 6(c) hereof upon such terms and security and for such periods as it may determine, and to repay such borrowings and the interest thereon from the assessments or charges of additional assessments provided for in this Paragraph 6.

(h) No assessment shall be levied on any given lot until such time as all streets and sewer improvements have been completed up to and in front of said lot.

7. Entry: The Company reserves for itself, its successors and assigns, and its agents the right to enter upon any residential lot, such entry to be made by personnel with tractors or other suitable devices, for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, or other unsightly growth or for the purpose of building or repairing any land contour or other earthwork, which in the opinion of the Company detracts from or is necessary to maintain the overall beauty, ecology, setting and safety of the property. Such entrance shall not be deemed a trespass. The Company and its agents may likewise enter upon any lot to remove any trash which has collected without such entrance and removal being deemed a trespass. The provisions in this paragraph shall not be construed as an obligation on the part of the Company to undertake any of the foregoing.

8. Miscellaneous Easements: The Company reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the ground with men and equipment to erect, maintain, inspect, repair and use wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water or other public convenience of utilities on, in or over the rear ten (10) feet of each lot and ten (10) feet along one (1) side of each lot and such other areas as shown on the applicable plat; provided, further, that the Company may cut drainways for surface water whenever action may appear to the Company to be necessary in order to maintain reasonable standards of health, safety, and appearance. These easements and rights expressly include the right to cut any trees, bushes, or shrubbery, make any grading of the soil, or to take any other similar action reasonably necessary to provide economic and safe utility installation and to maintain reasonable standards of health, safety and appearance. Such rights may be exercised by any licensee of the Company, but this reservation shall not be considered an obligation of the Company to provide or maintain any such utility or service.

9. Subdividing:

(a) No lot shall be subdivided, or its boundary lines changed except with the prior written consent of the Company. However, the Company hereby expressly reserves to itself, its successors or assigns, the right to replat any two (2) or more lots shown on the plat of any subdivision in order to create a modified building lot or lots; and to take such steps as are reasonably necessary to make such replatted lot suitable and fit as a building site, said steps to include, but not be limited to, the relocation of easements, walkways, and rights-of-way to conform to the new boundaries of the said replatted lots.

(b) No lot shall be increased in size by filling in the waters on which it abuts without prior written approval of the Company and state and federal agencies.

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10. Docks, etc.:

(a) No private docks, piers, moorings, boat houses, slips or similar structure may be erected on, placed on or connected to any lot, unless specifically authorized by the Company. In the event of such authorization, the following terms and conditions must be complied with:

(i) Complete plans and specifications including site, material, color and finish must be submitted to the Company in writing;

(ii) Written approval by the Company of such plans and specifications must be secured, the Company reserving the right in its uncontrolled discretion to disapprove such plans and specifications on any grounds, including purely aesthetic reasons.

(iii) Any alterations of plans or specifications of the completed structure must also be submitted to the Company in writing, and the Company's approval in writing must be similarly secured prior to construction, the Company reserving the same rights.

(iv) The Company shall not be responsible for any structural or other defects in plans or specifications submitted to it or in any structure erected according to such plans or specifications.

(b) All lot owners who construct or cause to be constructed private docks, piers, moorings, boat houses, slips or similar structure pursuant to Paragraph 10(a) hereof must maintain said structures in good repair and keep the same clean and orderly in appearance at all times, and further agree to paint or otherwise treat with preservatives all wood or metal located above the high water mark, exclusive of pilings, and to maintain such paint or preservatives in an attractive manner. The company shall be the judge as to whether such structures are clean, orderly in appearance, and properly painted or preserved in accordance with reasonable standards, and where the Company notifies the particular lot owner in writing that such structures fail to meet acceptable standards, said lot owner shall thereupon remedy such conditions within thirty (30) days to the satisfaction of the Company, and that failing to so remedy such conditions, the lot owners hereby covenant and agree that the Company may make the necessary repairs, but is not obligated to make such repairs or take such action as will bring such structures up to acceptable standards, all such repairs and actions to be at the expense, solely, of the lot owner in question.

11. Approval: Prior to purchasing any lot, the purchaser must be approved as a member of the Association and by the recording of the deed to the lot purchased becomes and agrees to continue to be a member of the Association and agrees to abide by, and be subject to, the charter and by-laws of the Association and these restrictions.

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Any purchaser, his/her heirs, or assigns, who purchases residential property in The Village of Stump Sound at a sale held pursuant to foreclosure of, or sale under a power of sale contained in a deed of trust or mortgage executed to secure an indebtedness to a bank, savings and loan association or insurance company, shall be automatically approved as a member of the Association, provided the following conditions have been fully complied with: (i) That upon default in the payment of the indebtedness secured by said deed of trust or mortgage has offered in writing to assign said indebtedness, all notes evidencing same, and the deed of trust or mortgage securing same, to the Company for the amount due thereon, which said offer shall have remained open for thirty (30) days and (ii) The Company shall have refused to accept said offer.

12. Covenants run with the lands: All covenants, restrictions and affirmative obligations set forth in these Restrictions shall run with the land and shall be binding on all parties and persons claiming under them to specifically include, but not be limited to, the successors and assigns, if any, of the Company, for a period of ten (10) years from the date hereof after which time all said covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a majority of the then owners of lots substantially affected by such changes in covenants has been recorded agreeing to change said covenants in whole or in part.

13. Violations: In the event of a violation or breach of any of these Restrictions by any lot owner, or agent of such owner, the Company or owners of any other property in The Village of Stump Sound, or any of them jointly or severally shall have the right to proceed at law or equity to compel a compliance to the terms hereof or to prevent the violation or breach. In addition to the foregoing, the Company shall have the right, whenever there shall have been built on any lot any structure which is in violation exists, and summarily abate or remove the same at the expense of the owner, if after thirty (30) days written notice of such violation it shall not have been corrected by the owner. Any such entry and abatement for removal shall not be deemed a trespass. The failure to enforce any right, reservations, restrictions, or condition contained in these Restrictions, however long continued, shall not be deemed a waiver of the right to do so hereafter as to the same breach, or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement.

Minor Amendment. Declarant, or its successor or assign, shall be allowed to amend these New Covenants, notwithstanding any other provision contained herein, and without joinder of any other party, for the purpose of correcting any discovered and apparent error contained herein, clarifying any ambiguity contained herein, or adding or deleting any incidental provisions deemed in the sole discretion of Declarant to be in the best interest of Village of

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Stump Sound, and the owners therein. This right may be exercised, and shall be effective, only upon the recordation of a "Corrected Declaration" in the office of the Register of Deeds of Onslow County, which Corrected Declaration shall specifically reference this document, and the provision impacted.

14. Modifications: The Company specifically reserves the right to amend or change any part or all of the restrictions, covenants and conditions herein set out by the filing in the Office of the Register of Deeds of Onslow County a Declaration of Amended Restrictive Covenants, which such amendments, modifications or additions to the restrictive covenants contained in this Declaration shall be made applicable to the conveyance of lots made subsequent to the recording of such Declaration of Amended Restrictive Covenants.

15. Dedication to Public Use: Nothing in these Restrictions, nor in the recording of any plat or deed pursuant hereto, shall dedicate (or be deemed to dedicate) to public use any of the streets, bridges, common lands or other grounds within The Village of Stump Sound.

16. Easement of Access and Open Space:

(a) Each and every lot owner is hereby granted an easement to pass over, use and enjoy open spaces now or subsequently designated on recorded plats as community open space, easements to ocean, and all roads, bridges, and rights-of-way; provided, however, that the Company, its successors and assigns, shall, in its sole discretion, retain the right to establish rules and regulations for the use and enjoyment of all such property.

(b) The Company reserves the right to erect and maintain utilities, drainways and other public conveniences in common lands, including the right to cut any trees, bushes or shrubbery, make any gradings of the soil, build buildings or take any similar action reasonably necessary or desirable to provide economical and safe installation and service, to establish reasonable fees and to maintain reasonable standards of health, safety and appearance. Such rights may be exercised by a licensee of the Company.

(c) The Company expressly reserves to itself, its officers, directors, shareholders and their successors and assigns, every reasonable use and enjoyment of said common lands, facilities, roads and bridges, in a manner not inconsistent with the provisions of this Declaration.

(d) It is expressly understood and agreed that the granting of these easements in no way places a burden of affirmative action on the Company, that the Company is not bound to make any of the improvements noted herein, or extended to the grantee any service of any kind.

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17. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind, nor oil, gas or mineral exploratory activity shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any lot. No derrick or other structures designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any lot, nor shall sand, clay, or other materials be removed from any lot for use elsewhere.

18. All signs such as builders signs, realty signs, etc., shall be approved by the Company. These signs should be placed in the center of each lot 6 feet from the curb. Under no circumstances may signs be nailed into trees. Such signs may be used only on a temporary basis as required.

19. No mail box or paper box or other receptacle of any kind for the use in the delivery of mail or newspapers or magazines or similar material shall be erected or located on any building lot unless it conforms to standard specifications as required by Company.

20. Exterior radio and television aerials for reception of commercial broadcasts shall not be permitted in The Village of Stump Sound Subdivision; and no other aerials (for example, without limitation, amateur, short wave or ship to shore) shall be permitted in The Village of Stump Sound without permission of the Company as to design, appearance and location.

21. During construction all vehicles involved including those delivering supplies must enter the building lot on the driveway only as approved by the Company so as not to damage unnecessarily trees, street paving and curbs. During construction builder must keep the homes, garages, and building sites clean. All building debris, stumps, trees, etc., must be removed from each building lot by builder as often as necessary to keep the house and lot attractive. Such debris will not be dumped in any area of the subdivision.

22. No window air conditioning or heating units shall be allowed.

23. No property owner will do or permit done any act upon his/her property which may be or is or may become a nuisance to any other property owner or resident. There shall be no discharging of firearms, guns or pistols, of any kind, caliber, type or method of propulsion and no hunting of any type shall be carried on or conducted on said land.

24. No animals, birds, or fowl shall be kept or maintained on any part of the property except, dogs, cats and pet birds, which may be kept thereon in reasonable numbers as pets for the pleasure and use of the occupants but not for any commercial use or purpose. All pets must be kept under control at all times, and must not become a nuisance by barking or other acts.

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25. Clotheslines or drying yards shall be located as not to be visible from the street or common easement area serving the premises or from the waterfront.

26. No trailers or habitable motor vehicles of any nature shall be kept on or stored on any part of the property. These prohibitions also apply to the common easement area. Also, boats must be parked under the dwelling unit.

27. The Board of Directors may from time to time establish rules for use of any property within Village of Stump Sound in order to protect the value of Lots, the aesthetic qualities of Village of Stump Sound and the tranquillity of the owners of Lots. Said rules may include, but are not limited to, reasonable restrictions on pets, rental use of homes, and parking of cars, trailers, boats, campers and other vehicles on Lots and streets. All such rules shall be effective after written notice of adoption is mailed to the record owners of all Lots. All such rules shall be enforceable as though set out within these New Covenants.

28. No weeds, underbrush or other unsightly growth shall be permitted to grow or remain on any part of the property and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain thereon, including vacant parcels.

29. Each and every covenant and restriction contained herein shall be considered to be an independent and separate covenant and agreement, and in the event any one or more of said covenants or restrictions shall, for any reason, be held to be invalid or unenforceable, all remaining covenants and restrictions shall nevertheless remain in full force and effect.

30. The Company may include in any contract or deed hereafter made any additional covenants and restrictions that are not inconsistent with and which do not lower the standards of the covenants and restrictions set forth herein.

31. The Company may at any time release any one or more lots shown on the plats of the property from any or all of the restrictions and covenants running with the land herein set forth, and also from any or all additional restrictions and covenants imposed pursuant to the provisions of Paragraph 14 above, provided the written consent thereto of the owner or owners of not less than a majority in number of the lots shown on said plats shall be obtained.

32. If the company shall transfer or assign the development of such subdivision or if it shall be succeeded by another in the development of such subdivision, then such transferee, assignee or successor shall be vested with the several rights, powers, privileges or authorities given said company by any part or paragraph hereof. The foregoing provisions of this paragraph shall be automatic, but the Company may execute such instrument as it shall desire to evidence the vesting of the several rights, powers, privileges and authorities in such transferee, assignee or successor. In addition and in the

event the Company contemplates or is in the process of dissolution, merger or consolidation, the Company may transfer and assign to such person, form or corporation as it shall select any and all rights, powers, privileges and authorities given the Company by any part or paragraph hereof, whether or not the Company shall also transfer or assign the development of such subdivision or be succeeded in the development of such subdivision. In the event that at any time hereafter there shall be no person, firm or corporation entitled to exercise the rights, powers, privileges and authorities given said Company under the provisions hereof, such rights, powers, privileges and authorities shall be vested in and exercised by a committee to be elected or appointed by owners of a majority of the lots of said land and in such event such committee shall then have the same rights, powers, privileges and authorities in said committee except in the event aforesaid.

33. The owner, from time to time, of each lot, prior to commencement of the erection of any residence on such lot, shall cut, or cause to be cut, and keep cut or cause to be kept cut, all weeds, underbrush or other unsightly growth on such lot and shall remove any resulting debris, to comply with Paragraph 29 hereof. Should such owner fail to do so, the Company may do so, and the reasonable expenses thereof shall be paid by such owner to the Company within thirty (30) days thereafter. In the event of failure of such owner to pay the Company as above provided, the Company shall have the right to file a notice of lien in the Office of the Clerk of the Superior Court of Onslow County, North Carolina, and from and after the filing of such notice of lien, the Company shall have a lien on such lot for the payment of such sum, with interest at the rate of 15% per annum, all in like manner as if the Company had performed such work at the instance and request of such owner. Any such lien, however, shall be subordinate and inferior to any mortgage then or thereafter encumbering such lot.

34. The covenants and restrictions herein shall be deemed to be covenants running with the land. If any person claiming under the Company shall violate or attempt to violate any of such restrictions or covenants, it shall be lawful for the Company, or any person or persons owning any residential lot on said land: (A) to prosecute proceedings at law for the recovery of damages against the person or persons violating or attempting to violate any such covenant or restriction, or (B) to maintain a proceeding in equity against the person or persons so violating or attempting to violate any such covenant or restriction for the purpose of preventing such violation, provided however, that the remedies in this paragraph contained shall be constructed as cumulative of all other remedies now or hereafter provided by law. Without limiting the foregoing provisions of this paragraph, enforcement of these covenants and restrictions may be made by The Village of Stump Sound Owners Association, Inc., of which every record owner of a fee or undivided

BOOK 1003 PAGE 23

fee interest in any lot shall be a member and subject to an annual maintenance assessment. Invalidation of any provision of the covenants and restrictions set forth herein by judgment or court order shall not affect or modify any of the covenants and restrictions which shall remain in full force and effect.

35. Company hereby covenants and agrees that every contract of sale or deed made by the Company wherein is described any residential lot of said land shall include or be subject to, by reference or otherwise, each and every covenant and restriction herein written, or the substance thereof, and subject to the reservations herein; the Company shall conform with and abide by the foregoing covenant and restriction herein written, or the substance thereof, and subject to the reservations herein; the Company shall conform with and abide by the foregoing covenants as to all of said land.

36. That as required by the N.C. Stormwater Regulations as enumerated in 15NCAC 2H.1003(a), Xanadu Associates does hereby restrict the effective impervious cover for the entire residential development to have a built-upon area of 25% or less. The stormwater plan, as prepared by its agent, Siteworks Design Group, P.A., shows the effective impervious cover to be approximately 24.3%. An effort will be made to ensure the final lot platting recordation process will follow this DEM approved stormwater plan and the state shall be a beneficiary of these restrictions.

IN ORDER to control the amount of impervious cover on a lot-by-lot basis, the undersigned has calculated the maximum allowable built upon area for each lot which shall be enforced as deed restrictions by the Owner. The maximum built upon area for each lot, on the sound side including roof tops, driveways, and accessory buildings, shall be limited to no more than 2500 s.f. of impervious cover. The maximum built upon area for each lot on the ocean side, including roof tops, driveways and accessory buildings, shall be limited to no more than 2200 s.f. of impervious cover.

The calculations are as follows:

Total project area	45.3 ac
Allowable Impervious (25%)	11.3 ac
Actual Improvements	
Project	4.7 ac
Residential	
Ocean 2200sf x 63 lots	
Sound 2500sf x 54 lots	6.3 ac 11.0 ac

BOOK 1003 PAGE 29

37. Restricted Access to NC Highway 210:

No lot owner shall have direct vehicular access to NC Highway 210. Vehicular access to NC Highway 210 will only be at the main entry to the property.

38. Miscellaneous:

(a) Declarant hereby reserves the right to transfer any rights retained by it, including the right to approve plans to the Association or to a committee established by the Association. If plan approval rights are transferred to the Association by Declarant, the Association shall appoint an Architectural Control Committee consisting of at least three (3) members to assume such responsibilities in accordance with the standards established with these New Covenants.

(b) Declarant shall pay dues on all Lots owned by Declarant on the same basis as though such Lots were owned by third parties.

(c) Where the Company is permitted by these covenants to correct, repair, clean, preserve, clear out or do any action to the restricted property, entering the property and taking such action shall not be deemed a breach of these covenants.

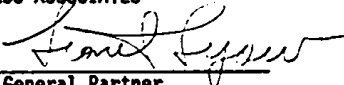
(d) No change of condition or circumstance shall operate to extinguish, terminate or modify any of the provisions of these restrictions, but they shall be extinguished, terminated or modified only by the action and in the manner provided in this Declaration.

(e) In all cases the restrictions set forth or provided for in these restrictions shall be construed together and shall be given that interpretation or construction which will best tend toward their strict enforcement, and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective.

(f) These New Covenants shall continue in full force and effect until 12:00 Noon on January 1, 2000, at which time it shall automatically extend for additional successive periods of ten (10) years, unless a document terminating or modifying these New Covenants is recorded prior to any renewal date in the Office of the Register of Deeds of Onslow County, which amendment shall require approval of eighty per cent (80%) of the Lots subjected to these New Covenants. At any other time, these New Covenants may be amended upon affirmative vote of ninety per cent (90%) of the Lots subjected to these New Covenants.

IN WITNESS WHEREOF, XANADU ASSOCIATES, a North Carolina General Partnership, has caused this instrument to be signed and sealed by a General Partner, all on this the day and year first above written.

XANADU ASSOCIATES

By: 
General Partner

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BOOK 1003 PAGE 30

STATE OF NORTH CAROLINA

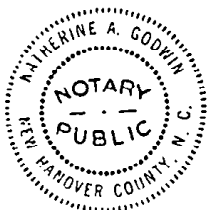
COUNTY OF NEW HANOVER

I, Katherine A. Godwin, a Notary Public of the County of New Hanover and State of North Carolina, do hereby certify that Lionel L. Yow a General Partner of XANADU ASSOCIATES personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 20th day of May, 1991.

Katherine A. Godwin
NOTARY PUBLIC

My Commission Expires:

5/30/94

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

Katherine A. Godwin

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 1003 Page 13 This 21st day of May 1991 at 10:58 o'clock A. M. in Onslow County by [Signature] Register of Deeds

BOOK 1079 PAGE 119

STATE OF NORTH CAROLINA

COUNTY OF ONSLOW

FIRST AMENDMENT TO
RESTRICTIVE COVENANTS OF
THE VILLAGE OF STUMP SOUND

THIS FIRST AMENDMENT TO THE DECLARATION OF RESTRICTIONS, CONDITIONS, EASEMENTS, COVENANTS, AGREEMENTS, LIENS AND CHARGES OF RESTRICTIVE COVENANTS FOR THE VILLAGE OF STUMP SOUND is dated for the purposes of reference only this 26th day of October, 1992, and is submitted for recordation by Xanadu Associates, a North Carolina General Partnership (hereinafter "Declarant").

RECITALS:

Declarant has, by recordation of a subdivision plat, subdivided certain property shown on said plat into Lots intended for utilization for construction of single family homes. This subdivision plat is recorded in Map Book 27, Pages 107-107B and Pages 111-111B, Onslow County Registry (hereinafter referred to as the "Plat").

The restrictive covenants for Xanadu Associates, which encumber the Lots as shown on the Plat, are recorded in Book 1003, Pages 13 through 30, Onslow County Registry (hereinafter the "Restrictive Covenants"). Since recordation of the covenants, the Declarant has determined that certain changes relating to the development would be beneficial to both Declarant and to current and future owners within the development. Paragraph 14 of the Restrictive Covenants allows amendment of the Restrictive Covenants by recordation in the office of the Register of Deeds of Onslow County a Declaration of Amended Restrictive Covenants. Paragraph 38(f) of the Restrictive Covenants requires an approval for such amendments of ninety per cent (90%) of the Lots subjected to these Restrictive Covenants. There are one-hundred and seventeen (117) Lots as shown on the Plat. Of such Lots, Xanadu Associates is the owner of one-hundred and eight Lots. The owners of one-hundred and fifteen of such Lots, which number is sufficient for amendment of the Restrictive Covenants, have approved the provisions of this First Amended to the Restrictive Covenants. The ballots for this required number of Lots are attached hereto as Exhibit A.

Therefore, the Amended Restrictive Covenants of the Village of Stump Sound are hereby further amended as follows:

1. AMEND COVENANTS TO PROHIBIT USE OF REALTY SIGNS. The provisions of paragraph 18 of page 13 of the Restrictive Covenants shall now read:

All signs such as builders' signs, tradesmen's signs, etc.,

BOOK 1079 PAGE 120

shall be approved by the Company. These signs should be placed in the center of each lot 6 feet from the curb. Under no circumstances may signs be nailed to trees. Such signs may be used only on a temporary basis. Realty signs are not permitted.

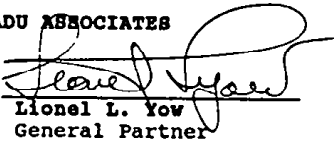
1. AMEND COVENANTS TO PROVIDE OPTIONAL WALKWAYS FROM OCEAN FRONT DECKS TO THE BEACH. The provisions of paragraph 3 of page 4, #3c of the Restrictive Covenants shall now read:

All ocean front decks shall be able to extend deck (non-covered) areas up to the toe of the dune structure from the major CAMA line (subject to architectural review). However, deck must not effect the dune structure, and in no way can a deck extend more than 20 feet past major CAMA line. No decks shall be allowed to be placed over the dunes except those provided by the Company. Property owners of lots 1, 4, 6, 8, 10, 12, 14, 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, 36 and 37 may extend walkways from their ocean front decks across the dunes to access the beach with the approval of the Company. The Company reserves the right to control and approve absolutely the site, location and size of any ocean front deck and any walkway to the beach.

IN TESTIMONY WHEREOF, Lionel L. Yow, General Partner of Xanadu Associates, has hereunto set his hand and seal, this the 26th day of October, 1992.

XANADU ASSOCIATES

BY:


Lionel L. Yow
General Partner

Drawn By: Jennifer A. Yow
YOW, CULBRETH & FOX
Post Office Drawer 479
Wilmington, NC 28402

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STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

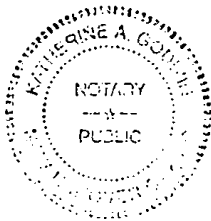
I, Katherine A. Godwin, a Notary Public in and for the above named State and County, do hereby certify that Lionel L. Yow, General Partner of Xanadu Associates, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 26th day of October, 1992.

Katherine A. Godwin
Notary Public

My Commission Expires:

2/30/94



NORTH CAROLINA, ONSLOW COUNTY Katherine A. Godwin
The foregoing certificate(s) of _____

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 1079 Page 119 This 5 day of November 19 92 A.D. or 3:10 o'clock P. M.
Mildred M. House _____
Register of Deeds, Onslow County Register of Deeds

BOOK 1079 PAGE 122

EXHIBIT "A"

The Village of Stump Sound Property Owners as of October 16, 1992

Lot 20
Bob and Martha Church
5501 Surrey Downs Court
Wilmington, NC 28403

Lot 28
Charles and Maureen Kurz
9615 Oakington Drive
Fairfax Station, VA 22039

Lot 16
Michael and Diane Marston
867 Balfour
Grosse Pointe Park, MI 48230

Lot 25
Leon Stuckenschmidt
110 Overview Lane
Cary, NC 27511

Lot 14
Dr. Kenny Morris, Sr.
216 Oyster Bay Lane
Wilmington, NC 28409

Lot 27
Donald and Louise Fooks
9933 Whitworth Way
Ellicott City, MD 21042

Lot 52
Dr. M. Edward Eller, Jr.
309 Thomas Heights
Martinsville, VA 24112

Lot 53
John and Pat Ronca
122 Federal Twist Road
Stockton, NJ 08559

Lot 26
Sharon Ambrose-Plautz and James Plautz
4907 Glendarion Drive
Durham, NC 27713

Remaining 108 Lots
Xanadu Associates
Village of Stump Sound
PO Box 2279
Surf City, NC 28445

THESE PROPERTY OWNERS CAST THEIR BALLOTS AS OF OCTOBER 16, 1992, REGARDING THE AMENDMENTS TO THE RESTRICTIVE COVENANTS OF THE VILLAGE OF STUMP SOUND. A CAST BALLOT FOR EACH OWNER IS ATTACHED HERETO.

BOOK 1079 PAGE 123

September 28, 1992

THE VILLAGE OF STUMP SOUND

PROPOSED CHANGES TO PROPERTY OWNERS' COVENANTS BALLOT

PLEASE INDICATE YOUR PREFERENCES

PROPOSED CHANGE # 1

FOR ☒ Amend Covenants to prohibit use of
AGAINST ☐ realty signs.

PROPOSED CHANGE # 2

FOR ☒ Amend Covenants to provide optional
AGAINST ☐ walkways from oceanfront decks to the
beach.

PLEASE RETURN YOUR COMPLETED BALLOT IN THE ENCLOSED
ENVELOPE BY OCTOBER 16, 1992.

Kanada Associates
by Gerald Segar
owner of 108 lots.

BOOK 1079 PAGE 124

September 28, 1992

THE VILLAGE OF STUMP SOUND

PROPOSED CHANGES TO PROPERTY OWNERS' COVENANTS BALLOT

PLEASE INDICATE YOUR PREFERENCES

PROPOSED CHANGE # 1

FOR ☒ Amend Covenants to prohibit use of
realty signs.

AGAINST ☐

PROPOSED CHANGE # 2

FOR ☒ Amend Covenants to provide optional
walkways from oceanfront decks to the
beach.

AGAINST ☐

PLEASE RETURN YOUR COMPLETED BALLOT IN THE ENCLOSED
ENVELOPE BY OCTOBER 16, 1992.

Charles E. King
Maurice B. King

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September 28, 1992

THE VILLAGE OF STUMP SOUND

PROPOSED CHANGES TO PROPERTY OWNERS' COVENANTS BALLOT

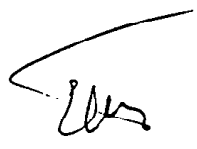
PLEASE INDICATE YOUR PREFERENCES

PROPOSED CHANGE # 1

FOR X Amend Covenants to prohibit use of
realty signs.
AGAINST _____

PROPOSED CHANGE # 2

FOR X Amend Covenants to provide optional
walkways from oceanfront decks to the
beach.
AGAINST _____



PLEASE RETURN YOUR COMPLETED BALLOT IN THE ENCLOSED
ENVELOPE BY OCTOBER 16, 1992.

BOOK 1079 PAGE 126

September 28, 1992

THE VILLAGE OF STUMP SOUND

PROPOSED CHANGES TO PROPERTY OWNERS' COVENANTS BALLOT

PLEASE INDICATE YOUR PREFERENCES

PROPOSED CHANGE # 1

FOR ✓ Amend Covenants to prohibit use of
realty signs.
AGAINST _____

PROPOSED CHANGE # 2

FOR ✓ Amend Covenants to provide optional
walkways from oceanfront decks to the
beach.
AGAINST _____

PLEASE RETURN YOUR COMPLETED BALLOT IN THE ENCLOSED
ENVELOPE BY OCTOBER 16, 1992.

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September 28, 1992

THE VILLAGE OF STUMP SOUND

PROPOSED CHANGES TO PROPERTY OWNERS' COVENANTS BALLOT

PLEASE INDICATE YOUR PREFERENCES

PROPOSED CHANGE # 1

FOR ☒ Amend Covenants to prohibit use of
AGAINST _____ realty signs.

PROPOSED CHANGE # 2

FOR ☒ Amend Covenants to provide optional
AGAINST _____ walkways from oceanfront decks to the
beach.

PLEASE RETURN YOUR COMPLETED BALLOT IN THE ENCLOSED
ENVELOPE BY OCTOBER 16, 1992.

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September 28, 1992

THE VILLAGE OF STUMP SOUND

PROPOSED CHANGES TO PROPERTY OWNERS' COVENANTS BALLOT

PLEASE INDICATE YOUR PREFERENCES

PROPOSED CHANGE # 1

FOR ☒ Amend Covenants to prohibit use of
realty signs.
AGAINST ☐

PROPOSED CHANGE # 2

FOR ☒ Amend Covenants to provide optional
walkways from oceanfront decks to the
beach.
AGAINST ☐

PLEASE RETURN YOUR COMPLETED BALLOT IN THE ENCLOSED
ENVELOPE BY OCTOBER 16, 1992.

BOOK 1079 PAGE 129

September 28, 1992

THE VILLAGE OF STUMP SOUND

PROPOSED CHANGES TO PROPERTY OWNERS' COVENANTS BALLOT

PLEASE INDICATE YOUR PREFERENCES

PROPOSED CHANGE # 1

FOR _____ Amend Covenants to prohibit use of
AGAINST ✓ realty signs.

PROPOSED CHANGE # 2

FOR ✓ _____ Amend Covenants to provide optional
AGAINST _____ walkways from oceanfront decks to the
beach.

PLEASE RETURN YOUR COMPLETED BALLOT IN THE ENCLOSED
ENVELOPE BY OCTOBER 16, 1992.

BOOK 1079 PAGE 130

September 28, 1992

THE VILLAGE OF STUMP SOUND

PROPOSED CHANGES TO PROPERTY OWNERS' COVENANTS BALLOT

PLEASE INDICATE YOUR PREFERENCES

PROPOSED CHANGE # 1

FOR ☒ Amend Covenants to prohibit use of
realty signs.
AGAINST ☐

PROPOSED CHANGE # 2

FOR ☐ Amend Covenants to provide optional
walkways from oceanfront decks to the
beach.
AGAINST ☒

One of the things we liked about "The Village"
was that the dunes weren't covered with walkways.

PLEASE RETURN YOUR COMPLETED BALLOT IN THE ENCLOSED
ENVELOPE BY OCTOBER 16, 1992.

John & Pat Roca

BOOK 1079 PAGE 131

September 28, 1992

THE VILLAGE OF STUMP SOUND

PROPOSED CHANGES TO PROPERTY OWNERS' COVENANTS BALLOT

PLEASE INDICATE YOUR PREFERENCES

PROPOSED CHANGE # 1

FOR X

Amend Covenants to prohibit use of
realty signs.

AGAINST SE

*Submitting one for
record*

PROPOSED CHANGE # 2

FOR _____

Amend Covenants to provide optional
walkways from oceanfront decks to the
beach.

AGAINST X

PLEASE RETURN YOUR COMPLETED BALLOT IN THE ENCLOSED
ENVELOPE BY OCTOBER 16, 1992.

Marston

Hand delivered 10/2