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Pitt County, NC
Lisa P. Nichols REG OF DEEDS

BK 4143 PG 41 - 57

NORTH CAROLINA
PITT COUNTY

Prepared By:
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498 Red Banks Road
Greenville, NC 27858

DECLARATION OF CONDITIONS, RESTRICTIONS AND COVENANTS
RUNNING WITH THE LAND
DALTON'S COVE SUBDIVISION, SECTION 1

THIS DECLARATION, made on the date hereinafter set forth by, HOUSES BPR, LLC, a North Carolina limited liability company, hereinafter referred to as "Declarant," who does hereby covenant and agree to and with all other persons, firms or corporations now owning or hereafter acquiring as owners any tract or parcel of land in the area designated.

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in Farmville Township, Pitt County, North Carolina, which is more particularly described as follows:

Lying and being in Farmville Township, Pitt County, North Carolina and being all of Dalton's Cove Subdivision, as shown on Map for Record "Dalton's Cove Section 1" recorded in Map Book 86, Page 176, Pitt County Registry; and,

WHEREAS, Declarant desires to provide for the maintenance and upkeep of the common area located within Dalton's Cove Subdivision (the "Subdivision") and to provide for enforcement of covenants and restrictions applicable to the Subdivision, and desires to subject all of the property within the Subdivision to the covenants, conditions, restrictions, easements, charges, and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Declarant has deemed it advisable to create an organization to own, maintain and administer the Common Area (as herein after defined), to administer and enforce covenants and restrictions applicable to the Subdivision, and to collect and disburse the assessments and charges hereinafter created, and Declarant has therefore incorporated under North Carolina law as a non-

submitted electronically by "Gaylord, McNally, Strickland, Snyder & Wells, PLLC" in compliance with North Carolina statutes governing recordable documents and the terms of the submitter agreement with the Pitt County Register of Deeds.

profit corporation, Dalton's Cove Homeowners Association, Inc. for the purpose of exercising the aforesaid functions.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, owned, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of same, and which shall run with the real property and be binding on all parties having any right, title, or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1: "Association" shall mean Dalton's Cove Homeowners Association, Inc., a North Carolina nonprofit corporation, and its successors and assigns.

Section 2: "Declarant" shall mean Houses BPR, LLC and any person, company or entity to whom or which Declarant shall assign or delegate the rights and obligations of Declarant by an assignment of Declarant's rights recorded in the applicable public registry for Pitt County, North Carolina.

Section 3: "Owner" shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 4: "Property" shall mean:

All of those certain lots and parcels of land lying and being in Pitt County, North Carolina and described as being all Lots 1 through 9 and Lots 39 through 42 of Dalton's Cove Subdivision as shown on Map for Record "Dalton's Cove Section 1" prepared by Baldwin Design Consultants, PA and recorded in Map Book 86, Page 176, Pitt County Registry.

Property shall also include such additions thereto as may hereafter be brought within the jurisdiction of the Association and this Declaration pursuant to the terms hereof.

Section 5: "Common Area" shall mean all real property (including any improvements thereto) and personal property owned or maintained by the Association for the common use and enjoyment of Owners. Common Area shall also include, for purposes of maintenance, operation, repair and improvements, all drainage easements and septic tanks located on or connected with the Property and any additions thereto as provided in this Declaration.

Section 6: "Lot" shall mean any plot of land shown upon any recorded subdivision plat of the Property, with the exception of the Common Area and any public street rights-of-way shown on said plat. In the event that any Lot is increased or decreased in size by recombination or resubdivision through recordation of a new subdivision plat, any newly-platted Lot shall thereafter constitute a Lot hereunder.

Section 7: "Member" shall mean every person or entity who or which holds membership in the Association.

Section 8: "Development Period" means the period commencing on the date on which this Declaration is recorded in the Pitt County Register of Deeds and terminating on the earlier to occur of (i) the date on which Declarant no longer owns a Lot in the Subdivision; (ii) the date that Declarant relinquishes in writing Declarant's right to appoint directors of the Association; or (iii) the date which is ten (10) years from the date of recording of the Declaration, which shall be renewable for an additional ten (10) year period with the consent of a majority of the Lot Owners other than the Declarant.

ARTICLE II PROPERTY SUBJECT TO DECLARATION

Section 1: Existing Property. The real property which is and shall be held, transferred, sold, conveyed, used and occupied subject to this Declaration as of the date of recording hereof, which is within the jurisdiction of the Association, is described as follows:

Lying and being in Farmville Township, Pitt County, North Carolina and being all of Dalton's Cove Subdivision, as shown on Map for Record "Dalton's Cove Section 1" recorded in Map Book 86, Page 176, Pitt County Registry; and,

Section 2: Annexation of Additional Property. At any time prior to December, 31 2041, additional land may be annexed by the Declarant without the consent of the Members and therefore shall become subject to this Declaration by the recording by Declarant of a plat showing such property to be annexed and of a supplementary declaration extending the operation and effect of this Declaration to the property to be annexed. Furthermore, at any time Declarant owns any Lot within the Property, additional land may be annexed by the Declarant without the consent of the Members and therefore become subject to this Declaration by the recording by Declarant of a plat showing such property to be annexed of a supplementary declaration extending the operation and effect of this Declaration to the property to be annexed. Any property annexed must be contiguous to property already subject to this Declaration. Any property annexed pursuant to this subsection may be annexed and subjected to this Declaration as one parcel or as several parcels at different times. The addition of such property pursuant to this Section may increase the cumulative number of Lots within the Property and, therefore, may alter the relative maximum voting strength of the various types of Members.

A supplementary declaration may contain such complementary additions to and modifications of the covenants and restrictions contained in this Declaration, including, without limitation, different voting rights and different annual and special assessments for the Lots so annexed, as Declarant, in its sole discretion, may deem necessary or appropriate to reflect the different character or use of the property added. In no event, however, shall any supplementary declaration revoke, modify or add to the covenants and restrictions established by this Declaration so as to materially and adversely affect any portion of the Property already subject to this Declaration. A supplementary declaration annexing additional property need only be executed by the Declarant, and if applicable, by the owner of the

property being annexed, and shall not require the joinder or consent of the Association or any of its Members. Nothing contained in this Article shall be construed to obligate or require Declarant to make any additions to the Property.

Section 3: Conveyance of Common Area in Annexed Property. Promptly upon the request of Declarant, the owner of the annexed property shall convey any or all Common Area located within the newly annexed property to the Association or, if requested by Declarant, to the Declarant. Title to such Common Area shall be conveyed in the same manner as set forth in Section 2 of Article III of this Declaration.

Section 4: Merger. Additional property may also be made subject to this Declaration by merger or consolidation of the Association with another nonprofit corporation formed for the same or similar purposes. The surviving or consolidated association shall administer the covenants and restrictions established by this Declaration within the Property and the covenants and restrictions established upon property owned by the other association as one scheme. No such merger or consolidation shall cause any revocation, change or addition to this Declaration.

Section 5: Effect of Addition of Property. Except by amendment to this Declaration as provided in Section 3 of Article IX hereof, no addition of property, whether by annexation, merger or consolidation, shall revoke or modify any provision of this Declaration as to Property already subject hereto or diminish the rights of the Owners of Lots within the Property, except for the dilution of voting strength that occurs as a result of inclusion of additional Members of the Association.

Section 6: Withdrawal of Property. Declarant reserves the right to amend this Declaration so long as it has a right to annex Additional Property pursuant to this Article for the purpose of removing any portion of the Property then owned by Declarant or the Association from the coverage of this Declaration, to the extent originally included in error or as a result of changes whatsoever in the plans for the Subdivision, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Subdivision.

Section 7: Good Faith Lender's Clause. Any violation of these covenants, conditions or restrictions shall not affect any lien or deed of trust of record held in good faith, upon any Lot or commercial Unit, which liens may be enforced in due course, subject to the terms of this Declaration.

ARTICLE III PROPERTY RIGHTS

Section 1: Owner's Easement of Enjoyment. Except as otherwise provided herein or in the rules and regulations adopted by the Board of Directors of the Association, each Owner shall have a right and easement of enjoyment in, use of and access to, from and over and to the Common Area which right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to suspend the voting rights of an Owner, subject to a hearing or opportunity to present evidence in accordance with NCGS Section 47F-3-107.1, for

any period during which any assessment against his or her Lot remains unpaid for a period exceeding sixty (60) days or for any infraction of the published rules and regulations of the Association.

(b) The right of the Association to dedicate or transfer all or any part of the Common Area to any public or quasi-public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. After all Lots have been conveyed by the Declarant, no such dedication or transfer shall be effective unless the Members entitled to at least 80% of the vote of the entire membership of the Association and at least three-fourths (3/4) of the votes appurtenant to each class of Lots agree to such dedication, sale, or transfer and signify their agreement by a signed document recorded in the applicable public registry for Pitt County, North Carolina. Nothing herein shall be deemed to prohibit the Board of Directors of the Association, without the consent of the Members, from granting easements over and across the Common Area to any public or quasi-public agency, authority or utility for the installation and maintenance of sewage, utility (including cable television) or drainage facilities when, in the opinion of the Board of Directors of the Association, such easements are necessary for the convenient use and enjoyment of properties within the Subdivision. Notwithstanding anything herein to the contrary, the Common Area shall be preserved for the perpetual benefit of the owners of Lots within the Subdivision and shall not be conveyed except to a governmental entity or another non-profit corporation organized for similar purposes.

(c) the right of the Association to borrow money and mortgage, pledge, deed of trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of any such lender shall be subordinate to the property rights of the Members and the Association.

(d) the right of the Association to exchange all or part of the Common Area for other property and consideration of like value and utility.

(e) the right of the Association to expand or add to the Common Area and to improve, maintain and operate the Common Area.

(f) the right of the Association to adopt, promulgate and enforce rules and regulations concerning the use of the Common Area.

(g) the right of the Association to otherwise deal with the Common Area as provided in the Articles of Incorporation and Bylaws of the Association.

The right and easement of enjoyment and access granted to every Owner by Section 1 of this Article III may be exercised by members of the Owner's family who occupy the residence of the Owner, to his tenants, guests and invitees.

Section 2: Conveyance of Common Area. No later than the expiration of the Development Period, Declarant shall convey and transfer to the Association, and the Association shall accept, fee simple title to the Common Area, and shall reserve for or grant to the Association all Common area easements, subject to any easements, reservations, and restrictions of record. Notwithstanding the foregoing, so long as Declarant owns one or more Lots, Declarant reserves an

easement over and across any Common Area deeded to the Association for the purpose of construction and maintaining any improvements on the Common Area as the Declarant deems necessary or advisable. Any improvements placed on the Common Area by Declarant shall become the property of the Association upon completion of such improvements.

Section 3: Regulation and Maintenance of Common Area. The Common Area shall be preserved for the perpetual benefit of the Owners. The Board of Directors of the Association may adopt and promulgate rules and regulations governing the use of the Common Area by the Owners and their family, guests, and invitees. No Owner or family, guest or invitee thereof shall use the Common Area or any portion thereof in violation of this Declaration or in violation any such rules or regulations. The Association shall be responsible for the management and control of the Common Area and shall keep the Common Area in good condition, order and repair, at its expense.

Without limiting the generality of the foregoing, no Owner or tenant, guest or invitee of an Owner shall, without the specific prior written consent of the Association: (i) damage or waste the Common Area or improvements thereon or remove any trees or vegetation therefrom; (ii) erect any gate, fence, structure or other improvement or thing on the Common Area; (iii) place any garbage receptacle, trash or debris on the Common Area; (iv) fill or excavate any part of the Common Area; (v) landscape or plant vegetation on the Common Area; or (vi) use the Common Area or any part thereof in any manner inconsistent with or in any way interfering with the rights of other Owners.

Each Owner of a Lot upon which a Common Area easement lies shall pay all property taxes and other assessments levied against his or her Lot, including that portion of such tax or assessment as is attributable to such Common Area easement.

Section 4: Insurance and Taxes. The Association shall obtain and at all times maintain adequate liability and hazard insurance covering the Association itself and the Common Area and other property owned by the Association, including but not limited to officers' and directors' liability insurance. The premiums for all such insurance shall be a common expense paid from the annual assessments provided in this Declaration. The Association shall pay all property taxes and other assessments levied against the Common Area owned in fee by the Association.

Section 5: Declarant's Reserved Rights. Until such time as the expiration of the Development Period, the Declarant shall have the right to alter the boundaries of the Common Area, whether or not it has been previously deeded to the Association, subject to NCGS §47F-3-112; provided that such alteration does not substantially, materially and adversely affect the function and use of the Common Area. The Association and each Owner hereby irrevocably appoints the Declarant as his, her or its attorney-in-fact to execute and/or deliver any documents, plats, deeds or other written matters necessary or convenient to accomplish the addition of the Common Area or Property or both, to create easements as deemed necessary by Declarant, and to adjust the boundary or boundaries of the Common Area. Declarant and the Association and the employees, agents, contractors, and subcontractors of each shall have a nonexclusive right and easement at all times to enter upon any portion of a Lot reserved or designated as a Common Area easement for the purposes of: (i) installing and maintaining subdivision entrance signs, features, fencing and landscaping; and (ii) making such improvements to the Common Area; and (iii) maintaining the Common Area in its natural or improved state.

ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS

Section 1: Membership. 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: Classes of Membership. The Association shall have two classes of voting membership. The voting rights of the membership shall be appurtenant to the ownership of the Lots and may not be separated from ownership of any Lot.

(a) Class A Members. Every person, group of persons or entity which is an Owner of a Lot within the Property shall automatically be a Class A Member of the Association, except Declarant during the Development Period; provided, however, that any such person, group of persons or entity who holds such interest solely as security for the performance of an obligation shall not be a Member. Class A Members shall be entitled to one (1) vote for each Lot of which he or she is the Owner. When more than one person or entity holds an interest in any Lot (other than a leasehold or security interest), the vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. Fractional voting shall not be allowed. In the event agreement is not reached, the vote attributable to such Lot shall not be cast.

(b) Class B Members. The Class B Member shall be the Declarant. The Class B membership shall cease and shall be converted to Class A Membership upon the expiration of the Development Period.

(c) Declarant's Voting Rights. During the Development Period, Declarant shall be vested with the sole voting rights of the Association on all matters (including but not limited to election and removal of directors and officers of the Association) and Class A Members shall not be entitled to exercise any vote until the expiration of the Development Period.

ARTICLE V
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1: Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments and special assessments, such assessments to be established and collected as hereinafter provided. All assessments which are unpaid when due, together with interest and late charges set forth in Section 9 of this Article V and all costs of collection, including reasonable attorneys' fees, shall be a charge against and a continuing lien upon the Lot against which such assessment is made, subject to NCGS § 47F-3-116, as amended. Each such assessment or charge, together with interest and costs of collection, including reasonable attorney's fees, subject to notice provided in NCGS § 47F-3-116(e), shall also be the personal or company obligation of the person or entity owning such Lot at the time when such assessment became due, but such personal obligation shall not be imposed on such Owner's successors in title unless expressly assumed by them. Although unpaid assessments and charges are not the personal obligation

of such Owner's successors in title unless expressly assumed by them, the unpaid assessments and charges shall continue to be a lien upon the Lot against which the assessment or charge was made.

It is the intent of the Declarant that any monetary fines imposed against an Owner pursuant to the Bylaws of the Association or in this Declaration and, subject to NCGS §47F-3-107.1, shall constitute a lien against the Lot of such Owner to the same extent as if such fine were an assessment against such Lot.

Section 2: Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Subdivision and, in particular, for acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including but not limited to, landscaping maintenance, the cost of repairs, electricity, utilities, replacements and additions, the cost of labor, and equipment, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, payment of principal and interest on funds borrowed for Association purposes, the payment for the maintenance and operation of street lights, if any, and such other needs as may arise. Declarant reserves the right to subject the Property and the Subdivision to a contract with an electric company for the installation of street lighting, which requires a continuing monthly payment to that electric company by each residential owner. Said monthly payment shall be included in the assessments charged to each Owner.

Section 3: Annual Assessments. Except as otherwise provided herein, the annual and special assessments shall be fixed at a uniform rate for all Lots by the Board of Directors and may be collected on a yearly, semi-annually, quarterly or monthly basis, as determined by the Board of Directors.

Section 4: Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, special assessments for the purpose of defraying, in whole or in part, the current or future cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, for the repayment of any indebtedness and interest thereon, or for any other purpose. In addition to annual assessments, the Association may create a working reserve fund to be collected at the time of purchase from the Declarant, for the purpose of defraying, in whole or in part, the cost of any construction, repair, or replacement of a capital improvement on the Common Area, including fixtures and personal property related thereto, for repayment of indebtedness and interest thereon and for any other purpose.

Section 5: Assessment Rate and Collection Period. Except as provided in Section 6 of this Article V, the annual and special assessments shall be fixed at a uniform rate for all Lots within each class of Lots and may be collected on a yearly, semi-annually, quarterly or monthly basis, as determined by the Board of Directors. At least thirty (30) days prior to January 1 of each year, the Board of Directors of the Association shall set the amount of the annual assessment of each Lot. At least fifteen (15) days before January 1 of each year, the Board of Directors of the Association shall cause to be sent written notice of the assessment to each Owner subject thereto. The due dates for

payment annual assessments and any special assessments shall be established by the Board of Directors.

Section 6: Declarant's Assessments. Notwithstanding any other provision of this Declaration or the Bylaws of the Association, the Declarant shall not be obligated for, nor subject to, any annual or special assessment for any Lot or other property that it owns within the Property.

Section 7: 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 ten (10) days nor more than sixty (60) days prior to the meeting. At such meeting, the presence of Members, in person or by proxy, entitled to cast fifty (50%) percent of the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and if called for a date not later than sixty (60) days after the date of the first meeting, the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

Section 8: Date of Commencement of Annual Assessment; Certificate of Payment. Unless a different commencement date is set by the Board of Directors, the annual assessments provided for herein shall commence as to each Lot in any phase on the first day of the month following the conveyance of a Lot within that phase to an Owner other than the Declarant or a builder. Unless a lower amount is set by the Board of Directors and ratified by the Members, the first annual assessment shall be the "Maximum Annual Assessment" set forth in Section 3 of this Article and shall be prorated according to the number of days remaining in the calendar year.

The Association shall, upon demand, and for a reasonable charge as determined by the Board of Directors, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot 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: Remedies for Nonpayment of Assessment. Any assessment not paid within ten (10) days after the due date shall bear a late charge as the Board of Directors may from time to time establish, and, if not paid within thirty (30) days after the due date, shall also bear interest from the due date at the lesser of the annual rate of eighteen percent (18%) or the maximum amount permitted by law. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Lot for which such assessment is due subject to NCGS §47F-3-116, as amended. Interest, late payment charges, reasonable attorneys' fees and the costs of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape or deny 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 to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage encumbering a Lot. Sale or transfer of any Lot shall not affect the assessment lien except as otherwise provided by law. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided herein shall continue to be subordinate to the lien of any first mortgage.

Section 11: Exempt Property. All property dedicated to and accepted by a public authority and all property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from assessments created herein. Notwithstanding the foregoing, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VI RIGHTS AND RESPONSIBILITIES OF THE ASSOCIATION

Section 1: Responsibilities. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and shall keep the Common Area in good, clean and proper condition, order and repair. The Association shall be responsible for the payment of all costs, charges and expenses incurred in connection with the operation, administration and management of the Common Area and the performance of its other obligations hereunder. The Association shall operate and maintain areas designated by Declarant as Common Areas, whether or not title to such areas has been formally conveyed to the Association. The Association shall also be responsible for enforcement of the covenants and restrictions contained in this Declaration.

Section 2: Manager. The Association may employ and pay for the services of a person or entity, including Declarant, to assist the Association in managing its affairs and carrying out its responsibilities hereunder and such other persons or entities, including attorneys and accountants, as the Association deems necessary or advisable, whether such persons or entities are engaged, furnished or employed by said manager or directly by the Association. The Association may enter into a management agreement on such terms as the Board of Directors deems appropriate.

Section 3: The Association may exercise any other right or privilege and take any action authorized by this Declaration, the Association's Articles of Incorporation or Bylaws, the North Carolina Nonprofit Corporation Act or the North Carolina Planned Community Act, as from time to time amended, and every other right or privilege reasonably necessary to effectuate the exercise of any right or privilege or the taking of any action authorized herein or therein.

Section 4: The Association may exercise any other right or privilege and take any action authorized by this Declaration, the Association's Articles of Incorporation or Bylaws or the North Carolina Nonprofit Corporation Act, as amended, and every other right or privilege reasonably necessary to effectuate the exercise of any right or privilege or the taking of any action authorized herein or therein.

Section 5: Water Retention Areas. The Association shall be responsible for maintaining the portions of the storm water drainage system which are within the Common Area, including the water quality and quantity standards of the approved plans, to the extent required by law. A drainage easement is hereby dedicated to the Association for the purpose of maintaining the storm water system to meet water quality and quantity design standards of the approved plans and any future governmental laws, rules or regulations.

Each Owner which borders a water retention area shall maintain any portion of that Lot lying within a retention area free of debris but shall not remove any wetlands species or do anything that would adversely affect water quality within the water retention area.

Swimming and bathing in water retention areas are prohibited. Docks or other structures shall not be erected in water retention areas without the prior written consent of the Association. All other uses of water retention areas shall be subject to the prior written approval of the Association and such rules and regulations as the Association may adopt from time to time.

ARTICLE VII USE RESTRICTIONS

Section 1: Use. The Property and all lots shall be known, described and restricted to residential purposes only. No Lot shall be subdivided by any Owner except with Declarant's prior written permission. No structure shall be erected, placed or permitted to remain on any Lot other than one detached single family dwelling not to exceed two and one-half stories in height, exclusive of basement, with must be constructed of brick veneer, stone, cinder block or wood frame or of composite construction containing some or all of the preceding. The exterior of the Dwelling's foundation shall be brick veneer. Also permitted on the Lot is one detached structure not exceeding one and one-half (1/2) stories in height, to be used as a private garage for not more than three (3) vehicles and one (1) non-detached outbuilding constructed and used incidental to the residential use of the property and constructed of the same materials that the residential property is constructed on such Lot. At least twenty-five percent (25%) of the front of the residential structure (facing the street) must be constructed of brick or masonry. All driveways on the Lot and areas for parking vehicles must be constructed of concrete materials. Any attached or detached garage located on any Lot which opens to the front or side lot line must have a garage door which will close to block the view of the interior of the garage.

Section 2: No commercial use. No barbershop, beauty parlors or shops, or any business or commercial enterprise may be carried on upon any Lot. No activity shall be carried on which, under the zoning ordinance of Pitt County, North Carolina, is identified as a "cottage industry." No trade materials or inventories may be stored on any Lot, and no business or commercial venture shall be directed or carried on from any Lot.

Section 3: Plan approval. The Declarant shall have the sole and absolute right to determine the style and appearance of the Dwellings, including, but not limited to, flags, subject to NCGS §47F-3-121, flag poles, flag staffs, fences, walls, buildings, outbuildings, garages, storage sheds, lawn decorations, structure of any type or color thereof, grading, landscaping, patio covers and trellises, plans of off-street parking of vehicles, utility layout and any other improvements (the "Improvements") to be built or constructed on any Lot. Once construction of improvements has commenced on any Lot, the improvements must be substantially completed in accordance with plans and specifications within twelve (12) months from commencement.

No site preparation or initial construction, erection or installation of any improvement, including, but not limited to, dwelling units, outbuildings, driveways, fences, walls, signs, or other structures shall be undertaken upon any Lot or parcel of land on the Property without the prior written

approval of the building plans, exterior paint or color schemes and exterior materials by the Declarant or its successors or designees. A dumpster is to be placed on each Lot at the commencement of any construction for debris. A detailed landscaping plan must be approved by the Declarant or its successors or designees. Landscaping shall be completed by the time of occupancy, unless an extension is given by the Declarant. A detailed plan of the outside elevation shall be approved by the Declarant prior to construction. It is the intent of the Declarant that all exteriors of the structures shall be harmonious with all of the other structures in the Subdivision. No any structure of any type shall be started on any Lot until a plot plan showing the location of such structure has been approved in writing by the Declarant or its successors or designees. If no approval or rejection has been given for such planned use or for such plans which have been hand-delivered to the Declarant, its successors or designees within sixty (60) days after written application, the plan shall be deemed to have been approved.

Section 4: Minimum Square Footage. Any residence constructed on a Lot must have a minimum square footage, more specifically described as heated living area, exclusive of open porches, garage and basements, of not less than One Thousand Seven Hundred (1,700) square feet. Each residence shall have a minimum two-car garage. No residence shall be built on any Lot which is not constructed at least eighteen (18) inches above the finished ground level.

Section 5: Structure Type. No mobile home, pre-fab, modular home, package home or other pre-built home shall be placed on any Lot. Any residence built on any Lot shall be "stick built" except that pre-fabricated roof trusses and pre-fabricated fireplaces and chimneys may be utilized.

Section 6: Setbacks. No buildings shall be located on any Lot nearer to any lot line than as shown on the recorded plat. No building shall be located nearer than 10 feet to any side lot line or rear lot line. For purposes of this covenant, eaves, steps, carports and open porches shall not be considered as part of a building; provided, however, that this shall not be construed to permit any portion of a building on a Lot to encroach on another Lot.

Section 7: Nuisance. No noxious or offensive trade or activity shall be carried on upon any Lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood, and no condition shall be permitted or allowed to exist on any Lot, which is or may become an annoyance or nuisance to the neighborhood.

Section 8: Temporary structures. No trailer, basement, tent, shack, garage, barn or other outbuilding erected in the tract shall at any time be used as a residence temporarily or permanently nor shall any structure of a temporary character be used as a residence.

Section 9: Livestock and Pets. No barns, stables, and outbuildings for the purpose of maintaining horses or other livestock type animals shall be permitted on any Lot. No animals, livestock, poultry, or reptiles of any kind shall be raised, bred or kept on any portion of the Property, except that domesticated dogs and cats and small non-offensive household pets may be kept by the Owner, provided that they are not kept or used for breeding or maintained for any commercial purpose. No Owner may keep more than three (3) such animals on the Property. Pets kept outside must not constitute a danger or nuisance including, but not by way of limitation, excessive barking or causing property damage to other Owners or to the Property. When outside, no animal may be

staked out, and when not contained within a fenced area, all pets must be kept on a leash. No animal pens, runs, housing or like enclosure shall be kept or placed on any Lot; however, this shall not exclude proper fencing of the yard as permitted herein.

Section 10: Parking. No trucks, tractors or trailers may be stored or parked on any Lot, the Common Area or the Property (other than those temporarily present on business). This provision shall not, however, be interpreted to prohibit the owner of a pick-up truck, up to 1 ton in size, being used by any Owner for his personal conveyance, and such truck may be parked upon the Owner's Lot. No boat, trailer, mobile home, camper or recreational vehicle shall be permitted to remain upon any street or any Lot unless it is located so as not to be visible from any street or road within the Subdivision. No vehicle required by the State of North Carolina to have a current license may be kept on the Property or any Lot for more than 10 days without a current valid license plate. No inoperable or junked cars may remain on any Lot for more than thirty (30) days.

Section 11: Clotheslines. No outside clotheslines shall be erected or kept on any Lot.

Section 12: Satellite dishes. A satellite dish or comparable communication device having a size larger than twenty-four (24) inches in diameter may be located on any Lot; provided, any such satellite dish or comparable communication device must be located in the back yard of any Lot. No such satellite dish shall exceed a height of twenty (20) feet from ground level. No solar panel shall be placed on the Lot or the structure without approval of the Declarant.

Section 13: Fences. No fence shall be constructed, built or erected on any Lot, except for wrought iron, vinyl, ornamental aluminum, or all black coated chain link fence; and any such fence shall be constructed, built or erected at a height no greater than five (5) feet. No fence of any kind shall be constructed on any Lot in the front yard of such Lot, said front yard being defined as that particular area of the yard located between the rear corner of the residence and the street. No fence shall cross or block drainage swales. Fences along a property line of a Lot that adjoins another Lot must be placed at least three inches (3") inside the property line of the Lot. Declarant or Association approval is required on all new fencing. No yard or lawn ornaments of any kind will be permitted to be placed on any Lot, except in the rear portion of the yard, said rear portion of the yard being defined as that particular area of the yard located between the rear corner of the residence and the back or rear lot line.

Section 14: Signs. No sign of any kind shall be displayed to the public view on any Lot except (a) one sign with the maximum dimensions of 24 inches by 24 inches expressing support of or opposition to political candidates or other issues which will appear on the ballot of a primary, general or special election; provided that such political signs shall not be placed on a Lot earlier than forty-five (45) days before such election and shall be removed within seven (7) days after such election; and (b) one sign not more than eight (8) squatter feet advertising the property for sale or (c) signed used by a builder, developer, realtor or owner to advertise the property during construction and when for sale. No sign of any kind shall be displayed in or on the Common Area without the prior written consent of the Association. This Section 14 shall not prevent the Declarant from placing one or more signs noting the name of the subdivision.

Section 15: Lot Maintenance. All Lots, whether occupied or unoccupied, shall be well maintained and kept free of rubbish and debris. Rubbish, trash, debris, garbage and other waste must be kept only in sanitary containers which are in a screened area not generally visible from the road. All containers, or other equipment for storage or disposal of such waste materials shall be kept in a clean and sanitary condition and shall be disposed of on a regular basis. Burning of trash or debris is not permitted.

Section 16: Utilities. All utilities must be placed underground.

Section 17: Entertainment Structures. No bicycle, skateboard or other entertainment ramps or other temporary or permanent recreational structures may be erected or placed on any Lot. Basketball goals and other recreational structures shall not be placed, permanently or temporarily, in any street in the Subdivision. Above ground swimming pools may not be visible from the street or adjoining lots and must be approved by the Association prior to installation. A five (5) foot privacy fence shall be installed around any above ground pool in such manner as shall be approved by the Association.

ARTICLE VIII EASEMENTS

Section 1: Access and Utility Easements. Easements for installation and maintenance of roadways, driveways, walkways, water, gas, telephone, sewer facilities, electric power and cable transmission lines, utilities, septic tanks and for other public and private utility installations are reserved as shown on the recorded plat of the Property. The Association may grant or reserve easements over the Common Area as provided herein. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage pipes or channels constructed in in the easements.

For a period of thirty (30) years from the date hereof, Declarant shall have and reserves unto itself and its employees, agents, contractors, successor and assigns, an easement upon and right of ingress, egress, and regress on, over and under the Property for the purposes of constructing and maintaining water, sewer, gas, septic tanks, telephone, cable television, electric and other utility facilities and roadways to the extent required by an governmental entity or determined by the Declarant to be necessary or convenient for the development, use and enjoyment of the Property and Common Area and the conduct of construction, sales and marketing activities. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any grading of the soil, relocate utility facilities within said easement and take any other similar actions that it deems necessary or appropriate. After such action has been completed, Declarant shall grade and seed the affected property and otherwise restore the affected property to its original condition to the extent practicable but shall not be required to replace any trees, bushes or shrubbery necessarily removed. Declarant shall give reasonable notice of its intent to take such action to each Owner whose Lot is affected.

Section 2: Easements for Governmental Access. An easement is hereby established over the Common Area and every Lot within the Property for the benefit of applicable governmental agencies

and utilities for installing, removing, reading water meters, maintaining and replacing water and sewer facilities and acting for other purposes consistent with public safety and welfare, including without limitation, law enforcement, fire protection, garbage collection and the delivery of mail.

Section 3: Association's Easement and Right of Entry. The Association, for itself and its employees, agents, contractors, subcontractors and invitees, shall have a perpetual access easement over each Lot to the extent reasonably necessary to perform the maintenance to be performed by the Association.

Section 4: Easement Over Common Area. A perpetual, non-exclusive easement over the Common Area is hereby granted to each Lot and its Owners, family members and tenants of such Owners, the occupants of such Lot and guests and invitees of such Owners, tenants or occupants, for purposes of providing access, ingress and egress to and from streets, parking areas, and walkways serving the Property.

ARTICLE IX GENERAL PROVISIONS

Section 1: Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Board of Directors shall have the right to record in the appropriate land records a notice of violation of this Declaration or the Bylaws of the Association or any rules, regulations, use restrictions, or design guidelines promulgated by the Association and to assess the cost of recording and removing such notice against the Owner in violation of the Declaration.

Section 2: 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.

Section 3: Amendment. For so long as Declarant owns any Lot within the Subdivision, this Declaration may be amended by the Declarant without the consent or joinder of any other Owner or the Association. Any such amendment shall be effective upon recording of the same in the applicable public registry for Pitt County, North Carolina. No amendment shall be binding upon any Lot or Owner until fifteen (15) days after a copy of such amendment has been provided to such Owner.

The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods often (10) years. Except as expressly provided above, this Declaration may be amended during the first twenty-five year period by an instrument signed by the Owners of not less than seventy-five (75%) of the Lots and terminated during the first twenty-five year period only in strict compliance with NCGS §47F-2-118 by an instrument signed by the Owners of not less than eighty percent (80%) of the Lots, and thereafter amended by an instrument

signed by the Owners of not less than sixty-seven percent (67%) of the Lots or terminated by an instrument signed by the Owners of not less than eighty percent (80%) of the Lots; provided, however, that so long as the Declarant owns Lots in the Subdivision, no amendment adopted by the Owners shall be effective unless and until such amendment is approved in writing by the Declarant. Any amendment or termination shall be by written instrument signed by the appropriate persons and recorded in the public registry for Pitt County, North Carolina, and upon recordation, shall be binding on all Lots within the Property and the Owners thereof, without regard to whether the Owner of such Lot voted for or against or signed or did not sign the amendment.

Section 4: Entire Agreement. Nothing herein contained shall be construed as imposing any covenants or restrictions on any property of the owners of this tract of land other than those properties to which this Declaration specifically applies. No provision contained in this Declaration shall be deemed to have been waived, abandoned, and abrogated by reason of failure to enforce them on the part of any person as to the same or similar future violations, no matter how often the failure to enforce is repeated.

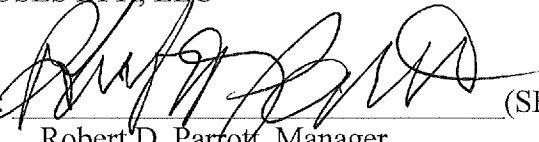
Section 5: Interpretation. Headings used herein are for reference purposes only and shall not be used to interpret or construe any provision hereof. Unless the context requires otherwise, the use herein of the singular shall include the plural and vice versa; the use of one gender shall include all genders; and the use of the work "including" shall mean "including, without limitation." This Declaration shall be construed and enforced in accordance with the laws of the State of North Carolina.

Section 6: Declarant's Right To Change Development. With approval of the appropriate governmental authority, and subject only to such terms and conditions as said authority may impose, Declarant shall have the right, without consent or approval of the Owners, to create Lots, add Common Area, and reallocate Lots within the Property. Declarant may convert any lot or lots or any other property subject to these restrictions to use as a roadway and/or road right-of-way.

IN WITNESS WHEREOF, the Declarant has executed this document, with authority duly given, the day and year first above written, intending it to be a sealed document.

This the 29 day of July, 2021.

HOUSES BPR, LLC

By:  (SEAL)
Robert D. Parrott, Manager

NORTH CAROLINA
PITT COUNTY

I, Kacie N. Mizell a Notary Public of the County and State aforesaid, certify that Robert D. Parrott, personally appeared before me this day in the capacity of Manager of Houses BPR, LLC and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 29 day of July, 2021.

Kacie N. Mizell
Notary Public

My commission expires: 03/30/2023

