

NORTH CAROLINA

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CRAVEN COUNTY

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made this 24th day of May, 1990, by NEUSE HARBOUR, INC., hereinafter referred to as "Declarant"; FARMERS BANK, Windsor, Virginia, as Beneficiary, and JOHN W. KING, JR., Trustee, of Craven County and State of North Carolina, and RICHARD J. HOLLAND, JR., Trustee, of the Commonwealth of Virginia, and JOSEPH W. LUTER, III, as Beneficiary, of the Commonwealth of Virginia, parties of the first part; and all prospective purchasers and purchasers in the Subdivision known as Neuse Harbour, Phase Two as recorded in Plat Cabinet F, Slide 8286, in the Office of the Register of Deeds of Craven County.

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in Number Six and Seven Townships, Craven County, North Carolina, which is more particularly described as follows:

All of those lots or parcels of land as shown upon a map entitled Neuse Harbour, Phase Two, prepared by Robert Davis, R.L.S., dated Jan. 22, 1990, and recorded in Plat Cabinet F, Slide 8286, in the Office of the Register of Deeds of Craven County, which map is incorporated by reference herein.

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of and which shall run with the real property and be binding on all parties having any rights, 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.

I. PROPERTY CONTROL

A. All plans and specifications for any structure or improvement whatsoever to be erected on any lot, and the proposed location and orientation in relation to streets, lot or lots, the construction material, the roofs and exterior color schemes, shall require prior written approval of the Declarant. Further, any later exterior changes or additions after initial approval thereof and any exterior remodeling, reconstruction, alterations, or additions thereto on any lot shall also be subject to, and shall require the prior written approval of the Declarant, Neuse Harbour, Inc.

B. There shall be submitted to the Declarant two (2) complete sets of the final plans and specifications for any and all proposed improvements, the erection or alteration of which is desired. No structures or improvements of any kind shall be erected, altered, placed or maintained upon any lot unless and until the final plans, elevations, and specifications thereof have received written approval as herein provided. Such plans shall include plot plans showing the location on the lot of the building, wall, fence or other structure proposed to be constructed, altered, placed or maintained, together with the proposed construction material, color schemes for roofs and landscape planting. The Declarant shall reserve the right to require a filing fee of no more than \$50 to accompany the submission of such plans.

C. The Declarant shall approve or disapprove plans, specifications and details within thirty (30) days from the receipt thereof. One (1) set of said plans and specifications and details with the approval or disapproval endorsed thereon shall be returned to the person submitting them and the other copy thereof shall be retained by the Declarant for its permanent files.

D. The Declarant shall have the right to disapprove any plans, specifications or details submitted to it in the event the same are not in accordance with any of the provisions of these Restrictions; if the design or color scheme of the proposed building or other structure is not in harmony with the general surroundings of such lot or with the adjacent buildings or structures; if the plans and specifications submitted are incomplete; or in the event the Declarant deems the plans, specifications or details, or any part thereof, to be contrary to the interests, welfare or rights of all or any part of the real property subject hereto, or the owners thereof. The decisions of the Declarant shall be final and not subject to appeal or review.

E. Neither the Declarant nor any agent thereof shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications.

F. The Declarant or its agents shall have the right to inspect all construction to ensure that the structure is in accordance with the approved plans, specifications and details. If

the finished building or other structure does not comply with the submitted plans and specifications, the Declarant 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 lien obtained will be subordinate to any first deed of trust on the property. No structure or improvement shall be made unless it substantially conforms with the approved plans, specifications and details.

G. Declarant, at its option, may appoint an Architectural Control Committee to oversee property control functions as outlined herein and the Committee will have the same power and authority as the Declarant.

H. In the event the Declarant appoints an Architectural Control Committee, the Committee shall be composed of three members, and shall have the same duties and responsibilities as set forth for the Declarant under this Item I. PROPERTY CONTROL.

2. USE, SIZE AND PLACEMENT OF RESIDENCES AND STRUCTURES

A. Dwelling - Only one single-family residential structure will be erected or placed on any lot in the property herein described. No building or structure intended for or adapted to business purposes, charitable or religious organizations and no apartment house, double house, lodging house, rooming house, hospital, sanitarium, or doctor's office or other multiple-family dwelling shall be erected, placed, permitted or maintained upon such premises or any part thereof. No improvement or structure of any kind, other than an approved private dwelling house, patio

walls, swimming pool, and customary outbuildings, garage, carport, or servant quarters may be erected, placed or maintained on any lot.

Any garage carport, servant's quarters, or other outbuildings shall be of the same design as the dwelling house.

B. Size - For lots 151 through 155, 178, 183, 184, 186, 187, 189 through 193, 207 through 210, and 217 through 220, single-story homes shall contain no less than 1,800 square feet and two-story homes shall contain no less than 1,000 square feet on the ground floor and a two-floor total of no less than 2,000 square feet.

For lots 156 through 177, single-story homes shall contain no less than 2,400 square feet and two-story homes shall contain no less than 1,400 square feet on the ground floor and a two-floor total of no less than 2,800 square feet.

For lots 179 through 182, 185, 188, 194 through 206, 211 through 216, and 221 through 231, single-story homes shall contain no less than 1,650 square feet and two-story homes shall contain no less than 900 square feet on the ground floor and a two-floor total of no less than 1,800 square feet.

C. The Declarant, its successors or assigns, shall have the authority to establish regulations pertaining to the height and size requirements of all other types of structures, including but not limited to fences, walls, copings and mailboxes. Such regulations shall, in the Declarant's sole discretion, conform with the general development scheme.

D. Setbacks - No building on any lot shall be located nearer

to any property line than the minimum building lines as set forth on the recorded map, recorded in Plat Cabinet F, Slide 82.86 and 15 feet from sidelines. However, the distance from the rear line may have to vary with the approval of Declarant. In locating buildings and outbuildings with regard to the topography of each individual lot, and taking into consideration the location of large trees, lot elevations and similar considerations, Declarant reserves unto itself, its successors and assigns, the right to control absolutely and solely to decide the precise site and locations of any house or dwelling or other structure upon all properties; provided, however, that such location shall be determined only after reasonable opportunity is afforded the owner to recommend a specific site. Exact location of the dwelling and outbuildings shall be shown on the site plan for each lot and approved by the Declarant.

E. Fences - In order to preserve the natural quality and aesthetic appearance of the existing geographic areas within Neuse Harbour, Phase Two, all property lines shall be kept free and open from the rear of the house to the street. In general, approved fences must be made of wood, not exceeding six (6) feet in height and be attached to and located no closer to the front street than the rear of the dwelling, and no nearer to any side street on a corner lot than the rear of the dwelling closest to such side street.

F. No above-ground structure (except approved fences or walls) may be constructed or placed on any lot in the subdivision

except within the building lines stated in Section 2.D of these Covenants.

3. GENERAL PROHIBITIONS AND REQUIREMENTS

A. Plumbing - All plumbing fixtures, dishwashers, toilets or sewage disposal systems shall be connected to a sewage system approved by the appropriate governmental authority or the Declarant. No outside toilet shall be constructed or permitted on any lot except during construction of the main residence.

B. Temporary Structures - No temporary residence, mobile home, trailer, camper or other building shall be placed on or erected on any lot; provided, however, that the Declarant may grant permission for any such temporary structure for storage of materials during construction. Any such temporary structures as may be approved shall not be used at any time as a dwelling place or temporary residence.

C. Construction Schedule - Once construction is started on any lot, the improvements must be substantially completed in accordance with plans and specifications, as approved, within six (6) months from commencement, with extensions, as approved by the Declarant.

D. Occupancy - No residence shall be occupied either temporarily or permanently until completed in accordance with the plans and specifications.

E. Animals and Pets - No animals, birds or fowl shall be kept or maintained on any part of any lot except not to exceed four adult dogs and two cats, which may be kept thereon for the pleasure

and use of the owners of any lot, but not for any commercial use or purpose. All pets must remain in the confines of the owner's property.

F. Trucks, Vans, Trailers, School Buses, Etc. - No trucks or buses of any nature other than pick-up trucks, small vans or trailers shall be parked overnight on any lot except in an enclosed garage. A pleasure boat on its trailer and recreational vehicles may be parked or stored on that part of any lot away from the street lying beyond the front building line.

G. Junk Cars - No stripped, partially wrecked or junk motor vehicle, or part thereof, shall be permitted to be parked or kept on any street or lot.

H. Lot Access - No motor vehicle, cart or the like shall enter any lot except from the street or streets adjacent to said lot.

I. Trash Containers and Fuel Tanks - Every storage tank, including but not limited to fuel storage tanks, and every outdoor receptacle for ashes, trash, rubbish or garbage shall be installed underground, screened or placed and kept as not to be visible from any street except as permitted by the Declarant.

J. Clotheslines - All outdoor poles, clothes and clotheslines and similar equipment shall be so placed or screened by shrubbery as not to be visible from any street.

K. Model Home - No structure erected upon any lot may be used as a model exhibit or house unless prior written permission to do so has been obtained from the Declarant.

L. Maintenance - All lots, whether occupied or unoccupied, shall be well maintained and no unattractive growth or accumulation of rubbish or debris shall be permitted.

M. Neighborhood Nuisance - No noxious, offensive or illegal activities shall be allowed on any lot nor shall anything be done on any lot that shall be or become an unreasonable annoyance or nuisance to the neighborhood.

N. New Materials - All structures constructed or placed on any lot shall be built of substantially new material and no used structures shall be relocated or placed on any such lot.

O. Antenna and Satellite Dishes - Only one antenna mast will be permitted not to exceed fifteen (15) feet above the highest ridge of the house to which it is attached. All such antennas must be attached to the house. No satellite dishes may be placed on any lot.

P. Dwellings Destroyed - Any dwelling or outbuilding on any lot which is destroyed in whole or in part in fire, windstorm or for any other cause or act of God, must be rebuilt or all debris removed and the lot restored to a sightly condition with reasonable promptness; provided, however, that in no event shall such debris remain longer than ninety (90) days.

Q. Trash Dumpings, Burning, Etc. - No outside burning shall be permitted except for leaves.

R. Signs - All signs such as builder's signs, realty signs, etc., shall be approved by the Declarant. These signs should be placed in the center of the lot six (6) feet behind the curb.

Under no circumstances may signs be nailed to trees. Such signs may be used only on a temporary basis.

S. Garages - All homes are required to have an enclosed garage, attached or detached.

T. Driveways - All homes are required to have concrete driveways. This requirement will provide for a consistent curb appeal throughout the development.

U. Parking - Each lot owner shall provide space for parking at least two automobiles off the street. Parking on the street is not permitted except on a temporary basis.

V. Resubdivision of Lots - Resubdivision shall be permitted only for the purpose of adding on to existing lots and shall not be permitted in the event that any such add-on would leave a residue. More specifically, any individual lot owner wishing to enlarge his lot by purchasing an adjoining lot will have to purchase the entire adjoining lot or split it with the land owner joining on the other side of said adjoining lot.

W. Lot Clearing - It is the intention of the Declarant that as many trees as practical, considering the intended use of the property, remain on the lots.

No living tree having a diameter of six (6) inches at a height twelve (12) inches above the ground may be cut on any lot subject to these restrictions without the prior written consent of the Declarant, except such trees as may be growing in the area upon which the residence is to be built or within twenty (20) feet of that area.

X. Mailboxes - No mailbox or paperbox or other receptacle of any kind for the use in delivery of mail or newspapers shall be erected or located on any lot unless and until the size and design and type of material for such box shall have been approved by the Declarant.

4. EASEMENTS

A. Declarant reserves for itself, its successors and assigns, for purposes it deems incident to its development of the real property subject to these restrictions, in addition to those shown on the recorded plat (except as set forth in subparagraph D below), the following easements and/or rights of way:

1. The Declarant reserves a perpetual easement in, on, over and under all streets, lanes, drainage and utility easements as shown on the subdivision plats on the individual sections to be developed by it and in, on, over and under a strip of land ten (10) feet in width (unless otherwise indicated on the plat) along the side and rear and fifteen (15) feet along all front yard property lines of each lot and area, with the full right of entry by it or its licensees for the purpose of establishing, constructing and maintaining any underground utility, conduits, and wires for telephone, electric power and other purposes, to lay, install and maintain facilities for sewage, potable and non-potable water, gas, storm drainage and other utilities therein. This reservation shall not be construed as an obligation of Declarant to provide and maintain any such activity or service.

2. Declarant also reserves the right to trim, cut and remove any trees and brush for the installation, operation and maintenance of utility lines, gas, water and sewer mains and other services for the convenience of the property owners and appurtenances thereto.

B. Declarant reserves for itself, its successors and assigns, an exclusive easement for the installation and maintenance of radio and television transmission cables within the rights-of-way and easement areas reserved and defined above.

C. On each lot, the rights-of-way and easement areas reserved by Declarant or dedicated to public utilities purposes shall be maintained continuously by the lot owner but no structure, plantings or other material shall be placed or permitted to remain, or other activities undertaken which may damage or interfere with the installation or maintenance of utilities; which may change the direction of flow of drainage channels in the easement; which may obstruct or retard the flow of water through drainage channels in the easements; or which damage or interfere with established slope ratios or create erosion problems; provided, however, that where the existing location of an easement or drainage channel reserved in these restrictions or shown on the recorded map would hinder the orderly development of the lot on which the easement is located, the easement or drainage channel may be relocated by Declarant. Improvements within such areas shall also be maintained by the respective lot owner except for those which a public authority or utility Declarant is responsible.

It shall be the owners responsibility of Lots 157 through 177 to ensure that any surface runoff being the result of any impervious structures constructed thereon, is channelled to the roadway. The owner of each riverfront lot adjacent to the Neuse River, shall take such steps as are necessary to divert all surface water runoff toward the adjacent street away from the Neuse River.

D. Any person, firm or corporation acquiring title to two or more continuous lots shall be allowed to erect a residence or other allowable structure across the interior lot lines. The easements reserved herein and those shown on the recorded map that would be relative to such interior lot lines shall be withdrawn and not constitute an encumbrance on such lot.

Any relocation or withdrawal shall be first approved by the Declarant and a recorded plat showing the easement as originally located and as withdrawn or relocated shall be recorded in the Office of the Register of Deeds of Craven County at the expense of the lot owner requesting such relocation or withdrawal.

5. COMPANY'S RIGHT TO PERFORM CERTAIN MAINTENANCE

In the event an owner of any lot shall fail to maintain the premises and/or the improvements situated thereon in a manner in keeping with other property in the neighborhood or community, the Declarant shall have the right, through its agents and employees, to enter upon said lot and clear, clean, repair, maintain and restore the lot and the exterior of any building and any other improvements erected thereon. The cost of such maintenance shall be considered a legal obligation of the lot owner for which the

Declarant may maintain an action in a court having jurisdiction, but shall not constitute a lien on said lot unless and until a final judgment of such court shall be entered in the Office of the Clerk of Court of Craven County. Any lien obtained will be subordinate to any first deed of trust.

6. REMEDIES

A. The Declarant, or any property owner, or any party to whose benefit these restrictions inure may proceed at law and in equity to prevent the occurrence, continuation or violation of any of these restrictions and the court in any such action may award the successful party reasonable expense in prosecuting such action, including attorney's fees.

B. The remedies hereby specified are cumulative, and this specification of them shall not be taken to preclude an aggrieved party's resort to any other remedy at law, in equity, or under any statute. No delay or failure on the part of the Declarant or an aggrieved party to invoke an available remedy in respect of a violation of any of these restrictions shall be held to be a waiver by that party of (or an estoppel of that party to assert) any right available to him upon the reoccurrence or continuation of said violation or the occurrence of a different violation.

7. GRANTEE'S ACCEPTANCE

A. The grantee of any lot subject to the coverage of the Declarant by acceptance of a deed conveying title thereto, or the execution of a contract of the purchase thereof, whether from Declarant or a subsequent owner of such lot, shall accept such

deed or contract upon and subject to each and all of these restrictions and the agreements herein contained, and also the jurisdiction, rights and power of Declarant, and by such acceptance shall for himself, his heirs, personal representatives, successors and assigns, covenant, consent and agree to and with Declarant, and to and with the grantees and subsequent owners of each of the lots within the subdivision to keep, observe, comply with and perform said restrictions and agreements.

B. Each such grantee also agrees, by such acceptance, to assume, as against Declarant, its successors and assigns, all the risks and hazards of ownership or occupancy attendant to such lot, including but not limited to its proximity to any recreational facility, water way or street.

C. Each such grantee whose lot is adjacent to available underground electrical service, if any, also agrees to complete the underground secondary electrical service to his residence.

8. SEVERABILITY

Every one of the restrictions is hereby declared to be independent of, and severable from, the rest of the restrictions and of and from every other one of the restrictions and from every combination of the restrictions. Therefore, if any of the restrictions shall be held to be invalid or to be unenforceable or to lack the quality of running with the land, that holding shall be without effect upon the validity, enforceability or "running" quality of any other one of the restrictions.

9. VARIANCES

The Declarant may allow reasonable variances and adjustments of these restrictions in order to overcome practical difficulties and prevent unnecessary hardships in the application of the provisions contained herein; provided, however, that such is done in conformity with the intent and purpose of the general development scheme and provided also that in every instance such variance or adjustment will not be materially detrimental or injurious to other property or improvements in the neighborhood or the subdivision. Any such variance shall be approved by the Declarant in writing and delivered to the lot owner.

10. STREET LIGHTS

The Declarant reserves the right to subject the lots within the Subdivision to a contract with Carolina Power & Light Company, or other utility company providing street lighting within the Subdivision, for the installation of underground electric cables, utility poles and street lights. Such contract may require an initial contribution for the installation of street lighting, and may also require a continuing monthly payment to Carolina Power & Light Company, or other utility, by the owner of each lot.

11. CAPTIONS

The captions preceding the various paragraphs and subparagraphs of the restrictions are for convenience of reference only, and none of them shall be used as an aid to the construction of any provision of the restrictions. Wherever and whenever applicable, the singular form of any word shall be taken to mean

or apply to the plural, and the masculine form shall be taken to mean or apply to the feminine or the neuter.

12. DURATION OF COVENANTS

All of the covenants, conditions and restrictions herein contained shall continue and remain in full force and effect at all times against the owner of any lot in such subdivision, regardless of how such owner acquired title, until the commencement of the calendar year 2013, on which date all of such covenants, conditions and restrictions shall terminate and end and thereafter be of no further legal or equitable effect on such premise or any owner thereof; provided, however, that these covenants, conditions and restrictions shall be automatically extended for a period of ten (10) years and thereafter in successive ten-year periods of the base period, until the owners of a majority of lots in the subdivision shall, by written instrument duly recorded, declare a termination of the same. Each and every of the covenants, conditions and restrictions and servitudes contained herein shall be considered to be an independent and separate covenant and agreement, and in the event of any one or more of such covenants, conditions and restrictions and servitudes shall for any reason be held to be invalid or unenforceable, all remaining covenants, conditions and restrictions, and servitudes shall nevertheless remain in full force and effect.

IN TESTIMONY WHEREOF, Declarant has caused these presents to be signed in its name by its President, attested by its _____ Secretary, with its corporate seal hereunto affixed, all by authority of its Board of Directors duly given, this the day and year first above written. The parties of the first have caused this instrument to be executed in their names under seal.

NEUSE HARBOUR, INC.

By: *Charles M. ...*
President

ATTEST:

Neil J. ...
Secretary

FARMERS BANK, Windsor, Virginia

By: *[Signature]*
President

ATTEST:

[Signature]
Secretary

[Signature] (SEAL)
JOHN W. KING, JR., Trustee

[Signature] (SEAL)
RICHARD J. HOLLAND, JR., Trustee

[Signature] (SEAL)
JOSEPH W. LUTER, III

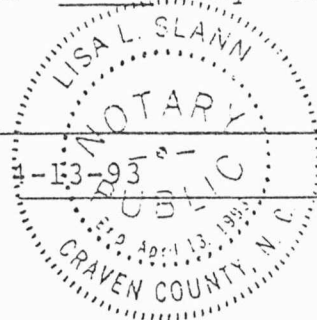
NORTH CAROLINA
CRAVEN COUNTY

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This is to certify that before me personally came Charles M. Haddock, President, with whom I am personally acquainted, who, being by me duly sworn, says that Leigh T. Viator, is the Secretary of Neuse Harbour, Inc., the corporation described and which executed the foregoing instrument; that he knows that common seal of said corporation, that the seal affixed to the foregoing instrument is said common seal, and the name of the corporation was subscribed thereto by the said President, and that said President and Secretary subscribed their names thereto, and said common seal was affixed, all by order of the Board of Directors of said corporation, and that the said instrument is the act and deed of said corporation.

Witness my hand and official seal this 24th day of May, 1989.

Lisa L. Slann
Notary Public
My commission expires:



COMMONWEALTH OF VIRGINIA
COUNTY OF ISLE OF WIGHT

I, Shirley B. Callis, a Notary Public in and for said county and state, certify that NANCY W. JONES personally appeared before me this day and acknowledged that she is the Secretary of Farmers Bank, a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by herself as its Secretary.

WITNESS my hand and official seal this 30th day of May, 1990.

Shirley B. Callis
Notary Public

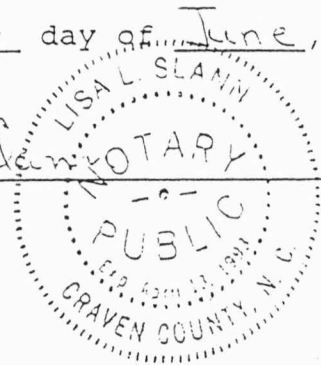
My Commission Expires:
September 30, 1993

NORTH CAROLINA
CRAVEN COUNTY

I, Lisa L Slann, a Notary Public in and for said county and state, certify that John W. King, Jr., Trustee, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purpose therein expressed.

WITNESS my hand and official seal this 1st day of June, 1990.

Lisa L. Slann
Notary Public



My Commission Expires:
4-13-93

COMMONWEALTH OF VIRGINIA
COUNTY OF THE ISLE OF WIGHT

I, Shirley B. Callis, a Notary Public in and for said County and State, certify that RICHARD J. HOLLAND, JR., trustee, 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 seal this 30th day of May, 1990.

Shirley B. Callis
Notary Public

My commission expires:
September 30, 1993

COMMONWEALTH OF VIRGINIA
COUNTY OF ISLE OF WIGHT

I, Martha H. Russ, a Notary Public in and for said county and state, certify that Joseph W. Luter, III, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for purposes therein expressed.

WITNESS my hand and official seal this 29th day of May, 1990.

Martha H. Russ
Notary Public

My Commission Expires:
July 24, 1992

NORTH CAROLINA
CRAVEN COUNTY

The foregoing certificate of J. W. Luter, III, a Notary Public of said County and State, is hereby certified to be correct. This instrument was presented for registration this day and hour and duly recorded in the Office of the Register of Deeds of Craven County, North Carolina, in Book 12, Page

This the 3:45 day of June, 1990 at 1989,
3:45 o'clock PM, m.
[Signature] Register of Deeds
By: [Signature] Deputy Register of Deeds