

STATE OF NORTH CAROLINA

COUNTY OF PERQUIMANS

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION made this 4th day of April, 2000, by Carolina Coast and Lakes, Inc., a North Carolina Corporation, hereinafter referred to as "Declarant";

WITNESSETH

Whereas, Declarant is the owner and developer of certain property and lots (hereinafter the "property") lying and being situate in Perquimans County, North Carolina and being all of Lots #40 through #101 of Heritage Shores Plantation, Section 2 (ie. South) which is more particularly identified on that certain Map of Survey by Patrick J. Thompson of Robey Associates Engineering, entitled "Final Plat for Heritage Shores Plantation, Section 2" DWG #807200 recorded in April 2000 in the Perquimans County Registry which is incorporated herein for a more complete and accurate description.

Whereas, Developer, prior to selling and conveying the aforesaid lots, desires to impose upon such lots certain mutual and beneficial restrictions, covenants and conditions and charges (hereinafter collectively referred to as "Restrictions") for the benefit of all of the lots in the subdivision in order to promote the best interests and protect the investments of Developer and Lot Owners;

NOW, THEREFORE, Declarant hereby declares that all of the property as described by the Incorporated Map of Survey 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 the property, and which shall run with the property and shall be binding on all parties having any right, title or interest in the property or any part thereof, their heirs, successors and assigns, and shall insure to the benefit of each such party, to wit:

1. No noxious or offensive trade or activity shall be carried on upon the property, 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 the property which is or may become an annoyance or nuisance to the property owners.

2. No structure of a temporary nature, including but not limited to a trailer, mobile home, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, either temporary or permanently, and no trailer, mobile home, tent, shack, barn or other outbuilding shall be permitted to exist on the property as a residence.

3. With the two exceptions set forth herein, the property described herein shall not be used for any commercial, business or industrial undertaking or enterprise. This property shall be used for

*****SEE PLATS RECORDED IN PLAT CABINET 2 SLIDE 81 MAPS #6-8

PLAT CABINET 2 SLIDE 82 MAPS #1-5

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single family residential purposes only. The two exceptions to this provision are as follows: -1- Any occupant of a residence constructed on the property may use an interior room within the residence as an office, provided that the office is a private office that is not open for the reception of customers or clients; -2- This restriction shall not prevent any support activities in conjunction with this residential project such as management offices, maintenance areas, recreation areas, central meeting room areas and other such functions normally associated with a residential project.

4. If the parties claiming hereunder or any of their heirs, successors or assigns shall violate or attempt to violate any of the covenants herein, except as hereinafter provided, it shall be lawful for the Declarant or any other person or persons owning any real property situated in said development to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any such covenants, either to prevent him or them from doing or to recover damages or other dues for such violation except the Declarant is specifically excluded from any liability for monetary damages.

5. Nothing herein contained shall be construed as imposing any covenants or restrictions on any property of the Declarant of this subdivision or any other subdivision other than those properties to which these restrictive covenants specifically apply.

6. Each lot shall be conveyed subject to drainage easements, utility easements, setbacks, street right-of-ways and all other matters depicted on the Incorporated Map of Survey.

7. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers.

8. Each lot owner shall be a member of the HERITAGE SHORES SOUTH HOMEOWNERS' ASSOCIATION, INC. and shall remain a member until he ceases to be a lot owner. The interest of a member in the association or its assets cannot be transferred or encumbered except as an appurtenance of his lot. As set forth in the Bylaws, each lot shall be entitled to two votes cast by its owner(s).

9. HERITAGE SHORES SOUTH HOMEOWNERS' ASSOCIATION, INC., will be conveyed the common area as shown on the Incorporated Map of survey (ie. "Open Space" or "Water Access Lot") to hold for the use and enjoyment of each member of the association.

10. HERITAGE SHORES SOUTH HOMEOWNERS' ASSOCIATION, INC. shall have the authority to levy assessments for liability insurance, local taxes, maintenance of roads, and other common facilities and such other matters as it deems appropriate. Specifically it shall provide for yard maintenance for all of the common areas. Any sum assessed remaining unpaid for more than sixty (60) days shall constitute a lien upon the delinquent lot or lots when filed of record in the Office of the Clerk of Superior Court of Perquimans County in the manner provided for by Article 8 of Chapter 44 of the General Statutes of North Carolina as amended. The lien for unpaid assessments shall also secure reasonable attorney's fees incurred by the manager or the Board of Directors incident to the collection of such assessment or the enforcement of such lien. In addition to the lien provided for unpaid assessments, the owner of a said lot who has failed to pay such assessment may be held

personally liable for such payment. Furthermore, the grantee of a lot shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his proportionate share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore. However, any such grantee or prospective grantee shall be entitled to a written statement from the manager or Board of Directors, as the case may be, setting forth the amount unpaid assessments against the grantor and such grantee shall not be liable for, nor shall the lot conveyed be subject to a lien for any unpaid assessment against the grantor in excess of the amount therein set forth. Assessments shall be prorated among the owners with each lot being assessed an equal share of the common expenses. Each lot shall be entitled to two votes cast by its owner(s).

11. The covenants and restrictions contained in this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time, they shall be automatically extended for successive periods of one (1) year. This Declaration may be amended in full or part by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners, provided that no amendment shall alter any obligation to pay assessments to benefit the Common Use Areas, as herein provided, affect any lien for the payment of same or alter any rights reserved by Developer. To be effective any amendment must be recorded in the Office of the Register of Deeds of Perquimans County, North Carolina and a marginal entry of the same must be signified on the face of this document.

12. With the exception contained herein, livestock and domesticated farm animals shall be prohibited from this property. However, the occupants of the property may have dogs and cats provided they shall not disturb or annoy residents and are not allowed to run free; dogs and cats should be walked on leashes. If dogs or cats are walked on common areas, the owner must scoop animal waste and dispose of the same in a trash container. The exception to the prohibition to livestock shall be that horses may be stabled or corralled on parcels of three acres or greater.

13. Loud Noises must be avoided at all times, but especially between the hours of 11:00 p.m. and 8:00 a.m.

14. Renters as well as resident owners are required to abide by these Covenants.

15. After conveyance of each respective lot to a nonsignatory, no signs or billboards shall be erected or maintained on the said lot except an appropriate "For Sale" sign and no trade materials or inventories may be stored upon nor, with the following exception, may any trucks or tractors be stored or regularly parked thereon. The exception shall be that privately owned, non-commercial passenger pickup trucks owned and used by an owner or renter as a primary vehicle may be parked upon lots.

16. The invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions of this Declaration, and the remaining provisions of this Declaration shall remain in full force and effect.

17. All lot owners are hereby granted non-exclusive easements for the purpose of ingress,

egress and parking over those appropriate portions of the common areas for the lot owners and their invitees. HERITAGE SHORES SOUTH HOMEOWNERS' ASSOCIATION, INC. shall have an easement over the non-common areas for the purpose of carrying out any of its rights or duties hereunder.

18. "Period of Declarant Control" means the period commencing on the date hereof and continuing until the earlier of (i) five (5) years after the date of the first conveyance of a lot to an owner other than a declarant; (ii) 120 days after conveyance of seventy-five percent (75%) of the lots (including any lots which may be created pursuant to special declarant rights) to a lot owner other than declarant; (iii) two years after declarant has ceased to offer lots for sale in the ordinary course of business; (iv) two years after any development right to add new lots was last exercised, or (v) the date upon which declarant voluntarily surrenders control of the development. Declarant reserves the following special declarant rights for the entire Property, which shall be exercisable during the period of declarant control:

- (a) To complete any and all improvements indicated on the plats and plans;
- (b) To construct and maintain any sales office, management office or model in any of the lots or on any of the common elements shown on the plat;
- (c) To alter the size of any lot, combine or merge two or more lots, and subdivide any lot;
- (d) To appoint and remove any executive board members during the period of declarant control; provided, however, (i) that not later than 60 days after conveyance of twenty-five percent (25%) of the lots to owners other than a declarant, at least one member and not less than twenty-five percent (25%) of the members of the executive board shall be elected by owners other than the declarant; and (ii) that not later than 60 days after conveyance of fifty percent (50%) of the lots to owners other than a declarant, not less than thirty-three percent (33%) of the members of the executive board shall be elected by owners other than the declarant.

Subject to the initial period of declarant control as set forth in the Declaration, nomination for election of the executive board shall be made from the floor at the annual meeting. Election shall be by secret written ballot and by a majority of the lot owners when a quorum is present. For this context a quorum shall be as in Bylaw 3.5; a quorum shall consist of members present, in person or by proxy, entitled to cast at least fifty (50%) of the total votes in the association. Cumulative voting is not permitted. At the first annual meeting following the termination of declarant control, board members shall be elected as set forth in the Bylaws.

19. No mobile homes, trailers or manufactured homes (whether single or double wide) may be installed on or maintained on the property. All construction on the property must conform to all Perquimans County building regulations and requirements.

20. After lots are sold by the Declarant, no lot shall be split or subdivided into smaller parcels.

21. A lot may be improved only by the construction of one single family residential dwelling with either attached or detached garages provided the detached garage is of the same construction style and material of the dwelling. Such residential dwelling construction shall have an enclosed living space of at least 1,600 square feet, not including cellars, decks enclosed porches and garages. Exteriors of such construction shall be of wood and/or masonry excluding concrete block type and may be covered by exterior siding. In conjunction with the construction of a residential dwelling or

thereafter the property may be further improved by the construction of out buildings which shall be of the same construction style and material as the dwelling. However, the out buildings may not be used as a dwelling. Once begin, exterior construction shall be completed within twelve (12) months.

22. A lot owner shall not advertise in a newspaper or by placement of a sign an unimproved lot as being for sale unless and until the Declarant has sold all of the lots depicted on the Incorporated Map of Survey. For purposes of this provision a lot shall be considered improved only upon the completion of a single family residence ready for occupancy.

23. Use of the property shall be in conformity with all local, state and federal laws, regulations and rules regarding construction, usage, setbacks, improvements or environmental protection.

24. Notwithstanding anything within this instrument, it is understood that the Declarant may improve the "open space" or "Water Access Lot" by constructing thereon or appurtenant thereto a boat slip marina and associated improvements. This marina shall be owned by the Declarant and may be subsequently conveyed in whole or in part by the Declarant to such person(s) and/or entities as the Declarant may so desire.

25. The Declarant expressly reserves the right to subject other property to these Covenants. In such case subsequent owners, heirs, successors and assigns shall hold their interest subject to these Covenants.

Carolina Coast & Lakes, Inc.

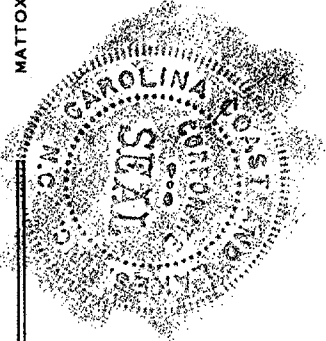
By: [Signature]
President

ATTEST: [Signature]
Asst. Secretary/Secretary

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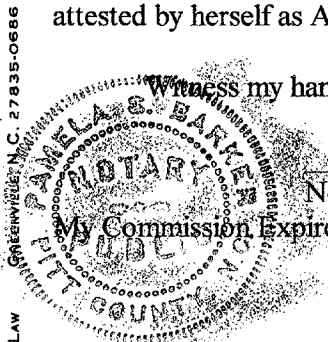
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NORTH CAROLINA
PITT COUNTY

I, Pamela S. Barker, a Notary Public in and for the said County and State, do hereby certify that Roberta L. Pearson personally appeared before me this day and acknowledged that she is Asst. Secretary/Secretary of Carolina Coast & Lakes, Inc., a North Carolina Corporation duly organized, chartered and licensed to do business in the State of North Carolina, and that by authority duly given by its Board of Directors, and as the act of the corporation, the foregoing instrument was signed in its corporate name by its President, sealed with its corporate seal, and attested by herself as Asst. Secretary/Secretary.

Witness my hand and notarial seal, this the 4 day of ^{April}~~March~~, 2000.



Pamela S. Barker
Notary Public
My Commission Expires: 03-21-04

Prepared by and Return to:
Conrad E. Paysour, III
Attorney at Law
Mattox, Davis & Barnhill
Post Office Box 686
Greenville, North Carolina 27835-0686
Phone: (252) 758-3430

NORTH CAROLINA
PERQUIMANS COUNTY

The foregoing certificate of PAMELA S. BARKER, a Notary Public of Pitt County, NC is certified to be correct.

This 4th day of April, 2000.

DEBORAH S. REED
REGISTER OF DEEDS

BY Jacqueline S. Truison
Deputy

MATTOX, DAVIS & BARNHILL, P.A. ATTORNEYS AT LAW GREENVILLE, N.C. 27835-0686