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NORTH CAROLINA

PITT COUNTY

DECLARATION OF CONDITIONS, RESTRICTIONS
AND COVENANTS RUNNING WITH THE LAND

KNOW ALL MEN BY THESE PRESENTS, that Holly Ridge Development Company of Greenville, a corporation franchised and operating under the laws of the State of North Carolina with its principal place of business in Greenville, North Carolina, 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 or located in or near Pitt County, North Carolina, known as Tracts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 as shown on map of Holly Ridge Estates, prepared by Rivers and Associates, Inc., dated March 14, 1978, and recorded in Map Book 26, at page 194, of the Pitt County Registry; said tracts are hereby subjected to the following covenants and restrictions as to the use thereof, running with the land by whomsoever owned to-wit:

1. These covenants are to run with the land and shall be binding on all parties and persons claiming under them until July 1, 1998, at which time said covenants shall be automatically extended for successive periods of ten years unless by a vote of a majority of the then owners of the tracts it is agreed to change said covenants in whole or in part.

2. If the parties hereto or any of them or their heirs, successors or assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for 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 and either to prevent him or them from so doing or to recover damages or other dues for such violation, except the party of the first part is specifically excluded from any liability for damages.

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3. Invalidation of any one of these covenants by judgment or court order shall in no way affect any other of the provisions which shall remain in full force and effect.

4. No structure shall be erected, placed or permitted to remain on any residential plot other than one detached single family dwelling and other outbuildings incident to the residential use of the plot. No structure of any type shall be started on any of the above described tracts until the plans of such structure and the plot plan showing the location of such structure has been approved by Holly Ridge Development Company of Greenville, its successors or designees, or designed and approved by a licensed architect doing business in Eastern North Carolina. Such action in either event must be in writing.

5. Divisions of said tracts of land shall be permitted when approved in writing by Holly Ridge Development Company, its successors or designees, provided that in no case shall any subdivided plot be less than 1.5 acres. Divisions of tracts shall comply with Pitt County Subdivision regulations or an approved variance of said regulations.

6. No buildings shall be located on any residential building plot nearer than 50 feet to any lot line abutting on a street. No building shall be located nearer than 20 feet to any side lot line.

7. All trees on lot lines shall be maintained as a buffer between residential plots. Any trees destroyed by construction, natural causes or any other cause shall be replaced by owner of said tract.

8. No residential structure shall be erected or placed on any building plot which has an area of less than 1.5 acres or a width of less than 150 feet at the front building setback line. Building plots may be a combination of tracts and/or portions of tracts provided the same is not less than the minimum set forth in the restrictions of the first sentence of this paragraph.

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9. 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.

10. No trailer, basement, tent, shack, garage, barn or other outbuilding erected on 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, except a family fall-out shelter built in conformity to plans and location approved by the Office of Civil Defense Mobilization and Holly Ridge Development Company of Greenville, its successors or designees.

11. Barns, stables, and outbuildings for the purposes of maintaining horses shall be permitted provided plans for said buildings are approved in writing by Holly Ridge Development Company of Greenville, its successors or designees, and provided it does not become an annoyance or nuisance to the neighborhood. Said buildings shall always be kept in an attractive and sanitary manner.

12. No dwelling costing less than \$50,000 nor having less than 1800 square feet of living area shall be permitted on any tract, it being the intention to require in each instance the erection of such a dwelling as would have cost not less than the minimum cost required if the same had been erected in March, 1978 in this locality. That is, the above cost is to be estimated on a basis of March, 1978 construction costs in this locality.

13. 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 these Restrictive Covenants specifically apply.

14. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat as above referred to. The easement area of each tract and all improvements in it shall be maintained continuously by the owner of the tract except for those improvements for which

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a public authority or utility company is responsible. Furthermore, an easement of five feet in width for the installation and maintenance of underground utilities is reserved along any lot line abutting a street.

15. Easements for 16 foot street improvements are reserved as shown on the recorded plat as above referred to. The easement area and street section shall be maintained continuously by the Property Owners Association.

16. All individual purchasers from and after this date shall be required to keep their respective tracts free and clear of weeds, rubbish, trash, debris and other matter.

17. A Board of Supervisors shall be appointed by the corporation consisting of three (3) persons, all property owners in the subdivision. If at any time 25% of the property owners in the subdivision desire to elect a new Board of Supervisors, then they may call for an election to be made by the property owners and elect a new Board of Supervisors to serve for a period of three (3) years or until their successors are elected. In the event of a vacancy, the Board of Supervisors has the right to fill the same. The Board of Supervisors shall have the following duties and powers: Maintain and repair the streets and any common areas within the subdivision and prorate the cost of such maintenance or repairs to the owner of each lot within the subdivision, such proration shall be made by taking the total number of lots and dividing it into the total expenditure which would constitute the amount due by each lot owner.

The declarants, for each lot owned within the subdivision, hereby covenants, and each owner of any lot by the acceptance of a deed therefor, whether or not it shall be expressed in such deed, is deemed to covenant and agrees to pay to the Board of Supervisors the assessments or charges for improvements and repairs as established by the Board of Supervisors. The assessments, together with interest, costs and reasonable attorney's fees, shall be a

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charge on the land and shall be a continuing lien upon the property against which each such assessment is made, if such assessment is not paid within 30 days after notice is sent to each owner. Such assessments, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to the successor in title unless expressly assumed by them.

The Board of Supervisors shall conduct its affairs as to notice and operation of meetings as a corporation is required to under Chapter 55 of the North Carolina General Statutes.

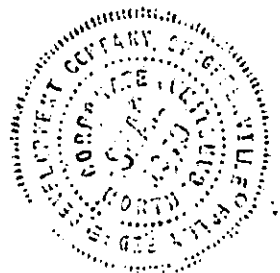
IN TESTIMONY WHEREOF, the said Holly Ridge Development Company of Greenville has caused this instrument to be signed in its name by its President and attested by its Secretary and sealed with the common corporate seal by authority of its Board of Directors duly given, this the 14th day of August, 1979.

HOLLY RIDGE DEVELOPMENT COMPANY
OF GREENVILLE

BY: *Dominic Bauer*
President

ATTEST:

J. Allen Hardin
Secretary



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NORTH CAROLINA

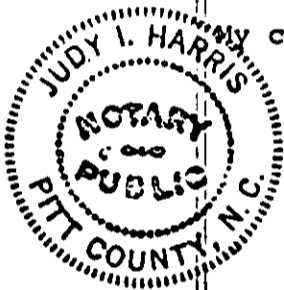
PITT COUNTY

I, Judy I. Harris, a Notary Public in and for the aforesaid County and State, do hereby certify that H. Glenn Hardee personally appeared before me this day and acknowledged that he is Secretary of HOLLY RIDGE DEVELOPMENT COMPANY OF GREENVILLE, 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, Donnie Brewer, sealed with its corporate seal, and attested by himself as its Secretary.

WITNESS my hand and Notarial Seal, this the 14th day of August, 1979.

Judy I. Harris
Notary Public

My commission expires: 6-12-82



NORTH CAROLINA - PITT COUNTY

The foregoing certificate of Judy I. Harris, a Notary Public of Pitt County, North Carolina, is certified to be correct.

Filed for registration at 10:25 o'clock A.M., this the 15th day of August, 1979.

Elvira T. Allred, Register of Deeds

By: Elvira T. Allred