

EXHIBIT "C"

INITIAL RESTRICTIONS AND RULES (including amendment)

The following restrictions shall apply to all of Brunswick Forest until such time as they are amended, modified, repealed, or limited pursuant to Article III of the Declaration.

1. General. Brunswick Forest shall be used only for residential, recreational, and related purposes (which may include, without limitation, an information center and/or a sales office for any real estate broker retained by Declarant to assist in the sale of property described in Exhibit "A" or Exhibit "B," offices for any property manager retained by the Master Association, or business offices for Declarant or the Master Association) consistent with this Declaration and any Supplemental Declaration.

2. Restricted Activities. The following activities are prohibited within Brunswick Forest unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board of Directors:

(a) Parking any vehicles on public or private streets or thoroughfares or parking of commercial vehicles or equipment, mobile homes, recreational vehicles, motorcycles, mopeds, golf carts, boats and other watercraft, trailers, stored vehicles, or inoperable vehicles in places other than enclosed garages; provided, construction, service and delivery vehicles shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Unit or the Common Area;

(b) Raising, breeding, or keeping animals, livestock, or poultry of any kind, except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted in a Unit. However, those pets which are permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Units shall be removed upon the Board's request. If the pet owner fails to honor such request, the Board may remove the pet. All parties are also hereby notified that, in the event any dog kept or maintained on a Unit or within Brunswick Forest barks excessively, continuously or in a manner that constitutes a nuisance, the Board may require the Unit Owner to employ a collar or other device designed to reduce or control such excessive barking (provided that such action shall in no event limit any other rights or remedies for such situation that may be available to the Board or to any other parties at law or in equity). Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling. Pets shall be registered, licensed and inoculated as required by law;

(c) Any activity which emits foul or obnoxious odors outside the Unit or creates noise or other conditions which tend to disturb the peace or threaten the safety of the occupants of other Units;

(d) Any activity which violates local, state, or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation;

(e) Pursuit of hobbies or other activities that tend to cause an unclean, unhealthy, or untidy condition to exist outside of enclosed structures on the Unit;

(f) Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants of other Units;

(g) Outside burning of trash, leaves, debris, or other materials, except during the normal course of constructing a dwelling on a Unit;

- (h) Use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Units, except for devices used exclusively for security purposes;
- (i) Use and discharge of firecrackers and other fireworks;
- (j) Dumping grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within Brunswick Forest, except that fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff, and Declarant and Builders may dump and bury rocks and trees removed from a building site on such building site;
- (k) Accumulation of rubbish, trash, or garbage except between regular garbage pick-Ups, and then only in approved containers;
- (l) Obstruction or rechanneling drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that Declarant and the Master Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent;
- (m) Subdivision of a Unit into two or more Units, or changing the boundary lines of any Unit after a subdivision plat including such Unit has been approved and Recorded, except that Declarant shall be permitted to subdivide or replat Units which it owns;
- (n) Swimming, boating, use of personal flotation devices, or other active use of lakes, ponds, streams, or other bodies of water within Brunswick Forest, except that Declarant, its successors and assigns, shall be permitted and shall have the exclusive right and easement to retrieve golf balls from bodies of water within the Common Areas and to draw Water from lakes, ponds, and streams within Brunswick Forest for purposes of irrigation and such other purposes as Declarant shall deem desirable. The Master Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of rivers, lakes, ponds, streams or other bodies of water within or adjacent to Brunswick Forest. Notwithstanding the foregoing, fishing from the shore of certain bodies of water within Brunswick Forest specifically designated by Declarant may be allowed, subject to rules issued by Declarant or the Master Association;
- (o) Use of any Unit for operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years, except that Declarant and its assigns may operate such a program with respect to Units which it owns;
- (p) Discharge of firearms; provided, the Board shall have no obligation to take action to prevent or stop such discharge;
- (q) On-site storage of gasoline, heating, or other fuels, except that a reasonable amount of fuel may be stored on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Master Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment. This provision shall not apply to any underground fuel tank authorized pursuant to Article IV;
- (r) Any business, trade, garage sale, moving sale, rummage sale, or similar activity, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (ii) the business activity conforms to all zoning requirements for

Brunswick Forest; (iii) the business activity does not involve door-to-door solicitation of residents of Brunswick Forest; (iv) the business activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in Brunswick Forest which is noticeably greater than that which is typical of Units in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of Brunswick Forest and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of Brunswick Forest, as may be determined in the Board's sole discretion.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the providers family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required.

Leasing of a Unit shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by Declarant or a Builder approved by Declarant with respect to its development and sale of Brunswick Forest or its use of any Units which it owns within Brunswick Forest, including the operation of a timeshare or similar program;

(s) Capturing, trapping, or killing of wildlife within Brunswick Forest, except in circumstances posing an imminent threat to the safety of persons using Brunswick Forest;

(t) Any activities which materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within Brunswick Forest or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution;

(u) Conversion of any carport or garage to finished space for use as an apartment or other integral part of the living area on any Unit without prior approval pursuant to Article IV;

(v) Operation of motorized vehicles on pathways or trails maintained by the Master Association, except that golf carts may be operated on cart paths designated by the Master Association for such purposes, if and to the extent permitted by rules adopted by the Master Association; and

(w) Any construction, erection, placement, or modification of anything, permanently or temporarily, on the outside portions of the Unit, whether such portion is improved or unimproved, except in strict compliance with the provisions of Article IV of the Declaration. This shall include, without limitation, signs, basketball hoops, swing sets and similar sports and play equipment; clotheslines; garbage cans; woodpiles; above-ground swimming pools; docks, piers and similar structures; and hedges, walls, dog runs, animal pens, or fences of any kind; satellite dishes and antennas, except that:

(i) an antenna designed to receive direct broadcast satellite services, including direct-to-home satellite services, that is one meter or less in diameter;

(ii) an antenna designed to receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, that is one meter or less in diameter or diagonal measurement; or

(iii) an antenna that is designed to receive television broadcast signals; (collectively, "Permitted Antennas") shall be permitted on Units, subject to such reasonable requirements as to location and screening as may be set forth in the Architectural Design Standards, consistent with

applicable law, in order to minimize obtrusiveness as viewed from streets and adjacent property. Declarant and/or the Master Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or a portion of Brunswick Forest, should any master system or systems be utilized by the Master Association and require such exterior apparatus; and

(x) Solicitation of any kind with Brunswick Forest.

(y) The display of political signs of any kind within the Common Area of Brunswick Forest.

(z) The display of political signs of any kind on any Unit (as said "Unit" is defined in Article II to include the land, if any, which is part of the Unit, as well as any improvements thereon) within Brunswick Forest including any political signs installed inside a dwelling if such sign would be visible outside of the dwelling; provided however, a maximum of one (1) political sign, not to exceed two feet by three feet (2' x 3') in size, double faced and located no closer than ten (10) feet off the edge of a roadway's paved surface, may be displayed no sooner than forty-five (45) days prior to and no later than seven (7) days following the applicable election day.

(aa) Unless otherwise approved by the ARC and the Board of Directors (and except for political signs which are subject to the Section 2(z) above), absolutely no sign of any sort shall be erected, installed, kept, displayed, constructed or fabricated in any manner upon, on or within the Common Area, Limited Common Area, any street and any Unit if such sign is visible to the public. This prohibition on signs includes but is not limited to advertising signs, billboards, for sale signs, for rent signs, "available" signs, open house signs, realtor signs and other related items such as balloons, decorations, "take one" tubes and boxes, and advertising posts, and any other advertising structures of any type. Attaching any such items or items similar in nature and purpose to a vehicle, trailer or any other personal property located on the Common Area, Limited Common Area, any street or any Unit is also prohibited. These restrictions in this subsection shall not apply to signs or related items erected by or on behalf of the Declarant, its assigns and agents, including signs used by Declarant, its assigns and agents, to identify and advertise the Properties. The Declarant, the Board, the ARC and their respective designees have the right to enter upon the Common Area, Limited Common Area, any street and any Unit and remove any unapproved sign(s) or related items. The Neighborhood Compliance Committees and their designees have the to enter upon the Common Area, Limited Common Area, any street and any Unit within its respective Neighborhood to remove any unapproved sign(s) or related items. Any such entry by the Declarant the Master Association, the ARC, any Neighborhood Compliance Committee and their respective designees to remove such signs or related items shall not be deemed a trespass.

3. Prohibited Conditions. The following shall be prohibited at Brunswick Forest:

(a) Plants, animals, devices, or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of Brunswick Forest;

(b) Structures, equipment, or other items on the exterior portions of a Unit which have become rusty, dilapidated, or otherwise fallen into disrepair; and

(c) Sprinkler or irrigation systems or wells of any type which draw upon water from lakes, creeks, streams, rivers, ponds, wetlands, canals, or other ground or surface waters within Brunswick Forest, except that Declarant and the Master Association shall have the right to draw water from such sources.

4. Leasing of Units. "Leasing," for purpose of this Paragraph, is defined as regular, exclusive occupancy of a Unit by any person, other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. All leases shall be in writing.

The Board may require a minimum lease term; which requirements may vary from Neighborhood to Neighborhood. Notice of any lease, together with such additional information as may be required by the board, shall be given to the Board by the Unit Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Declarations, By-Laws, and the Restrictions and Rules.

5. Site Coverage and Stormwater Runoff Rules.

(a) All Lots and/or Units are subject to the State of North Carolina rules and regulations concerning stormwater runoff as these rules and regulations may be amended from time to time. Without limiting the foregoing, Declarant or its designee, including the Architectural Review Committee, reserves the right to impose additional restrictions upon the Property as and to the extent required by the terms of any stormwater permit applicable to Brunswick Forest or any portion thereof issued by the State of North Carolina. Such additional restrictions may be imposed by Declarant by the recording of a Supplemental Declaration, and no joinder or consent of the Master Association or any other owner or person shall be required for such Supplemental Declaration.

(b) The following restrictions in this Paragraph 5(b) shall apply *Dilly* to that property described in Exhibit A of the Declaration.

(1) This restriction in this Paragraph 5(b) are intended to ensure ongoing compliance with State Stormwater management Permit Number SW8 060226, as amended, as issued by the Division of Water Quality under NCAC 2H.1000 and any subsequently issued permits or modifications thereof (the "Permit").

(2) The State of North Carolina is made a beneficiary of the covenants contained in this Paragraph 5(b) to the extent necessary to maintain compliance with the Permit.

(3) These covenants are to run with the land and be binding on all persons and parties claiming under them.

(4) The covenants contained in this Paragraph 5(b) pertaining to stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality, or its successor agency.

(5) Alteration of the drainage as provided in the Permit may not take place without the concurrence of the Division of Water Quality, or its successor agency.

(6) The maximum allowable built-upon area per lot, in square feet, is as listed below:

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|---------------------------------|-------------------|
| (i) Lots 1-8: | 4,300 square feet |
| (ii) Lots 9-24 and Lots 94-123: | 4,600 square feet |
| (iii) Lots 25-63: | 3,485 square feet |
| (iv) Lots 64-93: | 3,890 square feet |
| (v) 52 townhome lots: | 3,575 square feet |

These allotted amounts include any built-upon area constructed within the property boundaries and that portion of the right-of-way between the front lot lines and the edge of the pavement. Built-upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, coquina and parking areas, but does not include raised, open wood decking, or the water surface of swimming pools.

(7) All runoff from the built-upon areas on a lot must drain into the permitted stormwater system. This may be accomplished through a variety of means including roof drain gutters, which drain to the street, grading the lot to drain toward the street, or grading perimeter swales to collect the lot runoff and directing them into the street or into a component of the stormwater system that ultimately drains into the stormwater system. Lots that will naturally drain into the stormwater system are not required to provide these additional measures.

(c) Declarant reserves the right in its sole discretion as state stormwater permits are modified to recalculate and redesignate maximum built upon areas as set forth in Paragraph 5(b) above, provided such recalculations and redesignations are in accordance with state stormwater permits applicable to Brunswick Forest. In addition, if any property as finally constructed does not use its allocated built upon area, Declarant shall have the sole right to reclaim such excess allotment and reallocate it to remaining properties in its sole discretion.