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STATE OF NORTH CAROLINA
COUNTY OF PASQUOTANK

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by: Dollie J. Summerour
Register of Deeds

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
(8 Pages)

THIS DECLARATION made this 19 day of February, 2002,
by Carolina Coast and Lakes, Inc., a North Carolina Corporation,
hereinafter referred to as "Declarant";

W I T N E S S E T H

Whereas, Declarant is the owner and developer of certain property and lots (hereinafter the "property") lying and being situate in Pasquotank County, North Carolina and being all of property within The Waters at Sunset Pointe Subdivision (Lots #1 through #90) which is more particularly identified on that certain Map of Survey by Brant L. Wise, PLS, entitled "Final Subdivision of The Waters at Sunset Pointe, for Carolina Coast and Lakes, Inc." recorded 02/19/2002 in Map Book 30 Pages 1-12 of the Pasquotank County Registry which is incorporated herein for a more complete and accurate description.

Whereas, Developer, prior to selling and conveying the aforesaid subdivision 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 the Declarant/Developer and Lot Owners;

NOW, THEREFORE, the Declarant hereby declares that all of the property depicted 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 inure 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 temporarily or permanently, and no trailer, mobile home, tent, shack, barn or other outbuilding shall be permitted to exist on the property as a residence. However, recreational vehicles may be kept and stored on the lots so long as they are not occupied 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 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 subdivision support activities in conjunction with this residential project such as a lot sales office maintained by the Declarant (but for only so long as the Declarant has lots within the subdivision for sale), subdivision / homeowners' association management offices, maintenance areas, recreation areas, central meeting room areas and other such functions normally associated with such a residential subdivision 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 The Waters at Sunset Pointe Homeowners' Association, Inc. 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 so doing or to recover damages or other dues for such violation. However, 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 or described by

the Survey's "Note" section.

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 which shall be regularly emptied and cleaned.

8. Lot owners shall be responsible for mowing their grass. At all times grass shall not be allowed to grow beyond a maximum length of sixteen (16) inches in height. Should this provision be violated and such violation not abated within ten (10) days of written notice to the lot owner, The Waters at Sunset Pointe Homeowners' Association, Inc. may enter the property to mow the same to bring the lot in conformity with this provision. The cost of mowing and any action taken in regards to this provision and its enforcement (including reasonable attorney fees) shall be an enforceable lien against the lot and shall also be a personal liability to the lot owner so as to ensure the cost thereof is refunded to the Homeowners' Association.

9. Each lot owner shall be a member of The Waters at Sunset Pointe 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) in regards to Association matters voted on by the members.

10. The Waters at Sunset Pointe Homeowners' Association, Inc. will be conveyed the common areas, right-of-ways and easements as shown on the Incorporated Map of Survey (ie. "50ft. R\W", "Pointe Vista Drive", the waterfront "Common Area", the "Lake(s)" and lake "Common Area", and those easements / rights-of-ways described by the "Notes" on the Map of Survey) to hold for the use and enjoyment of each member of the Association.

11. The Waters at Sunset Pointe Homeowners' Association, Inc. shall have the authority to levy assessments for liability insurance, local taxes, maintenance of roads and other common facilities and areas, and such other matters as it deems appropriate. Specifically it shall provide for yard maintenance for all of the common areas and street upkeep. 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 Pasquotank County in the manner provided for by 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).

12. In regards to the last provision, while this paragraph shall not be binding upon The Waters at Sunset Pointe Homeowners' Association, Inc. it is the recommendation of the Declarant to the Association at the time the Declarant relinquishes control of the subdivision, that the Association should in the beginning set an annual assessment of \$200.00 per year for each lot.

13. 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 at any time 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 Pasquotank County, North Carolina and a marginal entry of the same must be signified on the face of this document.

14. 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 shall 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.

15. Loud Noises must be avoided at all times, but especially

between the hours of 10:00 p.m. and 8:00 a.m.

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

17. 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.

18. 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.

19. 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. The Waters at Sunset Pointe 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.

20. Warren Z. Meads and Elsie K. Meads are the current owners of that property which adjoins Pointe Vista Drive on the East and Northeast adjacent to Lots #1 to #22 and Lots #59 to #63 as depicted on the Incorporated Map of Survey. Should Warren Z. Meads and/or Elsie K. Meads, their heirs, successors or assigns -1- abandon all right, title and interest in that portion of that right-of-way or easement for ingress/egress and/or "10 ft. Gravel Road" which lies between Nixonton Road and the Little River crossing the Declarant's property as depicted on the Incorporated Map of Survey, -2- develop this adjoining tract into a multi-lot residential subdivision, -3- subject the subdivision to protective covenants which are in substantial conformity to this Declaration and -4- provide proportional monetary assistance for the maintenance of Pointe Vista Drive and the Waterfront Common Area, THEN upon these events the lot owners in the said new subdivision shall be allowed normal, residential vehicular access to their property via Pointe Vista Drive and shall have non-commercial access to and non-commercial use of the Waterfront Common Area between Lot #22 and #23 in conformity to the rules established for such use herein or in the future by The Waters at Sunset Pointe Homeowners' Association, Inc.

21. John Nelson White and John Howard Johnson are the current owners of those certain tracts which adjoin Pointe Vista Drive to the South of Nixonton Road and to the North of Lot #1 as depicted on the Incorporated Map of Survey. They, their heirs, successors or assigns shall be allowed access to their realty which adjoins Pointe Vista Drive via the Drive, provided that such usage does not cause undue or abnormal damage to Pointe Vista Drive.

22. Joseph P. Kramer, III is the current owner of that property which is bounded by the Little River on the South, adjacent to Lots #44 and #45 as depicted on the Incorporated Map of Survey. Upon his abandonment of all right, title and interest in that portion of the right-of-way or easement for ingress/egress and/or "10 ft. Gravel Road" which lies between Nixonton Road and the Little River as depicted on the Incorporated Map of Survey, he, his heirs, successors or assigns shall be allowed normal, residential vehicular access to this property via Pointe Vista Drive and the "45 ft. Access Easement" depicted on the Incorporated Map of Survey.

23. Should John Nelson White, John Howard Johnson and Joseph P. Kramer, III, their heir successors and assigns conform to the requirements of the above Paragraphs #21 and #22, they, their heirs, successors and assigns, shall have non-commercial access to and non-commercial use of the Waterfront Common Area between Lot #22 and #23 in conformity to the rules established for such use herein or in the future by The Waters at Sunset Pointe Homeowners' Association, Inc.

24. "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 eighty-five percent (85%) 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; or (iv) 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 on 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.

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 be shall as in the Bylaws; 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.

25. 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 Pasquotank County building regulations and requirements.

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

27. 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, heated living space of at least 2,000 square feet, not including cellars, decks, enclosed porches and garages. The dwelling shall have at a minimum at least four (4) ridgepoles in the roof line and a minimum roof pitch ratio of 5/12. Exteriors of such construction shall be of wood and/or masonry excluding concrete block type and may be covered by exterior siding (however, excluding T111 type 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 begun, exterior construction shall be completed within twelve (12) months.

28. 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.

29. 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.

30. 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.

IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed by its President, by proper corporate authority duly given, all as of the day and year first above written.

Carolina Coast and Lakes, Inc.

By: William T. Pearson
William T. Pearson, President

NORTH CAROLINA

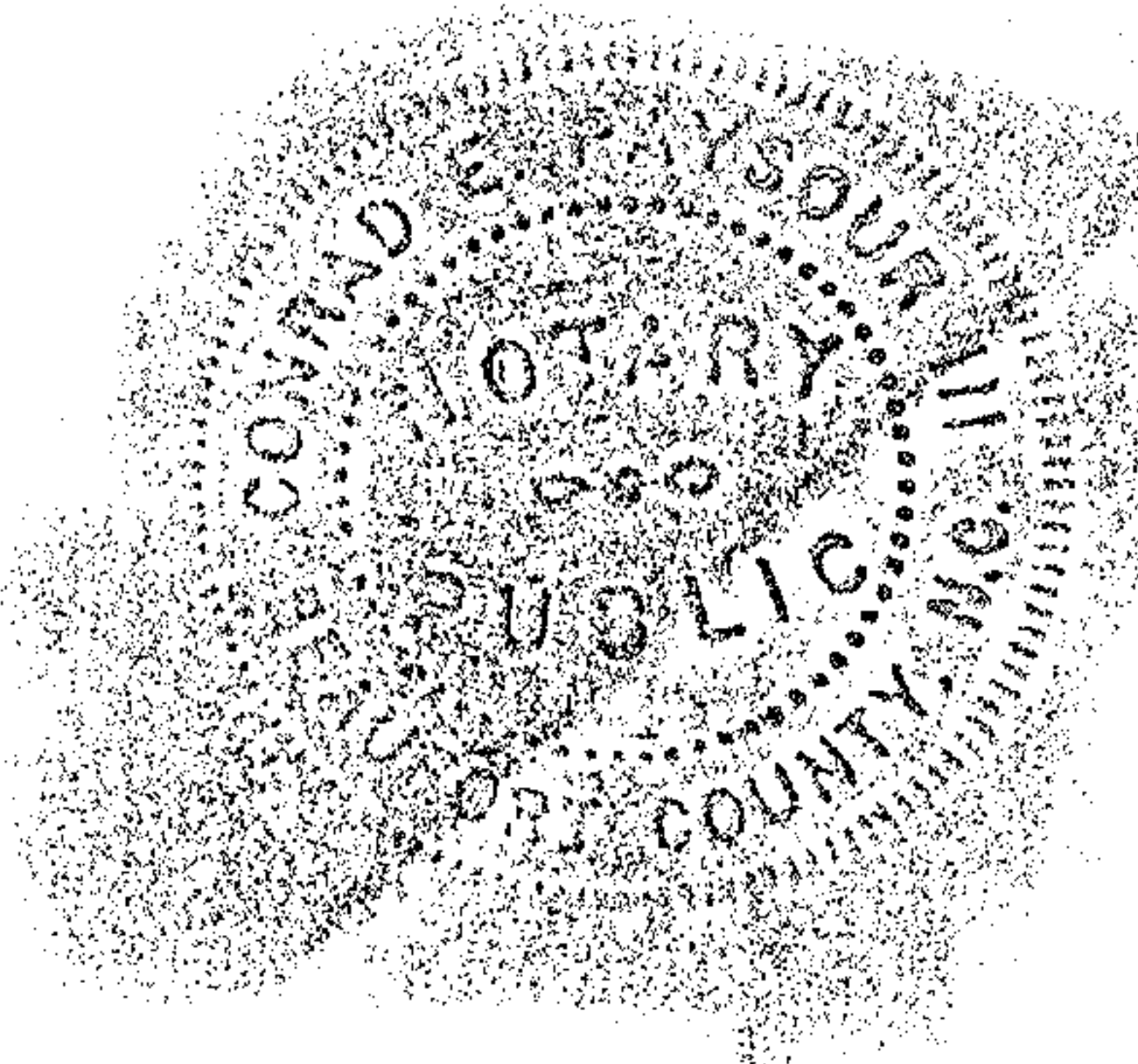
Beaufort COUNTY

I, Conrad E. Paysour, III, a Notary Public in and for the aforesaid County and State, certify that William T. Pearson personally came before me this day and acknowledged that he is President of Carolina Coast and Lakes, Inc., a Corporation, and that he, as President, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and notarial seal, this the 19 day of February, 2002.

Conrad E. Paysour, III
Notary Public

My Commission Expires: 08/24/2002



North Carolina-Pasquotank County

The foregoing certificate of Conrad E. Paysour, III, Notary Public of Beaufort County, North Carolina, is certified to be correct. This 19th day of February, 2002.

Dellie J. Summerlin Register of Deeds
BY: Joseph W. Pritchard Assistant