

Ward + Smith

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

OF

ISLAND VIEW SHORES

This DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS OF ISLAND VIEW SHORES made and entered into as of the 29<sup>th</sup> day of April, 1999, by and between IVS, LLC and ALL PROSPECTIVE PURCHASERS OR OWNERS of Lots 1 through 6, 10 through 18, and 20 through 36, and 45 through 64 as shown on the plat entitled "Island View Shores Subdivision Phase I" recorded in Map Book 29, Page 301, Lots 37 through 44 as shown on the plat entitled "Island View Shores Subdivision Phase II" recorded in Map Book 29, Page 328, and Lot 9 as shown on the plat entitled "Island View Shores Subdivision Phase III" recorded in Map Book 29, Page 529, Carteret County Register of Deeds Office;

W I T N E S S E T H :

WHEREAS, IVS, LLC (hereinafter called Declarant) is the developer of the Lots, Community Use Areas, and Limited Community Use Areas lying and being situate in Carteret County, North Carolina more particularly described as follows:

Lots:

Lots 1 through 6, 10 through 18, 20 through 36, and 45 through 64 as shown on the plat entitled "Island View Shores Subdivision Phase I" recorded in Map Book 29, Page 301, in the Carteret County Register of Deeds Office;

Lots 37 through 44 as shown on the plat entitled "Island View Shores Subdivision Phase II" recorded in Map Book 29, Page 328, in the Carteret County Register of Deeds Office; and,

Lot 9 as shown on the plat entitled "Island View Shores Subdivision Phase III" recorded in Map Book 29, Page 529, in the Carteret County Register of Deeds Office;

Community Use Areas:

That property described in Attachment A which is attached hereto and incorporated herein by reference together with the various easement rights granted herein; and,

Limited Community Use Areas:

Those easements described in Attachment B and Attachment C which are attached hereto and incorporated herein by reference; and,

WHEREAS, Declarant desires to develop a single family residential community and intends by the recordation of this Declaration to impose certain covenants, conditions, restrictions and easements contained herein (hereinafter sometimes called Restrictions) on the property described herein as Lots, Community Use Areas, and Limited Community Use Areas to the end that the Lots, Community Use Areas, and Limited Community Use Areas shall be held subject to said Restrictions.

NOW, THEREFORE, Declarant does hereby declare that the Restrictions contained herein shall run with the Lots, Community Use Areas, and Limited Community Use Areas described herein; shall be a burden on and a benefit to such Lots, Community Use Areas, and Limited Community Use Areas; shall be binding on all parties having or acquiring any right, title, or interest in the Lots or any part thereof; and shall inure to the benefit of each Owner of any part thereof.

Melanie Arthur 33P  
Carteret County Register of Deeds  
MA Date 05/11/1999 Time 13:42:00  
GR 0000856048 Page 1 of 33

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Definitions

As used herein,

(1) "Articles" means the Articles of Incorporation of Island View Shores Property Owners Association, Inc.

(2) "Board of Directors" means the Board of Directors of Island View Shores Property Owners Association, Inc.

(3) "Bylaws" means the Bylaws of Island View Shores Property Owners Association, Inc.

(4) "Committee" means the Island View Shores Architectural Control Committee constituted and having the powers as provided in ARTICLE J hereof.

(5) "Community Use Areas" means all real property (including the improvements thereto), interests in real property and personal property now owned or hereafter acquired by the Corporation for the common use and enjoyment of all of the Owners. The Community Use Areas initially to be conveyed to and owned by the Corporation are the areas described in Attachment A which is attached hereto and incorporated herein by reference and the various easements described and granted herein. The Community Use Areas are subject to those easements and restrictions set forth in this instrument, including but not limited to, ARTICLE I hereof.

(6) "Corporation" means Island View Shores Property Owners Association, Inc., its successors and assigns.

(7) "Declarant" means IVS, LLC, its successors and assigns. In the event another Person acquires title to ten (10) or more Lots on which no Dwelling has been constructed on any of such Lots at the time of such acquisition, IVS, LLC by recorded instrument may designate such party as a Declarant and, in such event, such party shall be a Declarant as specified herein and as to such Lots shall be entitled to the same rights as IVS, LLC subject to any limitations specified by IVS, LLC in such recorded instrument.

(8) "Declaration" means this Declaration of Covenants, Conditions, Restrictions and Easements of Island View Shores and any amendments hereto.

(9) "Dwelling" means a structure located on a Lot built in accordance with the requirements of this Declaration.

(10) "Limited Community Use Areas" means all of the sewer lines, septic tanks, and nitrification fields and related easements described in Attachment B and Attachment C now owned or hereafter acquired by the Corporation for the purpose of providing sewer service only to Lots 20, 31, 32, 35, 36, 37, 38, and 39. The Limited Community Use Areas are subject to those restrictions and provisions set forth in this instrument. The Limited Community Use Areas are designed to provide sewage flow of 360 gallons per day per each of Lots 20, 31, 32, 35, 36, 37, 38, and 39. No other Lot shall have any rights in the Limited Community Use Areas.

(11) "Lot" means a separately numbered tract of land described above or hereinafter annexed into the Subdivision. At the present time, the Lots are numbered Lots 1 through 6, 10 through 18, 20 through 36, and 45 through 64 as shown on the plat entitled "Island View Shores Subdivision Phase I" recorded in Map Book 29, Page 301, Lots 37 through 44 as shown on the plat entitled "Island View Shores Subdivision Phase II" recorded in Map Book 29, Page 328, and Lot 9 as shown on the plat entitled "Island View Shores Subdivision Phase III" recorded in Map Book 29, Page 529, Carteret County Register of Deeds Office. As used herein, Lot shall not include any lots subsequently developed out of the property depicted as "Reserved by Owner" on the aforesaid plat unless they are subsequently annexed into the Subdivision as hereinafter provided. **Notwithstanding any provisions contained herein, references to Lot 1 in this Declaration, the Articles, or the Bylaws, does not include that portion of the original Lot 1 shown on the plat recorded in Map Book 29, Page**

301, that has been conveyed to the North Carolina Department of Transportation by the deed recorded in Book 796, Page 501, and all references in this Declaration, the Articles, and the Bylaws to Lot 1 shall be interpreted to mean only that portion of Lot 1 that remains after excluding that portion of the property conveyed to the North Carolina Department of Transportation by the aforesaid deed.

(12) "Owner" means the record Owner, whether one or more Persons, of a fee or undivided fee interest in a Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

(13) "Person" or "Persons" means any individual, group of individuals, corporation, partnership, limited liability company, or any other entity, including any combination thereof.

(14) "Recreational Areas" or "Recreation Areas" means those portions of the Community Use Areas which are to provide areas for Owners and their guests to engage in recreational activities and which are not necessary for ingress, egress or regress or utilities for any Lot or Owner. No property shall be considered to be a Recreation Area unless and until it is conveyed by Declarant to Corporation.

(15) "Sewer Area" means all of the property described in Attachment B where septic tanks, nitrification lines and similar items to supply the Sewer Lots with sewer service are located.

(16) "Sewer Easement Area" means all of the property described in Attachment B, together with the easements running from the Sewer Lots to the Sewer Area as described in Attachment C, including all sewer lines, pipes, junction boxes, septic tanks, nitrification lines, lift stations, and other items required to provide sewer to the Sewer Lots; provided, however, it does not include the septic tanks and pumps that are required on the individual Sewer Lots.

(17) "Sewer Lots" means Lots 20, 31, 32, 35, 36, 37, 38, and 39 that require use of the Limited Community Use Areas for the provision of sewer service to the lots.

(18) "Subdivision" means all of the property defined herein as Lots, Community Use Areas, and Limited Community Use Areas and such additions or annexations of Lots, Community Use Areas and/or Limited Community Use Areas which may hereafter be brought within the jurisdiction of the Corporation.

(19) "Subdivision Plat" or "Subdivision Plats" means the plats recorded in Map Book 29, Page 301, Map Book 29, Page 328, and Map Book 29, Page 529, in the office of the Register of Deeds of Carteret County.

B.

Membership

(1) A Corporation named Island View Shores Property Owners Association, Inc. has been or will be formed under the direction of Declarant pursuant to the rules and requirements of the Nonprofit Corporation Act (Chapter 55A) of the General Statutes of North Carolina as an association of the Owners of Lots. Its purposes are to own, manage, maintain, and operate the Community Use Areas and facilities located upon the Community Use Areas, specifically including, but not limited to, the subdivision entrance signs, and other improvements and amenities in the Subdivision owned by the Corporation; to own, manage, maintain, and operate the Limited Community Use Areas and facilities located upon the Limited Community Use Areas; to enforce the Restrictions contained herein; and to make and enforce rules and regulations governing the Owners' use and occupancy of the Community Use Areas and Limited Community Use Areas; and to enforce the rules and regulations regarding the Lots as provided herein.

(2) Each Owner of each Lot within the Subdivision shall be a member of the Corporation. The Declarant, by this Declaration, and the Owners of individual Lots by their acceptance of individual deeds thereto, covenant and agree with respect to the Corporation:

(A) That for so long as each is an Owner, each will perform all acts necessary to remain in good and current standing as a member of the Corporation; (B) That each shall be subject to the rules and regulations of the Corporation with regard to ownership of a Lot; and (C) That any unpaid assessment, whether general or special, levied by the Corporation in accordance with these Restrictions, the Articles or the Bylaws shall be a lien upon the Lot upon which such assessment was levied.

(3) Each membership in the Corporation shall relate to and have a unity of interest with an individual Lot which may not be separated from ownership of said Lot. The books and all supporting documentation of the Corporation, the Declaration, the Articles, the Bylaws, and all amendments thereto shall be available for examination by all Owners and their lenders or their lenders' agents during normal business hours at the principal office of the Corporation.

(4) The Corporation shall have one class of members, which shall consist of the owners of the Lots. Each Lot Owner shall be entitled to one vote for each Lot owned; provided, however, when more than one Person holds an interest in any Lot, all such Persons shall be members, however, the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote or any fraction of a vote be cast with respect to any Lot. Provided, however, until January 1, 2009, Declarant shall be entitled to appoint the members of the Board of Directors.

C.

#### Management and Administration

The management and administration of the affairs of the Community Use Areas and Limited Community Use Areas shall be the sole right and responsibility of the Corporation. Subject to Declarant's rights, the Corporation shall be fully responsible for the maintenance, management and operation of the subdivision entrance signs, the pier, the boat ramp, the Limited Community Use Areas, and other improvements and amenities in the Subdivision owned by the Corporation. The management shall be carried out in accordance with the terms and conditions of these Restrictions, the Articles and the Bylaws, but may be delegated or contracted to managers or management servicers. Provided, however, any contract, including a contract with a professional management service, entered into prior to the termination of the control of the Corporation by Declarant must contain a provision allowing the Corporation to terminate, without penalty or extra charge, the contract without cause at any time after the transfer of the control by Declarant upon thirty (30) days advance notice. The Corporation also shall be responsible for insuring that the agreement between Declarant, the Corporation, and the Carteret County Health Department regarding the upkeep of the Limited Community Use Areas is complied with fully.

D.

#### Community Expenses and Limited Community Expenses

(a) The Community Expenses (sometimes called common expenses) of the Subdivision and Corporation include:

(1) All amounts expended by the Corporation in operating, administering, managing, repairing, replacing and improving the Community Use Areas specifically including, but not limited to, the subdivision entrance signs, entrance islands and other improvements and amenities in the Subdivision owned by the Corporation; all amounts expended by the Corporation in insuring the Community Use Areas; all amounts expended by the Corporation in legal, engineering, or architectural fees; all similar fees which may be incurred by the Corporation from time to time in performing the functions delegated to the Corporation by these Restrictions; and all amounts expended in any form by the Corporation in enforcing these Restrictions, the Articles or the Bylaws.

(2) All amounts expended by the Corporation in carrying out any duty or discretion as may be required or allowed by these Restrictions, the Articles or the Bylaws.

(3) All amounts declared to be Community Expenses in the Bylaws or in these Restrictions.

(4) All taxes and special assessments which may be levied from time to time by any governmental authority upon the Community Use Areas.

(5) All amounts expended by the Corporation on the maintenance of the streets in the Subdivision until the streets are accepted for maintenance by the North Carolina Department of Transportation.

(b) The Limited Community Use Expenses (sometimes called limited common expenses) include:

(1) All amounts expended by the Corporation in operating, administering, managing, repairing, replacing and improving the Limited Community Use Areas specifically including, but not limited to, the sewer lines, the septic tank and the nitrification field lines, and any expenses incurred in mowing and maintaining the surface of the Limited Community Use Areas; all taxes on the Limited Community Use Areas; all amounts expended by the Corporation in legal or engineering fees related to the Limited Community Use Areas; and all similar fees which may be incurred by the Corporation from time to time in performing the functions delegated to the Corporation by these Restrictions with respect to the Limited Community Use Areas.

(2) All taxes, including ad valorem taxes and special assessments, which may be levied from time to time by any governmental authority upon the Limited Community Use Areas. This includes taxes levied on the fee interest in the Limited Community Use Areas even though the Limited Community Use Areas may only consist of an easement over such properties.

(c) The Corporation shall not be responsible for the maintenance or repair of the Lots, Dwellings on the Lots or any portion thereof.

E.

#### Annual General Assessments

##### A. Annual General Assessments:

(1) The Declarant for each Lot owned hereby agrees, subject to the limitations provided herein, and each Owner of any Lot by acceptance of a deed for same (whether or not it shall be so expressed in such deed) is deemed to agree to pay to the Corporation annual general assessments as hereinafter provided. The annual general assessments, together with interest, costs and reasonable attorneys' fees, subject to the provisions of Section L of this Article, shall be a continuing lien upon the Lot against which each such assessment is made. Furthermore, each such annual general assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the Person who was the Owner of the Lot at the time when the assessment fell due. The personal obligation for delinquent annual general assessments shall not pass to a successor in title to a Lot unless expressly assumed by them but, subject to the provisions of this Declaration, delinquent annual general assessments shall continue to be a lien upon such Lot. Provided however, no annual general assessment shall be due until June 1, 1999 (which date shall be referred to herein as the "Assessment Starting Date").

(2) Until the Assessment Starting Date, Declarant shall be responsible for paying all costs associated with the daily operation and maintenance of the Community Use Areas; provided, however, Declarant shall not be required to establish or place any funds in a capital reserve account to fund the periodic maintenance, repair or replacement of any capital improvements in the Community Use Areas. Subject to the limitations set forth herein, the Board of Directors shall establish and set the annual general assessment per lot for each fiscal year; however, the annual general assessment initially shall be \$120.00 per Lot.

(3) Once the annual general assessment has been set, notice of the annual general assessment shall be given to all Owners by hand delivery or by placing written notice in the United States Postal Service with postage prepaid to the last address shown on the Corporation's records. After the initial notice of the assessment, no bills for such assessment will be forwarded to any Owner or member but such assessment thereafter shall become due and payable as provided by the Board of Directors.

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B. Annual Limited Community Use Areas Assessments:

(1) The Declarant for Lots 20, 31, 32, 35, 36, 37, 38, and 39 owned hereby agrees and each Owner of Lots 20, 31, 32, 35, 36, 37, 38, and 39 by acceptance of a deed for same (whether or not it shall be so expressed in such deed) is deemed to agree to pay to the Corporation annual Limited Community Use Areas assessments as hereinafter provided. The annual Limited Community Use Areas assessments, together with interest, costs and reasonable attorneys' fees, subject to the provisions of Section L of this Article, shall be a continuing lien upon the Lot against which each such assessment is made. Furthermore, each such annual Limited Community Use Areas assessments, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the Person who was the Owner of the Lot at the time when the assessment fell due. The personal obligation for delinquent annual Limited Community Use Areas assessments shall not pass to a successor in title to a Lot unless expressly assumed by them but, subject to the provisions of this Declaration, delinquent annual Limited Community Use Areas assessments shall continue to be a lien upon such Lot. Provided however, no annual Limited Community Use Areas assessments shall be due until June 1, 1999 (which date shall be referred to herein as the "Limited Community Use Areas Assessment Starting Date").

(2) Until the Limited Community Use Areas Assessment Starting Date, Declarant shall be responsible for paying all costs associated with the daily operation and maintenance of the Limited Community Use Areas; provided, however, Declarant shall not be required to establish or place any funds in a capital reserve account to fund the periodic maintenance, repair or replacement of any capital improvements in the Limited Community Use Areas. Subject to the limitations set forth herein, the Board of Directors shall establish and set the annual Limited Community Use Areas assessment per lot for each fiscal year; however, the annual Limited Community Use Areas assessment initially shall be \$156.00 per Lot.

C. Annual General Budget:

(1) As provided in the Bylaws and subject to the restrictions and limitations provided herein, the Board of Directors shall establish an Annual Budget in advance for each fiscal year beginning with the Assessment Starting Date fiscal year. Such budget shall project all expenses for the forthcoming fiscal year which may be required for the proper operation, management and maintenance of the Corporation and the Community Use Areas, including a reasonable allowance for contingencies and reserves. The budget shall take into account any projected or anticipated income. The Board of Directors shall keep separate items relating to the daily operation, management and maintenance of the Corporation and Community Use Areas from items relating to capital improvements. Within 30 days after adoption of any proposed annual budget, the board shall provide to all the lot owners a summary of the budget and a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The board shall set a date for a meeting of the lot owners to consider ratification of the budget, such meeting to be held not less than 10 nor more than 60 days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at that meeting a majority of all the lot owners in the association rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the lot owners shall be continued until such time as the lot owners ratify a subsequent budget proposed by the board. Once established, the Annual Budget shall be divided by the number of Lots subject to the annual general assessments at the time of the annual meeting of the members and the quotient shall be the annual general assessment per lot for the succeeding fiscal year. In determining the number of Lots subject to the annual general assessments, any Lot that is owned by Declarant shall not be subject to assessment, and therefore shall not be counted.

(2) The Board of Directors, in establishing the Annual Budget, may designate therein a sum to be collected and maintained as a reserve fund (the Capital Improvement Fund) for the periodic maintenance, repair and replacement of capital improvements to the Community Use Areas. The amount to be allocated to the Capital Improvement Fund may be established by the Board of Directors so as to collect and maintain a sum reasonably necessary to anticipate the need for repair, maintenance and replacement of capital improvements to the Community Use Areas. The Capital Improvement Fund shall be maintained in a separate account by the Corporation and such monies shall be used only for periodic maintenance, repair and replacement of capital improvements to the Community Use Areas. The Capital Improvement Fund shall be maintained out of the annual general

assessments assessed against the members. Any interest earned on monies in the Capital Improvement Fund shall not be expended for daily operation, management and maintenance of the Corporation and Community Use Areas.

D. Annual Limited Community Use Areas Budget:

(1) As provided in the Bylaws and subject to the restrictions and limitations provided herein, the Board of Directors shall establish an Annual Limited Community Use Areas Budget in advance for each fiscal year beginning with the Limited Community Use Areas Assessment Starting Date fiscal year. Such budget shall project all expenses for the forthcoming fiscal year which may be required for the proper operation, management and maintenance of the Limited Community Use Areas, including a reasonable allowance for contingencies and reserves. The budget shall take into account any projected or anticipated income. The Board of Directors shall keep separate items relating to the daily operation, management and maintenance of the Limited Community Use Areas from items relating to capital improvements. Within 30 days after adoption of any proposed annual Limited Community Use Areas budget, the board shall provide the Sewer Lot Owners a summary of the budget and a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The board shall set a date for a meeting of the Sewer Lot Owners to consider ratification of the budget, such meeting to be held not less than 10 nor more than 60 days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at that meeting a majority of all of the Sewer Lot Owners rejects the budget. In the event the proposed Limited Community Use Areas budget is rejected, the periodic Limited Community Use Areas budget last ratified by the Sewer Lot Owners shall be continued until such time as the Sewer Lot Owners ratify a subsequent Limited Community Use Areas budget proposed by the board. Upon adoption of such Limited Community Use Areas Budget by the Board of Directors, copies of said budget shall be delivered to each Owner and the Limited Community Use Areas annual assessment for said year shall be established, subject to the restrictions and limitations provided herein, based upon such budget; however, the non-delivery of a copy of said budget to each Owner shall not affect the liability of any Owner for such assessment. The Annual Limited Community Use Areas Budget shall be divided by the number of Sewer Lots subject to the Limited Community Use Areas annual assessments at the time of the annual meeting of the members and the quotient shall be the Limited Community Use Areas annual assessment per lot for the succeeding fiscal year. In determining the number of Lots subject to the annual Limited Community Use Areas assessments, any Lot that is owned by a Declarant shall not be subject to assessment, and therefore shall not be counted.

(2) The Board of Directors, in establishing the Annual Limited Community Use Areas Budget, may designate therein a sum to be collected and maintained as a reserve fund (the Limited Community Use Areas Capital Improvement Fund) for the periodic maintenance, repair and replacement of capital improvements to the Limited Community Use Areas. The amount to be allocated to the Limited Community Use Areas Capital Improvement Fund may be established by the Board of Directors so as to collect and maintain a sum reasonably necessary to anticipate the need for repair, maintenance and replacement of capital improvements to the Limited Community Use Areas. The Limited Community Use Areas Capital Improvement Fund shall be maintained in a separate account by the Corporation and such monies shall be used only for periodic maintenance, repair and replacement of capital improvements to the Limited Community Use Areas. The Limited Community Use Areas Capital Improvement Fund shall be maintained out of the annual Limited Community Use Areas assessments assessed against the members entitled to use the Limited Community Use Areas. Any interest earned on monies in the Limited Community Use Areas Capital Improvement Fund shall not be expended for daily operation, management and maintenance of the Limited Community Use Areas.

E. All monies collected by the Corporation shall be treated as the separate property of the Corporation and such monies may be applied by the Corporation to the payment of any expense of operating and managing the Corporation or the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles and the Bylaws, except that monies collected from the Limited Community Use Areas Assessments shall be used only for the specified purposes of such funds and the monies in the Capital Improvement Funds shall be used only for the specified purposes of those funds. As monies are paid into the Corporation by any Owner, the same may be commingled with monies paid to the Corporation by the other Owners for the same purposes. Although all funds shall be held for the benefit of the members, no member of the Corporation shall have the right to assign, hypothecate, pledge

or in any manner transfer his membership interest therein, except as an appurtenance to his Lot. When the Owner of a Lot shall cease to be a member of the Corporation by reason of his divestment of ownership of such Lot, by whatever means, the Corporation shall not be required to account to such Owner for any share of the funds or assets of the Corporation, including any monies which such Owner may have paid to the Corporation, as all monies which any Owner has paid to the Corporation shall be and constitute an asset of the Corporation which may be used in the operation and management of the Corporation.

F. Annual general assessments shall, except as otherwise provided herein, be fixed at a uniform rate for all Lots. However, Lots owned by Declarant shall be exempt from annual general assessments. This exemption from annual general assessments due on Lots owned by Declarant shall terminate as to a particular Lot upon the Lot being conveyed by Declarant by deed, lease or rental agreement (excluding mortgage or deed in trust) except when the Lot is conveyed to another party that qualifies as a Declarant as provided herein.

G. Annual Limited Community Use Areas assessments shall, except as otherwise provided herein, be fixed at a uniform rate for all Lots. However, Lots owned by Declarant shall be exempt from annual Limited Community Use Areas assessments. This exemption from the annual Limited Community Use Areas assessments due on Lots owned by Declarant shall terminate as to a particular Lot upon the Lot being conveyed by Declarant by deed, lease or rental agreement (excluding mortgage or deed in trust) except when the Lot is conveyed to another party that qualifies as a Declarant as provided herein.

H. The annual general assessments and the annual Limited Community Use Areas assessments shall be payable annually, with the due date for such payments being as established by the Board of Directors. The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Corporation within thirty (30) days of the due date for such payment. When in default, the delinquent assessment shall bear interest at the rate of ten percent (10%) per annum or the maximum rate permissible by law if such rate is less than ten percent (10%) per annum until such delinquent assessment and all interest due thereon has been paid in full.

I. The annual general assessments levied by the Corporation shall be used exclusively to pay Community Expenses as provided in ARTICLE D and to promote the recreation, health, safety and welfare of the Owners and the improvement and maintenance of the Community Use Areas as provided herein. Taxes, hazard insurance and maintenance on Dwellings and Lots shall not be a purpose of said assessments but rather shall be an individual cost to be borne by each Owner.

J. The annual Limited Community Use Areas assessments levied by the Corporation shall be used exclusively to pay Limited Community Use Expenses as provided in ARTICLE D.

K. The Corporation, upon demand, and for a reasonable charge, shall furnish a certificate signed by an officer of the Corporation setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Corporation as to the status of assessments on a Lot is binding upon the Corporation as of the date of its issuance.

L. The lien of the annual general assessments and, if applicable, the Limited Community Use Areas assessments, provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust. Sale or transfer of any Lot shall not affect the annual general assessment lien or the Limited Community Use Areas assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a first mortgage, first deed of trust or any proceeding in lieu thereof, shall extinguish the lien (but not the personal obligation of the Person who was the Owner of the Lot at the time when the assessment fell due) of such annual general assessments and, if applicable, Limited Community Use Areas assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any annual general assessments or Limited Community Use Areas assessments thereafter becoming due or from the lien thereof.

M. Once a Lot is leased, rented, sold, or otherwise conveyed by the Declarant, the Lot shall begin paying the regular annual general assessment and, if applicable, the Limited Community Use Areas assessments the on the first day of the first month after the Lot is

leased, rented, sold, or otherwise conveyed by the Declarant. Such assessment shall be in an amount equal to the assessment then being levied upon other Lots liable for the assessment, prorated on a yearly basis. Such action shall not reduce the annual general assessment or Limited Community Use Areas assessment levied upon other Lots in the Subdivision. A conveyance by the Declarant to a successor developer as specified in ARTICLE A is not a conveyance within the meaning of this Paragraph, and neither is a conveyance by mortgage or deed of trust.

F.

#### Special Assessments

A. Special assessments may be levied against Lots for such reasons as are provided in these Restrictions, the Articles or the Bylaws, and on such terms as provided by the Board of Directors and the members. Upon a two-thirds (2/3) vote of the Directors on the Board of Directors, the Corporation may levy and impose special assessments on all Lots subject to special assessments. The purposes for which special assessments may be levied on all Lots include, but are not limited to, providing funds to pay Community Expenses which exceed the general assessment fund then on hand to pay same (specifically including the cost of any construction, reconstruction or repair or replacement of a capital improvement upon the Community Use Areas, including fixtures and personal property related thereto) and providing a contingency fund for capital improvements and extraordinary expenses. Furthermore, special assessments may be assessed against a specific Lot to pay for the cost of curing a violation of the Restrictions; provided, however, unless the violation is or creates a health hazard or other danger or risk, prior to the Corporation performing such task or remedy, the Corporation shall comply with the notice and hearing provisions specified in ARTICLE H and such special assessments may not be levied without a minimum of a two-thirds (2/3) vote of the Directors on the Board of Directors. Declarant specifically grants Corporation an easement over, upon and through any and all Lots and to the exterior of any Dwelling for the purpose of remedying any violation of the Restrictions. Special assessments, together with interest, costs and reasonable attorneys' fees, subject to the provisions of Section E of this Article, shall be a continuing lien upon the Lot against which each such special assessment is made. Furthermore, each such special assessment, together with interest, court costs, and reasonable attorneys' fees, shall be the personal obligation of the Person who was the Owner of the Lot at the time when the assessment fell due. The personal obligation for delinquent special assessments shall not pass to a successor in title to a Lot unless expressly assumed by them but, subject to the provisions of this Declaration, delinquent special assessments shall continue to be a lien upon such Lot.

B. Upon a two-thirds (2/3) vote of the Directors on the Board of Directors, the Corporation also may levy and impose special assessments against the Sewer Lots in the event the Corporation needs additional funds to perform any maintenance, repair, renovation, or replacement on the Limited Community Use Areas.

C. Special assessments shall, except where special assessments are assessed against a specific Lot for a violation of the Restrictions, be fixed at a uniform rate. However, the Lots owned by Declarant shall not be liable for any special assessments levied by the Corporation. This exemption in special assessments due on Lots owned by Declarant shall terminate as to a particular Lot upon the Lot being conveyed by Declarant by deed, lease or rental agreement (excluding mortgage or deed in trust) except when the Lot is conveyed to another party that qualifies as a Declarant as provided herein.

D. The Corporation, upon demand, and for a reasonable charge, shall furnish a certificate signed by an officer of the Corporation setting forth whether the special assessments on a specified Lot have been paid. A properly executed certificate of the Corporation as to the status of special assessments on a Lot is binding upon the Corporation as of the date of its issuance.

E. The lien of the special assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust. Sale or transfer of any Lot shall not affect the special assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a first mortgage, first deed of trust, or any proceeding in lieu thereof, shall extinguish the lien (but not the personal obligation of the Person who was the Owner of the Lot at the time the assessment fell due) of such special assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall

relieve such Lot from liability for any special assessments thereafter becoming due or from the lien thereof.

F. When in default, the delinquent special assessments shall bear interest at the rate of ten percent (10%) per annum or the maximum rate permissible by law if such rate is less than ten percent (10%) per annum until such delinquent special assessment and all interest due thereon has been paid in full.

G.

Lien for Assessments

If an assessment is not paid within thirty (30) days after the date such assessment is due, then such assessment, together with interest at the rate specified herein, costs of collection, court costs, and reasonable attorneys' fees, shall constitute a lien against the Lot upon which such assessment is levied upon the filing of a claim of lien by the Corporation in the Office of the Clerk of Superior Court of Carteret County. The Corporation may bring an action at law against the Owner personally obligated to pay the same and/or bring an action to foreclose the lien against the Lot pursuant to NCGS 47E-3-116. No Owner may waive or otherwise escape liability for the assessments provided for herein.

H.

Compliance With This Declaration.

The Articles and The Bylaws of the Corporation

In the case of failure of an Owner to comply with the terms and provisions contained in these Restrictions, the Articles or the Bylaws, the following relief shall be available:

(1) The Corporation or an aggrieved Owner on his behalf shall have the right to bring an action and recover sums due, damages, injunctive relief, and/or such other and further relief as may be just and appropriate.

(2) If the violation is the failure to prevent the accumulation of rubbish on a Lot, the Corporation, upon compliance with the notice and hearing provisions specified herein, shall have the right to remedy the violation and assess the costs of remedying same against the offending Owner and Lot as a special assessment. Provided, however, the Corporation shall not alter or demolish any items of construction without prior court approval; provided further, however, signs, mailboxes and other items of similar size, which are in violation of these Restrictions may be taken down without prior court approval.

(3) If the violation is the nonpayment of any assessment, upon compliance with the notice and hearing provisions specified herein and in accordance with the Bylaws, the Corporation shall have the right to suspend the offending Owner's voting rights until the delinquent assessments are paid. If the violation is the violation of the declaration, bylaws, or rules and regulations of the Corporation, the Corporation may impose fines pursuant to NCGS 47E-3-107A.

(4) The remedies provided by this Article are cumulative and are in addition to any other remedies provided by law.

(5) The failure of the Corporation or any Person to enforce any restriction contained in these Restrictions, the Articles or the Bylaws shall not be deemed a waiver of the right to enforce such restrictions thereafter as to the same violation or subsequent violations of similar character.

(6) (a) Notice. In the event the Declaration, a rule or restriction contained in the Declaration or Bylaws, or a rule or regulation adopted pursuant thereto is violated (including nonpayment of assessments), the Board of Directors shall serve the violator and Owner with written notice personally delivered or sent by certified mail return receipt requested to the violator and the Owner (at the Lot address or at any other address or addresses that the Owner may have designated to the Corporation in writing), which shall contain: (i) the nature of the alleged violation; (ii) the proposed sanction to be imposed;

(iii) a statement that the violator and Owner may challenge the fact of the occurrence of a violation, the proposed sanction, or both; (iv) the name and address of a person to notify in writing to challenge the proposed action; and (v) a statement that the proposed sanction shall be imposed as contained in the notice unless a written challenge is received by the Board of Directors as specified in the notice within the time period specified therein, which period shall be ten (10) days from the date of the notice unless the violation presents an ongoing health hazard, nuisance or other danger or risk, in which case the time period shall be as reasonable as possible under the circumstances. If a challenge is not made, the sanction shall not be imposed until expiration of the challenge period. Fines may be imposed pursuant to NCGS 47E-3-107A.

(b) Hearing. If the alleged violator or Owner challenges the proposed action within the time period allowed, a hearing before the Board of Directors shall be held in executive session affording the alleged violator and Owner a reasonable opportunity to be heard. The hearing shall be set and notice of the time, date (which shall not be less than ten (10) days from the giving of notice unless the violation presents an ongoing health hazard, nuisance or other danger or risk, in which case the notice shall be as reasonable as possible under the circumstances), and place of the hearing and an invitation to attend the hearing and produce any statements, evidence, and witnesses shall be sent to the alleged violator and Owner. Prior to the effectiveness of any sanction hereunder, proof of notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with the return receipt from the Postal Service or an affidavit of personal delivery, is submitted to the Board of Directors at the beginning of the hearing. The notice requirement shall be deemed satisfied if the violator or Owner appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. Any sanction which will impose a fine or special assessment against a Lot and an Owner shall require a two-thirds (2/3) vote of the Directors on the Board of Directors.

(c) Additional Enforcement Rights. Notwithstanding any other provisions in the Declaration or the Bylaws to the contrary, the Corporation, acting through its Board of Directors, may elect to enforce any provision of the Declaration, the Bylaws, or the rules and regulations by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations and the removing of signs, mailboxes and other items of similar size which are in violation of these Restrictions) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity for compliance with the procedure set forth above. In any lawsuit, to the maximum extent permissible, the Owner or occupant responsible for the violation for which abatement is sought shall pay all costs incurred by the Corporation, including reasonable attorneys' fees actually incurred, if the court holds for the Corporation.

(7) Notwithstanding any provisions contained herein, violations of these Restrictions which create a health hazard or dangerous situation in the subdivision may be remedied by the Corporation without prior notice and hearing.

I.

Property Rights of Lot Owners.

Cross-Easements, and Exceptions

and Reservations by Declarant

(1) Every Owner of a Lot as an appurtenance to such Lot shall have a non-exclusive perpetual easement over and upon the Community Use Areas for each and every purpose or use to which such Community Use Areas were intended as determined by their type or for which such Community Use Areas generally are used, subject to the limitations and provisions contained herein. Such easements and rights shall be appurtenant to and shall pass with the title to every Lot, whether or not specifically included in a deed thereto, subject to the restrictions and limitations contained herein, including but not limited to, the following provisions:

(A) The Corporation shall have the right to make reasonable rules and regulations respecting the use of the Community Use Areas in addition to those provided herein, including, limiting access and use of the sound access area.

(B) The Corporation shall have the right, upon compliance with the notice and hearing provisions specified herein, to suspend the voting rights of an Owner during any period which any due assessment against such Owner's Lot remains unpaid as is provided in ARTICLE H hereof, and for a period not to exceed sixty (60) days for any infraction of its rules and regulations.

(C) The Corporation shall have the right to restrict parking in the Community Use Areas and to make reasonable rules respecting parking in the streets of the Subdivision.

(D) The Corporation shall have the right to sell, dedicate or transfer fee simple title to all or any part of the Community Use Areas to any party, public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members; provided, however, no such sale, dedication or transfer shall be effective unless an instrument agreeing to such sale, dedication or transfer signed by eighty percent (80%) of the members has been recorded in the Carteret County Register of Deeds Office.

(E) The Corporation shall have the right to mortgage, pledge, deed in trust, hypothecate, sell, or convey all or any part of the Community Use Areas; provided, however, no such action may occur until an instrument agreeing to such action signed by eighty percent (80%) of the members has been recorded in the Carteret County Register of Deeds Office.

(F) The Community Use Areas specifically are subject to the restrictions and limitations contained in this Declaration, including but not limited to, the following provisions:

(a) Parking of motor vehicles and/or boat trailers is not permitted in the Community Use Areas. Motor vehicles and boat trailers may be used on the Community Use Areas for the limited time (not to exceed 30 minutes at a time) required to launch or retrieve a boat from the boat ramp. As used in this Declaration, "boat" shall mean and refer to any type of water vessel, including but not limited to boats, kayaks, canoes, windsurf boards, jet skies, sailboats, and catamarans. After boat launching and/or retrieval is completed, the vehicles and trailers must be removed from the Community Use Areas. Parking motor vehicles and/or boat trailers on Island View Drive is prohibited. Parking of electric golf carts is permitted on the Community Use Areas only in areas designated for such by the Corporation from time to time; provided, however, no golf cart may be parked on the Community Use Areas for more than one (1) hour. No gasoline or other combustible engine golf carts are permitted on the Community Use Areas. All golf carts used within the Subdivision must be electric and are subject to all of the laws of the State of North Carolina with respect to the use of such on public roads. No golf cart may be operated within the Subdivision by anyone under the age of 14. Using the Community Use Areas to launch and/or retrieve any boat bearing a current commercial license sticker or certificate is prohibited. Boats may not be docked or tied up to the community pier for more than two (2) consecutive hours. No spotlights or glaring lights may be used on the Community Use Areas to illuminate any of the houses in the Subdivision or to otherwise create a nuisance or annoyance to the Lot Owners. No radios, televisions, cassette players, CD players, loudspeakers, bullhorns, horns, or noise making instruments of any kind may be played at a volume that may be heard more than fifteen (15) feet away from its source on the Community Use Areas.

The Community Use Areas is open for use by Lot Owners and their guests from 6:00 a.m. to 10:00 p.m. daily (Carteret County time). The Community Use Areas is closed and may not be used from 10:00 p.m. to 6:00 a.m.

No profanity, yelling, or speaking in a voice above a normal volume is permitted on the Community Use Areas. Lot Owners are prohibited from depositing or discharging any waste on the Community Use Areas including but not limited to litter, trash, petroleum products of any nature, cigarette butts, cigar butts, smokeless tobacco, food items or anything on the Community Use Areas. Every Lot Owner is responsible for policing the Community Use Areas after their use, and is responsible for making certain that "nothing" is left on the Community Use Areas that they brought onto the Community Use Areas.

Lot Owners are responsible for repairing any damage that they or their guests or invitees may do to the Community Use Areas, including any damage to the roadway, boat ramp, or pier.

(b) In addition to the provisions contained herein, Declarant shall have the right to make other reasonable rules and regulations respecting the use of the Community Use Areas until Declarant releases such right. The right to make rules and regulations specifically includes the right to make regulations dealing with the right to use the pier and boat ramp and the ability to impose restrictions on the use of the pier and boat ramp to give all Lot Owners an opportunity to use them.

(c) The restrictions imposed on the use of the pier and boat ramp through the CAMA permit and regulations.

(2) Easements for the installation and maintenance of utilities and drainage facilities as shown on the recorded plats are hereby reserved and retained by Declarant, together with the right to grant similar easement rights to other Persons. Declarant also reserves a non-exclusive perpetual easement 10 feet in width along all Lot lines for drainage and utility purposes, specifically including the right to install sewer lines which run through the Lot and which benefit other Lots in the Subdivision and/or the property depicted as "Reserved by Owner" on the Subdivision Plats. No structure, fence, planting, or other material which may interfere with the installation and maintenance of utilities, which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements may be placed in the easement areas without prior approval by the Committee. Structures, fences, plantings and other materials which have been approved by the Committee may be placed in the easement areas. The Committee may deny placement of structures, fences, plantings or other materials in the easement areas if they would adversely affect the drainage or utilities of the Subdivision. The Corporation hereinafter may grant easements for utility purposes for the benefit of the Subdivision and the Lots now or hereafter located therein, over, under, along and through any of the Community Use Areas.

(3) This Declaration subjects the Lots in the Subdivision to a contract with Carteret-Craven Electric Membership Corporation for the installation of underground electrical utilities which may require an initial contribution and/or the installation of street lighting which will subject Lot Owners to a continuing monthly payment to Carteret-Craven Electric Membership Corporation.

(4) Each Owner, as an appurtenance to the Lot, shall have and is hereby conveyed a perpetual, non-exclusive right of way and easement for the purposes of ingress, egress and regress to and from said Lot over, through and across the public streets shown on the Subdivision Plats. No other streets may be tied into the streets shown on the Subdivision Plats without the consent of the Declarant.

(5) Declarant hereby retains and reserves for itself, together with the right to grant similar easements to other Persons, perpetual non-exclusive general access and utility easements over, upon and under the streets, roads, utility lines, and drainage and utility easements presently existing in the Subdivision and/or shown on the Subdivision Plats.

(6) An easement is hereby reserved to the Corporation, Declarant, his employees and designees to make any reasonable entry onto a Lot upon not less than 24 hours notice to the Owner thereof for the purpose of performing any maintenance, repair, alteration or inspection allowed or required in this Declaration. An easement is granted to the Corporation, Declarant, his employees and designees, to make any reasonable entry onto any Lot without notice to the Owner thereof in the event of any emergency.

(7) Each Lot Owner is responsible for payment of the ad valorem taxes levied upon the Lot and any personal property located thereon.

(8) Lots which abut Bogue Sound shall run to the mean highwater mark of Bogue Sound.

(9) Declarant retains and reserves a nonexclusive perpetual easement over, under and upon the streets depicted as Island View Drive, Stern Road, Port Lane and Wave

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Court on the Subdivision Plats for the purpose of installing, maintaining, and repairing power lines, light poles, light fixtures and other apparatus necessary for a street light system for Island View Shores.

(10) Declarant retains and reserves a nonexclusive perpetual easement over, under and upon those areas depicted as "Landscaping Easement" on the Subdivision Plats to maintain, repair and replace the sign, plantings and other improvements presently constructed thereon as Declarant deems appropriate. The "Landscaping Easement" affects Lot 1 in Island View Shores.

(11) All wetlands areas which exist on the Lots are subject to a perpetual nonexclusive easement which runs to the benefit of all other Lots and areas in the Subdivision for the drainage of surface water from the Lots through the wetlands areas located on the Lots; provided, however, such easement shall not allow the drainage of surface water which would result in additional areas of the Lot becoming "wet" or which substantially interferes with the enjoyment of the Lot by the Owner or occupant. Substantial interference includes, but is not limited to, causing erosion on the Lot which threatens support pilings of structures or the base or surface of driveways or roads in the Subdivision.

(12) Declarant retains and reserves for itself, together with the right to grant a similar easement to any other Person, a perpetual nonexclusive easement for the purpose of installing, maintaining and repairing utility lines to service property in the Subdivision area over, under and upon the areas depicted as "20' Utility Easement" on the Subdivision Plats.

(13) Declarant reserves the right to direct and control the maintenance of the Subdivision entrance, including the plantings surrounding the entrance and the entrance signs, until Declarant releases such control.

(14) Declarant grants to West Carteret Water Corporation a nonexclusive perpetual easement over, under and upon the streets shown and depicted on the Subdivision Plats for the purpose of installing, maintaining and repairing underground water lines to provide water service to the Lots and property in the Subdivision area.

(15) Declarant grants to Carteret-Craven Electric Membership Corporation a nonexclusive perpetual easement over, under and upon the streets shown and depicted on the Subdivision Plats and that portion of the Lots lying within ten (10) feet of the street right of ways on said plats for the purpose of installing, maintaining and repairing underground electric lines to provide electricity to the Lots and property in the Subdivision area.

(16) Declarant grants to Carolina Telephone and Telegraph Company a nonexclusive perpetual easement over, under and upon the streets shown and depicted on the Subdivision Plats for the purpose of installing, maintaining and repairing underground telephone lines to provide telephone service to the Lots and property in the Subdivision area.

(17) Declarant grants to Time Warner Cable Company a nonexclusive perpetual easement over, under and upon the streets shown and depicted on the Subdivision Plats and that portion of the Lots lying within ten (10) feet of the street right of ways on said plats for the purpose of installing, maintaining and repairing underground cable television lines to provide cable television to the Lots and property in the Subdivision area.

(18) Lots 1, 5, 20, 25, 26, 32, and 62 are subject to the sight triangle easement shown on the recorded plats.

(19) Declarant retains and reserves for itself, together with the right to grant a similar easement to any other Person, including, but not limited to, Lots 1 and 2, and the Owners of such Lots, a perpetual nonexclusive easement for the purpose of installing, maintaining and repairing utility lines (including sewer lines) to service Lots 1 and 2 over, under and upon the areas depicted as "10' Sewage Disposal Easement" on the Subdivision Plats.

(20) Declarant retains and reserves for itself, together with the right to grant a similar easement to any other Person, including, but not limited to Lots 15, 16, 17, 20, 31, 32, 35, 36, 37, 38, 39, 45, 58, and 59, and the Owners of such Lots a perpetual nonexclusive easement for the purpose of installing, maintaining and repairing utility lines

(including sewer lines) to service Lots 15, 16, 17, 20, 31, 32, 35, 36, 37, 38, 39, 45, 58, and 59 over, under and upon the streets in the Subdivision and the areas depicted as "10' Sewage Disposal Easement" on the Subdivision Plats.

(21) Declarant retains and reserves for itself and grants to the Owners of the Sewer Lots as an appurtenance to Sewer Lots the following easements:

A. SEWER LINE EASEMENT: Subject only to the limitations hereinafter provided, a perpetual, non-exclusive easement for the installation, maintenance, repair, and replacement of a sewer line running from each of the Sewer Lots to the septic area as such sewer line easement is described in Attachment C, said sewer line to be used for the express purpose of transporting normal household sewage waste from the Sewer Lots through the Island View Shores Subdivision to the septic area described in Attachment B attached hereto and incorporated herein by reference. Included with this easement is the right to go upon the easement area and to take whatever action is necessary to ensure the continued proper operation of the sewer line installed or to be installed within such easement area. Provided, however, it is the responsibility and duty of the Owners and the Corporation to repair, restore, and replace as is appropriate any damage done to the easement area due to the exercise of this easement, specifically including the obligation to repair and/or replace any asphalt, concrete, or other paving surface that may be disturbed, such repair and/or replacement must be made within thirty (30) days after any such repair work has been done; provided, however, notwithstanding any provisions contained herein, the Corporation and the Owners shall not be required to install sod, trees, or other landscaping materials that may be located within such easement areas; however, the Corporation and the Owners shall be responsible for reseeded any grassed area that is disturbed with the same type of grass that was disturbed by the repair work and in making certain that the repair area is left in a smooth condition that will not obstruct or restrict the normal mowing of the area once the grass has regrown. It is the responsibility of the owner of the property through which the easement passes to perform normal mowing and landscaping maintenance of the surface of the easement area, provided such may be performed without interfering with the use of the easement.

B. EASEMENT FOR SEPTIC TANK AND DRAINFIELD: Subject only to the limitations hereinafter provided, a perpetual, non-exclusive easement for the installation, maintenance, repair, and replacement of a ground dispersal sewage treatment system for normal residential use (e.g., a septic tank and appropriate nitrification lines or other equivalent system for treating waste by ground infiltration) for the treatment of residential waste from the Sewer Lots over, under and upon the property described in Attachment B. Included with this easement is the right to go upon the easement area and to take whatever action is necessary to ensure the continued proper operation of the ground dispersal sewage treatment system installed or to be installed within such easement area. Provided, however, it is the responsibility and duty of the Owners to repair any damage done to the easement area due to the exercise of this easement; provided, however, notwithstanding any provisions contained herein, the Owners shall not be required to install sod, trees, or other landscaping materials that may be located within such easement areas; however, the Owners shall be responsible for reseeded any grassed area that is disturbed with the same type of grass that was disturbed by the repair work and in making certain that the repair area is left in a smooth condition that will not obstruct or restrict the normal mowing of the area once the grass has grown. It is the responsibility of the Corporation to perform normal mowing and landscaping maintenance of the surface of the easement area. The rights of each of one of the Owners and each one of the Sewer Lots in and to the easements described above are limited to the disposal of waste from one residence per Lot to be constructed on each such Lot and no other lots shall have any rights in the easements granted herein. This easement runs with the Sewer Lots, is appurtenant to the Sewer Lots, and shall be a burden upon the property described in Attachments B and C.

C. TERMINATION. Notwithstanding any provisions contained herein, in the event a sewer system operated by Carteret County, a municipality, or a sewer company providing sewer service to the public at rates and connection fees similar to those charged by public systems operating in similar circumstances should become available for use by the Sewer Lots, then the easements described above in subparagraphs B and C and the easements described in Attachments B and C shall terminate three (3) years from the date that such public sewer service becomes available to all of the Sewer Lots. Available shall mean that the sewer lines available for connection are located at least within 50 feet of the Sewer Lots and there are no moratoriums or connection prohibitions in place that would prevent the

Sewer Lots from being connected to the sewer system. Until the easements are terminated as provided herein, the Sewer Lots shall be responsible for the ad valorem taxes assessed against the fee interest in the property described in Attachment B, even though the Sewer Lots only have an easement interest in the property described in Attachment B.

(22) An easement hereby is granted to the Corporation, its employees and designees to make any reasonable entry onto a Lot for the purposes provided herein. An easement is granted to the Corporation, its employees and designees, to make any reasonable entry onto any Lot without notice to the Owner thereof in the event of any emergency.

(23) Additional residential property and Community Use Areas may be annexed into the Subdivision and the Corporation with the consent of sixty-seven percent (67%) of the members. Provided, however, additional land within the area described in the deed recorded in Book 616, Page 436 in the office of the Register of Deeds of Carteret County may be annexed by the Declarant without the consent of the members. Annexation of additional property shall be accomplished by recording a Declaration of Annexation describing the property annexed and incorporating the provisions of this Declaration by reference. The additional land shall be deemed annexed to the Subdivision and under the jurisdiction of the Corporation on the date of the recordation of the Declaration of Annexation. The Declaration of Annexation shall be duly executed by the Declarant if the property is being annexed through the Declarant's rights provided herein. Declarant's rights to annex additional property into the Subdivision and the Corporation may not be amended, modified, deleted or in any manner restricted without Declarant's written consent to such.

J.

#### Architectural Control and Architectural Restrictions

(1) The Architectural Control Committee ("Committee") shall be comprised of three (3) persons. Any natural person may serve as a member of the Committee. Until Declarant releases the right to appoint the members of the Committee, Declarant shall have the right to appoint and remove the three (3) members of the Committee with or without cause. After Declarant releases such right, the Board of Directors of the Corporation shall appoint the members of the Committee. Once the right to appoint members to the Committee has been transferred to the Board of Directors, the Board of Directors shall have the right to appoint and remove members of the Committee with or without cause.

(2) Before any Lot clearing, grading, material landscaping, or any structure, fence, building, wall, pier, bulkhead, dock, walkway, mailbox, paper box, sign, trash can holder, piling or any improvement, replacement or addition to any of same shall be commenced, erected, or maintained upon any Lot or appurtenant to any Lot in Bogue Sound adjacent to any Lot, or upon any Community Use Areas and before any alteration (excluding repainting the exterior of a structure with a previously approved color) of the exterior portion of any structure located upon the Lots or the Community Use Areas and before any alteration of the surface of any Lot or area appurtenant to any Lot in the Subdivision shall be commenced (except as shall be undertaken by the Declarant), the person desiring to make such changes or erections shall submit and have approved by the Committee plans and specifications detailing the changes and erections. The plans and specifications must show the structure, kind, shape, height, material and location of the changes or erections. All exterior colors of materials must be approved by the Committee. No garish or extreme colors shall be permitted. All plans which show major structural changes or erections must also include a landscaping plan. Plans which show a major structural change or erection, but fail to include a landscape plan, shall be considered incomplete and may be disapproved for failing to include a landscaping plan. Applications to the Committee shall include: a) a check in the amount of Three Hundred Dollars (\$300) made payable to the Committee to assist in the cost of the review of the plans; b) two (2) complete sets of the final plans and specifications for any and all proposed improvements (including landscaping plans when required); and c) any other information requested by the Committee. Any amount of the application fee which the Committee does not use in its review process (such as expenses for copies, review by a professional architect or engineer, telephone expenses, and other expenses) shall be refunded to the Lot Owner. Applications to the Committee shall be (1) hand delivered to the Declarant's office or (2) mailed certified or registered with return receipt requested to the Declarant's office. Applications which do not involve major structural improvements or changes do not require the Three Hundred Dollar (\$300) application fee. Provided the Committee receives a complete set of plans (including the application fee and landscaping plan, if required), the Committee shall approve or disapprove such plans within thirty (30) days of receipt thereof. One set of plans and specifications with the approval

or disapproval of the Committee shall be returned to the party submitting them and the other copy shall be retained by the Committee for its permanent files. All driveway or culvert pipes must be approved by the Committee prior to their installation and once approved, shall be installed pursuant to the method approved by the Committee. All septic tanks shall be constructed and installed pursuant to plans approved by the Carteret County Health Department. No tent, awning, netting, canopy or other lightweight shelter may be erected or placed on a Lot without the prior consent of the Committee. Cedar shake, slate, and clay tile shingles and asphalt shingles of a "Timberline" quality are permitted. Except for certain exceptions described herein, all driveways must be paved and must be constructed of concrete or other substances, such as brick pavers, approved by the Committee. Asphalt driveways are prohibited. All signs, except those erected by Declarant, must be sandblasted or routed. Standard real estate signs are prohibited. Lot Owners are responsible for any damage to the streets which is caused by or a direct result of construction occurring on the Lot Owner's Lot, including any damage to the streets due to heavy equipment. To indemnify the Declarant from any expense the Declarant might otherwise incur to repair damage to the streets due to heavy equipment passing over the streets while construction on a Lot is ongoing Lot Owner shall post a deposit of One Thousand Dollars (\$1,000) or a bond acceptable to Declarant in the amount of One Thousand Dollars (\$1,000) with the Declarant to cover the cost of any possible repairs which are required due to heavy equipment passing over the streets due to construction on such Lot. The failure to post such deposit is grounds for the Committee to disapprove the plans submitted to the Committee.

(3) Provided the application is complete and the Lot Owner has paid the application fee (if required) and posted the required deposit (if required), then the Committee shall make its decision approving or disapproving the plans by taking into consideration the nature of the Subdivision, the aesthetics of the proposed changes or alterations, the harmony of the proposed change or erection with the architectural style of neighboring buildings, durability of construction, relative costs, and protection of the investment of the Owners of other Lots in the Subdivision.

In considering plans submitted for approval, the Committee may, but is not obligated to consider the following:

- (a) The amount of impervious surface on the Lot and the amount allocated to the Lot;
- (b) The construction techniques; and/or
- (c) The location and/or filling of wetlands on the Lot.

Submission of incomplete or inaccurate plans and specifications shall result in disapproval. The decisions of the Committee shall be final and not subject to appeal or review. The Committee does not have to hold formal meetings and the decision of any two members of the Committee shall be the decision of the Committee. The Committee may hire an architect to assist in the review of the plans.

(4) If the Committee fails either to approve or disapprove any plans so submitted within thirty (30) days of their submission, the plans will be deemed approved.

(5) Neither the Committee nor any agent of the Declarant shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing provisions or any structural or other defect in any work done according to such plans and specifications. Furthermore, neither the Committee nor any agent of the Declarant shall be responsible for insuring compliance with the other requirements of this Declaration, including, but not limited to impervious surface limitations, use restrictions or other prohibitions contained herein.

(6) The requirements of this Article shall not constitute a lien or encumbrance on any Lot on which construction is complete, and any subsequent purchaser thereof is in no way affected by the failure of their predecessors in title to comply with the terms hereof.

(7) The Committee may establish uniform mailbox and paper box requirements for all Lots.

K.

Insurance

(1) The Corporation shall purchase and maintain, if available at a reasonable cost, hazard insurance against loss or damage by fire and similar perils for all improvements and fixtures owned by the Corporation located on Community Use Areas, including personal property of the Corporation pursuant to the requirements of NCGS 47E-3-113.

(2) If the property of the Corporation is located within a special flood hazard area, the Corporation may purchase and maintain flood insurance in amounts it deems necessary.

(3) The Corporation shall purchase and maintain at all times a comprehensive general liability insurance pursuant to the requirements of NCGS 47E-3-113.

(4) Fidelity bonds or insurance coverage against dishonest acts on the part of such persons (including by way of illustration and not limitation, Corporation members, officers, directors, managers, agents, employees and volunteers) handling or responsible for funds belonging to or administered by the Corporation may be maintained by the Corporation if deemed necessary. In the event the Corporation has delegated some or all of the responsibility for handling of funds to a management agent, such bonds or insurance coverage may include officers, employees and agents of such management agent. Any such fidelity bond or insurance shall name the Corporation as the named insured. Any such policy shall contain a provision providing that it may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days prior written notice to the Corporation and all Eligible Mortgage Holders.

(5) Each Owner shall be responsible for obtaining and paying for any hazard insurance against fire and similar perils including flood on such Owner's Dwelling, personal property, fixtures and appliances. Each Owner shall be responsible for purchasing and maintaining liability insurance covering his Lot and Dwelling.

(6) If any Dwelling located on a Lot is destroyed by fire or other casualty, all rubbish and debris shall be removed with promptness after such fire or other casualty. In no event shall debris or rubbish remain on a Lot longer than two (2) months after such fire or other casualty. Provided, however, no such removal or demolition shall be required if prohibited by court order or if a legal or insurance investigation concerning such fire or casualty is ongoing.

L.

Restrictions on Use and Occupancy

(1) The division of Lots is permissible provided that: (a) the number of Lots in the Subdivision is not increased (i.e. portions of Lots are combined with other Lots or other portions of Lots to form a new Lot); and, (b) the resultant Lots each have an area which is equal to or exceeds 15,000 square feet. Any Lot which is created by the combination of one or more Lots or portions thereof shall only be considered one Lot under these Restrictions notwithstanding the fact that it may contain more than one Lot; provided, however, if the resulting Lot results in a reduction in the number of Lots in the Subdivision, the resulting Lot or Lots shall be entitled to a proportionate share of the impervious surface allowance provided for the Lot which has been deleted. Any drainage or utility easement which runs along the side lot lines of a Lot shall automatically be relocated to the new side lot lines of any new or resultant Lot. If the drainage or utility easement is already in use, the Owner combining the Lots shall pay for the relocation of such drainage or utility easements and the lines and pipes using such. No Lot shall be used except for single family residential purposes and no structure shall be erected on any Lot other than one single family residence and other approved structures which are appurtenant to the single family residence and which are permitted herein. Only one single family may reside on a Lot. Provided, however, the restriction on the use of the Lots for single family residential purposes shall not prohibit the use and construction on a lot of a septic system

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or systems to service Lots and/or other property shown on the Subdivision Plats. Specifically, all Lots and other property shown on the Subdivision Plats may be used for the construction of septic systems necessary to service other Lots in the Subdivision.

(2) Construction and Materials:

(a) Every residential Dwelling constructed on a Lot shall contain or have constructed as an approved appurtenant outbuilding an enclosed two car garage. The garage may not be turned into living space without the approval of the Committee and the replacement of the converted garage with either an attached or detached two car garage. It is the intention of this requirement that a Dwelling located on a Lot always have a two car garage available to place two normal sized automobiles in it.

(b) Every residential Dwelling constructed on Lots 38 through 43 in the Subdivision shall contain not less than 2000 square feet of enclosed heated area (exclusive of garages and open porches) (a minimum of 900 square feet of enclosed heated area is required for the first floor of any Dwelling over one story), provided, however, the Committee may make exceptions to the minimum square footage requirements on a case by case basis (no exception shall exceed twenty (20) percent).

(c) Every residential Dwelling constructed on Lots 20 - 37, and 44 - 59 in the Subdivision shall contain not less than 1600 square feet of enclosed heated area (exclusive of garages and open porches) (a minimum of 900 square feet of enclosed heated area is required for the first floor of any Dwelling over one story), provided, however, the Committee may make exceptions to the minimum square footage requirements on a case by case basis (no exception shall exceed twenty (20) percent).

(d) Lots numbered 1 - 6, 9 - 18 and 60 - 64 shall contain not less than 1400 square feet of enclosed heated area (exclusive of garages and open porches) (a minimum of 900 square feet of enclosed heated area is required for the first floor of any Dwelling over one story), provided, however, the Committee may make exceptions to the minimum square footage requirements on a case by case basis (no exception shall exceed twenty (20) percent).

(e) Once construction of improvements is started on any Lot, improvements must be substantially completed in accordance with the plans and specifications as approved by the Committee within ten (10) months from commencement. For purposes of this Paragraph, the commencement of construction shall be the issuance date of the building permit or the actual commencement of improvements, whichever is later. Provided, however, this restriction shall not be applicable to Declarant. Completion shall include finishing of the Dwelling's exterior, landscaping, finish painting, driveway construction, final trash and construction debris removal, issuance of a certificate of occupancy and installation of permanent electric service. Extensions shall be granted for circumstances outside the Lot Owners' control and for acts of God. Lot Owners are responsible for any damage done to the streets or Community Use Areas which is caused by or a direct result of construction occurring on the Lot Owner's Lot, including any damage to the streets due to heavy equipment.

During the construction of improvements on any Lot, the Owner shall be responsible for insuring that the designated contractor and subcontractors maintain at all time the following standards and conditions:

- (i) toilet facilities on site;
- (ii) the adjacent street right of way in a good and clean condition;
- (iii) a good and clean construction site, with a trash bin or dumpster located thereon at all times;
- (iv) that all storm water runoff is maintained in accordance with good land use practices and all legal requirements; and
- (v) that no trash burning shall be allowed on site.

(f) No Dwelling shall be occupied until the same has been substantially completed and a Certificate of Occupancy has been issued by the appropriate governmental authority.

(g) No significant clearing or landscaping of any Lot shall be undertaken more than thirty (30) days prior to the commencement of construction of the Dwelling to be located thereon. This provision shall not preclude the removal of underbrush or damaged or diseased trees, nor shall this provision preclude the installation of a driveway, water access, walkway, boat ramp, dock or pier.

(h) All Dwellings must be constructed in accordance with standards for single family homes included in the North Carolina Uniform Residential Building Code or any successor to this Code. No home may be moved onto any Lot. No manufactured home, modular home, panellized home, trailer, temporary house, temporary structure or mobile home (home built in accordance with manufactured home standards imposed by the Federal Construction and Safety Standards Act), or any structure designed for transportation on attached axles and wheels shall be placed on or erected on a Lot. Prefabricated roof and floor trusses are not included in this prohibition.

(i) No Dwelling shall be erected or permitted to remain nearer to any street in the Subdivision than the setback lines as shown on the recorded plats. In addition, to the greatest extent possible and unless waived by the Committee, no Dwelling or building shall be erected or permitted to remain nearer than 30 feet to the front lot line of a Lot. No building or structure, except approved fences, mailboxes, walls, piers, bulkheads, docks or walkways, shall be located nearer to any sideline of any Lot than the setback lines shown on the plat. It is provided, however, that eaves, steps, stoops, and fireplace chimneys shall not be considered as a part of the building for the purposes of interpreting this Paragraph. An error in the placement of structures in an amount less than ten percent (10%) of the setback requirement in question is not a violation of this Declaration. All waterfront Lots hereby expressly waive the fifteen (15) feet riparian setback as required by CAMA and/or the Corps of Engineers for all Lot lines which adjoin other Lots in the Subdivision provided the structure (i.e. pier, dock or etc.) has been approved by the Committee. Lots 40, 41, and 42 consent to the location of the dock and pier constructed appurtenant to the Community Use Areas designated as "20' Boat Ramp Access Easement" on the Subdivision Plats and hereby waive any CAMA or Corps of Engineer restrictions or setback requirements. Furthermore, the Owners of Lots 40, 41 and 42 agree that the Corporation shall have the right to replace and/or reconstruct the dock and pier in its present location (or as nearly as possible) in the event the dock and/or pier is damaged and/or destroyed by any event or occurrence, and the Owners of Lots 40, 41 and 42 agree to execute any documents necessary to further acknowledge such.

Each Dwelling constructed on a Lot must have a garage with a minimum size and design sufficient to house two (2) full size passenger automobiles and shall not exceed a maximum size sufficient to house three (3) full size passenger automobiles. No flat-top structure shall be erected or allowed to remain on any Lot. Subject to the restrictions provided herein, each Lot Owner shall be permitted to build, erect, or maintain not more than two detached structures (i.e. structures that are not an integral part of the main Dwelling - a structure that is connected to the main dwelling only by a breezeway that is not fully enclosed from the elements is considered to be detached) on any Lot; provided, however, such detached structures shall be subject to the following restrictions:

- i. Except for a detached structure constructed as a detached two or three car garage which may not exceed two stories in height, no detached structure may exceed 200 square feet in size. There may not be more than one detached two car garage on a Lot.
- ii. If a detached two or three car garage is constructed on a Lot, then only one other detached structure is permitted on a Lot.
- iii. No detached structure may be used for any activity normally conducted as a business. The appurtenant structure shall not be located in the front or side yard.
- iv. Utility buildings and cabanas shall be located where they do not interfere with the view of adjoining Lot Owners as determined by the Architectural Control Committee.
- v. Detached buildings may not be constructed prior to the construction of the main dwelling, and said detached buildings shall comply with all of the setback

requirements set forth herein for the main dwelling. Detached buildings may not be located closer to the street on which the Lot fronts than the single family dwelling located on the same property. Detached buildings may not be located in the front or side yard.

- vi. Detached buildings must be built of the same quality and type of materials and their design shall be in a manner compatible with the main dwelling house located on the Lot.
- vii. The appurtenant structure is subject to approval by the Committee, and no appurtenant structure shall be permitted to be made of metal, tin or aluminum.

In order to protect the Subdivision from erosion and to cut down on the amount of stormwater run-off of soil and lot coverings, each Lot Owner shall be prohibited from cutting, killing, or otherwise providing for the removal either directly or indirectly of any tree on any Lot within the Subdivision exceeding six inches in diameter except for any tree or vegetation within the proposed "footprint" of the dwelling or outbuilding to be constructed on the Lot, or suitable safety zone around the same, without the prior written approval of the Architectural Control Committee. The Architectural Control Committee is authorized to allow the cutting or removal of trees that are diseased or damaged or constitute a potential damage to structures, automobiles, or persons on the subject Lot or adjoining Lots.

"Footprint" as used herein is defined as the specific location on each Lot where the dwelling, outbuilding, driveway, decks, terraces, and utilities systems are proposed to be located. Trees and vegetation within the footprint may be removed so long as the footprint of each Lot is submitted to and approved in advance by the Architectural Control Committee. The Architectural Control Committee shall be guided by the intent of the Declarant herein that existing vegetation outside the footprint be protected.

All buildings, structures, and their appurtenances shall be maintained in a reasonable state of repair. In the event of damage to a building or other structure by fire or other casualty, the exterior of a building or structure shall be repaired within six (6) months or the building structure shall be demolished and the premises cleared of debris within six (6) months of the date the damage occurred.

(j) This Declaration prohibits any Dwelling or other permitted structure within the Subdivision to be constructed utilizing exposed cement, exposed concrete or concrete block, cement-based stucco, log construction, aluminum siding or any type of 4' x 8' or greater sheathed siding, with the exception of "Hardie Board" siding which may be used as horizontal siding but not in a shingle-type application. Vinyl siding may only be used with specific permission from the Committee and provided the vinyl to be used has been certified to meet the "VIS" standards then in effect. This provision shall not be interpreted to prohibit the use of cement or concrete block construction in any foundations nor shall it prohibit the use of natural stone in any construction; however, all construction materials exposed to the public's view must be approved by the Committee, and unless waived by the Committee, all foundation curtain walls must be brick veneer. Synthetic Stucco (commonly known as "Dryvit" or "EIFS" systems) may be utilized, provided that such construction is an integral part of the architectural appearance of the Dwelling; provided, however, such material shall not be used solely as a finish for foundation curtain walls. This Declaration prohibits construction of any Dwelling on exposed pilings that provide the primary support for the main Dwelling and all such pilings must be enclosed or secured in a manner acceptable to the Committee. Exposed pilings providing support for porches or decks are allowed, subject to Committee approval.

(k) No construction shall be permitted which utilizes a flat-top roof or any type of finish material on the roof other than conventional "Cedar Shake" wood shingles, natural-colored architectural (GAF Timberline or equivalent) fiberglass or asphalt shingles, tile or slate. All roof lines shall have a reasonable normal pitch of not less than 6-12 pitch.

(l) Any Dwelling constructed in the Subdivision which utilizes a concrete slab foundation shall have the concrete slab elevated a minimum of four (4) courses of standard size foundation block or about 32", above the surrounding rough ground level. After final yard landscaping, the slab shall have a minimum of 24" of exposed foundation wall. All Dwellings shall be required to have a finished foundation wall of the materials set out

herein with at least 24" of exposed foundation wall. These are minimum requirements and may not be sufficient to meet any flood insurance elevation requirements in effect at the time of construction.

(m) Any construction which utilizes a fireplace shall have the exterior portion of the fireplace (the chimney or chase) finished in brick, stone, synthetic stucco or other allowed material as used on the Dwelling's foundation curtain wall or the exterior siding as approved by the Committee.

(n) Non-paved driveway accesses to Dwellings on Lots shall not be permitted. Any driveway connecting a Dwelling or garage to a Subdivision street shall be constructed of concrete at least 3 1/2" thick, brick pavers, slate or flagstone. No asphalt driveways are permitted. The traveled portion of the driveway shall be at least ten (10) solid feet wide provided, however, the Committee may waive or reduce this requirement if wetlands, impervious surface restrictions or other restrictions impose an undue hardship on a Lot. "Runner" type driveways, where a track is poured for the wheels on each side of the vehicle, are not permitted. All driveway construction must be approved by the Committee. All crossings of drainage swales or ditches located on any street right of way must be by an appropriately designed and engineered culvert installed by the Owner of said Lot, as approved by the Committee.

(o) Provided, however, in the event the laws and regulations regarding wetlands, impervious surface restrictions, or the placement of boat ramps change such that the requirements set forth herein may not be complied with, then the restrictions provided for herein shall be modified and/or reduced to the least extent necessary to allow what is permitted by the laws and regulations then in effect.

(p) All electric, cable TV and telephone lines shall be installed underground.

(q) The State of North Carolina and Carteret County require strict compliance with the storm water runoff rules. To insure compliance with the storm water runoff rules, each Lot is subject to a limitation of the number of square feet of each Lot which can be covered by a structure and/or paved surface, including walkways or patios of brick, stone, slate or similar material, but excluding walkways and decks constructed of wood provided such construction of wood walkways and wood decks is accomplished in such a manner as to allow storm water runoff to infiltrate the soil beneath such walkways and decks. The maximum number of square feet of Lots in Island View Shores which may be covered by the aforesaid structures and or paved surface is as follows: 5,000 square feet per Lot for Lots 1 through 6, 9 through 18, 20 through 37 and Lots 44 through 64; 8,000 square feet per Lot for Lots 38, 39, 40 and 43; 15,656 square feet for Lot 41 provided, however, 7,656 square feet of such allocation is allocated to the Community Use Area located on Lot 41 and is exclusively dedicated to the Community Use Area located on Lot 41; and 14,644 square feet for Lot 42 provided, however, 6,644 square feet of such allocation is allocated to the Community Use Area located on Lot 42 and is exclusively dedicated to the Community Use Area located on Lot 42. NOTE THAT THE BUILT UPON AREA INCLUDES THE DRIVEWAYS WITHIN THE STREET RIGHTS OF WAY. This covenant is intended to insure compliance with storm water runoff rules adopted by the State of North Carolina and therefore benefits the State of North Carolina and may be enforced by the State of North Carolina. Notwithstanding any other provision contained herein, this Paragraph may not be amended, deleted or revised without the written consent of the agency of the State of North Carolina responsible for enforcing the storm water runoff rules.

(r) Regulated wetlands may be located on each Lot within the Subdivision, and each Lot Owner must comply with all applicable wetlands laws and regulations. If additional fill is proposed for any Lot within the Subdivision, the Lot Owner shall be required to mitigate (one-to-one ratio, non-riparian wetlands) for 100% of the permitted wetlands fill allowed for that Lot. If Declarant proposes to fill Lot(s) or other areas within the Subdivision still owned by Declarant, including the area between Lots 61 and 62, the Declarant (or any successor in title) likewise shall be required to mitigate (one-to-one ratio, non-riparian wetlands) for 100% of any additional permitted wetlands fill allowed for that Lot or other area. Measures shall be taken to direct stormwater at nonerosive velocities into the remaining wetlands on site. Additional fill must be approved by the Committee.

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(3) No fence or wall shall be erected or permitted on any Lot unless approved by the Committee. Metal or wire fences are prohibited.

(4) Without the prior written consent of the Committee, nothing shall be done or kept in any Dwelling or on any Lot which will substantially increase the rate of insurance applicable to similar buildings. No Owner shall permit anything to be done or kept in the Dwelling or on the Lot which will result in the cancellation of insurance on the Dwelling or of that of any of their neighbors. No waste may occur in the Community Use Areas.

(5) All motor vehicles of any type kept within the Subdivision shall have current registration and inspection certificates. The only motor vehicles which shall be allowed to remain overnight on the Lots are automobiles, pick-up trucks, vans, step vans, boats, motorcycles, motor homes, campers, and recreational vehicles. Provided, however, to be permitted in the Subdivision, boats, motor homes, step vans, campers and recreational vehicles are not permitted to remain on any Lot for periods in excess of two (2) days unless they either are (a) being actively used by someone visiting the Lot Owner; or (b) they are fully enclosed within the garage on the Lot. Except for trucks used in the construction of a Dwelling which are not left on a Lot for more than seventy-two (72) hours, no trucks or other motor vehicles in excess of a one ton load capacity shall be parked or kept overnight or longer within the Subdivision. Notwithstanding any provisions contained herein, no motor vehicles, boats, motor homes, campers or recreational vehicles may be parked or stored on a Lot until a Dwelling has been constructed on the Lot except for trucks and automobiles being used in construction of the Dwelling as otherwise permitted herein. No stripped, partially wrecked, or junked motor vehicles or any part thereof shall be permitted to be parked or kept on any Lot or on the Community Use Areas.

(6) No signs of any kind shall be displayed to the public view on any Lot except: a) signs used by the Declarant or its agent to advertise the property during the construction and sales period; and b) one (1) sign not more than four (4) square feet in size advertising the property for sale. Additional restrictions on signs are set forth in ARTICLE J. The provisions of this Article are subject to the condition that for so long as the Declarant retains any Lot or any portion of the property in the Subdivision, whether shown and delineated on the aforesaid plat or later annexed into the Subdivision, which has not been sold, leased, rented, or otherwise conveyed, the Declarant is hereby expressly permitted to maintain signs in the Subdivision and on Lots as Declarant deems necessary

(7) No outdoor poles, flagpoles, tacky yard ornaments, or other similar equipment shall be erected or permitted on any Lot without the prior written approval of the Committee. No outdoor clotheslines shall be erected or permitted on any Lot.

(8) No trash, ashes, garbage, or other refuse shall be dumped, stored or accumulated on the exterior of any Dwelling except in receptacles specifically provided for such which are emptied regularly by a trash collection service. All outdoor receptacles for ashes, trash, rubbish or garbage shall comply with the Carteret County ordinances. Outdoor receptacles for ashes, trash, rubbish or garbage shall be hidden from the streets and Community Use Areas; provided, however such receptacles may be placed in the designated area for pick-up by a trash collection service between the hours of 6:00 a.m. through 6:00 p.m. the day of collection.

(9) No noxious or offensive activity shall be conducted upon any Lot and nothing shall be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

(10) No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any Dwelling except that not more than two (2) dogs and two (2) cats over eight (8) weeks old may be kept or maintained on any Lot or in any Dwelling and provided they are not kept or maintained for commercial purposes. Animals or pets which run at large are a nuisance and are prohibited. Pit Bulls are prohibited. No dogs are permitted to run loose in the Subdivision. All dogs that are not on the Lot that they reside at must be on a leash that is held by a human and such leash may not be more twenty (20) feet in length. Lot Owners are responsible for and immediately must pick up any solid waste deposited by their dogs in the Subdivision when they are not on the Lot on which they reside. Failure to pick up the solid waste is a nuisance and is prohibited. In the event a Lot Owner fails to pick up the solid waste from their dog, then any other Lot Owner that picks up and disposes of the waste properly shall be entitled to collect Ten Dollars (\$10.00) as a disposal fee from the offending Lot Owner, and such Lot Owner shall pay such fee within ten (10) days of receipt

of a written letter briefly outlining the date, time, and general location of the deposit. This obligation is a specific contract among the Lot Owners and shall be enforceable in small claims court. In the event such action must be prosecuted in small claims court, the losing party shall pay all filing and service fees of the action.

Dogs that bark continuously for more than fifteen (15) minutes two (2) times in a day for five (5) or more days in a month are not permitted and are a nuisance and must be removed from the Subdivision. Once a dog starts to bark, if it continues to bark for more than five (5) minutes, the dog must be taken inside of the dwelling by the Lot Owner.

(11) No outside radio or television antennas, satellite dishes, or towers of any kind or any other type of apparatus for receiving communication, television and/or radio programming, shall be erected on any Lot or Dwelling unless and until written permission for same has been granted by the Committee. No radio station or shortwave operator of any kind shall operate from any Lot or Dwelling without the prior written consent of the Committee.

(12) No Dwelling may be leased or rented for a rental term less than one (1) month. While it is not the intent of this Declaration to prevent joint ownership of Lots, or ownership by a corporation, partnership, limited liability company, or trust, it is specifically prohibited that any Dwelling be utilized in the nature of a time share or use share accommodation.

(13) Fuel storage tanks shall be buried below the surface of the ground or screened by fencing, shrubbery, or other satisfactory means so that they will always be hidden from streets and Community Use Areas.

(14) No structure which is erected upon a Lot may be used as a temporary or permanent sales office. Any structure constructed, placed or erected on a Lot which is temporarily or permanently manned by a sales staff shall be a violation of this restriction. Provided, however, this restriction shall not apply to the Declarant.

(15) All Lots, whether occupied or unoccupied, and the right of way in front of Lots shall be well-maintained, and no unattractive growth of weeds or underbrush or the accumulation of rubbish or trash shall be permitted; provided, however, leaving a Lot in its natural state is acceptable. Each Lot Owner shall maintain, at their expense, the shoulders of any road right of way adjoining their Lot in such a manner as shall conform to the then established regulatory standards of the regulatory body of the State of North Carolina.

(16) No vehicle shall be parked on any street in the Subdivision for a period of longer than six (6) consecutive hours, and parking vehicles on any street in the Subdivision to use the Community Use Areas strictly is prohibited.

(17) No outside burning of garbage or refuse shall be permitted in the Subdivision except by Declarant.

(18) No water well may be drilled on any Lot to provide potable water to a Dwelling; however, a well for an irrigation or sprinkler system is permitted. The Owner of each Lot shall be solely responsible for the installation and maintenance of said well and shall install, maintain and use said well in accordance with any applicable federal, state, and local law or regulation. All Dwellings must connect to the West Carteret Water Corporation water lines.

(19) Each Lot Owner shall be solely responsible for the installation and maintenance of a septic system on the Lot to provide a system of waste disposal to any Dwelling constructed thereon. The Lot Owner shall install, maintain and use said septic system in accordance with any applicable federal, state or local laws and regulations. No sewage or other waste material shall be emptied or discharged into the drainage easements thereof. Any damage caused to the street by an Owner or Owners agents shall be repaired at the sole expense of the Lot Owner causing such damage.

(20) No dock or pier shall be allowed to be constructed extending into Bogue Sound without approval of the Committee. There shall be no presumption of approval. Approval shall not be granted by the Committee unless the following affirmative findings are made by the Committee:

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(a) The construction of such pier or dock would not interfere with the utilization of the common pier that is located on the Community Use Areas;

(b) all required permits for construction of the dock or pier have been or will be issued prior to construction, and no such permits shall restrict in any way the continued maintenance and use of the common pier;

(c) no exterior lighting, including lighting on docks and piers, shall be allowed if, in the opinion of the Committee, such lighting would adversely impact the Owner of any Lot(s); and

(d) the proposed construction is consistent in appearance with any existing docks and piers constructed within the Subdivision.

(21) No bulkheads or other shoreline stabilization shall be allowed to be constructed on any Lot adjoining Bogue Sound without approval of the Committee. There shall be no presumption of approval. Approval shall not be granted by the Committee unless the following affirmative findings are made by the Committee:

(a) the construction of such bulkhead would not interfere with the utilization of the common pier that is located on the Community Use Areas;

(b) all required permits for construction of the bulkhead have been or will be issued prior to construction, and no such permits shall restrict in any way the continued maintenance and use of the common pier;

(c) no exterior lighting shall be allowed if, in the opinion of the Committee, such lighting would adversely impact the Owner of any Lot(s); and

(d) the proposed construction is consistent in appearance with any existing bulkheads constructed on any sound front Lot within the Subdivision.

M.

#### Complaints

(1) For all matters except those concerning the nonpayment of assessments, before any Owner in his capacity as an Owner (hereinafter called Complainant) may bring any action in any court of law against the Corporation or any other Owner for failure to comply with the terms of these Restrictions, the Articles or the Bylaws, the Complainant shall notify the Corporation or the Owner, as the case may be, in writing by personal delivery or registered or certified mail, of the substance of the matter causing the complaint.

(2) Following the giving of notice as provided in Paragraph (1) above, the Corporation or the offending Owner, as the case may be, shall have thirty (30) days in which to remedy the complained of matter. If the matter causing the complaint is not remedied within the foregoing thirty (30) day period, the Complainant shall have the right to appear before the Board of Directors to register such complaint.

(3) If the Board of Directors, after considering the complaint pursuant to the terms of Paragraph (2) above and with notice and hearing as specified in ARTICLE H, by majority vote decides against the Corporation or the offending Owner, the Corporation or the offending Owner shall have a period of thirty (30) days from the date of such decision to remedy the complained of matter.

(4) If, after the thirty (30) day period provided in Paragraph (3) above, the offending party has not remedied the complained of matter, the Complainant shall have the right to institute suit in a court of law. If the Board of Directors shall decide against the Complainant pursuant to Paragraph (3) above, the Complainant may immediately institute suit in a court of law.

(5) This Article shall not apply to actions brought or taken by the Corporation. However, the Corporation may utilize the provisions of this Article should it desire to do so.

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N.

Waiver

No provision contained in these Restrictions shall be deemed to have been waived, abandoned, or abrogated by reason of failure to enforce them on the part of any Person as to the same or similar future violations, no matter how often the failure to enforce is repeated.

O.

Variances

In addition to the specific authority granted to or retained by the Declarant and/or the Committee as provided herein to grant specific exemptions or variances to the restrictions contained herein, the Committee in its discretion may allow reasonable variances and adjustments in the restrictions contained in ARTICLE L in order to alleviate practical difficulties and hardship in their enforcement and operation. Any such variances shall not violate the spirit or the intent of this document to create a Subdivision of Lots owned in fee by various Persons. No variance or adjustment will be permitted if such would be materially detrimental or injurious to the welfare of the other property and improvements in the Subdivision as determined by the Committee.

If the Committee grants a variance, the Committee shall have the variance prepared and executed. For a variance granted by the Committee to be effective, a variance must be recorded in the Carteret County Register of Deeds Office. Variances granted by the Committee shall also specifically refer to this Declaration and shall be recorded in the Carteret County Register of Deeds Office.

P.

Duration, Amendment and Termination

(1) The Restrictions contained in this Declaration shall run with and bind the Lots and Community Use Areas until January 1, 2018, after which time they shall automatically be extended for successive periods of ten (10) years. This Declaration may be amended in full or part until January 1, 2018, by an instrument signed by not less than sixty-seven percent (67%) of the Lot Owners and thereafter, by an instrument signed by not less than eighty percent (80%) of the Lot Owners; provided, that no amendment shall modify any provision contained herein which specifically requires the consent of another party to modify such provision without the required consent of such other party. Provided, however, as long as the Declarant owns at least twenty (20) Lots, Declarant may amend this Declaration, except for Subparagraphs (q) and (r) of Section 2 of ARTICLE L, without the consent of any other member or party.

To be effective any amendment must be recorded in the Carteret County Register of Deeds office.

(2) Invalidation of any of these Restrictions by judgment or court order shall in no way affect any other provision of these Restrictions which shall remain in full force and effect.

(3) Notwithstanding any other provisions of this Declaration, Declarant may amend this Declaration without the consent of any Owners if such amendment is required by any governmental agency for governmental approval. Declarant shall notify all Owners of such amendment after it has been recorded.

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Q.

Community Use Area: Private

Every Community Use Areas and any facility thereon is private. Neither the Declarant's execution nor recording of the plat nor any other act of the Declarant with respect to the property is or is intended to be or shall be construed as a dedication to the public of any of the Community Use Areas. An easement for the use and enjoyment of each of the areas designated as Community Use Areas is reserved by the Declarant, its successors and assigns, and such easement specifically runs to the benefit of all of the property depicted on the Subdivision Plats as "Reserved By Owner" and any future subdivisions of such property.

R.

Remedies

In addition to the enforcement of these Restrictions by the Corporation as permitted herein, these Restrictions may be enforced by a proceeding at law or in equity against any Person or Persons violating or attempting to violate any covenant or condition, either to restrain violation thereof or to recover damages therefor. Injunction shall not issue to compel the removal of or moving of any completed Dwelling for violation of side setback or front setback restrictions, the sole remedy of any offended person being a suit for damages. Provided, however, injunction may be issued to compel removal of a structure, improvement, paving, concrete or completed Dwelling necessary for compliance with the impervious surface requirements in Subparagraphs (q) and (r) of Section 2 of ARTICLE L.

S.

Acceptance

(1) The grantee of any Lot subject to the coverage of these Restrictions, by acceptance of a deed conveying title thereto, or by the execution of a contract for 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 herein contained and also the jurisdiction, rights and powers of Declarant and the Corporation and by such acceptance shall for himself, his heirs, personal representatives, successors and assigns, covenant, consent and agree to and with Declarant and the Corporation and to and with the grantees and subsequent owners of each of the Lots keep, observe, and comply with said Restrictions.

(2) Each such grantee also agrees, by such acceptance, to assume, as against Declarant, its successors and assigns, all of the risks and hazards of ownership or occupancy attendant to such Lot, including but not limited to its proximity to any Community Use Areas or water.

T.

Applicability

These Restrictions shall only apply to the Lots and Community Use Areas specified herein or hereinafter annexed into the Subdivision. These Restrictions specifically are not applicable to any other property designated on the plat or any numbered lots not defined herein and/or not annexed into the Subdivision.

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U.

Captions

The captions preceding the various Articles of these Restrictions are for the convenience of reference only, and shall not be used as an aid in interpretation or construction of these Restrictions. As used herein, the singular includes the plural and where there is more than one Owner of a Lot, said Owners are jointly and severally liable for the obligations herein imposed. Throughout this Declaration, references to the masculine shall be deemed to include the feminine, the feminine to include the masculine and the neuter to include the masculine and feminine.

V.

Notice

All notices provided for or permitted pursuant to these Restrictions shall be in writing and, except as is herein expressly otherwise provided, notice shall be deemed sufficient and service thereof completed upon transmittal by facsimile, hand-delivery or receipt, refusal or nondelivery of same when mailed postage prepaid to the party to or upon whom notice is being given or served at the address of such party last reflected on the records of the Carteret County Tax office.

W.

Liberal Construction

The provisions of this Declaration shall be construed liberally to effectuate its purpose of creating a Subdivision of fee simple ownership of Lots with Community Use Areas governed and controlled by rules, regulations, restrictions, covenants, conditions, reservations and easements administered by an owners' association with each Owner entitled to and burdened with various rights and easements.

X.

Additional Property

The property shown and delineated on the aforesaid map outside the area of the numbered lots, the streets and the areas depicted as Common Area is reserved and retained by Declarant. That property is not restricted by this Declaration. However, Declarant reserves and retains for itself and its successors and assigns in the ownership of its retained property easements for the purposes of ingress, egress, regress, access, the installation and maintenance of utilities and further subdivision over, under and upon the roads, streets and street areas depicted on the aforesaid map as a benefit to the retained property.

Y.

Annexation

Declarant may annex any other property in the vicinity of the Subdivision, specifically including, but not limited to the property shown as "Reserved by Owner" on the Subdivision Plats by recording a document entitled "Declaration of Annexation" that describes such property to be annexed and specifies that such property shall be subject to this Declaration; provided, however, Declarant may modify the provisions of this Declaration that are to be applicable to the property to be annexed provided such modifications do not negate the intent to create a subdivision of Lots owned in fee by various persons.

Z.

Compliance with Tri-Party Agreement

Declarant and Corporation have or will enter into an Agreement with the Carteret County Health Department which provides for certain responsibilities and duties on behalf of both Declarant and Corporation with regard to the maintenance, operation, and repair of the

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Limited Community Use Areas. Declarant and Corporation are and shall be bound by the terms of said Agreement, which is incorporated herein by reference. A copy of the Agreement shall be recorded in the office of the Register of Deeds of Carteret County. Once the wastewater treatment and collection system is leased to, assigned, or transferred by Declarant to Corporation, then Corporation shall be obligated to operate, maintain, and repair said system in accordance with said agreement and to provide for assessments, revenues, and expenditures necessary in order to operate said system in accordance with all state and county permits issued for said system. The wastewater collection treatment and disposal area shall receive the highest priority for expenditures by Corporation of Limited Community Use Areas assessments, except for federal, state, and local taxes and insurance.

AA.

Street Dedication

Declarant by the recordation of the maps for Island View Shores Subdivision has dedicated the streets shown thereon to private and public dedication. All Lot Owners and their heirs and assigns and members of the Corporation shall have the use and enjoyment of the streets. Declarant reserves the right to convey, transfer, or assign said streets by right of way, easement, or other conveyance to the North Carolina Department of Transportation or such other public agency for the future maintenance and upkeep of said streets. Pending acceptance of said streets by the North Carolina Department of Transportation, Corporation shall have the continuing obligation and duty to maintain and keep up said roads until maintenance is assumed by the appropriate state or local agency.

IN TESTIMONY WHEREOF, the party of the first part has caused this instrument to be executed under seal and in such form as to be binding, this the day and year first above written.

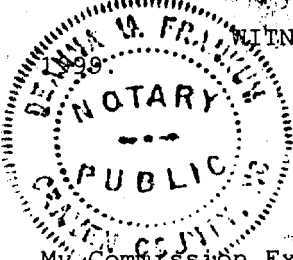
IVS, LLC (SEAL)  
A Limited Liability Company

By: Thomas M. Singleton (SEAL)  
Manager

STATE OF NORTH CAROLINA  
COUNTY OF Craven

I, Deanna M. Frankum, a Notary Public in and for said County and State, do hereby certify that THOMAS M. SINGLETON before me this day personally appeared, who being by me first duly sworn, says that he is a manager of IVS, LLC, the limited liability company described in and which executed the foregoing instrument; that he executed said instrument in the limited liability company name by subscribing his name thereto; and that the instrument is the act and deed of said limited liability company.

WITNESS my hand and notarial seal, this the 29 day of April,



Deanna M. Frankum  
Notary Public

My Commission Expires:  
2-7-2004

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STATE OF NORTH CAROLINA  
COUNTY OF CARTERET

The foregoing certificate of \_\_\_\_\_ of \_\_\_\_\_ County, North Carolina, is 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 Carteret County, North Carolina, in Book \_\_\_\_\_, Page \_\_\_\_\_.

This \_\_\_\_\_ day of \_\_\_\_\_, 1999, at \_\_\_\_\_ o'clock \_\_\_\_ .M.

\_\_\_\_\_  
Register of Deeds

81-0933(D)-NBMAIN  
359159.5

NORTH CAROLINA, CARTERET COUNTY

The foregoing certificate(s) of Notary Public(s) is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

Melanie Arthur, Register of Deeds  
By Nancy Harris  
Asst. Deputy Register of Deeds

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ATTACHMENT A  
Community Use Area

A perpetual nonexclusive easement over, under and upon the following described property for the purpose of using such property for a Common Area for the Island View Shores Subdivision including, providing pedestrian and motor vehicle access to Bogue Sound, the pier and boat ramp located thereon and other uses normally associated with a waterfront common area, including, but not limited to a play area, a parking area, and a park, said easement being over and upon the following described property:

All that certain tract or parcel of land shown and depicted as "20' Boat Ramp Access Easement" on the plat of Island View Shores recorded in Map Book 29, Page 328, in the Carteret County Register of Deeds Office, which affects Lots 41 and 42 and is more particularly described by metes and bounds as follows:

TRACT 1:

Beginning at the northeastern corner of Lot 41 as shown on the plat of Island View Shores recorded in Map Book 29, Page 328 (said point being located on the southeastern right of way line of Island View Drive (50' public right of way)); thence from said point of beginning so located, along the northeastern property line of Lot 41 along a curve to the right having a radius of 184.83 feet an arc length of 128.41 feet to a point (said curve having a chord bearing and distance of South 34° 45' 28" East 125.84 feet); thence continuing along the eastern property line of Lot 41 South 14° 51' 19" East 290.65 feet to a point; thence continuing along the eastern property line of Lot 41 South 14° 51' 19" East 79.70 feet to a point located on the mean high water line of Bogue Sound; thence along the mean high water line of Bogue Sound South 79° 37' 24" West 45.14 feet to a point; thence North 14° 51' 19" West 76.18 feet to a point; thence North 75° 08' 41" East 35.00 feet to a point; thence North 14° 51' 19" West 290.65 feet to a point; thence along a curve to the left having a radius of 174.83 feet an arc length of 121.46 feet to a point located on the southeastern right of way line of Island View Drive (50' public right of way) (said curve having a chord bearing and distance of North 34° 45' 28" West 119.03 feet); thence along said southeastern right of way line of Island View Drive (50' public right of way) in a northeasterly direction along a curve to the right having a radius of 50.00 feet an arc length of 10 feet to the point of beginning.

TRACT 2:

Beginning at the northwestern corner of Lot 42 as shown on the plat of Island View Shores recorded in Map Book 29, Page 328 (said point being located on the southeastern right of way line of Island View Drive (50' public right of way)); thence from said point of beginning so located, along the southwestern property line of Lot 42 along a curve to the right having a radius of 184.83 feet an arc length of 128.41 feet to a point (said curve having a chord bearing and distance of South 34° 45' 28" East 125.84 feet); thence continuing along the western property line of Lot 42 South 14° 51' 19" East 290.65 feet to a point; thence continuing along the western property line of Lot 42 South 14° 51' 19" East 79.70 feet to a point located on the mean high water line of Bogue Sound; thence along the mean high water line of Bogue Sound North 79° 37' 24" East 30.09 feet to a point; thence North 14° 51' 19" West 82.06 feet to a point; thence South 75° 08' 41" West 20.00 feet to a point; thence North 14° 51' 19" West 290.65 feet to a point; thence along a curve to the left having a radius of 194.83 feet an arc length of 135.36 feet to a point located on the southeastern right of way line of Island View Drive (50' public right of way) (said curve having a chord bearing and distance of North 34° 45' 28" West 132.65 feet); thence along said right of way line of Island View Drive (50' public right of way) in a southwesterly direction along a curve to the left having a radius of 50.00 feet an arc length of 10.00 feet to the point of beginning.

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ATTACHMENT B  
Sewer Area

Subject to termination as provided in the Declaration, a perpetual nonexclusive easement over, under and upon the following described property for the purpose of using such property for a septic system field, including placement of septic tanks and nitrification field lines over, under and upon the following described property:

Beginning at the southeastern corner of Lot 6 as shown on the plat of Island View Shores recorded in Map Book 29, Page 301 (said point being located on the northern right of way line of Stern Road (50' public right of way)); thence from said point of beginning so located along the eastern property line of Lot 6 North 14° 51' 29" West 155.01 feet to the northeastern corner of Lot 6 (said point also being located on the southeastern property line of that certain tract or parcel of land now or formerly owned by L. W. Parker); thence along the southeastern property line of that certain tract or parcel of land now or formerly owned by L. W. Parker North 72° 55' 00" East 225.07 feet to the northwestern corner of Lot 9; thence along the western property line of Lot 9 South 15° 24' 10" West 168.53 feet to a point located on the northern right of way line of Stern Road (50' public right of way); thence along the northern right of way line of Stern Road (50' public right of way) along a curve to the left having a radius of 50.00 feet an arc distance of 68.46 feet to a point; thence continuing along the northern right of way line of Stern Road (50' public right of way) along a curve to the right having a radius of 25.00 feet an arc distance of 21.03 feet to a point located on the northern right of way line of Stern Road (50' public right of way) (said curve having a chord distance and bearing of South 51° 02' 50" West 20.41 feet); thence along the northern right of way line of Stern Road (50' public right of way) South 75° 08' 31" West 58.88 feet to the point of beginning.

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ATTACHMENT C  
Sewer Line Easement

Subject to termination as provided in the Declaration, a perpetual nonexclusive easement over, under and upon the following described property for the purpose of installing, maintaining, repairing, and replacing a sewer line over, under and upon the following described property:

TRACT 1:

The easement is fifteen feet in width and is located within the dedicated right of way of Island View Drive, Stern Road and Wave Court as shown on the plats of "Island View Shores Subdivision Phase I" recorded in Map Book 29, Page 301, and "Island View Shores Subdivision Phase II" recorded in Map Book 29, Page 328 (said easement generally follows from the edge of the paved street to the right-of-way along the west side of a portion of Island View Drive, a portion of the south side of Wave Court and along a portion of the south side of Stern Road until crossing under Stern Road at the dedicated offsite sewage disposal area between lots 6 and 9). The easement is more specifically described as follows: Beginning at the northeast corner of lot 39, which is the common corner for lots 39 and 40 the following courses and distances; along the right-of-way of Island View Drive clockwise around the cul-de-sac radius a length of 102.70 feet with a 50' radius, thence a curve to the left with a radius of 25.00 and length of 30.77 feet, thence N 14-51-29 W 26.64 feet to the common corner of lots 36 and 37, thence northward along the western right-of-way of Island View Shores Drive N 14-51-29 W 1219.99 feet to the northeast corner of lot 20; thence N 14-51-29 W 64.83 feet; then along a curve to the left 126.75 feet with a radius of 215.00 feet, thence N 48-38-23 W 80.72 feet to a point; thence along a curve to the right 146.52 feet with a radius of 265.00; thence N 16-57-29 W 333.43 feet, thence along a curve to the left 115.25 feet with a radius of 215.00; thence N 47-40-01 W 170.15 feet, thence along a curve to the right 133.26 feet with a radius of 265.00 feet, thence N 18-51-29 W 403.63 thence across the right-of-way of Island View Drive to the southern edge and along the right-of-way of Stern Road N 75-08-31 E 298.42 feet; thence across the right-of-way of Stern Road N 14-51-29 W 50.00 to the offsite sewage area. The easement therein described is 15' to the east of the western right-of-way of Island View Drive; 15' to the north of the southern right-of-way of Stern Road; and 15' to the west of the last call.

TRACT 2:

One additional 15 feet in width easement area in the southern right-of-way of Wave Court. Beginning at the radius of the intersection of lot 32 which is the common point of the right-of-way of Island View Drive and Wave Court thence along the Wave Court right-of-way a curve to the left 39.27 feet with a radius of 25 feet thence S 75-08-31 W 19.10 feet, thence along a curve to the left 21.03 feet with a 25.00 radius thence along a curve to the right 66.55 feet with a radius of 50 feet to the common corner of lot 31 and 30. This easement is 15 feet wide and to the north of the southern right-of-way line of Wave Court.

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