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STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

DECLARATION OF
ARTICLES OF COVENANTS
CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made this the 5th day of September, 2000, by
MANASSAS, INC., a North Carolina corporation, with its principal place of business being
located in the County of New Hanover, State of North Carolina, hereinafter referred to as the
"DECLARANT";

000143

KNOW ALL BY THESE PRESENTS:

1. THAT, WHEREAS, the DECLARANT is the fee simple owner of that tract of real property
being located in Harnett Township, New Hanover County, North Carolina, known as BLUE
POINT and being more fully described as follows:

BEING ALL of that property shown on maps prepared for Manassas, Inc. by Sherwin D. Cribb,
Registered Land Surveyor dated March 20, 2000 entitled "Phase 1, BLUE POINT" which maps
are duly recorded in the office of the Register of Deeds of New Hanover County, North Carolina
in Map Book 40 at Pages 35 and 36.

2. WHEREAS, the DECLARANT desires to establish certain restrictions, covenants,
conditions and easements with respect to the hereinabove described tract of real property for the
purposes of protecting the value and desirability of, and which shall run with, said property, and
which shall be binding on all persons and entities, including the DECLARANT, having any right,
title or interest in the hereinabove described real property or any portions thereof, their grantees,
heirs, devisees, successors and assigns, and which shall inure to the benefit of each owner
thereof. DECLARANT reserves the right to supplement and revise these covenants of conditions
and restrictions at the DECLARANT'S sole discretion of the DECLARANT until such time as
25% of the property is sold;

3. NOW, THEREFORE, with respect to all of the hereinabove described real property, and
for the purposes stated hereinabove, the DECLARANT does hereby declare that all of the
hereinabove described real property shall henceforth be held, sold and conveyed subject to the
following ARTICLES OF COVENANTS, CONDITIONS AND RESTRICTIONS:

2000 SEP -6 PM 2:32

RECORDED AND VERIFIED
MARY SUE DOTS
REGISTER OF DEEDS
NEW HANOVER CO. NC

Returned To

Handwritten signature

649157

4. DEFINITIONS:

For the purposes of these Articles, the following definitions shall apply:

A. **ASSOCIATION:** Shall mean and refer to BLUE POINT HOMEOWNERS ASSOCIATION, INC., a nonprofit North Carolina corporation, the Articles of Incorporation for which are recorded in Book _____, at Page _____, in the Office of the Register of Deeds of New Hanover County, North Carolina, the provisions of said Articles of Incorporation being incorporated herein by reference.

B. **MEMBER:** Shall mean and refer to each and every person and entity who or which holds a membership with voting rights in said Association.

C. **LOT:** Shall mean and refer to any one hundred fifty-three (153) parcels of real property which have been subdivided from the hereinabove described real property and which are intended for single-family residential purposes only, as set forth hereinbelow, and which are designated on the map of BLUE POINT hereinabove referenced by the Numbers 1 through 153, inclusive.

D. **PROPERTY:** Shall mean and refer to all of that real property described hereinabove, and known collectively as BLUE POINT as shown upon the map thereof referred to hereinabove, as well as such additions thereto as may hereafter be brought within the jurisdiction of the Association.

E. **OWNER:** Shall mean and refer to the owner or holder (by purchase, devise, inheritance, decree or otherwise) whether one or more persons or entities, of a fee simple title to or interest in any lot, including the DECLARANT, but excluding those having such interests merely as security for the performance of an obligation or the payment of an indebtedness.

F. **COMMON AREAS:** Shall mean and refer to any and all property, whether real or personal, which is owned by the Association for the common use and enjoyment of the owners, as well as any and all property, whether real or personal, whether owned by the Association or not, which the owners have a mutual or common right or privilege to use and enjoy as provided by these Articles as well as any amendment hereto; specifically including, but not being limited to, the private streets of BLUE POINT, known as Blue Point Drive, Beddoes Drive and Grange Street, as well as the nonexclusive, perpetual easement and/or right-of-way for ingress, egress and regress over and across Furtado Drive.

ARTICLE II.

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5. USE RESTRICTIONS:

The following use restrictions shall apply to lots:

A. All lots shall be single-family residential lots, and shall be used for single-family residential purposes only. No business, trade, vocation or occupation shall be permitted to be conducted at or pursued from any office, formal or informal, on any lot. However, this restriction shall not restrain the DECLARANT in any way from pursuing its rightful business of developing, marketing and selling any and all lots.

B. No trailers, tents or other structures of a temporary character shall be placed or stored upon any lot at any time unless the same is completely screened from view from any street or other lot; provided, however, that this prohibition shall not apply to shelters used by contractors during the construction of a single-family residential dwelling, it being clearly understood that such temporary shelters may not, at any time, be used as residences or permitted to remain on any lot after the completion of said construction.

C. Each lot owner shall prevent the development of any unclean, unsightly or unkempt conditions of any buildings or structures upon or grounds of his lot which would tend to substantially decrease the beauty of any of the property or diminish or destroy the enjoyment of other lots by the owners thereof. This restriction includes, but is not limited to, the prohibition of the storage on any lot of anything unclean, unsightly or unkempt.

D. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the DECLARANT or any owners.

E. No satellite dishes or exterior antenna or other aerials of any kind shall be erected upon, maintained or permitted to remain on any Lot without written consent of the DECLARANT or the Homeowners Association. DECLARANT reserves the right to limit the size and location of any such device.

F. No yard sales or garage sales shall be permitted upon any Lot in this subdivision. No clothesline shall be permitted except portable clothes tree stands which shall not be visible from any street or road in the subdivision.

G. No animals, other than domesticated pet dogs, cats and birds, may be kept or housed on any lot or any structure thereon. The maintenance or keeping upon any lot or housed on any lot of a group or pack of two (2) or more hunting dogs is expressly forbidden.

H. No sign of any character shall be displayed on any lot except:

- a. a temporary standard "For Sale" sign which shall not exceed in size a total of six (6) square feet; or
- b. a property or owner identification sign which shall not exceed in size a total of two (2) square feet.

I. Any boats must be stored in a such a manner as to not be generally visible from any street or road or other lots.

J. No lot shall be subdivided, or its boundary lines changed, by any owner except with the prior written consent of the DECLARANT. However, the DECLARANT hereby expressly reserves to itself the right to replat any two (2) or more lots shown on the recorded plat or map of the property in order to create a modified building lot or lots; and, to take such steps as are reasonably necessary to make such replatted lot or lots suitable and fit as a building site or sites; provided that no lot originally shown on the recorded plat is reduced by more than twenty percent (20%) from its original size.

ARTICLE III.

DESIGN AND ARCHITECTURAL CONTROL:

6. The following design and architectural control restrictions shall apply for all lots:

A. No structure shall be erected, altered, placed or permitted to remain on any lot other than a detached single-family dwelling not to exceed two and one-half (2½) stories in height, plus one or more accessory buildings, provided, however, that no garage apartments shall be permitted; and, provided that any said accessory building may not be constructed prior to the construction of the single-family dwelling and without the prior written approval of the DECLARANT or its assignee; vinyl siding and multi-family dwellings of any type are expressly forbidden.

B. No dwelling, building, fence, wall, or mail receptacle or other structure, of whatever nature or kind, or any portion thereof, shall be erected, placed or altered on any lot, nor shall the grade or elevation or physical characteristics of any such lot, or portion thereof, be altered in any way whatsoever, UNTIL the proposed building plans, specifications, finishes, materials, site and grading plan (showing the proposed location of such buildings or structures,

drives, parking areas, fences, walls, mail receptacles, and any proposed alterations to the grade, elevation or physical characteristics of the site), and the construction schedule shall have been APPROVED IN WRITING BY THE DECLARANT, OR ITS ASSIGNEE. Approval or disapproval of any of the above may be based by the DECLARANT upon any ground, including purely aesthetic and environmental considerations that in the sole and uncontrolled discretion of the DECLARANT shall seem sufficient.

C. Due to the fact that the establishment of standard inflexible building set back lines for locations of dwellings on lots tends to force construction of dwellings directly to the side of one another with detrimental effects on privacy, view, preservation of important trees and other vegetation, ecological and related considerations, NO SPECIFIC SET BACK LINES are established by these Articles. In order to assure, however, that the foregoing considerations are given maximum effect, the DECLARANT reserves the right to control and approve absolutely, as stated in Paragraph B hereinabove, the site and location of any dwelling and/or structure upon any lot.

D. No single-family dwelling design or plan will be approved by the DECLARANT unless the proposed dwelling will have a two-car garage and the minimum required square footage of "enclosed dwelling area". The term "enclosed dwelling area" as used in these minimum size requirements shall mean the total enclosed area within a dwelling, provided, however, that such term does not include garages, terraces, decks, porches, and like areas; provided, however, that shed-type porches, even though attached to the house, are specifically excluded from the definition of the aforesaid term "enclosed dwelling area". Said minimum square footage shall be as follows:

- a. Lot Nos. 1 through 48 - 2000 sq. ft.
- b. Lot Nos. 49 through 97 - 1600 sq. ft. with a variance of 10% at Declarant's discretion.
- c. Lot Nos. 98 through 122 - 2000 sq. ft.
- d. Lot Nos. 123 through 153 - 1800 sq. ft. with a variance of 10% at Declarant's discretion.

E. Any structure erected on the lots shall be of wood, stone, brick veneer, tiles, stucco, or concrete and stucco, and the design, as well as the materials used, as stated hereinabove in Paragraph B, shall be subject to the prior written approval of the DECLARANT. Construction must be completed within 12 months from commencement of construction.

F. Each lot owner shall provide receptacles for garbage in a screened area on his lot not generally visible from any street or road or other lots.

G. No fuel tanks or similar storage facilities may be exposed to view on any lot. Any such facility must be installed only within the main residential dwelling, within an accessory building, within a screened area, or buried underground.

H. Each lot owner shall provide space on his lot for off street parking for not less than three (3) passenger automobiles prior to the occupancy of any single-family dwelling constructed on said lot. Said parking areas and driveways thereto shall be in accordance with reasonable standards and shall be constructed of asphalt, concrete, or any other material approved by the DECLARANT in writing as provided for in Paragraph B hereinabove.

I. All utility lines of every type shall be located underground. DECLARANT reserves a ten (10) foot easement along the property lines of each lot, with the exception of the Villa lots, (five (5) feet on each side of property line) in order to erect, maintain, repair and use those utility lines. However, nothing herein shall obligate DECLARANT to either erect, install, repair or maintain any such utility lines.

J. No trees of any size, exceeding five (5) inches in diameter measured one (1) foot above the ground, may be removed from any lot without the prior written approval of the DECLARANT or its assignee; said approval to be based upon a site plan, landscaping plan, or planting plan submitted to the DECLARANT, or its assignee, by the lot owner. Each lot must have sod placed and an irrigation system installed in the front yard of the property. All landscaping must be completed within 3 months of completion of construction of the residence.

L. Potable water is and shall be supplied to all lots within the development by New Hanover County, Murrayville Water System and no owner of a lot in BLUE POINT shall be permitted to drill or otherwise construct any water well on said owner's lot without the written permission of DECLARANT or the Homeowners Association, or to use any other source of water supply for household use. However, owners of lots in BLUE POINT may drill a private well for the purpose, and only for the purpose, of providing a water supply for a lot or lawn sprinkler system.

ARTICLE IV.
EASEMENTS AND PROPERTY RIGHTS:

7. A. The DECLARANT, by these presents, hereby establishes, grants, gives and conveys to each and every future owner of a lot in BLUE POINT a perpetual, nonexclusive right-of-way and easement for ingress, egress and regress over and across all of the private roads and streets of BLUE POINT, all as shown on a map thereof, referred to hereinabove; provided, however, that the obligation to maintain said private roads and streets, including, but not being limited to, the repaving, repair and regrading thereof, shall be the mutual responsibility of the owners so long as they are owners of lots, acting by and through the Association. The cost of

said maintenance shall henceforth be a common expense of the Association, and each member thereof shall be assessed his prorata share of the annual cost thereof as part of his annual assessment, as stated hereinbelow. It is the intent of the DECLARANT that this grant of easement be deemed hereinafter as an appurtenance to each and every lot within BLUE POINT. Conveyance or transfer of the title to any lot in BLUE POINT shall be deemed to include this easement, whether expressly stated therein or not. THE DECLARANT EXPRESSLY RESERVES UNTO ITSELF, ITS SUCCESSORS AND ASSIGNS, THE RIGHT, POWER AND PRIVILEGE TO GRANT AN EASEMENT OF INGRESS, EGRESS AND REGRESS OVER AND ACROSS THE PRIVATE ROADS AND STREETS OF BLUE POINT TO OTHER OWNERS OF REAL PROPERTY LOCATED ADJACENT TO OR CONTIGUOUS WITH THE DEVELOPMENT, UPON SUCH TERMS AND CONDITIONS AS THE DECLARANT ALONE DEEMS NECESSARY.

B. Every owner shall have a right and easement of enjoyment in and to any and all other common areas which are owned or leased by the Association for the enjoyment of the owners; this right and easement of enjoyment shall be appurtenant to and shall pass with the title to every lot.

ARTICLE V.

THE ASSOCIATION:

8. A. MEMBERSHIP AND VOTING RIGHTS: The qualifications for membership in the Association, the manner of admission to membership in the Association, the manner of termination of such membership, and the voting rights of the members of the Association shall be as set forth in Article VI of the Articles of Incorporation of the Association which are recorded in Book _____, at Page _____, in the Office of the Register of Deeds of New Hanover County, North Carolina, the provisions of said Article VI being incorporated herein by reference.

B. ASSESSMENTS, LIABILITY, LIEN AND ENFORCEMENT: The Association has heretofore been given authority to administer the operation and management of the common areas of the property, it being recognized that the delegation of such duties to one entity is in the best interests of the owners of all residential lots in BLUE POINT. To properly administer the operation and management of the common areas, the Association will incur, for the mutual benefit of all the owners of residential lots, costs and expenses sometimes herein referred to as "common expenses". To provide the funds necessary for such proper operation, management and capital improvement, the Association has heretofore been granted the right to make, levy and collect assessments against the members of the Association and their residential lots. In furtherance of this grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation of, the management of, and for capital improvements to the common areas, which for the purpose of these Articles shall be deemed to include, but not be limited to, the private streets and roads of BLUE POINT, the following shall be operative and binding upon the owners of all residential lots:

B.(1) Creation of the Lien:

- i. Each owner, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:
- ii. annual assessments or charges, and
- iii. special assessments for capital improvements or special assessments as established by the Board of Directors of the Association, such assessments to be established and collected as hereinafter provided.
- iv. The annual and special assessments, together with the interest, costs, and reasonable attorney's fees, if any, shall be a charge on the lots and shall be a continual lien upon each lot against which they are levied. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person or entity that is the owner of such lot at the time when the assessment falls due. The personal obligation for delinquent assessments shall not pass to any successor in title unless expressly assumed by him.

B.(2) Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the property and in particular for the maintenance of all private roads, streets, easements and rights-of-way of the property, as well as the acquisition and maintenance of any and all other common areas of the property, including but not limited to, the cost of repairs, repaving, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against the Association, utility services and the procurement and maintenance of insurance as may be deemed necessary by the Board of Directors.

B.(3) Maximum Annual Assessment: The maximum annual assessment for each calendar year shall be established by the Board of Directors and may be increased by the Board of Directors for any calendar year without approval by the membership by an amount not to exceed ten percent (10%) of the maximum annual assessment of the previous year.

The maximum annual assessment for any calendar year may be increased without limit by a vote of two-thirds (2/3) of the members who are voting in person or by proxy at a meeting called for this purpose.

B.(4) Special Assessments for Capital Improvements: In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part, the costs of any construction, reconstruction, repair, replacement or repaving of a capital improvement to the private roads and streets of the property, or any other common area of the property, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the vote of the members who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed to the uniform rate for all lots

and may be collected on a monthly basis.

B.(5) Working Capital: In addition to annual assessments and special assessments authorized above, the Association hereby establishes an assessment for working capital in the amount of \$100.00 per lot to be paid at the time of each and every conveyance of property located within Blue Point by the person(s) or entity taking title to the property.

B.(6) Notice and Quorum for any Action Authorized Under Sections B.(3) and B.(4): Written notice of any meeting called for the purpose of taking any action authorized under B.(3) and B.(4) shall be sent to all members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called the presence of members or of proxies entitled to cast sixty percent (60%) of all votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half ($\frac{1}{2}$) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

B.(6) Rate of Annual Assessment: Annual and special assessments must be fixed at a uniform rate for all lots and shall be collected on a quarterly basis. The books and records of the Association will be kept in such a manner that it is possible to determine and ascertain such sums as are expended by the Association for the development, improvement, maintenance and upkeep of all common area facilities of the Association.

B.(7) Date and Commencement of Annual Assessments; Due Dates: The annual assessments provided for herein shall be collected on a quarterly basis and shall commence as to all lots on the first day of the month following the conveyance of a lot to any owner other than DECLARANT. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each annual assessment, the Board of Directors shall fix the amount of the annual assessment to every owner subject thereto. The due date shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

B.(8) Effect of Nonpayment of Assessments; Remedies of the Association: Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same and/or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of any of the common areas or abandonment of his lot.

B.(9) Effect of Default in Payment of Ad Valorem Taxes or Assessments for Public Improvement by the Association: Upon default by the Association in the payment to any governmental authority entitled thereto of any ad valorem taxes levied against any of the

common areas owned by the Association or assessments for public improvements to the common areas, which default shall continue for a period of six (6) months, each owner of a lot in the Development shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by dividing the total taxes and/or assessments due the governmental authority by the total number of lots in the property. If such sum is not paid by the owner within thirty (30) days following the receipt of notice of the amount due, then said sum shall become a continuing lien on the lot of the then owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may bring either an action at law or may elect to foreclose the lien against the lot of the owner.

B.(10) Subordination of Lien to Mortgages: The lien provided for herein shall be subordinated to the lien of any mortgage, mortgages, deed of trust, or deeds of trust. The sale or transfer of any lot shall not affect the assessment lien or liens provided for in the preceding sections. However, the sale or transfer of any lot which is subject to any mortgage or deed of trust pursuant to a foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which become due prior to such sale or transfer. No such sale or transfer shall release such lot from liability for any assessments thereafter becoming due or from the lien thereof. But the liens provided for herein shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust, or deeds of trust.

ARTICLE VI.

THE DECLARANT'S RIGHTS:

9. . 1 A. THE DECLARANT reserves unto itself a perpetual, alienable and releasable easement and right on, over and under the ground to erect, maintain and use electric and telephone poles, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone, television and cable facilities, gas, sewer, water or other public conveniences or utilities on, in or over the rear ten (10) feet of each lot, the front ten (10) feet of each lot and the ten (10) feet along one side of each lot and such other areas as are shown on the map of the property referred to hereinabove. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary in the opinion of THE DECLARANT to provide an economical and safe utility installation.

B. THE DECLARANT reserves the right to subject the property to easements and contracts with electric, telephone, cable television, and other utilities for the installation of underground cables, wires, pipes, or other necessary conduits for utilities, any of which may require an initial payment and continuing monthly payments for the use thereof by the owners of single-family residences within the property.

10. A. All covenants, conditions, restrictions and affirmative obligations set forth in these Articles shall run with the property and all portions thereof, and be binding on all parties having any right, title or interest in the property, or any portion thereof, their heirs, devisees, successors and assigns, and shall inure to the benefit of the same, for a term of twenty (20) years from the date these Articles are recorded in the New Hanover County Registry, after which time these Articles shall be automatically extended for successive periods of ten (10) years, unless ninety percent (90%) of the then owners agree to revoke the same. These Articles may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the owners and recorded in the New Hanover County Registry, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the owners and recorded in the New Hanover County Registry.

B. The invalidation of any one of the covenants, conditions or restrictions contained in these Articles by any court, agency or legislature shall in no way affect any of the other covenants, conditions or restrictions contained in these Articles and they shall remain in full force and effect.

C. Nothing in these Articles, nor in the recording of any plat or deed pursuant hereto, shall dedicate (or be deemed to dedicate) to public use any of the property.

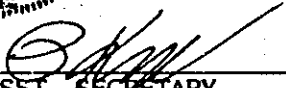
D. The Association, THE DECLARANT, and any owner, shall have the right to enforce, by any proceeding at law or in equity, all of the conditions, covenants and restrictions of these Articles, and any and all liens hereinafter imposed pursuant to the provisions of these Articles. Failure by the Association, of THE DECLARANT or any owner to enforce any of the above shall in no event be deemed a waiver of the right to do so thereafter. In addition to the foregoing THE DECLARANT shall have the right, whenever there shall have been built on any lot any structure which is in violation of these Articles, to enter upon said lot where such violation exists, and summarily abate or remove the same at the expense of the owner, if after thirty (30) days written notice of such violation the same shall not have been corrected by the owner. Any such entry and abatement or removal shall not be deemed a trespass.

IN WITNESS WHEREOF, the DECLARANT, MANASSAS, INC. has caused this Declaration of Articles of Covenants, Conditions and Restrictions to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.



MANASSAS, INC.

BY: 
MATHIAS EPSTEIN, PRESIDENT


ASST. SECRETARY

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

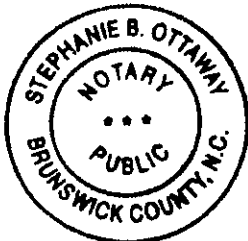
I, a Notary Public of the County and State aforesaid, certify that Pamela Kittredge, personally came before me this day and acknowledged that she is Asst Secretary of MANASSAS, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by her self as its Asst Secretary.

WITNESS my hand and official stamp or seal, this 5th day of September, 2000.


Notary Public

My Commission Expires:

7/15/2005



BOOK

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STATE OF NORTH CAROLINA

NEW HANOVER COUNTY

The Foregoing Certificate(s) of Stephanie B. Ottaway
certified to be correct. Notary Public (is/are)

This 6 day of Sept., A.D., 192000

MARY SUE OOTS Register of Deeds New Hanover

BY: Laficia Barnes Deputy
Asst.