

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

RECORDED AND VERIFIED
PROTECTIVE COVENANTS OF
MIDDLE POINT BOOK
SECTION 1

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THESE PROTECTIVE COVENANTS, made this the 11 day of June, 1996, by Landmark Developers, Inc., a North Carolina corporation, its successors and assigns, whether one or more, hereinafter referred to as "DECLARANT".

WITNESSETH:

WHEREAS, DECLARANT is the owner of certain real property in New Hanover County, North Carolina, which is more particularly described as MIDDLE POINT, SECTION 1 in that map recorded in Map Book 36, Page 24, of the New Hanover County Registry.

NOW, THEREFORE, DECLARANT hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title, or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

Definitions

300014 Section 1. Articles shall mean the Articles of Incorporation of Middle Point Homeowners' Association, Inc.

Section 2. Association shall be used to mean and refer to Middle Point Homeowners' Association, Inc., a private non-profit corporation formed or to be formed by the DECLARANT primarily as a Homeowners' Association for the Lot Owners in MIDDLE POINT, all of whom shall be Members of the Association.

Section 3. Board of Directors or Board shall be the elected board governing the Association and managing the affairs of the Association.

Section 4. Bylaws means the Bylaws of MIDDLE POINT HOMEOWNERS' ASSOCIATION, INC.

300162 Section 5. Common Area shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 6. Common Expenses means and includes actual and estimated expenses of maintaining and operating the Common Areas, Conservation and Buffer Areas and landscaped areas within road right of ways and operating the Association for general purposes, including any reasonable reserve, as may be found necessary and appropriate by the Board of Directors pursuant to these Protective Covenants, the Bylaws and the Articles of Incorporation of the Association, including the following:

- (a) All sums lawfully assessed by the Association against its members;
- (b) Expenses of administration, maintenance, repair or replacement of the Common Areas and the stormwater system;
- (c) Expenses declared to be Common Expenses by the provisions of these Protective Covenants or the Bylaws;
- (d) Expenses agreed by the members to be Common Expenses of the Association;
- (e) Any ad valorem taxes and public assessments levied against the Common Area.

Section 7. DECLARANT shall be and refer to Landmark Developers, Inc., a North Carolina corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the DECLARANT for the purpose of development.

Section 8. Lot shall mean and refer to any of the Lots numbered and shown on the plat of MIDDLE POINT, Section 1, recorded as aforesaid, in the New Hanover County Registry together with the single family structure or dwelling, and any other numbered lots which may be shown on maps which may be recorded in the future showing additional sections of MIDDLE POINT.

Section 9. Member shall mean and refer to each and every person and entity who or which owns a Lot in MIDDLE POINT SUBDIVISION.

This document is being rerecorded to revise Page 12, Paragraph 1, Section CC to read as follows... "No Hazardous, illegal, or governmental regulated material(s) shall be deposited on any Lot in Middle Point Subdivision."

Returned to

This document is being rerecorded to revise Page 12, Paragraph 1, Section CC to read as follows, Declarant does not grant permission or recommend that any material be buried on any lot in Middle Point...

Section 10. Owner shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 11. Person shall mean and refer to an individual, corporation, limited liability company or partnership, partnership or limited partnership, association, trustee, or other legal entity.

Section 12. Properties shall mean and refer to that certain real property which is described as MIDDLE POINT, Section 1, in that map recorded in Map Book 36, Page 24, of the New Hanover County Registry and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 13. Protective Covenants shall mean this instrument as it may be from time to time amended or supplemented.

Section 14. Subdivision means all of that real property known collectively as MIDDLE POINT as shown on that map recorded in Map Book 36, Page 24, of the New Hanover County Registry and all maps which may be recorded in the future showing additional sections of MIDDLE POINT.

ARTICLE 2

Property Rights

Section 1. Owners' Easements Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- a. The right to the Association to limit the number of guests of Members;
- b. The right of the Association to suspend the voting rights and right to use the Common Areas and the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- c. The right of the Association to dedicate or transfer all or part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association;
- d. The right of the Association to formulate, publish and enforce rules and regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area and the right of the Association to establish penalties for any infractions thereof.
- e. The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and carrying out its maintenance responsibilities and in aid thereof to mortgage said property, and the rights of such mortgages in said properties shall be subordinate to the rights of the Lot Owners hereunder.
- f. Easements as provided in Article 4 hereof.

Section 2. Delegation of Use. Owner may delegate, in accordance with the Bylaws, his rights of enjoyment to the Common Area and facilities to the Members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE 3

DECLARANT'S RIGHTS

Section 1. The DECLARANT hereby reserves the right to annex and subject to these restrictions the real property which is located within a 1 mile radius of, and is adjacent to and contiguous with that property described in Map Book 36, Page 24, of the New Hanover County Registry, in order to extend the scheme of these Protective Covenants to other property to be developed and thereby bring such additional Properties within the jurisdiction of the Association. Each additional parcel or tract of land, with the improvements thereon, or to be placed thereon, which is subject to these Protective Covenants shall be designated consecutively as "Section 2", "Section 3", and such other similar designations for any additional phases added.

Section 2. The rights reserved by DECLARANT in Section 1 and all annexed Sections include the right to change, alter or designate Lot(s), roads, utility and drainage facilities and easements, and to change, alter or redesignate such other present and proposed amenities or facilities as may in the sole judgment of the DECLARANT, be necessary or desirable. The rights reserved in this Section specifically include the right of DECLARANT to redesignate, change, or alter any platted Lot(s) into road(s).

ARTICLE 4

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Easements

Section 1. Easements are reserved as necessary in the Common Areas for installation and maintenance of underground utilities and drainage facilities.

Section 2. Every Owner of a Lot within the Subdivision, as an appurtenance to such Lot, shall have a perpetual easement over and upon the Common Areas within the Subdivision for each and every purpose or use to which such Common Areas were intended as determined by their type, or for which such Common Areas generally are used, including, but not limited to, easement of access, maintenance, repair or replacement of the Common Areas. Such easements shall be appurtenant to and shall pass with the title to every Lot located within the Subdivision, whether or not specifically included in a deed thereto.

Section 3. The Association hereinafter may grant easements for utility purposes for the benefit of the Subdivision and the Lots now or hereafter located thereon, over, under, along and through the Common Areas. Provided, however that no such grant of easement shall have a material adverse effect on the use, enjoyment or value of any Lot.

Section 4. Any Owner may delegate, in accordance with the rules and regulations, his right of enjoyment to the Common Areas, and facilities to the members of his family, his tenants, and contract purchasers who reside on the property.

Section 5. Easements and rights of way over and upon the rear, front and side ten (10) feet of each Lot for drainage and the installation and maintenance of utilities and services are reserved to DECLARANT and its successors and assigns for such purposes as DECLARANT may deem incident and appropriate to its overall development plan. The easements and right of way areas reserved by DECLARANT on each Lot pursuant hereto shall be maintained continuously by the Owner, but no structures or plantings or other material shall be placed or permitted or remain upon such areas or other activities undertaken thereon which may damage or interfere with the installation or maintenance of utilities or other services, or which may retard, obstruct or reverse the flow of water or which may damage or interfere with established slope ratios or create erosion problems. Improvements within such areas also shall be maintained by the respective Owner except those for which a public authority or utility company is responsible. 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 installation. The DECLARANT shall have no maintenance responsibilities for such easement areas.

Section 6. 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.

Section 7. The rights reserved by DECLARANT in Article 3 and all annexed Sections include the right to change, alter or designate Lots, roads, utility and drainage facilities and easements, and to change, alter or redesignate such other present and proposed amenities or facilities as may in the sole judgment of the DECLARANT, be necessary or desirable. Except as allowed in Article 3, the DECLARANT shall have no right to change, alter or redesignate the character of the use of the Lots within the development.

Section 8. An easement is hereby granted to all police, fire protection, ambulance and all similar persons, companies or agencies performing emergency services to enter upon the Lots and Common Area in the performance of their duties.

Section 9. The real property in this Subdivision is subject to a contract with Carolina Power and Light Company for the installation of underground electrical utilities which may require an initial contribution and/or the installation of street lighting, which will subject each Owner to a continuing monthly payment to Carolina Power and Light Company.

Section 10. An easement is hereby established over all Lots and Common Area for the benefit of applicable governmental agencies for the setting, removing and reading of water meters, maintaining and replacing water, drainage and drainage facilities, fire fighting, law enforcement, garbage collection and the delivering of mail.

Section 11. An exclusive easement is hereby established in favor of DECLARANT over all Common areas for access to adjacent properties for the purposes of future development and the installation of streets and public utilities.

Section 12. All easements and rights described herein are easements appurtenant, running with the land, and shall inure to the benefit of and be binding on all undersigned, its successors and assigns, and any Owner, purchaser, Mortgagee and other person having an interest in said land, or any part or portion thereof, regardless of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the benefit of and be binding on the undersigned, its successors and assigns, and any Owner, purchaser, Mortgagee and other person having an interest in said land, or any part or portion thereof, regardless of whether or not reference to said easement is made in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in these Protective Covenants.

ARTICLE 5

Association

Section 1. Purpose. An Association named Middle Point Homeowners' Association, Inc. has been or will be formed pursuant to the requirements of the Nonprofit Corporation Act (Chapter 55A) of the General Statutes of North Carolina. Its purposes are to own, manage, maintain and operate the Common Areas and facilities located upon the Common Areas and Conservation and Buffer Areas and landscaped areas within road right of ways; to enforce the Protective Covenants contained herein, and to make and enforce rules and regulations governing the Owners' use and occupation of Lots.

Section 2. Membership. Every person who is record Owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, but excluding persons who hold an interest merely as security for the performance of any obligations, shall be a member of the Association. Ownership of such interest shall be the sole qualification for such membership; there shall be only one vote per Lot in such Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The Board of Directors may make reasonable rules regarding proof of ownership.

Section 3. Voting Rights. The Association shall have two classes of voting memberships.

- a. Class "A". Class A Members shall be all Owners with the exception of the DECLARANT and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.
- b. Class "B". Class B Member(s) shall be the DECLARANT and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:
 - (1) When the DECLARANT owns twenty-five percent (25%) or less of the residential lots in the subdivision, including any property which may be annexed to the subdivision, or
 - (2) On December 31, 2006.

Section 4. Common Area. The Common Area cannot be mortgaged or conveyed without the consent of two-thirds (2/3) of the Lot Owners.

Section 5. Management and Administration. The management and administration of the Common Areas of the Subdivision and the Association shall be the sole right and responsibility of the Association. The management shall be carried out in accordance with the terms and conditions of these Protective Covenants, the Articles of Incorporation and Bylaws of the Association, but may be delegated or contracted to manager(s) or a management service.

Section 6. Assignment to Association. All water, sewer, land use, stormwater system, and utility permits, agreements and easements between DECLARANT and any municipal or governmental agency or department or public or private utility company shall be assumed by the Association upon the assignment of all such permits, agreements and easements to the Association by DECLARANT. The Association shall thereafter be responsible for and assume all duties, obligations, and rights and privileges of DECLARANT under such permits, agreements and easements, including all maintenance responsibilities.

ARTICLE 6 DECK PAGE
Covenants for Assessments 2055 0124

Section 1. Creation of the Lien and Personal Obligation of Assessments. The DECLARANT, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- a. General assessments or charges for Common Expenses, and
- b. Special assessments for capital improvements, or special assessments as established by the Board of Directors, and
- c. Individual assessments against specific Lot(s) or property, in the event an Owner fails to comply with the provisions of these Protective Covenants, the Articles, By-laws or Rules and Regulations of the Association. The Association, through its Board of Directors, may perform such required task or remedy such matter, or assess a fine for such failure to comply and may levy the cost of such fine, performance, or remedy against the Owner(s) and the Owner's Lot or property as an individual assessment; and

The general, special and individual assessments, together with interest, late fees, costs and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each assessment is made. Each such assessment, together with interest, costs, late fees and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to any successors in title unless specifically assumed by them.

PROVIDED, the DECLARANT shall pay one half of the general assessment for any unsold Lots which are platted of record in the Office of the Register of Deeds of New Hanover County as Lots in Middle Point Subdivision. Two years after the DECLARANT begins payment of general assessments, the DECLARANT shall pay the pro rata share of the general assessment of the year, and accrual of the obligation to pay full general assessments to the Association shall not begin until that date.

Section 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 in the Properties and for the improvements and maintenance of the Common Area and to pay the taxes and other municipal charges or fees of the Common Area.

Section 3. Initial General Assessment. The initial general assessment, due and payable to the Association, shall be prorated and paid at the time of closing of the purchase of a Lot by an Owner, so that all payments thereafter shall be due on January 1 of each year or the due date(s) which may be set by the Board of Directors as is more fully set forth in Section 6 of this Article. All general assessments shall be fixed to a uniform rate for all Lots.

Section 4. Special Assessments for Capital Improvements. In addition to the general assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to the year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including easement areas, fixtures, and personal property related thereto provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose. Special assessments for the maintenance of sewer lines and other elements of the sewer system, the drainage and stormwater runoff systems, and other utility systems, as required by government permits or regulations, may be assessed by the Board of Directors without a vote of the members. All special assessments for capital improvements shall be fixed to a uniform rate for all Lots.

Section 5. Working Capital Assessment. At the time title is conveyed to an Owner by DECLARANT, each Owner shall contribute to the Association as working capital an amount equal to \$100.00. Such funds shall be used for initial operating and capital expenses of the Association, such as prepaid insurance, supplies, and the Common Areas and facilities, furnishings, and equipment, etc. Amounts paid into the working capital fund are not to be considered as advance payment of regular assessments. All working capital funds shall become part of the general operating funds of the Association.

Section 6. Notice and Quorum for any Action Authorized Under Section 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 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 fifty-one percent (51%) of all the votes of each class of membership shall constitute a quorum. The required quorum at any subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of General Assessments and Due Dates. The general assessments provided for herein shall commence on the date of conveyance of each Lot to an Owner other than DECLARANT. The first general assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the general assessment against each Lot at least thirty (30) days in advance of each general assessment period. Written notice of each general assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Board of Directors shall require the general assessments to be paid at least annually, but may require the general assessments to be paid more often. 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.

Section 8. Effect of Nonpayment of Assessments and Remedies of the Association. Any assessment, if not paid within thirty (30) days after the date such assessment is due, together with interest at the maximum rate allowed by law, costs of collection, court costs, late fees and reasonable attorney's fees, shall constitute a lien against the Lot upon which such assessments are levied. The Association may record notice of the same in the office of the Clerk of Superior Court of New Hanover County, or file a suit to collect such delinquent assessments and charges. The Association may file Notice of Lis Pendens, 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 property. No Owner may waive or otherwise escape liability for the assessments provided herein by non-use of the Common Area or abandonment of his Lot or for any other reason.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. All Properties dedicated to, and accepted by, a local public authority and all Properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein, except no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE 7

Architectural Control

Section 1. No structures, buildings, or improvements shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made, including change of color, until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by DECLARANT, or by an architectural committee composed of three (3) or more representatives appointed by the DECLARANT. Structures, buildings and improvements shall include, but not be limited to any dwelling, garage, fence, wall, sidewalk, hedge, mass planting, change in grade or slope, drainage pipe, drainage canal, ditch, swale, catch basin, swimming pool, treeshouse, playhouse, sign, flag pole, exterior illumination, monument or marker, outdoor statuary, exterior lights, security lights, storm door, well utility facility, mailbox, patio, deck, screening for outdoor trash cans or other purposes, sprinkler system, driveway, outdoor decorative objects, shrubbery or landscaping. In the event said DECLARANT, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after complete plans and specifications have been received by it, and notification of receipt of plans and specifications has been sent to the submitting Owner(s), approval will not be required and this Article will be deemed to have been fully complied with. DECLARANT shall notify Owner if complete plans and specifications have not been received. DECLARANT, subject to the provisions of Section 2 hereinafter, may assign these duties to the Board of Directors of the Association or to an architectural committee composed of three (3) or more representatives appointed by the Board.

Section 2. All duties and responsibilities conferred upon the Board or the Architectural Control Committee by these Protective Covenants or the Bylaws of the Association may be exercised and performed by the DECLARANT or its Designee at its discretion, so long as DECLARANT shall own any Lot in the Properties or any additions annexed thereto by Supplemental Protective Covenants or Amendment to these Protective Covenants.

Section 3. In addition to its duty of review and approval of external harmony and design, the Committee shall monitor the compliance with all use restrictions, design and architectural control provisions and conditions and other restrictions. The Committee shall report such violations as may come to its attention to the DECLARANT or the Association for appropriate actions of enforcement.

Section 4. The Committee shall be composed of a minimum of three members of the Association. Until such time as the Committee has been established, the DECLARANT shall perform the functions as outlined above and elsewhere herein. Where the term "The Declarant" or "The Committee" have been used, this term shall be construed to mean that only one of the two entities will perform the duties and function, and when the Committee is established, that Committee will perform the duties and functions as outlined above. Upon the appointment and organization of the Committee, the Committee shall adopt such administrative procedures as will insure the submission, review and approval of any and all buildings and/or improvements constructed.

Section 5. No construction, which term shall include within its definition clearing, excavation, grading and other site work, shall take place except in strict compliance with this Article, and until the approval of the Committee or DECLARANT has been obtained.

Section 6. Since the establishment of standard inflexible building setback lines in location of homes on Lots tends to force construction of homes directly to the side of other homes with detrimental effects on privacy, view, preservation of important trees and other vegetation, ecological and related concerns, no specific setback lines are established by these protective covenants. In order to assure, however, that the foregoing considerations are given maximum effect, the DECLARANT reserves the right to select the precise site location of each house or other structure on each Lot in its sole discretion and to arrange the same in such manner and for such reasons as the DECLARANT deems sufficient, provided, however, the DECLARANT shall make such determination so as to insure that the development of the Lots subject to these PROTECTIVE COVENANTS is consistent with the provisions set forth herein. The placement of homes is meant to create a sense of spaciousness and to avoid monotony. For such purposes it is the DECLARANT'S intent that setback lines may be staggered where appropriate. In any event, no house shall be erected closer to the front Lot line or nearer to any side Lot line than the minimum distances established by applicable governmental ordinances.

Section 7. Any Owner(s) installing a drainage pipe must also install a catch basin, both of which must be approved by DECLARANT or Committee in accordance with the terms of this Article. In addition, all such installations must comply with all applicable governmental statutes, ordinances and regulations, including, but not limited to, the State of North Carolina Department of Transportation standards.

Section 8. All improvements, driveway connections, and plantings, including, but not limited to, drainage pipes, landscape materials, irrigations systems, walls, and fences, located within the road right-of-way must meet North Carolina Department of Transportation ("DOT") specifications and must be approved by DECLARANT or Committee. Lot Owner shall be responsible for all roadway repairs required because of damage caused by Lot Owners for failure to comply with this paragraph, whether such damage occurs before or after the road has been accepted and approved by DOT as a public road. DECLARANT shall not be responsible for any such roadway repairs.

Section 9. The Committee or DECLARANT shall have jurisdiction over all original construction on any Lot and later changes or additions after initial approval thereof together with any modifications, additions or alterations subsequently to be constructed on any Lot or made to any improvements initially approved, including any exterior change or alteration and change of color.

Section 10. The Committee or DECLARANT shall have the right to disapprove any plans, specifications and details submitted to it in the event the same are not in accordance with any of the provisions of these PROTECTIVE COVENANTS and any architectural guidelines which may be in effect at the time.

Disapproval of plans, location, specifications or details may be based upon any grounds, including purely aesthetic considerations which the Committee or DECLARANT, in its sole and uncontrolled discretion, shall deem sufficient, however, approval of plans shall not be unreasonably withheld.

An Owner shall have the right to appeal disapproval of plans, location, specification and details to the Board of Directors. The decision by the Board of Directors shall be final and not subject to appeal or review.

Section 11. The Committee, or its agent, or the DECLARANT shall have the right to inspect all construction to ensure that it is performed in strict accordance with the approved plans, specifications and details.

Section 12. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of any residence or permitted pertinent structures, or to paint the interior of the same any color desired.

Section 13. Neither the DECLARANT nor the Committee nor the Board of Directors or any architecture agent thereof shall be responsible in any way for any defects in plans, specifications or details submitted, revised or approved in accordance with the provisions contained herein or in the guidelines, nor for any structural or other defect in any construction.

Section 14. Owner(s) shall be responsible for compliance with all applicable governmental statutes, ordinances and regulations, including, but not limited to, land use, zoning, and building regulations.

ARTICLE 8

Maintenance

Section 1. If, in the opinion of the Association or the DECLARANT, any Owner shall fail to maintain any Lot owned by him in a manner which is reasonably neat and orderly or shall fail to keep improvements constructed thereon in a state of repair so as not to be unsightly, all in the sole opinion of the Association or the DECLARANT, the Association in its discretion, by the affirmative vote of a majority of the members of the Board of Directors, or the DECLARANT, in its discretion, and following ten (10) days written notice to Owner, may enter upon and make or cause to be made repairs to such improvements and perform such maintenance on the Lot as the removal of trash, cutting of grass, pruning of shrubbery, weeding and items of erosion control. The Association shall have an easement for the purpose of accomplishing the foregoing. The reasonable cost incurred by the Association in rendering all such services, plus a service charge of fifteen percent (15%) of such cost, shall be added to and become an individual assessment to which such Lot is subject as provided in Article 6 herein.

Section 2. The Owner of each Lot shall keep the Lot mowed regularly, including that area from the lot line to the edge of the paved street and clear of any unsightly objects, and in the event that the Owner of any Lot within the said Subdivision breaches this restriction, the DECLARANT and Association reserve the right to enter upon the Lot and mow the grass. Clean up the Lot and remove unsightly structures and objects at property Owner's expense as provided in Section 1 above. Where Lots border on or contain ditches, drainage canals or swales, the Owner of each Lot shall keep that area, including the slopes, down to the edge of the water, mowed and maintained regularly. Washouts or erosions on the Lots adjoining ditch banks and swales to pavement shall be properly tended to by the respective Lot Owner. This obligation and right may be enforced by the Association or any Owner as provided in Article 11 herein.

ARTICLE 9

Restrictions on Use and Occupancy

Section 1. No Lot shall be used except for single family residential purposes. No commercial use shall be permitted on any Lot. No structure shall be erected, placed or permitted to remain on any Lot other than one (1) detached, single family residence dwelling not to exceed two and one-half stories in height above floor or piling level and such outbuildings as are usually accessory to a single family residence dwelling, including a private enclosed garage.

Section 2. Any dwelling constructed on a Lot subject to these PROTECTIVE COVENANTS shall contain not less than 1800 square feet of fully enclosed and heated floor space all devoted to living purposes (exclusive of roofed or unroofed porches, breezeways, terraces, porches, steps, walks, garages and any outbuildings). In computing the number of square feet allowed as provided herein, no square footage in any part of the dwelling that is constructed over a garage will be counted, unless it is an integral part of the living space and approved by DECLARANT. An enclosed garage shall be constructed on each lot at the time of the construction of the dwelling.

Section 3. All Lots are subject to the State of North Carolina rules and regulations concerning stormwater runoff as these rules and regulations are amended from time to time. These regulations currently provide that Lots 9 through 27; 40; and 53 through 55 will be restricted to 4300 square feet of built upon area; and Lots 28 through 39 will be restricted to 4100 square feet of built upon area, including impervious surfaces such as foundation; structures; pavement; concrete; driveways, including that portion of the driveway located within a street right-of-way, which runs from the property line to the road pavement; and walkways or patios of brick, stone or slate, and gravel, marl or stone covered areas, not including wood decking or the water surface of swimming pools. DECLARANT reserves the right to recalculate the maximum allowable built upon area in accordance with the storm water runoff rules and regulations of the State of North Carolina. All drainage swales or drainage patterns used to treat stormwater runoff as required by the State of North Carolina may not be filled in, piped or changed without the consent of the DECLARANT, its designee, the Association, or the State of North Carolina and shall be maintained as set forth in Article 8 herein. For curb and gutter projects, no one may pipe, fill in, or alter any lot line swale used to meet North Carolina Stormwater Management Permit requirements. The State of North Carolina is hereby made a beneficiary of these PROTECTIVE COVENANTS to the extent necessary to enforce its stormwater runoff regulations as the same may be amended from time to time. This paragraph cannot be changed or deleted without the consent of the State of North Carolina.

Section 4. No swimming pool on any Lot shall be placed or constructed without the approval of the DECLARANT or Committee and shall not be located nearer than twenty (20) feet from the side or rear lot lines.

Section 5. No ~~Lot or Lots~~ ²⁰⁰⁴⁴ shall be subdivided ⁰⁹⁹⁷ except to enlarge an adjoining Lot, but any Lot so enlarged cannot be improved with more than one single family dwelling. An Owner of a Lot and a portion or all of an adjoining and contiguous Lot or Lots may construct a dwelling and/or other structures permitted hereunder upon and across the dividing line of such adjoining and contiguous Lots, and thereafter such combinations of Lots or portions thereof shall be treated for all purposes under these PROTECTIVE COVENANTS as a single Lot.

Section 6. All Lots shall be well maintained and no accumulation of rubbish or debris shall be permitted. The Owners of all unbuilt upon Lots in the Subdivision shall clear their Lots of underbrush at least one time each year. If the Owners do not clear their Lot as required by this paragraph, the Association shall have the authority to clear any such Lot of underbrush and separately assess the cost of such work against each Owner. Such charge shall be an individual assessment against the Owner and his Lot(s) and may be enforced in accordance with the provisions of Article 6 herein.

Section 7. Owners shall be responsible for any damage done to any streets, roadways, accessways, Common Areas or property of other Owners within the Subdivision which may be caused by any Owner, his agents, employees, guests, licensees or invitees. The Association shall have the authority to assess any Owner for such damage and such charge shall be an individual assessment against the Owner and his Lot(s) and may be enforced in accordance with the provisions of Article 6 herein.

Section 8. The following general prohibitions and requirements shall apply and control the improvements, maintenance and use of all Lots:

a. No mobile home, trailer, tent, or temporary house, temporary garage or other temporary outbuildings shall be placed or erected on any Lot, provided, however, that the Committee or DECLARANT may grant permission for temporary structures for storage of materials during construction.

b. Once construction of a dwelling or other improvements are started on any Lot, the improvements must be substantially completed in accordance with the approved plans and specifications within twelve (12) months from commencement. Failure to complete construction within twelve (12) months from commencement date may result in a fine being imposed in the minimum amount of \$500.00 per month, which fine shall be payable to DECLARANT until all Lots in the Subdivision have been sold, at which time the fine shall be payable to the Association. The fine imposed under this Section shall be an individual assessment enforceable in accordance with Article 6 herein.

c. During construction of improvements on any Lot, adequate portable sanitary toilets must be provided for the construction crew.

d. Construction activity on a Lot shall be confined within the boundaries of said Lot. Each Lot Owner shall have the obligation to collect and dispose of all rubbish and trash resulting from construction on his Lot.

e. All dwellings and permitted structures erected or placed on any Lot shall be constructed of material of good grade, quality and appearance, and all construction shall be performed in good workmanship manner and quality. The covering for all roofs shall be shingles or materials approved by the Committee or DECLARANT. Materials and colors for the exterior of all dwellings and permitted structures must be approved by the Committee or DECLARANT. No used structures shall be relocated or placed on any Lot and no structures shall have an exterior constructed of asbestos or asphalt siding, aluminum siding, paper composition, it being intended that only wood siding, manufactured lap siding, vinyl, brick, claybrick, or stucco exteriors be constructed on Lots subject to these protective covenants. Modular and prefabricated homes may not be erected or placed on any Lot, without approval of the Committee or DECLARANT.

f. Except structures erected by the DECLARANT, no structure erected upon any Lot may be used as a model exhibit or model house unless prior written permission to do so shall have been obtained from the Committee or DECLARANT.

g. Any dwelling or improvement on any Lot that is destroyed in whole or in part by fire or other casualty shall be either rebuilt or torn down and all debris removed and the Lot restored to a sightly condition with reasonable promptness, provided, however, that in no event shall such debris remain on such Lot longer than three (3) months. A temporary privacy wall or fence must be built to screen the property from view within seven (7) days and such fence or wall must be approved in advance by DECLARANT or Committee.

h. No stripped, partially wrecked, junk motor vehicle, or part thereof, or any motor vehicle not displaying a current valid inspection sticker shall be permitted to be parked or kept on any Lot.

- i. No vehicle of any type shall be parked on any street in the Subdivision. No truck nor other vehicle in excess of a three-quarter (3/4) ton load capacity, boat, vessel, motorboat, camper, trailer, motor or mobile home, or similar type vehicle or apparatus shall be parked or kept overnight or longer, on any street or on any Lot unless it is stored in an enclosed garage and in such a manner as to not be visible to the Owners of other Lots or the users of a street or recreation area. All tools or other materials stored in vehicles for overnight parking shall be kept out of sight. No customized vehicles which are unsightly in appearance as determined by the Board of Directors or the DECLARANT shall be allowed.
- j. No outdoor poles, clotheslines and similar equipment shall be erected or located upon any Lot.
- k. All trash receptacles and garbage cans shall be screened so as not to be visible by the Owners of other Lots or the users of any streets or recreation area. All such screening shall be approved by the DECLARANT or the Committee.
- l. No fuel tanks or similar storage receptacles may be exposed to view. The placement of any such receptacles may be approved by the Committee or DECLARANT and may only be located within the main dwelling house, within an accessory building, within a screened area, or buried underground.
- m. Each Lot in the Subdivision shall have only one (1) mailbox and one (1) paper box which shall be mounted on a single post and all such boxes must be approved by the DECLARANT or Committee. Such mailboxes or paper boxes may be provided by the DECLARANT or builder. Any boxes provided by the DECLARANT or builder shall be considered an improvement and must remain with the Lot and must be maintained by the Lot Owner. Boxes damaged beyond repair shall be replaced by the Lot Owner.
- n. No advertising signs or billboards or other advertising structure(s) of any kind shall be erected on any Lot or displayed to the public on any Lot subject to these restrictions except that one sign of not more than six square feet in area may be used to advertise a completed dwelling for sale or rent. No "For Sale" signs are allowed on any vacant Lots except with approval by DECLARANT or Committee. This covenant shall not apply to signs erected by the DECLARANT used to identify and advertise the Subdivision as a whole, or construction identification signs approved by the Committee or DECLARANT showing Lot numbers and name of builder, or for a homeowner for the purposes of identifying the homeowner as the resident on said Lot. Said identification sign shall not exceed in size a total of six square feet. All signs permitted by these Protective Covenants must be approved by DECLARANT or Committee.
- o. No outside antennas or satellite dishes shall be erected on any Lot or structure unless and until permission for the same has been granted by the Committee or DECLARANT. Any such antennas or satellite dishes shall be screened from view by adjoining property Owners and the users of any street or recreation area or Common Area. The design and location of the screening shall be approved by the Committee or the DECLARANT.
- p. All dwelling connections for all utilities, including, but not limited to, water, electricity, gas, telephone, and television shall be run underground from the proper connecting points to the dwelling structure in such manner as may be acceptable to the appropriate utility authority. The cost for such underground service shall be shared by the Owner and utility company in conformity with existing utility company policy, if any.
- q. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and provided further that they are not allowed to run free and are at all times properly leashed and personally escorted and shall not become a nuisance or bother to other Owners. No animals, livestock or poultry of any kind may be raised, bred or kept in any Common Area. Pets must be restrained or confined within the Lot. Owners must promptly remove any and all animal excrement from any and all Common Areas and Lot(s) and keep such area(s) clean and free of pet debris. All animals must be properly tagged for identification.
- r. No fence shall be erected or hedge grown on any Lot unless approved by the DECLARANT or Committee in accordance with Article 7 herein. Fences facing or parallel to the street shall be wood construction. No fence and no hedge shall be permitted nearer the front lot line than 15 feet as measured from the rear of the house constructed on the Lot unless approved by DECLARANT or Committee. Owner(s) shall be encouraged to align fences with fences constructed on adjacent Lots. All fences constructed hereunder shall be maintained in its original condition by the Lot Owner.

s. No immoral, improper, illegal, noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereof tending to cause embarrassment, discomfort, annoyance or nuisance to the DECLARANT or any Owners. There shall not be maintained any plants or animals, or device or anything of any sort whose normal activities or existence are in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the Owners thereof. All laws, orders, rules, regulations, ordinances or requirements of any government agency having jurisdiction thereof, relating to any parties of the property, shall be complied with, by or at the sole expense of Owner or the Association, whichever shall have the obligation to maintain or repair such portion of the property.

i. No outdoor statuary or other decorative objects may be placed on any Lot without the written approval of the DECLARANT or the Committee.

ii. Burning as a means of clearing brush shall not be permitted. Burning may be allowed under appropriate circumstances if approved by the DECLARANT or the Committee and the Owner has obtained all necessary government permits.

v. No yard sales or garage sales shall be permitted upon any Lot in this Subdivision.

w. In certain instances, conservation areas or green ways, or vegetated buffers may be conveyed with a Lot to an Owner. Such areas are for conservation purposes and as such, not for Owner's private use. No fences or structures of any type may be erected in said areas and no type of vegetation may be removed.

Notwithstanding the foregoing, any area identified as a Conservation or Buffer Area on any map or revision of lots map of SUBDIVISION may be conveyed with a Lot or Lots in said Subdivision or may be conveyed to one or more Lot Owners in said Subdivision. These area(s) are for conservation or buffer purposes and, as such, not for the Owner(s)' private use. No structures other than those fences, signs, entranceway structures, landscaping or similar construction by the DECLARANT shall be permitted in these Area(s). In the case of conveyance of a Conservation or Buffer Area as set forth herein the Association shall have an easement to go upon the Area(s) to maintain such Areas. DECLARANT and Association further reserve the right and an easement to change, reconstruct or construct any fences, signs, entranceway structures, landscaping or the equivalent in and over the Conservation or Buffer Area(s).

If Owner(s), his agents, guests, lessees or licensees shall in any way disturb or damage any vegetation or structure, including fences and signs located in any Conservation or Buffer Area, as determined by the Board of Directors, the Board may impose a fine in the minimum amount of \$2,500.00, which fine shall be payable to the Association. The Association shall pay \$500.00 of this fine to DECLARANT until all Lots in the Subdivision have been sold. In addition, the Owner(s) shall be required to install replacement plant materials and/or restore any structure or pay for the cost of replacement for restoration by the Board within 30 days of notification by the Board of Directors.

x. Nothing shall be kept and no activity shall be carried on in any building or home or on the Common Area which will increase the rate of insurance, applicable to residential use, for the property or the contents thereof. No Owner shall do or keep anything, nor cause or allow anything to be done or kept, in his home or on the Common Area which will result in the cancellation of insurance on any portion of the property, or the contents thereof, or which will be in violation of any law, ordinance, or regulation. No waste shall be committed on any portion of the Common Area.

y. No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Area except as the direction of and with the express written consent of the Association or DEVELOPER.

2. The Common Area shall be used only for the purposes for which they are intended and reasonably suited and which are incident to the use and occupancy of the homes, subject to any rules or regulations that may be adopted by the Association pursuant to its By-Laws.

aa. All lawn mowers, bicycles, toys, grills and other similar objects must be stored when not in use so as not to be visible by the Owners of other Lots or the users of any street or recreation area.

bb. All wells and pumps which are permitted under the terms of Article 13, Section I must be located so as not to be visible from any street or recreation area or Common Area and must be screened from view. The design and location of the well, pump, and screening facilities shall be approved by the DECLARANT or Committee and the well, pump and screening facilities must be kept free from discoloration, including rust.

cc. DECLARANT does not grant permission or recommend that any material be buried on any Lot in Middle Point including, but not limited to any easement area, Common Area, or area where any structure shall be constructed. If any material is buried on any Lot, it is recommended that all subsequent purchasers be advised of the location and type of material(s) deposited. No hazardous, illegal, or governmental regulated material(s) shall be deposited on any Lot in Middle Point Subdivision *by*

Section 9. This Article and these PROTECTIVE COVENANTS shall not apply to any sales office which may be maintained by the DECLARANT within the MIDDLE POINT SUBDIVISION.

ARTICLE 10

Annexation of Additional Properties

Section 1. Except as provided in Sections 2 and 3, below, annexation of additional property shall require the assent of two-thirds (2/3) of the Class A Members, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting.

Section 2. If the DECLARANT, its successors or assigns, shall develop all or any portion of any land which is located within a 1 mile radius of and is adjacent to or contiguous with that property described in Map Book 36, Page 24, of the New Hanover County Registry, such additional tract or tracts may be annexed to said Properties without the assent of the Class A Members, provided however, the development of the additional tract or tracts described in this section shall be in accordance with the same general scheme of development as MIDDLE POINT.

Section 3. The rights of DECLARANT reserved in Article 3 shall expire automatically on December 31, 2016, if not exercised prior thereto.

ARTICLE 11

Compliance with these Protective Covenants, the Articles and the Bylaws of the Association

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

Section 1. The Association, the DECLARANT and any Owner, an aggrieved Owner within the Subdivision on behalf of the Association or any Owner on behalf of all the Owners within the Subdivision shall have the right to enforce by any proceeding at law or in equity, all of the conditions, covenants and restrictions of these Protective Covenants and the Articles, Bylaws and rules and regulations of the Association and any and all laws hereinafter imposed pursuant to the terms of these Protective Covenants. The prevailing party shall be entitled to collect all costs thereof, including reasonable attorney's fees.

Section 2. The Association shall have the right to remedy the violation and assess the costs of remedying same against the offending Owner as an individual assessment as provided in Article 6 herein.

Section 3. For any violation by an Owner, including, but not limited to, the nonpayment of any general, special or individual assessment, the Association shall have the right to suspend the offending Owner's voting rights and the use by such Owner, his agents, lessees, employees, licensees and invitees of the Common Areas in the Subdivision for any period during which a violation continues except that such penalties may not be for more than sixty (60) days for violation of any of the Association's published rules and regulations.

Section 4. The Association may establish a schedule of fines for the violation of these Protective Covenants, the Articles, Bylaws and rules and regulations. If an Owner does not pay the fine within 15 days the fine shall be an individual assessment against the property and may be enforced by the Association in accordance with Article 6 herein.

Section 5. The remedies provided by this Article are cumulative, and are in addition to any other remedies provided by law.

Section 6. The failure of the Association or any person or Owner to enforce any restriction contained in these Protective Covenants, the Articles, the Bylaws or the rules and regulations shall not be deemed a waiver of the right to do so thereafter.

Duration, Amendment & Termination

Section 1. Lots, Persons and Entities Subject to the Protective Covenants. All present and future Owners, tenants, and occupants of Lots and their guests or invitees, licensees, employees or agents, shall be subject to, and shall comply with the covenants, conditions, restrictions and affirmative obligations set forth in these Protective Covenants, and as the Protective Covenants may be amended from time to time. The Acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any Lot shall constitute an agreement that the provisions of these Protective Covenants are accepted and ratified by such Owner, tenant or occupant and that they will fully comply with the terms and conditions of said Protective Covenants. The covenants, conditions, restrictions, and affirmative obligations of these Protective Covenants shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date these Protective Covenants are recorded in the New Hanover County Registry, after which date these Protective Covenants shall be extended for successive periods of twenty (20) years, unless a majority of the then Owners agree to revoke the same, and the covenants, restrictions, conditions and affirmative obligations of this obligations shall run with and bind the land and shall bind any person having at any time any interest or estate in any Lot as though such provision were made a part of each and every deed of conveyance or lease.

Section 2. Amendment. At any time prior to December 31, 2016 or until all Lots are sold, these Protective Covenants may be amended by DECLARANT in its discretion. Retention of this right by the DECLARANT is not intended to affect the general or common scheme of development for the property herein described but to correct and/or modify situations or circumstances which may arise during the course of development. Thereafter, these Protective Covenants may be amended by vote of not less than sixty percent (60%) of the Owners and an instrument must be recorded at the New Hanover County Registry for such an amendment to be effective. In no event may the Protective Covenants be amended so as to alter any obligation to pay ad valorem taxes or assessments for public improvements, as herein provided, or affect any lien for the payment thereof established herein, or so as to deprive DECLARANT, its designee or successors and assigns of any rights herein granted or reserved unto DECLARANT. In addition, the DECLARANT may amend these Protective Covenants to annex additional property and make it subject to the terms, conditions, restrictions, obligations and covenants of these Protective Covenants as provided in Article 3 and Article 10 herein.

ARTICLE 13

General Provisions

Section 1. Municipal Water, Sewer Service and Utilities. Municipal sewer service shall be provided by New Hanover County or other municipal agency or department. Water service for the Subdivision may be provided by a municipal agency or department, or by licensed utility company. If water service to the Lot is available from a municipal agency or department or a licensed utility company, all Owner(s) must tie into and use such system and shall not use a private well. No private well shall be permitted on any Lot except for irrigation purposes or if municipal or community water service is not available. DECLARANT shall not be responsible for loss of service or failure of any utility company to provide service to any Lot. A well for irrigation purposes shall only be allowed with the approval of any private community water system, which approval shall not be unreasonably withheld, and the consent of the DECLARANT or Committee.

Section 2. Amenities and Facilities. Every park, recreation area, recreation facility, dedicated access and other amenities appurtenant to the Subdivision, whether or not shown and delineated on any recorded plat of the Subdivision, shall be considered private and for the sole and exclusive use of the Owners of Lots within the Subdivision. Neither DECLARANT'S execution nor the recording of any plat nor any other act of DECLARANT with respect to such area is, or is intended to be, or shall be construed as a dedication to the public of any such areas, facilities, or amenities.

Section 3. Waiver. No provision contained in these Protective Covenants, the Articles of Incorporation or the Bylaws of the Association 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.

Section 4. Variances. The Board of Directors or DECLARANT in its discretion may allow reasonable variances and adjustments of these Protective Covenants 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 with each such Owner having an easement upon areas owned by the Association.

Section 5. Conflict. In the event of any irreconcilable conflict between these Restrictions and the By-Laws of the Association, the provisions of these Restrictions shall control. In the event of any irreconcilable conflict between these Restrictions or the By-Laws of the Association and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.

Section 6. Severability. Invalidation of any one of these covenants or restrictions by judgment or any court, agency or legislative order shall in no way affect any other provision, covenants, conditions or restrictions contained in these Protective Covenants.

Section 7. Captions. The captions preceding the various Articles of these Protective Covenants are for the convenience of reference only, and shall not be used as an aid in interpretation or construction of these Protective Covenants. 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 these Protective Covenants, 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.

Section 8. Assignability of Rights and Liabilities. DECLARANT shall have the right to sell, lease, transfer, assign, license and in any manner alienate or dispose of any rights, interests and liabilities retained, accruing and reserved to it by these Protective Covenants. Following any such disposition, DECLARANT in no way shall be liable or responsible to any party with regard to any such right, interest, or liability or any claim or claims arising out of same in any manner.

Section 9. Liberal Construction. The provisions of these Protective Covenants shall be construed liberally to effectuate its purpose of creating a Subdivision of fee simple ownership of Lots and buildings 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 the rights and easements equivalent to those of other Owners.

IN WITNESS WHEREOF, Landmark Developers, Inc., the DECLARANT, has caused this instrument to be executed by its proper corporate officers, all as of the day and year first above written.



LANDMARK DEVELOPERS, INC.
BY: B Rex Stephens
Vice President

ATTEST:
H Renee Hinnant
ASST. Secretary

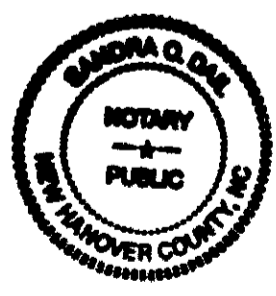
NORTH CAROLINA
NEW HANOVER COUNTY

I, Bandra Q. Dail, a Notary Public of the State and County aforesaid, certify that H Renee Hinnant personally came before me this day and acknowledged that she is Asst. secretary of Landmark Developers, Inc., a North Carolina corporation with its principal office in New Hanover County, 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 himself as its Asst. secretary.

WITNESS my hand and official seal this 11th day of June, 1996.

Bandra Q. Dail
Notary Public

My commission expires:
9/27/99



NORTH CAROLINA BOOK PAGE
2048 0168
COUNTY OF NEW HANOVER BOOK PAGE
2044 1003

The foregoing certificate of Sandra O. Day Notary Public of
New Hanover County, North Carolina, is certified to be correct.

This 14 day of June, 2005 134

MARY SUE OOTS

REGISTER OF DEEDS OF NEW HANOVER COUNTY

BY: [Signature]
Deputy