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STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVERDECLARATION OF RESTRICTIONS
PARSLEY WOODS
SECTION 3

KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned, LANDMARK ORGANIZATION, INC. (hereinafter "LOI"), a North Carolina corporation, is the owner of all of the interest and equity in that certain tract of land known as Parsley Woods, Section 3, and it is the desire of the undersigned, to ensure the use of said property for attractive residential purposes only, to prevent the impairment of the attractiveness of the property, to maintain the desired tone of the community, and thereby to secure to each lot owner the full benefit and enjoyment of his home with no greater restriction upon the free and undisturbed use of his lot than is necessary to ensure the same advantages to the other lot owners;

NOW, THEREFORE, the undersigned does hereby covenant, agree and declare to and with all persons, firms, or corporations owning or hereafter acquiring any property in Parsley Woods, Section 3, that all of the lots in said subdivision as shown upon a map recorded in Map Book 29 at Page 84, of the New Hanover County Registry, are hereby made subject to the following restrictions as to the use thereof, running with the land by whomsoever owned, to-wit:

FIRST. RESIDENTIAL USE ONLY: All lots in said Subdivision shall be known as single-family residential lots, and shall be used for residential purposes only.

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SECOND. SIZE OF STRUCTURES: No single family dwelling containing less than 2,000 square feet of heated floor space will be allowed on any lot in the Subdivision. No two-story dwelling containing less than 2,400 square feet of heated floor space will be allowed on any lot in the Subdivision. No three-story dwelling containing less than 3,000 square feet of heated floor space will be allowed on any lot in the Subdivision.

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.

A detached or attached garage for not less than two (2) cars must be constructed on each lot in the Subdivision at the time of construction of the primary dwelling located thereon.

In cases where the square footage area computed as provided herein is not more than ten percent (10%) below the minimum requirements established herein, LOI or its designated agents may, in its sole discretion approve the construction of the dwelling if it is in conformity with the general development of the Subdivision.

Driveways on each lot shall be constructed of black or dark gray concrete, brick, asphalt, exposed aggregate or other material approved by LOI.

THIRD. DETACHED STRUCTURES: All detached structures, including pump houses and piers, constructed on any lot in the Subdivision shall conform to the design and material specifications approved for the dwelling constructed thereon.

All piers constructed into Bradley Creek and the marsh area adjacent thereto will be constructed so that same shall lie within the extension of lot lines for said lot as shown on the hereinabove referred to map.

RETURNED TO


 BY ALS. JACKSON & MILLS

WILMINGTON, NORTH CAROLINA 28402-0147

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FOURTH. EXTERIOR COMPOSITION: No concrete block, concrete brick, asbestos siding, aluminum siding, cinder block nor tar paper composition shall be used for the exterior of any dwelling constructed on any lot located in the Subdivision, it being intended that only conventional frame, brick, clay brick or stucco exteriors be constructed on the lots subject to these covenants.

FIFTH. SETBACKS AND SIDELINES: Since the establishment of standard inflexible building setback lines for location of dwelling on lots tends to force construction of dwellings directly to the side of other dwellings with detrimental effects on privacy, view, preservation of important trees and other vegetation, ecological and related considerations, no specific setback lines are established by these Restrictions. In order to assure, however, that the foregoing considerations are given maximum effect, LOI reserves the absolute right to control and approve the site and location of any structure upon any lot. In any event, the following minimum setback lines, side lot lines and rear lot lines will be observed upon all lots:

Non-Waterfront Lots: 40' front setback - 10' side lot lines - 30' rear lot line.

Waterfront Lots: 25' front or street lot line - 10' side lot lines - 75' rear lot line.

Dwellings shall not be constructed with more than a 10' differential from adjacent dwellings front or rear setback lines without specific written approval of LOI.

On corner lots, the side having the least frontage will be considered the front lot line of said lot.

SIXTH. USES PROHIBITED: No lot located within the Subdivision shall ever be used for business, manufacturing, commercial or professional purposes, it being intended that all lots are restricted to residential use only.

SEVENTH. TEMPORARY STRUCTURES: No house trailer, mobile home, tent, shack, garage, prefabricated, premanufactured or temporary structure of any nature, shall be located on any lot or used at any time as a dwelling, temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

EIGHTH. FENCING: LOI reserves the right, in its sole discretion, to approve all fencing plans for any lot in the Subdivision. Any owner of any lot who desires to erect a fence thereon must first submit a perimeter plan for said fencing, along with the specifications on materials and design to LOI and obtain LOI's approval prior to the beginning of construction of said fence.

NINTH. SIGNS: No advertising signs or billboards shall be erected on any lot or displayed to the public on any lot, except that one sign, not to exceed five (5) square feet in area, may be used to advertise a completed dwelling for sale. No "For Sale" signs are allowed on any unimproved lot. This covenant shall not apply to signs erected by the Owner/LOI used to identify and advertise the Subdivision as a whole, by a contractor for an item of work being performed on a given lot, or by a bank or mortgage banks advertising that it has provided the financing for said construction.

TENTH. FUEL TANKS, STORAGE RECEPTACLES, ETC.: No fuel tanks or similar storage receptacles located on any lot may be exposed to public view. Any such receptacles must be installed only within the main dwelling house, within an accessory building, within a screened area, or buried underground.

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ELEVENTH. SATELLITE DISHES, ETC.: No television antennas, or television or radio satellite dishes are allowed on any lot in the subdivision. However, radio antennas may be erected with specific permission of LOI.

TWELFTH. ANIMALS, NUISANCES, ETC.:

(a) No noxious or offensive activity shall be carried on or maintained on any lot or part of any lot, nor shall any use be made of any portion of said property which may be or may become an annoyance or nuisance to the neighborhood.

(b) No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot in the subdivision, except that dogs, cats or other household pets may be kept for the purpose of providing companionship for the private family. Animals are not to be raised, bred or kept for commercial purposes or for food. It is the purpose of these provisions to restrict the use of any lot so that no person shall quarter on said lot cows, horses, bees, hogs, sheep, goats, guinea fowls, chicks, geese, rabbits, chickens, turkeys, skunks, snakes, or any other animals that may interfere with the quietude, health or safety of the community. No more than four (4) household pets will be permitted on any lot. Pets must be restrained or confined on the homeowner's back lot inside a fenced area or within the house. It is the pet owner's responsibility to keep the lot clean and free of pet debris. All animals must be properly tagged for identification.

(c) Unsightly inoperative junk cars, equipment, materials and like exposures cannot be maintained on the property either prior to or after the residence has been erected on any lot.

THIRTEENTH. YARD SALES: No yard sales or garage sales shall be permitted upon any lot in the Subdivision.

FOURTEENTH. CONSTRUCTION APPROVALS:

(a) All building plans for any structure to be constructed in the Subdivision shall be approved by the Developer prior to the beginning of construction. Front, rear and side elevations, together with specifications on the exterior siding, windows, doors, roofing and exterior colors must first be submitted to Developer for review and approval prior to the beginning of construction, to include sitework.

(b) Landscaping shall be approved by the Developer prior to any landscaping being done. Plans submitted for approval shall include a site plan with lot lines, building outlines, driveways and parking areas. Identification of trees to be removed (with a caliper of 5" or more on hardwoods, and a caliper of 12" or more on pines) is required. Trees within 10 feet of the perimeter boundaries of any building shall be unregulated. Landscaping plans shall include sufficient cover to screen air condition compressors, trash receptacle areas, and shall provide visual breaks to the building foundation.

Trees, three (3") inches or larger in caliper, all dogwood and holly trees or any flowering tree located in the twenty-five (25') foot buffer zone along Wrightsville Avenue shall not be removed without express consent of the Developer.

Undergrowth may be cleared from any lot.

(c) All trash and debris shall be cleaned from the site within thirty (30) days after completion of the main structure on any lot. During construction, trash and debris shall be removed from the site to prevent unsightly accumulations and the resulting spread thereof to adjacent property. Dumpsters or

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fenced areas shall be required for the placing of loose trash and debris. Dumpsters shall not be placed within any street right of way. Upon a lot owner's failure to collect and dispose of such trash and debris within thirty (30) days after receipt of written notice from the Developer, Developer may collect and dispose of same at the lot owners expense.

(d) All property improvements on any lot must be completed within six (6) months after the beginning of construction.

(e) Developer may appoint a committee to assist it in the review of plans and specifications hereunder. After all lots in the Subdivision have been sold and closed, all of Developer's responsibilities for such approvals will be turned over to a committee appointed for such purpose by PARSLEY WOODS OWNERS ASSOCIATION.

(f) No structure, planting or other material may be placed in such a manner or location as to impede the installation and maintenance of utilities and drainage facilities, unless the location and manner of use thereof has been first approved in writing by the Developer.

FIFTEENTH. PARKING PROHIBITED: No boats, trucks, cars, trailers, campers, motorcycles, travel trailers, or other type of recreational vehicle may be parked or stored on any of the common areas or the street rights of way in the Subdivision.

SIXTEENTH. EASEMENTS AND MAINTENANCE:

(a) Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the Plat of PARSLEY WOODS. Easements are also reserved for the installation, operation, maintenance and ownership of utility service lines from the property lines to the residences. LOI reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing improvements. By acceptance of a deed to any lot, the owner thereof covenants and agrees to mow weeds and grass and to keep and maintain in a neat and clean condition any easement which may traverse a portion of the lot, and in the event that the Buyer or Purchaser of any lot within the said subdivision breaches this restriction, LOI reserves the right to enter upon said lot and mow the grass, clean up the lot and remove unsightly structures and objects, at the owner's expense.

All maintenance required hereunder shall also include that area from the lot line to paved streets and any easements that traverse any portion of the lot.

(b) The outdoor drying of clothes and the erection of outdoor clothes lines or similar devices in the subdivision is prohibited.

(c) The general grading, slope and drainage plan of a lot may not be altered without the express written approval of New Hanover County and other appropriate agencies having authority to grant such approval.

(d) Each lot owner shall maintain the exterior of all buildings, fences, walls and other improvements on his lot in good condition and repair, and shall replace worn and rotten parts, and shall regularly repaint all painted surfaces and shall not permit the roofs, rain gutters, downspouts, exterior walls, windows, doors, walks, driveways, parking areas or other exterior portions of the improvements to deteriorate in an unattractive manner.

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SEVENTEENTH. UTILITY EASEMENTS RESERVED: LOI reserves the right to subject the real property in this subdivision to a contract with Carolina Power and Light Company for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to Carolina Power and Light Company by the owner of each residence.

EIGHTEENTH. POST AND PAPER BOXES: Each lot in the subdivision shall have only one (1) mailbox and one (1) paper box to be mounted on a single post, and all such boxes shall be as approved by LOI. Such mailboxes or paper boxes may be provided by the builder. Any boxes provided by the builder or Developer shall be considered an improvement and must remain with the lot.

NINETEENTH. WATER AND SEWER:

(a) All water to be used in said subdivision for domestic purposes shall be obtained from the Community Water System, unless other sources are approved by the City-County Board of Health and the owner of the Community Water System, or their successors. Lot owners may, however, drill shallow wells for irrigation purposes and for non domestic usage. An eight (8) foot radius from each water meter shall be an easement for maintenance and repair of such meter. Additionally, the front 10 feet of each lot is hereby reserved for utility easements.

The Developer hereby grants an easement to the community water company along all streets and roads in the subdivision for the purpose of installing, maintaining, repairing and replacing water lines.

(b) Sewage disposal shall be only into the New Hanover County sewage collection system.

TWENTIETH. OWNERS ASSOCIATION: To provide for the maintenance, repair, upkeep and replacement of the private streets, street signs, pool, club house, tennis court, walkways, gazebo and other amenities, and common areas, (to include retention ponds) LOI has formed PARSLEY WOODS OWNERS ASSOCIATION, a non-profit corporation organized pursuant to Chapter 55A of the General Statutes of North Carolina. The Association shall be responsible for providing any necessary liability insurance. The Articles of Incorporation for said corporation are recorded in Book _____, at Page _____ of the New Hanover County Registry. The By-Laws for said corporation are attached hereto as Exhibit "A", and are incorporated herein by reference.

Every owner of a fee simple title to a lot within the development shall be deemed to own, possess and have accepted:

(a) The membership(s) in the PARSLEY WOODS OWNERS ASSOCIATION appurtenant to his lot(s);

(b) An undivided equal interest with all other owners, for each membership in the Association owned, in the Association and all of its assets;

(c) An easement of enjoyment, equal to that of all other owners, in and to the common areas and amenities, subject to the right of the Association to dedicate or transfer all or any part of the common areas and amenities, for such purposes and subject to such conditions as the Association may determine, acting by and pursuant to the provisions of its duly enacted By-Laws.

(d) The duty of complying with and abiding by all of the provisions of these Articles, the By-Laws of the Associations and the Rules and Regulations of the Associations,

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including the payment of dues and assessments as provided elsewhere herein.

TWENTY-FIRST. LIENS AND ASSESSMENTS: The Association has heretofore been given the authority to administer the operation and management of the common areas and the amenities, 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 lots subject hereto to properly administer the operation and management of the common areas and amenities, the Association will incur, for the mutual benefit of all the owners of such 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 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 By-Laws shall be deemed to include, but not be limited to, the common areas and amenities, and all other improvements, the following shall be operative and binding upon the owners of all lots:

(1) The owner of any lot subject hereto, with the exception of the Developer, LANDMARK ORGANIZATION, INC., 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:

(i) annual assessments or charges; and

(ii) 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.

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 who 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.

(iii) the Developer shall only be required to pay only twenty five percent (25%) of the regular annual assessments on any lot owned by it prior to its sale. For example, if regular assessments on a lot are \$100.00 per year, Developer shall only be required to pay an assessment of \$25.00 per year per lot owned by it at the beginning of the assessment period.

(2) 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, repair and replacement of all common areas, amenities and streets.

(3) The annual assessments 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

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are voting in person or by proxy at a meeting called for this purpose.

(4) 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 or replacement of a capital improvement to the common areas, streets and amenities, 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.

(5) Written notice of any meeting called for the purpose of taking any action authorized under (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 (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.

(6) The annual assessments provided for herein shall be collected on a yearly basis and shall commence as to all lots within a particular subdivision on the first day of the month following recordation of the Declaration of Restrictions for said subdivision. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year.

(7) Any assessment not paid within thirty (30) days after the due date shall bear interest at the rate of ten percent (10%) per annum from the date due until paid. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the lot and interest, costs, and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment.

(8) The lien herein granted unto the Association shall be enforceable from and after the time of recording a claim of lien in the public records of New Hanover County, North Carolina, which claim shall state the description of the lot encumbered thereby, the name of the record owner, the amount due and the date when due. The claim of lien shall be recordable any time after default and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The lien provided for herein shall be subordinated to the lien of any first mortgage or Deed of Trust and any person, firm, corporation or other entity acquiring title to any lot by virtue of any foreclosure, deed in lieu of foreclosure or judicial sale, shall be liable and obligated only for assessments as shall accrue and become due and payable subsequent to the date of acquisition of such title, and it shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a lot by foreclosure, deed in lieu of foreclosure or judicial sale, any assessment or assessments as to

which the party so acquiring title shall not be liable shall be absorbed and paid by all owners of all lots as a part of the common expenses, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

(9) Upon the sale of seventy-five percent (75%) of the lots in PARSLEY WOODS, LOI will turn over control of the Owners Association to the Board of Directors to be elected by the membership in accordance with the By-Laws of the Association. Until such time, however, LOI shall elect the Board of Directors of the Association.

TWENTY-SECOND. INVALIDATION: Invalidation of any one of these covenants by judgments or court order shall in no way affect any of the other covenants herein, which shall remain in full force and effect.

TWENTY-THIRD. VIOLATION: If the parties hereto, or any of them, or their heirs and assigns shall violate or attempt to violate any of the covenants herein, it shall be lawful for any person or persons, owning any real property situated in said PARSLEY WOODS to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants, and either to prevent him or them from doing or to recover damages or other dues for such violation.

TWENTY-FOURTH. VALIDITY: All covenants, restrictions and affirmative obligations set forth in these Restrictions shall run with the land and shall be binding on all parties and persons claiming under them to specifically include, but not be limited to the successors and assigns, if any, of LOI, for a period of twenty (20) years from the date hereof after which time all said covenants shall be automatically extended for successive periods of ten years, unless an instrument signed by the owners of a majority of the lots (not including mortgagees or trustees under deeds of trust) substantially affected by such changes in covenants, has been recorded, agreeing to change said covenants in whole or in part.

TWENTY-FIFTH: DEVELOPER'S RIGHT TO AMEND: Developer shall have the right, at any time prior to December 31, 1992, to amend these Restrictions, in whole or in part, without the consent or joinder of any owner of any lot in said Subdivision.

IN TESTIMONY WHEREOF, LOI has caused this instrument to be signed in its name by its President, sealed with its corporate seal, and attested by its Secretary, this 6th day of January, 1989.

ATTEST:

Neil A. Knight
Secretary

LANDMARK ORGANIZATION, INC.

BY: B. Paul Stephens
VICE President

(AFFIX CORPORATE SEAL)



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STATE OF NORTH CAROLINA

COUNTY OF NEW-HANOVER *Pender*

I, Dale B. Covil, a Notary Public of said County and State, do hereby certify that Cecile A. Knight personally came before me this day and acknowledged that he/she is Assistant Secretary of LANDMARK ORGANIZATION, INC., and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal, and attested by himself/herself as its Assistant Secretary.

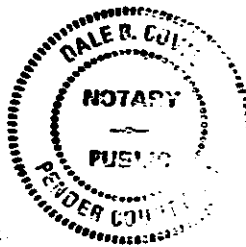
WITNESS my hand and notarial seal this 6th day of January, 1989.

Dale B. Covil
Notary Public

My Commission Expires:

March 16, 1991

(AFFIX NOTARIAL SEAL)



STATE OF NORTH CAROLINA
New Hanover County

The Foregoing Certificate of
Dale B. Covil
Notary Public
is certified to be correct.

This the 9 day of Jan. 19 89

Rebecca P. Tucker, Register of Deeds
By Ruby M. Holiday
Deputy

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