

KNOW ALL MEN BY THESE PRESENTS:

000109

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 THE CHAISE AT CARRIAGE HILLS, SECTION 2, 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 this 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 now owning or hereafter acquiring any property in THE CHAISE AT CARRIAGE HILLS, SECTION 2, that all of the lots in said subdivision as shown on a map recorded in Map Book 32, at Page 258 of the New Hanover County Registry, and any revisions to said map, are hereby made subject to the following restrictions as to the use thereof, running with the land by whomsoever owned, to-wit:

1. All lots in said Subdivision shall be known as single-family residential lots, and shall be used for residential purposes only.

2. No residence smaller than 1000 square feet of heated floor space, exclusive of porches, steps, walks, garages, carports, storage areas and so forth, shall be constructed or located on any building lot. Provided, that in cases where the area is not more than ten percent (10%) below the minimum above set out, Declarant, or its designated agents, may, at their option, approve the construction of the dwelling if it is in conformity with the general development of the Subdivision.

3. No concrete block, concrete brick, asbestos siding, aluminum siding, cinder block nor tar paper composition shall be used for the exterior of any residence constructed on any building lot herein conveyed, it being intended that only conventional frame, brick, clay brick or stucco exteriors be constructed on the lots subject to these covenants.

4. Since the establishment of standard inflexible building setback lines for location of houses on lots tends to force construction of houses directly to the side of other homes 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 right to control and approve absolutely the site and location of any house or dwelling or other structure upon any lot. In any event, no house shall be erected closer to the front lot line or nearer to any side line than the minimum distances established by applicable City of Wilmington ordinances.

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

5. No house trailer, mobile home, tent, shack or temporary structure of any nature shall be located on any lot or used at any time as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

6. No fence or wall shall be installed upon any lot in the Subdivision without the express written consent of LOI. No

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fence so approved or consented to shall be permitted nearer the front lot line than the rear corners of the house constructed upon said lot.

7. Modular and prefabricated homes and previously constructed homes may not be erected or placed on any lot, without the express written consent of LOI.

8. No advertising signs or billboards 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 five square feet in area may be used to advertise a complete 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, or by a contractor for an item of work being performed on a given lot.

9. No fuel tanks or similar storage receptacles may be exposed to view. Any such receptacles may be installed only within the main dwelling house, within an accessory building, within a screened area, or buried underground.

10. No satellite dishes, other unsightly antennas or equipment shall be allowed upon any lot in the subdivision.

11. All water to be used in said subdivision for any purpose whatsoever shall be obtained from the City of Wilmington public water system, unless shallow wells to be used only for non-human consumption are approved by the City-County board of Health and the City of Wilmington.

All sewage disposal shall be only by tapping onto the City of Wilmington public sewer system.

12. No yard sales or garage sales shall be permitted upon any lot in the subdivision.

13. All building plans for residence must be approved, prior to construction, by LOI or an agent appointed by LOI.

14. (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.

(d) No trailers, boats, campers, recreational vehicles, trucks larger than a pickup truck, or other motor vehicles, except standard passenger vehicles shall be allowed, placed, parked or permitted upon any of the lots in said subdivision or upon any streets therein.

15. (a) Easements for the installation and maintenance of fences, utilities and drainage facilities are reserved over the rear, front and side ten (10) feet of each lot and easements for drainage and utilities also are reserved as shown and designated on The Plat of THE CHAISE, SECTION 2. 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. The DEVELOPER shall have no responsibility for maintaining drainage easements in connection with any lots sold. All maintenance shall be the responsibility of the purchaser of a lot, his heirs, successors and assigns, within said easements. No structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in this easements. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible.

In certain instances, conservation areas or green ways, or vegetated buffers may be conveyed with lot to owner. Such areas are for conservation purposes and, as such, not for owners' private use. These areas are to remain entirely natural. No fences or structures of any type may be erected in said areas and no undergrowth or any type of vegetation may be removed.

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.

16. The general grading, slope and drainage plan of a lot may not be altered without the express written approval of the City of Wilmington and other appropriate agencies having authority to grant such approval.

17. Each lot owner shall maintain the exterior of all buildings, 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. Each owner shall pay, in addition to normal association dues as set forth elsewhere herein, for the maintenance, repair and upkeep of side and rear sections of the fences, said amount to be determined from time to time by the Board of Directors of the Association. The front sections of the fences, including the gates, shall be maintained by each lot owner.

18. 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.

19. 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 shall be considered an improvement and must remain with the lot.

20. Each lot owner shall provide receptacles for garbage and all cans, carts and bags must be kept in a screened area, accessory building or other storage facility, and not visible from the street, except on garbage pick-up days.

21. 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. Upon a lot owner's failure to collect and dispose of such trash within thirty (30) days after receipt of a written notice from LOI, LOI may collect and dispose of such rubbish and trash at the lot owner's expense.

22. (a) Until such time as control of the Carriage Hills Owners Association has been turned over to the membership of the Association as hereinafter described, LOI, or a committee appointed by them, to be known as the Architectural Control Committee, shall act to promote and ensure a high level of taste, design, quality, harmony and conformity throughout the subdivision. After control of said Association has been turned over to the membership thereof, said Committee (to consist of not less than three (3) members) shall be appointed by the Board of Directors of the Association to serve upon such terms and conditions as the Board may determine.

(b) No landscaping shall be undertaken and no building, fence, wall or other structure shall be commenced, erected, placed, maintained or altered on any lot, nor shall any exterior painting of, exterior addition to, or alteration of, such items be made until all plans and specifications and a plot plan have been submitted to and approved in writing by a majority of the members of the Committee as to:

(i) quality of workmanship and materials, adequacy of site dimensions, adequacy of structural design, proper facing of main elevation with respect to nearby streets;

(ii) conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping in relation to the various parts of the proposed improvements and in relation to improvements on other lots in the Subdivision; and

(iii) the other standards set forth within this Declaration (and any amendments thereto) or matters in which the Committee has been vested with the authority to render a final interpretation and decision.

(c) Approval by the Committee shall not be required for an Owner to repaint the exterior of their home in its original color(s). In addition, landscaping improvements consisting of plant materials native to the area and commonly used in residential landscaping which do not interfere with the sight lines of motorists at intersections of the streets and/or driveways of the subdivision shall not require approval by the Committee.

(d) The Committee shall have sole discretion with respect to taste, design and all standards specified herein. One objective of the Committee is to prevent unusual, radical, curious, odd, bizarre, peculiar or irregular structures from being built in the Subdivision. The Committee shall also have the authority to require a minimum of 7-12 foot roof slope, to specify that chimney flues be covered with brick or masonry or wood, to prohibit the use of light-weight composition roof earth tones, to require the use of wood framed windows, and generally to require that any plans meet the standards of the existing improvements, if any, on neighboring lots. The Committee shall from time to time publish and promulgate bulletins regarding architectural standards, which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of this Declaration.

(e) The members of the Committee shall have no liability for decisions made by the Committee so long as such decisions are made in good faith and are not arbitrary or capricious. Any errors in or omissions from the plans or the site plan submitted to the Committee shall be the responsibility of the owner of the lot to which the improvements relate, and the Committee shall have no obligation to check for errors in or omissions from any such plans, or to check for such plans' compliance with the general provisions of this Declaration, municipal codes, state statutes or the common law, whether the same relate to lot lines, easements or any other issue.

23. To provide for the maintenance, repair and upkeep of common areas and amenities, LOI has formed CARRIAGE HILLS OWNERS ASSOCIATION, a non-profit corporation organized pursuant to the Non-Profit Corporation Act of the State of North Carolina, the Articles of Incorporation for which are recorded in Book 1390, at Page 795 and amended in Book 1395 at Page 1716, New Hanover County Registry.

There are no common areas or amenities in THE CHAISE, SECTION 2; however, a swimming pool, club house, tennis court, and common greenways have been constructed for use by members of CARRIAGE HILLS OWNERS ASSOCIATION, all of which owners in THE CHAISE, SECTION 2, are entitled to use.

The By-Laws of said Association are attached as Exhibit "A" to the Declaration of Restrictions for THE CHAISE, AT CARRIAGE HILLS, SECTION 1, as recorded in Book 1396, at Page 1660, New Hanover County Registry, and are incorporated herein by reference. Said By-Laws provide, among other things, for the collecting and the enforcement of collection of assessments for the maintenance and upkeep of common areas and amenities, if any, in the subdivision. The owners of all lots in THE CHAISE, AT CARRIAGE HILLS, SECTION 2, upon acceptance of a deed to their lot shall automatically become a member of said Association and shall be subject to all of the terms, conditions, and provisions of said Articles of Incorporation and said By-Laws.

24. 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 CARRIAGE HILLS 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, if any, subject to the right of the Association to dedicate or transfer all or any part of the common areas and amenities, if any, 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, including the payment of dues and assessments as provided in the By-Laws.

25. 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.

26. 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 CHAISE, SECTION 2 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.

27. At any time prior to December 31, 1994, these Restrictions may be amended by DEVELOPER at its discretion, but not to impair the property value of the lot owners. Retention of this right by the DEVELOPER 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.

28. DEVELOPER reserves the right to revise the lines and boundaries of lots not previously conveyed for any purpose including, but not limited, to the additions of or extension of streets and roadways for the purpose of providing access to adjacent properties.

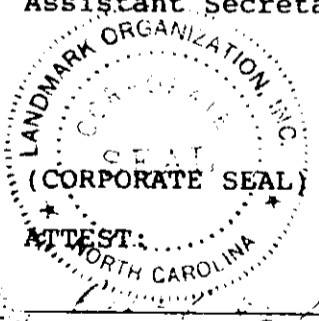
29. DEVELOPER is not liable and makes no representation as to the development of any other phase or section except the phase or section covered by these Restrictions. DEVELOPER may make changes in future sections of the development not subject to these Restrictions, including but not limited to changes in design, type of structures, restrictions or character of section. All maps, brochures and plans are purely for planning and illustration purposes and are not to be relied upon as any promise or covenant of whatsoever kind or nature. DEVELOPER shall be obligated for, and any owner shall solely rely on the plans, plats, and restrictions that are recorded for the section herein described.

30. 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.

IN TESTIMONY WHEREOF, LOI has caused this instrument to be signed in its name by its President or Vice-President, sealed with its corporate seal, and attested by its Secretary, or Assistant Secretary, this the 30th day of July, 1992.

LANDMARK ORGANIZATION, INC.

BY: J. H. Hill
President



[Signature]
Secretary

STATE OF NORTH CAROLINA

BOOK

PAGE

COUNTY OF NEW HANOVER

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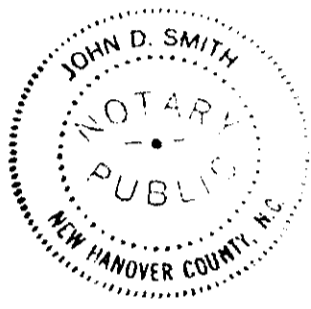
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I, John D. Smith, a Notary Public of the State and County aforesaid, certify that Cecil A. Knight personally came before me this day and acknowledged that he/she is ASSISTANT Secretary of Landmark Organization, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal, and attested by himself/herself as its ASSISTANT Secretary.

WITNESS my hand and official seal this 20th day of July, 1992.

John D. Smith
Notary Public

My Commission Expires:
2-28-94



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1992
RECORDED
INDEXED

STATE OF NORTH CAROLINA
New Hanover County
The Foregoing/ Annexed Certificate(s) of

John D. Smith

Notary (Notaries) Public is/ are certified to be correct.

This the 21st day of July, 1992
Rebecca Tucker Christian, Register of deeds

by Linda P. Alster
Deputy/Assistant