

NORTH CAROLINA
CRAVEN COUNTY

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, made and entered into this 14 day of September, 2010, by and between **STILLWATER INVESTMENT GROUP, LLC**, a limited liability company duly organized and existing under and by virtue of the laws of the State of North Carolina with its principal office and place of business in New Bern, North Carolina (hereinafter "**Declarant**"); **BB&T COLLATERAL SERVICE CORPORATION**, Trustee for Branch Banking and Trust Company (hereinafter "**Trustee**"); **BRANCH BANKING AND TRUST COMPANY**, a North Carolina banking corporation with an office and place of business in Craven County, North Carolina (hereinafter "**Beneficiary**"); **STILLWATER HARBOUR PROPERTY OWNERS' ASSOCIATION, INC.** (hereinafter "**Association**"); and all **PROSPECTIVE PURCHASERS** and **OWNERS** (hereinafter "**Purchasers**" or "**Owners**") of Lots of land hereinafter enumerated and situate in STILLWATER HARBOUR, according to the plan of record in the Office of the Register of Deeds of Craven County, North Carolina in Plat Cabinet H, Slides 177 G and H, the same depicting a subdivision in the City of New Bern, in Number Seven Township, Craven County, North Carolina, is as follows:

Prepared by
Sumrell, Sugg, Carmichael, Hicks & Hart, P.A.
Attorneys at Law
416 Pollock Street
New Bern, North Carolina 28560

Workflow No. 0000033246-0001

WITNESSETH:

THAT WHEREAS, Declarant is the Owner of numbered Lots 1 through 64, inclusive, (hereinafter individually "**Lot**" or collectively "**Lots**"), reserved parcels labeled "Parcel A," "Parcel B," "Parcel C," "Parcel D," "Parcel E," "Parcel F," "Parcel G," "Reserved for Future Development," "Private," and "Stillwater Harbour" (hereinafter collectively "**Reserved Parcels**"), and parcels labeled "Common Area" in STILLWATER HARBOUR, as all are shown and designated on a plat entitled "REVISED FINAL PLAT STILLWATER HARBOUR – A PLANNED UNIT DEVELOPMENT" (hereinafter "**Subdivision**"), of record in the Office of the Register of Deeds of Craven County in Plat Cabinet H, Slides 177 G and H; and,

WHEREAS, DECLARANT hereby makes this Declaration of Covenants, Conditions and Restrictions (hereinafter "**Instrument**") for the purpose of (i) restricting the aforesaid numbered Lots and Common Area in accordance with the conditions hereinafter set out so as to promote the best interest of the PURCHASERS and to protect their investments, and to protect the best interest of the DECLARANT and to protect its investments and (ii) reserving to Declarant certain rights regarding use and ownership of the Reserved Parcels; and,

WHEREAS, DECLARANT hereby agrees with the PURCHASERS to convey said Lots according to the plan hereinabove mentioned subject to this Instrument, and this Instrument shall be binding and in full force and effect upon each and every Purchaser, whether or not this Instrument is mentioned in the deed, so that these said Lots shall constitute a desirable residential community.

The covenants and restrictions are as follows:



ARTICLE I

ARCHITECTURAL CONTROL

a. Prior Approval Required for all Improvements. No exterior construction, alteration, improvement, repair, replacement, removal or addition of any nature whatsoever (including but not limited to a building, home, residence, outbuilding, driveway, vista dock, walkway, fence, wall, garage, patio, carport, playhouse, swimming pool or other structure, staking, clearing, excavation, ditching, grading, filling, change in color or type of any existing improvement, planting or removal of landscaping materials, exterior lighting, placement or installation of statuary, flags, fountains and similar items, improvements or modifications to the roof, material, color, paint stain or varnish, or the interior porches, patios or similar portions of a structure which are visible from outside the structure) shall be commenced, placed or maintained upon a Lot or any portion thereof until complete and final plans and specifications setting forth the information hereinafter described shall have been submitted to, and approved in writing by, the Architectural Review Board (hereinafter the “**ARB**” as herein defined and described) as to the harmony of the exterior design and general quality with the existing standards of the Subdivision and as to location in relation to surrounding structures and topography. The ARB is authorized to adopt procedures regarding applications for design approvals and the procedure it uses for processing applications.

b. Promulgation of Development Standards. Declarant shall prepare initial Development Standards, which may contain general and specific provisions applicable to any and all construction, alteration, improvement, repair, removal, replacement or addition of any nature whatsoever upon any Lot, which may specifically prohibit or require the use of certain materials for construction in the Subdivision and which may impose different standards, provisions or restrictions as between Lots or groups of Lots based upon location, size, configuration or other



similar or related attributes. The Development Standards are intended to provide guidance to Owners regarding matters of particular concern to the ARB considering applications. In addition to addressing architectural features, the Development Standards may include guidelines for landscaping and any other improvement of any Lot and may likewise contain guidelines for the approval or consideration of any specific item delegated to the ARB under this Instrument. The Development Standards are not the exclusive basis for decisions of the ARB and compliance with the Development Standards does not guarantee approval of any application. In addition, the Development Standards may contain certain types or categories of construction, alteration, addition or repair work which may be exempt or excluded from approval by the ARB as herein described.

Declarant shall have sole and full authority to amend the Development Standards for so long as the Declarant owns any Lot or Lots or all or any of the Reserved Parcels. Thereafter, the ARB shall have the authority to amend the Development Standards. Any amendments to the Development Standards shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Development Standards, and such amendments may remove requirements previously imposed or otherwise make the Development Standards less restrictive.

By way of illustration and not limitation, the Development Standards may regulate or prohibit (in the case of certain types of materials or design features) the following specific items:

- (i) The type of garage for any residence constructed upon any Lot and whether detached garages or “drive under” garages are permitted or required;
- (ii) The type of material for ground level exterior of all structures;



(iii) The type of material for all exteriors above the ground level of all dwellings;

(iv) The type of material for all window casings and porch ceilings;

(v) The type of material for all rooves of all dwellings;

(vi) The type and style of all windows of all structures;

(vii) The type and style of all landscaping and the sequence of the installation of landscaping relative to the initial completion and occupancy of any dwelling constructed on any Lot;

(viii) The type and style of mailboxes utilized by all Owners of Lots, including requiring that all Owners of Lots use community or centrally located mailboxes;

(ix) whether solar panels shall be allowed upon any Lot or in the Subdivision;

or

(x) All items requiring approval by the ARB under this Instrument.

c. Declarant Exemption. Notwithstanding anything stated to the contrary herein, nothing contained in this Article shall be construed as prohibiting any construction, alteration, improvement, repair, removal, replacement or addition by the Declarant upon any portion of the Subdivision or upon the Reserved Parcels or any Lot or Lots while such is owned by the Declarant. Any construction, alteration, improvement, repair, removal, replacement or addition performed by the Declarant upon any portion of the Subdivision or upon the Reserved Parcels or any Lot or Lots while such Property is owned by the Declarant shall be exempt from the provisions of this Article.



ARTICLE II

ARCHITECTURAL REVIEW BOARD:

a. Exclusive Jurisdiction and Plan Approval Process. The Architectural Review Board (hereinafter "ARB") shall have exclusive jurisdiction over all construction, alterations, improvements, repairs, removals, replacements or additions on any portion of any Lots. Responsibility for the review of all applications under this Article shall be vested in the ARB. All plans and specifications for any construction, alteration, improvement, repair, removal, replacement or addition whatsoever to be erected on any Lot, including, but not by way of limitation, fences, type of exterior material and exterior color and the proposed location and orientation in relation to streets, the construction material, the roofs and exterior color schemes, any later changes or additions after initial approval thereof and any remodeling, reconstruction, alterations, or additions thereto on any Lot shall be subject to and shall require the approval in writing by the ARB before any such work is commenced by the ARB. Such application shall also include the name of the contractor, a statement as to the classification of contractor's license held by such contractor and the address and telephone number of the contractor. If the identity and license information for the contractor is not available when the Owner makes application to the ARB, the information shall be submitted to the ARB at least thirty (30) days prior to commencement of construction.

b. Membership of ARB. The ARB shall be composed of three (3) members. For so long as Declarant owns any Lot or Lots, Declarant shall have the right to appoint and remove for cause or without cause members of the ARB. The initial members of the ARB are Thomas A. Bayliss, IV, Jane Williams and Stewart Smith. Upon the resignation of all of the initial members of the ARB, Stillwater Harbour Property Owners' Association, Inc. (hereinafter "**Association**") shall have the right to appoint and remove members of the ARB, for cause or without cause. So



long as any of the initial members of the ARB serve, upon the resignation of any of the initial members, the remaining initial members shall have the right to appoint the successor. Members of the ARB need not be Owners, Members of the Association or representatives of Owners or Members, and may, but need not, include architects, landscape architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Association.

c. Fees and Content of Plans. The ARB may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred by the ARB in having any application reviewed by architects, engineers or other professionals, and shall in any event include reasonable sums to compensate individual members of the ARB for their time and services rendered in performing their duties hereunder. Until otherwise changed by the ARB, the initial fee for review of applications hereunder shall be \$200.00 per application. Any fee as established by the ARB shall be submitted to the ARB with two (2) complete sets of the final plans and specifications for any and all proposed improvements, the erection or alteration of which is desired, and no dwellings or improvements of any kind shall be erected, altered, placed or maintained upon any Lot unless and until the final plans, elevations, and specifications therefor have received written approval as herein provided. Such plans shall include at a minimum plot plans showing the location on the Lot of the building, wall, fence or other improvement proposed to be constructed, altered, placed or maintained, together with the proposed construction material, color schemes for roofs and exteriors thereof and proposed landscaping, and the ARB reserves the right to require any and all additional or further information it deems necessary or desirable to consider such plans. The ARB shall have the right from time to time to increase or decrease the review fee herein required.



d. Review Schedule. All plans, specifications and details submitted to the ARB shall be reviewed in compliance with a review schedule promulgated from time to time by the ARB. One (1) set of said plans, specifications and details with the approval or disapproval endorsed thereon shall be returned to the person submitting them and the other copy thereof shall be retained by the ARB for its permanent files.

e. Right to Disapprove Plans. The ARB shall have the right to disapprove any plans, specifications or details submitted to it in the event the same are not in accordance with any of the provisions of this Instrument or the Development Standards, if the design or color scheme of the proposed dwelling or other improvement is not in harmony with the general surroundings of such Lot or the Subdivision or with the adjacent dwellings or improvements, if the plans and specifications submitted are incomplete, or in the event the ARB deems the plans, specifications or details, or any part thereof, to be contrary to the interests, welfare or rights of all or any part of the Subdivision, or the Owners thereof. The decisions of the ARB shall be final and not subject to appeal or review. ARB approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

f. Limitation of Liability. The standards and procedures established pursuant to this Article are intended to provide a mechanism for maintaining and enhancing the overall aesthetics of the Subdivision only and shall not impose on Declarant, the Association or the ARB any duty to any Owner. Neither Declarant, the Association, nor the ARB shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, the adequacy of soils or drainage, or for ensuring compliance with building codes and other



governmental requirements or regulations. IN ALL CASES THE OWNER IS RESPONSIBLE FOR ENSURING COMPLIANCE WITH BUILDING CODES AND OTHER GOVERNMENTAL REGULATIONS AND FOR ENSURING THE STRUCTURAL INTEGRITY OR SOUNDNESS OF PROPOSED CONSTRUCTION OR MODIFICATIONS, THE ADEQUACY OF SOILS OR DRAINAGE. Neither Declarant, the Association, the ARB, nor any member of any of the foregoing, shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot.

g. Commencement of Construction After Plan Approval. If construction does not commence on a project for which plans have been approved by the ARB within one year after the date of approval thereof, such approval shall be deemed withdrawn and it shall be necessary for the Owner to reapply for approval before commencing any activities. Once construction is commenced, it shall be diligently pursued to completion. All work shall be completed within one year of commencement unless otherwise specified in the notice of approval or unless the ARB grants an extension in writing, which it shall not be obligated to do. If approved work is not completed within the required time, it shall be considered nonconforming and shall be subject to enforcement action by the Association. Without limiting the generality of the foregoing, the Association may, in its sole discretion, either restore the Lot to the condition that existed before construction began or may complete construction, either at the Owner's costs and with lien rights created herein and under North Carolina law.

h. Compliance Certificate. The ARB shall, within a reasonable time after request by an Owner, furnish to such Owner a certificate in writing signed by a member of the ARB stating whether any improvement constructed upon such Owner's Lot is in compliance with the provisions of this Article, and such certificate shall be conclusive as to whether the same is in such compliance.



i. Restoration Work Authorized for Violation. In the event that any construction or alteration or landscaping work is undertaken or performed upon any portion of a Lot without application having been first made and approval obtained as provided in this Article, said work shall be deemed to be in violation of this Instrument, and the Owner upon whose Lot said work was undertaken or performed may be required to restore to its original condition, at his sole expense, the Lot upon which said work was undertaken or performed. Upon the failure or refusal of any Owner to perform the restoration required herein, the Association, or its authorized agents or employees, may, after fourteen (14) days' notice to such Owner, enter upon the Lot upon which such unauthorized work has been performed, and make such restoration as the Association, in the exercise of its discretion, may deem necessary or advisable. The Owner upon whose Lot such restoration work shall have been so performed shall be personally liable to the Association for all direct and indirect costs which the Association shall incur in the performance of such restoration work, including without limitation attorneys fees, and the liability for such cost shall be secured by all the liens, and shall be subject to the same means of collection, as the assessments provided for in this Instrument. Such costs shall be paid to the Association by the Owner at such time, and in such installments, as the Association shall determine.

j. Right to Inspect. The ARB or its agents shall have the right to inspect all construction to insure that such construction and resulting improvements are in accordance with the approved plans, specifications and details. No structure or improvement shall be made unless it conforms substantially to the approved plans, specifications and details.

k. Other Powers. In addition to the foregoing provisions of this Article, the ARB shall have such other powers and duties conferred upon it by this Instrument.

ARTICLE III
EASEMENTS

a. Creation and Reservation of Easements. Easements, if any, shall be as shown on the recorded map of the Subdivision, and Declarant hereby reserves any such easements for itself, its successors and assigns. All easements shown on the recorded map of the Subdivision shall be deemed relocated upon a combination or recombination of Lots in accordance with Article IV (u) below. Declarant furthermore reserves the right of access, ingress, regress, and egress and the right to maintain and install utilities within all such easements and within all streets depicted on the recorded plat of the Subdivision, for the benefit of any real Property owned by Declarant, for the benefit of any real property reserved by and in favor of Declarant as herein below described, or for the benefit of any other real property to which Declarant may grant the rights to use such easements.

b. Reservation for Utility Easement. Declarant reserves the right to subject the real property in this Subdivision to a contract with the City of New Bern or other service 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 the City of New Bern or other service company by the Owner of each Lot.

c. Transfer to Association. Declarant reserves the right to transfer or convey to the Association any or all easements or streets depicted on the recorded plat of the Subdivision, without the consent or permission of the Association, and upon such transfer or conveyance the Association shall become responsible for all maintenance and repair associated with same.



ARTICLE IV RESTRICTIONS

In order to provide for the maximum enjoyment of the Lots and the Subdivision by all of the residents thereof and to provide protection for the value of the same, the use of the Lots shall be restricted to, and shall be only in accordance with, the following provisions:

a. Land Use and Building Type. No structure shall be erected, altered, placed, or permitted to remain on any Lot other than for use as a single family residential dwelling. No mobile, modular, and/or manufactured home shall be allowed within the Subdivision or upon any Lot.

b. Dwelling Size. Any dwelling erected upon any Lot shall contain not less than 1,750 square feet of total floor area, as determined by exterior dimensions, exclusive of open porches and garages, provided that the ARB may give credit toward the foregoing minimum square footage requirement for the floor area of covered porches and garages, in the ARB's discretion, and may further waive such square footage requirement, in the ARB's discretion, up to 20% thereof.

c. Dwelling Quality. All dwellings erected upon any Lot shall be constructed of material of good grade, quality, and appearance, and all construction shall be performed in a good workmanlike manner.

d. Set Back Lines. No dwelling shall be located on any Lot any nearer to the front, side or rear Lot lines than as shown on the recorded plat. In addition, no dwelling shall be located other than as shown on the recorded map of the Subdivision.

e. Prohibited Activities. No noxious, offensive, unsightly or unkept activity shall be conducted on any Lot. Each Owner of any Lot, his family, tenants, guests and invitees, shall refrain from any act or use of his Lot which could reasonably cause embarrassment, discomfort,



annoyance or nuisance to any other resident or residents of any other Lot. Storage or placement of fixtures, appliances, machinery, bicycles, towels, equipment or other goods or chattels on any Lot which is visible from outside of the Lot (including but not limited to stoops, driveways, garages, decks, patio areas and docks) is prohibited except as specifically permitted in this Instrument. Rules adopted by the Association may restrict or control storage or placement of furniture and potted plants in areas of a Lot that are visible from outside the Lot.

f. Nuisances. No nuisance shall be permitted to exist upon any Lot. Without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells, or other sound devices, except security devices used exclusively for security purposes and outdoor stereo speakers audible only within the Lot, shall be located, used or placed on any Lot, or any portion thereof.

g. Occupancy. No dwelling erected upon any Lot shall be occupied in any manner while in the course of construction nor at any time prior to its being fully completed and required landscaping having been installed, nor may any dwelling be occupied upon completion of construction until the Owner thereof obtains a certificate or other written instrument from the ARB indicating that the dwelling, as constructed, is in compliance with the plans, specifications and details therefor approved by the ARB in accordance with Article II above. No temporary house, temporary dwelling, temporary garage, temporary outbuilding, trailer home or other temporary structure shall be placed or erected upon any Lot except for storage of materials and other use by the contractor erecting any such building, and all such shall be immediately removed after the construction of the dwelling has been completed.

h. Animals. No Owner may keep any pets other than a reasonable number of generally recognized household pets, as determined by the Association, in any portion of the Subdivision. No Owner or Occupant may keep, breed or maintain any pet for any commercial



purpose. Animals must be kept on a leash and/or under the physical control of a responsible person at all times while outdoors. Any feces left upon the Common Areas by an animal must be removed by the Owner of the animal or the person responsible for the animal.

No animal determined to be dangerous, in the Association's sole and absolute discretion, may be brought onto or kept in any Lot or in the Subdivision at any time. The Association may remove without notice any animal that presents an immediate danger to the health, safety or property of any resident.

Each Owner who keeps an animal in any Lot or in the Subdivision agrees to indemnify and hold the Association and its directors, officers and agents harmless from any loss, claim or liability of any kind whatsoever arising by reason of such animal.

i. Antennas; Aerials; Satellite Dishes. No exterior antennas, aerials, satellite dishes or other reception device shall be constructed, installed, placed or affixed unless approved by the ARB. HAM radios, two way radios and other hobby or professional radio communication transmission equipment are prohibited.

j. Clotheslines. No exterior clothesline of any type shall be permitted on any portion of any Lot.

k. Lighting. Exterior lighting visible from the street shall not be permitted except for: (1) ARB approved lighting as originally installed on a Lot; (2) ARB approved decorative post lighting; (3) ARB approved pathway lighting; (4) street lights in conformity with an established street lighting program for the Subdivision; (5) seasonal decorative lights, which shall be immediately removed at the conclusion of such season; or (6) front house illumination of model homes.

l. Play Equipment. Recreational and playground equipment may be placed on a Lot only with the prior written consent of the ARB. Location, materials, colors and other



specifications shall be as provided in the Development Standards and otherwise approved by the ARB.

m. Signs. No signs shall be allowed on any Lot, including, without limitation, “for sale” or “for rent” signs, unless specifically authorized by operation of law, by this Article or by the ARB. The only permitted signs are as follows:

(i) one sign per Lot, no greater than sixteen square feet in size, specifying the general contractor and architect actually constructing or designing a primary residential structure on a Lot. Such sign must be constructed at a size, and to the specifications and styles, from time to time established by the ARB, and must be located in a place on the Lot specified by the ARB. Such sign must be removed upon issuance of a certificate of occupancy for the residence being constructed on the Lot;

(ii) one sign per Lot identifying the Lot upon which such sign is placed only by the name of the Owner and a street or Lot number. Such sign must be constructed at a size, and to specifications and styles, from time to time established by the ARB, and must be located in a place on the Lot specified by the ARB;

(iii) one neighborhood identification sign, not to exceed fifty (50) square feet in size, for the primary entrance to the Subdivision that is erected by Declarant;

(iv) street or directional signs erected by Declarant, the Association, or a governmental entity;

(v) any sign required by and erected by any governmental agency; and

(vi) identification and informational signs constructed by Declarant, the purpose of which are to assist Declarant in identifying the Subdivision and the location of Lots, sales offices, amenities, sale models or other uses within the Subdivision.



n. Accessory Buildings and Storage Sheds. All ancillary buildings require ARB approval. Separate living spaces are allowed above detached garages and as separate guest houses dependant on the primary dwelling only upon approval by the ARB.

o. Piers, Docks and Docking Facilities. Piers and docking facilities for individual Lots are prohibited, except that any Owner of a waterfront Lot may apply to the State of North Carolina (and such other governmental entities as may be required by applicable laws, rules or ordinances) and the ARB for authorization to construct a single vista dock structure that conforms to the following criteria:

(i) The vista dock shall not extend more than 8 feet beyond the normal water line, and shall have a maximum width of 5 feet, with an "L" extension not exceeding 8 feet in length; in any event, the total area of any such vista dock may not exceed 100 square feet.

(ii) The area of the vista platform built over coastal wetlands must not exceed 6 feet in width.

(iii) Any portion of the vista dock structure located over coastal wetlands shall be elevated a minimum of 3 feet off the wetland substrate as measured from the bottom of the decking.

(iv) There shall be no boat slips associated with any vista dock, and tie cleats, tie poles or similar structure will not be permitted in association with the vista dock. Boats and other watercraft may be docked at any approved vista platform for a maximum period of forty-eight (48 hours).

p. Swimming Pools. No swimming pool shall be constructed, erected or maintained without prior approval of the ARB. No above ground swimming pools will be allowed on any Lot.



q. Flags. Flags may be flown on any Lot, but only if the flag is in good repair, is no larger than three (3) feet by five (5) feet, and is flown in the proper and customary manner for flying such flag. The Association may adopt rules limiting or prohibiting flags, including but not limited to rules prohibiting seasonal or holiday flags, flags related to sports teams, colleges or universities, flags that advertise products or services or that advocate for some person or cause, or flags that are found by the Association in its sole discretion to be obscene or offensive. All flag poles must be affixed to a building on the Lot and must be no longer than six feet.

r. Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot or within the Subdivision except in covered containers of a type, size and style which are approved by the ARB or as required by the applicable governing jurisdiction, and subject to rules promulgated by the Association. Garbage containers must be stored only in a screened location that is constructed of the same material as the siding of the principal building and that has been approved by the ARB, or in a garage. Owners may place garbage containers at the curb or other location specified by garbage collector for collection no more than twenty four (24) hours before the time scheduled for collection and must return garbage containers to the screened area or garage within twenty-four (24) hours of collection. No person shall burn, deposit or bury rubbish, garbage or any other form of solid waste on any Lot or on Common Areas or within the right of way of any street in the Subdivision.

s. Trees. No healthy living trees having a diameter of six (6) inches or more measured from a point two (2) feet above the ground, and no flowering tree, shrub, evergreen, or natural ground cover, shall be removed, unless such removal is approved by the ARB.

t. Vehicles and Parking. The term "vehicles" as used in this Article shall include without limitation automobiles, trucks, boats, trailers, motorcycles, campers, vans, and recreational vehicles. No vehicle may be left upon any portion of any Lot except upon a



driveway, a designated parking space or within a garage. No person shall park or store outside any commercial vehicles (including but not limited to any type of vehicle with advertising or lettering), recreational vehicles, mobile homes, trailers, campers, boats or other watercraft, other oversized vehicles, stored vehicles or unlicensed or inoperable vehicles within the Lot, with the exception of emergency vehicle repairs or commercial vehicles which are temporarily parked for the purpose of servicing a Lot or the Property.

All Owner and occupant vehicles must be kept and stored when not in use within the Lot's garage space or such other space as may be approved by the ARB. Garage doors must remain closed at all times except for entry and exit by vehicles and except for periods related to homeowner maintenance activities.

The Association may promulgate rules regarding parking.

u. No Combination of Lots. Contiguous Lots may not be combined together without prior written consent of the ARB, and the ARB may so consent to combination of contiguous Lots only if the total number of Lots in the Subdivision is not increased and the resultant Lots are equal to or exceed the standards of the City of New Bern, the plat for the Subdivision and any other statutes, rules or regulations of any governmental authority having jurisdiction thereof. In the event that the ARB does approve such a combination, such combination shall thereafter be deemed to be a single Lot for all purposes of this Instrument, except that notwithstanding the foregoing, the amount of assessments for which such single Lot shall be thereafter liable shall be equal to the total assessments for which all of the Lots which were so combined would have been liable had such combination not taken place. Upon such combination, all setbacks and easements shall be deemed relocated to the exterior boundaries of the resultant Lot as combined.



v. Window Air-Conditioners. No air-conditioner shall be installed in any window of any building located on any Lot, nor shall any air-conditioner be installed on any building located on any Lot so that the same protrudes through any exterior wall of such building.

w. Window Treatments. All window treatments visible from the outside of a Lot must be approved by the ARB. No bed sheets, towels, newspaper, tin foil, or similar materials may be used as window treatments.

x. Decorative Structures. No decorative items, including, but not limited to, planters, statues, birdbaths, lawn ornaments, artificial vegetation, figurines and fountains, may be installed in a location visible from outside a Lot without approval from the ARB.

y. All Terrain Vehicles and Motorcycles. Vehicles may be operated only on the streets, driveways and parking areas located in the Subdivision and must be operated in accordance with applicable laws, including, but not limited to laws regarding speed limits, registration and licensure. Except for landscape maintenance equipment operated in the customary manner for the purpose of landscape maintenance, no person may operate all terrain vehicles, motorcycles or other motorized vehicles on unpaved portions of the Neighborhood Property.

z. Golf Carts and Similar Vehicles. Notwithstanding the restriction contained in the preceding Article, golf carts and similar vehicles approved by the Association may be used in areas designed by the Association subject to rules adopted by the Association, which rules may include, but need not be limited to requirements that all golf carts be: (a) registered with the Association, (b) licensed by the State of North Carolina if required, (c) of a specified design (including engine size or design and tire size or design) or color and requirements or procedures related to applications for permits or approvals.



aa. Water Bodies. Only the Declarant and the Association shall have the right to pump or otherwise remove any water from any water body adjacent to or near to the Subdivision or any Lot for the purpose of irrigation or other use. The Declarant and the Association shall have the sole and absolute right (but no obligation) to control the water level of such water bodies and to control the growth and eradication of plants, fowl, reptiles, animals, fish and fungi in or on any such water bodies. The Association shall have the right to adopt reasonable rules and regulations from time to time in connection with use of the surface waters of any water body in, adjacent to, or nearby the Subdivision, provided that such rules as may be adopted by the Association shall have no applicability to Stillwater Harbour Yacht Owner's Association, Inc., as described in Article X herein.

bb. No Subdivision of Lots. No Lot may be further subdivided into any smaller Lot, and no more than one residence may be constructed on any Lot.

cc. Fuel Storage Tanks. All fuel storage tanks, including but not limited to liquid petroleum gas tanks, must be buried, screened or concealed so that they are not visible from any street or adjacent Lot. Installation of a fuel storage tank must be approved by the ARB in the manner set forth above.

dd. Fences. No fences are allowed unless the fence, including its location, style, materials and height, is approved by the ARB. As used herein, fences shall include walls, barricades, shrubbery or other impediments to reasonable mobility and visibility, and specifically include fences around swimming pools. Absent a showing of need by the Owner, and a finding by the ARB of lack of adverse impact on any adjoining Lot or Property, no fences shall be allowed along any back area adjacent to a water body. The ARB shall only approve the construction of a fence upon a determination that the fence is aesthetically pleasing, does not distract from the reasonable value of any Lot or other property, does not unreasonably impede the



view of any water course or other attractive feature from any other Lot or Common Area, and is in compliance with fence guidelines. Chain link or wire fences on residential Lots are not allowed.

ee. Utility Connections. The utility connections for each Lot must be run underground from the proper connection point to the Lot. No overhead or above ground utilities are allowed.

ff. Access to Transformers and Fire Hydrants. No Owner may plant or install any vegetation or structure that might reasonably interfere with the use of any fire hydrant or electric transformer.

gg. Driveways. All driveways, including the location upon any Lot and the surface materials, must be approved by the ARB and meet all Development Standards.

hh. Maintenance of Vacant Lots. All vacant Lots shall be periodically mowed or bush-hogged so as to keep all vacant Lots in the Subdivision free of excessive vegetative growth in a consistent and sightly manner.

ARTICLE V INTERPRETATION

In all cases, this Instrument shall be construed and interpreted in a manner which, in the opinion of the Declarant, the Association or the ARB, as the case may be, will best effect the intent of the general plan of development and maintenance herein set forth. Subject to the terms of this Article and only after the Declarant no longer owns any Lot or all or any portion of the Reserved Parcels, the Association may modify, cancel, limit, create exceptions to, or expand the restrictions contained herein and may create, modify and enforce reasonable rules governing the use of the Subdivision consistent with the law and with other provisions in this Instrument. The Association shall send notice to all Owners concerning any proposed action on restrictions or



rules at least ten business days prior to the Association meeting at which such action is to be considered. For this purpose, notice may be sent to each Owner by U.S. mail, electronic telecommunication with confirmation of receipt, or publication in any community newsletter delivered or mailed to each Owner provided that such notice is clearly identified under a separate headline in the newsletter. Members shall have a reasonable opportunity to be heard at an Association meeting prior to such action being taken.

ARTICLE VI

NO WAIVER OF FUTURE VIOLATIONS

Failure to enforce any provision of this Instrument or any rules or other documents adopted pursuant hereto will not be deemed to constitute a waiver of the right to enforce the same or similar restrictions, covenants or conditions in the future.

ARTICLE VII

STILLWATER HARBOUR PROPERTY OWNERS' ASSOCIATION, INC.

Every person, partnership, firm, or corporation, upon acquiring fee simple title to any Lot in the Subdivision shall become a member of "Stillwater Harbour Property Owners' Association, Inc." (hereinafter "**Association**"), a North Carolina non-profit corporation, and as long as such person, partnership, firm or corporation is the Owner of any such Lot, such Owner must remain a member of the Association and abide by the bylaws, rules and regulations thereof. Provided, however, that there shall be only one (1) regular membership per Lot regardless of the manner or number of names in which title to same may be held, provided further that for each Lot owned by Declarant, Declarant shall have two (2) regular memberships. Such membership is not intended to apply to those persons who hold an interest in any Lot merely as security for the performance of an obligation to pay money, e.g., mortgages and deeds of trust. In addition to the powers and authority conferred upon the Association by this Instrument, by the Association's Bylaws and



Articles of Incorporation and by law, the Association shall have the following enumerated powers and authorities:

a. The Association may charge any user or member fees for the use of any amenities owned or operated by it, including charges for individual services or goods provided members through such facilities, provided no such charges or assessments shall be applicable to any Lot(s) owned by Declarant.

b. The Association may charge and levy assessments, dues or other fees to defray general administrative and other expenses incurred by the Association in performing its duties or incurred in exercising its powers and authorities, and such assessments, dues or other fees may be in the nature of periodic, recurring charges (i.e., annual, quarterly or monthly assessments or dues) or in the nature of special non-recurring charges (i.e., "special" assessments or dues levied for a specific, non-recurring event) provided no such charges or assessments shall be applicable to any Lot(s) owned by Declarant. In levying dues or assessments, the Association may allocate assessments, dues and others expenses equally among all Lots in the Subdivision to the extent any particular component thereof represents an expense that benefits all Lots in the Subdivision. The Association may allocate assessments, dues and others expenses unequally among Lots in the Subdivision to the extent any particular component thereof represents an expense that benefits fewer than all Lots in the Subdivision or which benefits specific Lots exclusively.

ARTICLE VIII

DESIGNATION OF EXCLUSIVE BUILDERS

For so long as Declarant owns any Lot or Lots or any or all of the Reserved Parcels, Declarant is specifically authorized to designate and define a limited number of licensed North Carolina construction contractors authorized to construct dwellings and other improvements upon



Lots or within the Subdivision, and to determine and impose the criteria for licensed construction contractors to qualify for such designation. Declarant may further limit the number of such qualified construction contractors. The purpose of this authorization is to enhance the likelihood that a good quality of construction will be maintained in a clean and sightly condition. A construction contractor designated as approved for residential construction within the Subdivision shall have its privileges to construct revoked upon a finding by Declarant that said construction contractor is not building an acceptable quality structure, is not successful in maintaining good customer relations, is failing to maintain its construction sites in a clean and sightly condition, is not pursuing construction diligently and completing construction promptly, or is violating any condition contained herein. Declarant shall maintain at all times a list of approved construction contractors, which shall be made available upon request to any Owner or prospective Owner, and each Owner by accepting title to a Lot agrees to utilize only an approved construction contractor. The right of designation *reserved* herein to Declarant may be transferable by the Declarant to the Association or the ARB at such time and upon such conditions deemed advisable to Declarant, in its discretion, and in any event at such time as the Declarant no longer owns any Lot or any or all of the Reserved Parcels, the ARB shall have the right to designate approved builders herein upon the same terms and conditions as those initially reserved by Declarant in its favor. In acting hereunder, Declarant and/or the ARB shall at all times act in good faith and shall be presumed to have acted in good faith in any action hereunder. NO PRIMARY STRUCTURE MAY BE CONSTRUCTED BY THE OWNER OF A LOT UNLESS SAID OWNER HAS BEEN DESIGNATED AS AN APPROVED BUILDER IN ACCORDANCE WITH ARTICLE VIII.



ARTICLE IX

RESERVATIONS IN FAVOR OF DECLARANT

Declarant hereby reserves, for itself, its successors and assigns, and specifically excludes from the terms and provisions of this Instrument, the Reserved Parcels. Without limiting the foregoing reservation and exclusion of the Reserved Parcels, the purpose of this reservation and exclusion is to preserve said parcels for other accessory commercial or residential development, in harmony with the Subdivision, to preserve Declarant's flexibility in the development of some or all of said parcels as the Stillwater Harbour Yacht Owners' Association, Inc., described below, and/or to preserve some or all of said parcels for common area use between Owners of Lots in the Subdivision and owners of slips in Stillwater Harbour Yacht Owners' Association, Inc. Declarant shall have the right, but not the obligation, to develop or utilize said parcels for the aforesaid purposes, without the consent or permission of any Owner of any Lot, the ARB or the Association. Declarant may convey some or all of the reserved Parcels or the Common Areas to the Association, upon such terms or conditions as deemed advisable by Declarant, and may subject same to such agreements, easements, restrictions or servitudes as Declarant deems advisable to fulfill the purpose and intent of the reservations herein described or the further development of said parcels as herein described. Declarant's rights hereunder may be transferred or assigned by Declarant to any other entity deemed appropriate by Declarant.

ARTICLE X

RELATIONSHIP OF SUBDIVISION TO STILLWATER

HARBOUR YACHT OWNERS' ASSOCIATION, INC.

Recognizing that Declarant intends to develop a condominium boat slip community (or "boataminium") pursuant to N.C. Gen. Stat. 47C to be known as Stillwater Harbour Yacht Owners' Association, Inc., Declarant hereby reserves for itself, its successors and assigns, and



specifically excludes from the terms and provisions of this Instrument, the Reserved Parcels for development in whole or in part as a boataminium project pursuant to N.C. Gen. Stat. 47C. Declarant shall have the right, but not the obligation, to develop or utilize some or all of said parcels for the aforesaid purposes, without the consent or permission of any Owner of any Lot, the ARB or the Association. By accepting and recording a deed for a Lot in the Subdivision, all Owners thereof recognize that any owner of a slip in the proposed Stillwater Harbour Yacht Owners' Association, Inc. may or may not also be an Owner of a Lot in the Subdivision and may in any event be granted certain rights of use or easements in the Reserved Parcels. Recognizing that owners of slips in the proposed Stillwater Harbour Yacht Owners' Association, Inc. will benefit from the maintenance and sightly appearance of Common Areas of the Subdivision (whether or not such Common Areas are part of or subject to the proposed boataminium project), Stillwater Harbour Property Owners' Association, Inc. may also charge owners of slips in Stillwater Harbour Yacht Owners' Association, Inc. assessments or other fees to defray expenses incurred in the maintenance of any Common Area in the Subdivision, provided that any such fee charged any individual Lot in the proposed boataminium project shall not exceed the amount charged any individual Lot for common area maintenance. Declarant's rights hereunder may be transferred or assigned by Declarant to any other entity deemed appropriate by Declarant.

ARTICLE XI

TIME

This Instrument shall run with the land and shall be binding on all persons acquiring title to any of the aforementioned Lots, and shall be binding on said parties and/or persons claiming under them up to and including twenty (20) years from the date of recordation hereof, at which time this Instrument shall be automatically extended for successive periods of ten years, unless by written instrument executed by 67% of the then Owners of said Lots, duly recorded in the



Office of the Register of Deeds of Craven County, it is agreed to change this Instrument in whole or in part.

ARTICLE XII
ENFORCEMENT

In addition to other rights or remedies provided in this Instrument, in the Association's Bylaws or Articles of Incorporation or by law, enforcement of violations of this Instrument shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenants either to restrain violation or to recover damages. In addition, the ARB or the Association, as the case may be, may impose fines against any Owner of any Lot violating any provision of this Instrument, the Development Standards, the Bylaws or Articles of Incorporation of the Association or any rules or regulations promulgated by the Association or the ARB or may suspend the privileges of any such Lot Owner from utilizing any of the Common Areas of the Subdivision until the violation or delinquency is cured. The Lot Owner against whom a fine or suspension is contemplated shall be given written notice of the violation, an opportunity to be heard and to present evidence, and written notice of any final decision. If the Association or ARB, as the case may, imposes a fine, the amount thereof shall not exceed one hundred dollars (\$100.00) per day for the duration of the existence of the violation, provided that upon the imposition of any fine hereunder the Lot Owner shall have five (5) calendar days from the date of the imposition of the fine to remedy or cure the violation. All fines imposed hereunder shall be collected in the same manner as unpaid dues or unpaid assessments set by the Association, and until paid shall be a lien against the Lot so fined. If the Association or ARB, as the case may, imposes a suspension of the privileges of any such Lot Owner from utilizing any of the Common Areas of the Subdivision, the suspension shall be in effect until the violation or delinquency is cured. In the case of decisions hereunder by the ARB, any fined or suspended Lot



Owner may appeal such decision within fifteen (15) days to the Board of Directors of the Association. The Board of Directors of the Association may affirm, vacate, or modify the prior decision of the ARB.

**ARTICLE XIII
SEVERABILITY**

Invalidation of any one of these covenants by judgment or Court Order shall in no way affect any of the other restrictions which shall remain in full force and effect.

**ARTICLE XIV
COMPLIANCE WITH GOVERNMENTAL REGULATIONS**

a. CAMA Permit Compliance. Development of Stillwater Harbour is governed in part by the provisions of the North Carolina Coastal Management Act (the "Act"). In accordance with the Act, a major development permit (hereinafter the "**Permit**") has been issued authorizing the development of the Subdivision. Nothing contained herein shall prohibit or restrict in any way Declarant's right or ability, subject to approval by the State of North Carolina, to amend, modify or extend the Permit. No such amendment, modification or extension shall, however, authorize any development or activity specifically prohibited by the provisions of this Instrument. The Declarant, the Association, and all Owners and invitees of any of the foregoing shall comply with all provisions of the Permit.

b. Stormwater Permits. In addition to other permits issued, the State of North Carolina will from time to time issue stormwater management permits to or on behalf of Declarant. The stormwater permits, which are issued and enforced by the North Carolina Department of Environmental Health and Natural Resources ("DEHNR"), will impose requirements on Lots, including a limitation on the impervious surface allowed on each Lot, and such limitations will be furnished by Declarant upon request from any Owner. All Lot Owners



shall fully comply with all of the terms, provisions and conditions of any such issued permits. Without limiting the generality of the foregoing, the allowable built-upon area shall not exceed the square footage listed in the stormwater permits, inclusive of that portion of the right-of-way between the front lot line and the edge of the pavement, structures, pavement, walkways of brick, stone, slate, not including wood decking. The definition of impervious surfaces for purposes of interpretation of stormwater permits is determined from time to time by DEHNR, but generally includes the use of any surface area that has a substantial impact on the ability of such surface to percolate rainwater, and includes areas under roof, driveways, walkways and other hardened surfaces, including designated parking areas, but does not generally include wood decking. Impervious surfaces also generally include that portion of a driveway or entranceway leading from a public street to a Lot, including that portion thereof on the adjacent public right-of-way.

Stormwater regulations prohibit filling in or piping of any vegetated conveyances (ditches, swells, etc.) associated with development of the Subdivision, with the exception of average driveway crossings, unless otherwise specifically authorized by such permit. Therefore, no Owner shall fill or pipe any vegetated conveyance, unless expressly authorized by any permit issued by the State of North Carolina, and approved by the ARB.

The terms and conditions of storm water management systems permit No. SW7070527 are incorporated herein by reference and are hereby made applicable to the Subdivision in its entirety. Specific deed restrictions and protective covenants as required by said permit are set forth in Exhibit A attached hereto and incorporated herein by reference.

The foregoing restrictions related to stormwater management may not be changed or deleted from this Instrument without the approval of the State of North Carolina.

c. General Permits. In order to develop the Subdivision, Declarant or its assigns may procure, or has procured, permits from the City of New Bern, Craven County, the State of

North Carolina, the United States, or all or some of the foregoing. Declarant, the Association and all Owners, as well as any and all other persons benefited by said permits, shall, at all times, use due diligence and good faith to comply with all conditions imposed by such permits. Should at any time any of such parties be determined to be in non-compliance with any permit, said person shall immediately use good faith and due diligence to take action to come into compliance with the conditions imposed by said permit. From time to time, as Declarant completes development of the Subdivision, Declarant may request of the permitting agency that issued permits to it, or on its behalf, that such permits be transferred and assigned to the Association. The Association shall, to the extent allowed by law, accept the transfer and assignment of said permits, agree to be bound by all of the provisions and conditions contained therein, and shall execute any documents of assignment or acceptance required by the permitting agency.

d. Enforcement. The State of North Carolina is hereby given specific authority to enforce this Instrument, and all conditions imposed by any permit issued by it, to the extent necessary to cause compliance with the impervious surface limitations or other conditions imposed by the State of North Carolina as set out in any stormwater permit issued by the State of North Carolina. The remedies available to the State of North Carolina include, without limitation, the remedy of specific performance. None of the impervious surface limitations imposed by permit may be altered without the prior approval of the State of North Carolina.

e. Limitations on Further Permitting. In order to procure permits for the development of the Subdivision, agencies may impose limitations on the further issuance of permits to Owners. By accepting ownership of a Lot, or other land within the Subdivision made subject to this Instrument, said Owner agrees, to the extent required by any agency, to forego the opportunity to be issued individual permits for utilization of water bodies, wetlands or stream buffer zones.



f. Binding Effect. All permits issued shall be binding upon the heirs, successors and assigns of the owner of the land burdened thereby regardless of whether any permits have been formally assigned or transferred to such Owner.

g. Other Regulations. In addition to the restrictions contained in this Instrument, the Association, each Owner, any tenant or guest must comply with all laws, ordinances, rules and regulations related to the Subdivision. Without limiting the generality of the foregoing, compliance with the following, among other laws, is required.

(i) The State of North Carolina has adopted riparian buffer protection rules for the Neuse River Basin. These rules aid in the removal of nitrogen, phosphorus, and other pollutants from rainwater that flows into the basins' waterways, protecting the waterways from surrounding land use. Generally these rules require a landowner to leave a fifty-foot vegetated waterside buffer limiting and restricting the removal or thinning of vegetation in areas adjacent to water courses within the Subdivision. Every Owner should investigate fully and shall comply at all times with all laws and rules of the State of North Carolina, and shall perform no clearing or thinning activities within 50 feet of the edge of coastal vegetation (as defined in the applicable regulations) except to the extent such clearing or thinning activities are allowed by the State of North Carolina and the ARB. Furthermore, there shall be no structure constructed within said restricted area, including within the water course, without issuance of a permit by the State of North Carolina, if required, and without approval by the ARB.

(ii) The United States Clean Water Act gives the United States Army Corps of Engineers jurisdiction over wetlands within the Subdivision. All land-disturbing activity and construction must comply with the Clean Water Act and the rules promulgated in connection with the act. Without limiting the generality of the foregoing, before any land-disturbing activity begins, wetlands in the area must be delineated and permits must be obtained from the Army



Corps of Engineers, other agencies with jurisdiction and approval from the ARB must be obtained. Activities which require approval and permits are defined in the Clean Water Act and the regulations, those activities may include, but may not be limited to grading, dredging, excavation, fill, ditching, diversion, damming or other activity which alters or destroys water bodies or wetlands. The ARB will authorize such action only on a showing of a compelling need for the landowner to take such action and conditioned on the landowner's acquisition of all permits. Declarant reserves the right to subject any property in the Subdivision owned by it to such further and other covenants, conditions or restrictions which may be required by the Army Corps of Engineers to protect or conserve wetlands located within the Subdivision.

The foregoing list of laws is not exhaustive. Numerous regulations apply to the Subdivision. Neither the Association, the Declarant nor the ARB has or will undertake to advise Owners about such laws and regulations. EVERY OWNER IS PERSONALLY RESPONSIBLE FOR IDENTIFYING ALL LAWS AND REGULATIONS THAT RELATE TO THE ACTIVITIES OF THE OWNER AND TENANTS AND GUESTS OF THE OWNER ON EVERY LOT OWNED BY THE OWNER.

ARTICLE XV

AMENDMENTS TO COVENANTS

a. By Declarant. In addition to specific amendment rights granted elsewhere in this Instrument, for so long as the Declarant owns any Lot or all or any portion of the Reserved Parcels, Declarant may unilaterally amend this Instrument for any purpose. Thereafter, Declarant may unilaterally amend this Instrument if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, permit, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Lots (c) to enable any institutional or governmental lender, purchaser, insurer, or



guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Lots; (d) to correct any scrivener's errors, to clarify the intent of any provision, or to resolve any actual or apparent inconsistencies between provisions; or (e) to satisfy the requirements of any local, state, or federal governmental agency. However, any such amendment shall not adversely affect the title to any Lot unless the Owner shall consent in writing.

b. By Members. Except as otherwise specifically provided above and elsewhere in this Instrument, this Instrument may be amended only by the affirmative vote or written consent, or any combination thereof, of 67% of Owners of Lots in the Subdivision, and Declarant's consent, for such time as Declarant owns any Lot or any portion or all of the Reserved Parcels.

ARTICLE XVI

VARIANCES

The ARB in its discretion may allow reasonable variances and adjustments of this Instrument in order to alleviate the practical difficulties and hardship in their enforcement and operation. Any such variances shall not violate the spirit and intent of this Instrument 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, if any. No variance or adjustment will be permitted if such would be materially detrimental or injurious to the welfare of the Owners and other improvements in the Subdivision. To be effective, a variance or adjustment hereunder shall be written, executed by or on behalf of the ARB, shall be recorded in the Office of the Register of Deeds of Craven County, and shall refer specifically to the authority granted under this Article XVI.

IN TESTIMONY WHEREOF, STILLWATER INVESTMENT GROUP, LLC, has executed this document in such form as to be binding and to subject its respective Lots to the

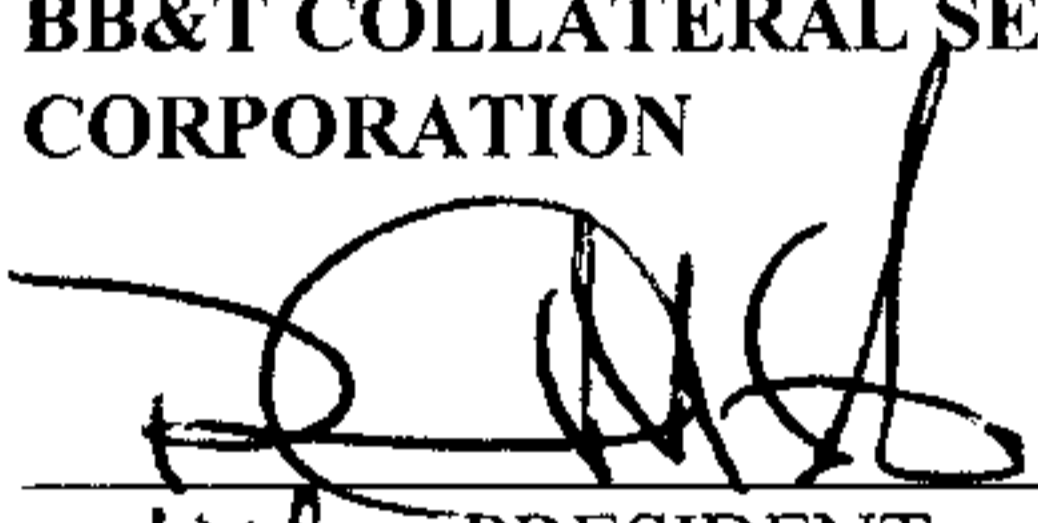


provisions of this Instrument: and **BB&T COLLATERAL SERVICE CORPORATION** and **BRANCH BANKING AND TRUST COMPANY** have executed this Instrument solely for the purpose of indicating their consent as lien holders under that certain Deed of Trust recorded in Book 2519, Page 827 in the Office of the Register of Deeds of Craven County, North Carolina, all this the day and year first above written.

STILLWATER INVESTMENT GROUP, LLC

By:  (SEAL)
THOMAS A. BAYLISS, IV, MANAGER

BB&T COLLATERAL SERVICE CORPORATION

BY: 
vice PRESIDENT

BRANCH BANKING AND TRUST COMPANY

BY: 
vice PRESIDENT



NORTH CAROLINA
CRAVEN COUNTY

I, the undersigned Notary Public of the County of Craven and State of North Carolina, do hereby certify that **THOMAS A. BAYLISS, IV**, personally appeared before me this day and acknowledged (i) that he is the Manager of **STILLWATER INVESTMENT GROUP, LLC**, a limited liability company, and (ii) that by authority duly given and as the act of such limited liability company, he signed the foregoing instrument in the name of such limited liability company on such limited liability company's behalf as its act and deed.

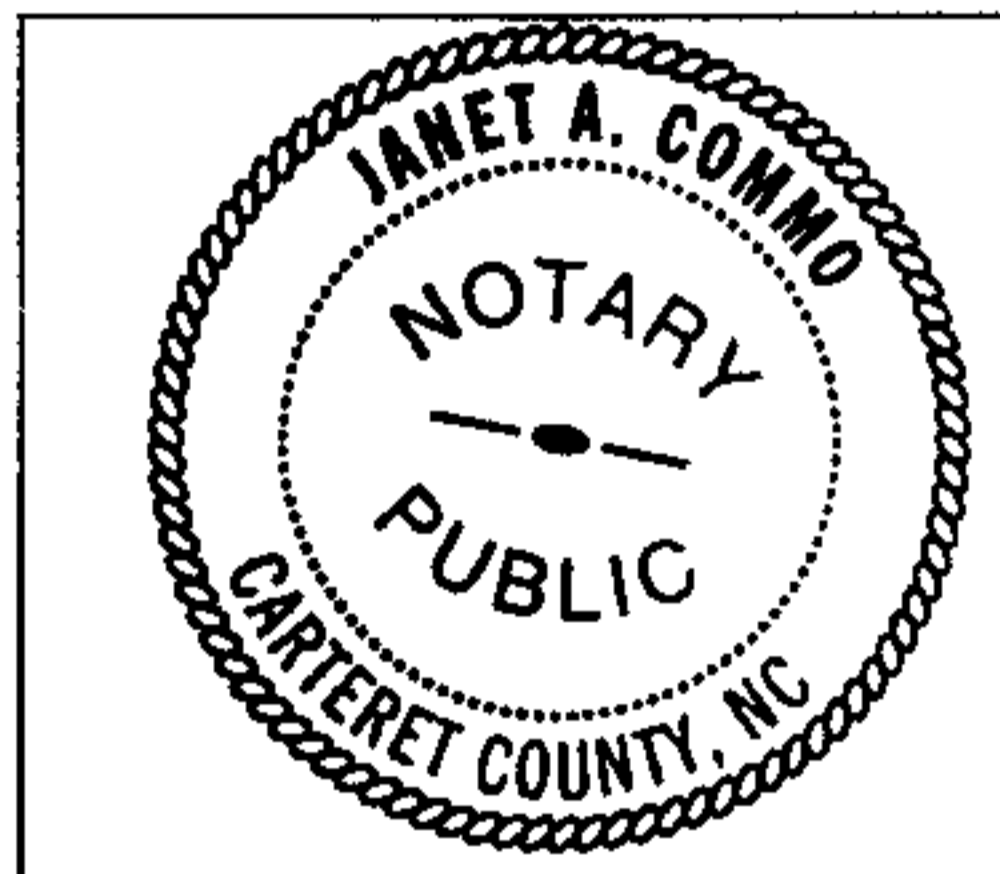
WITNESS my hand and notarial seal, this 14 day of September, 2010.

My Commission Expires:

8-10-15



NOTARY PUBLIC



NOTARY SEAL/STAMP MUST
APPEAR LEGIBLY IN ABOVE BOX



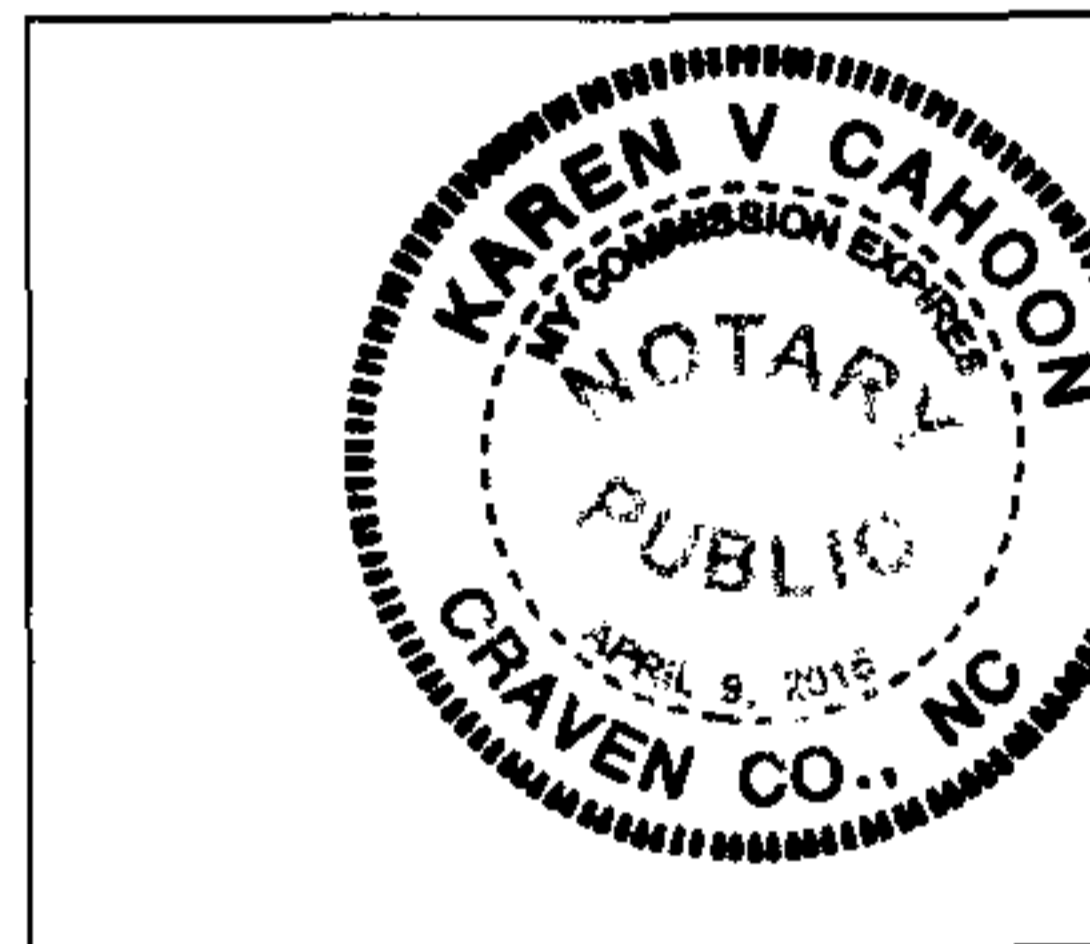
NORTH CAROLINA
CRAVEN COUNTY

I, the undersigned Notary Public of the County of Craven and State of North Carolina, do hereby certify that David M. Stouck personally appeared before me this day and acknowledged (i) that he is the V.P. of **BB&T COLLATERAL SERVICE CORPORATION**, a corporation, and (ii) that by authority duly given and as the act of such corporation, he signed the foregoing instrument in the name of such corporation on such corporation's behalf as its act and deed.

WITNESS my hand and notarial seal, this 14 day of September, 2010.

Karen V. Cahoon
NOTARY PUBLIC

My Commission Expires:
4.9 - 15



NOTARY SEAL/STAMP MUST
APPEAR LEGIBLY IN ABOVE BOX



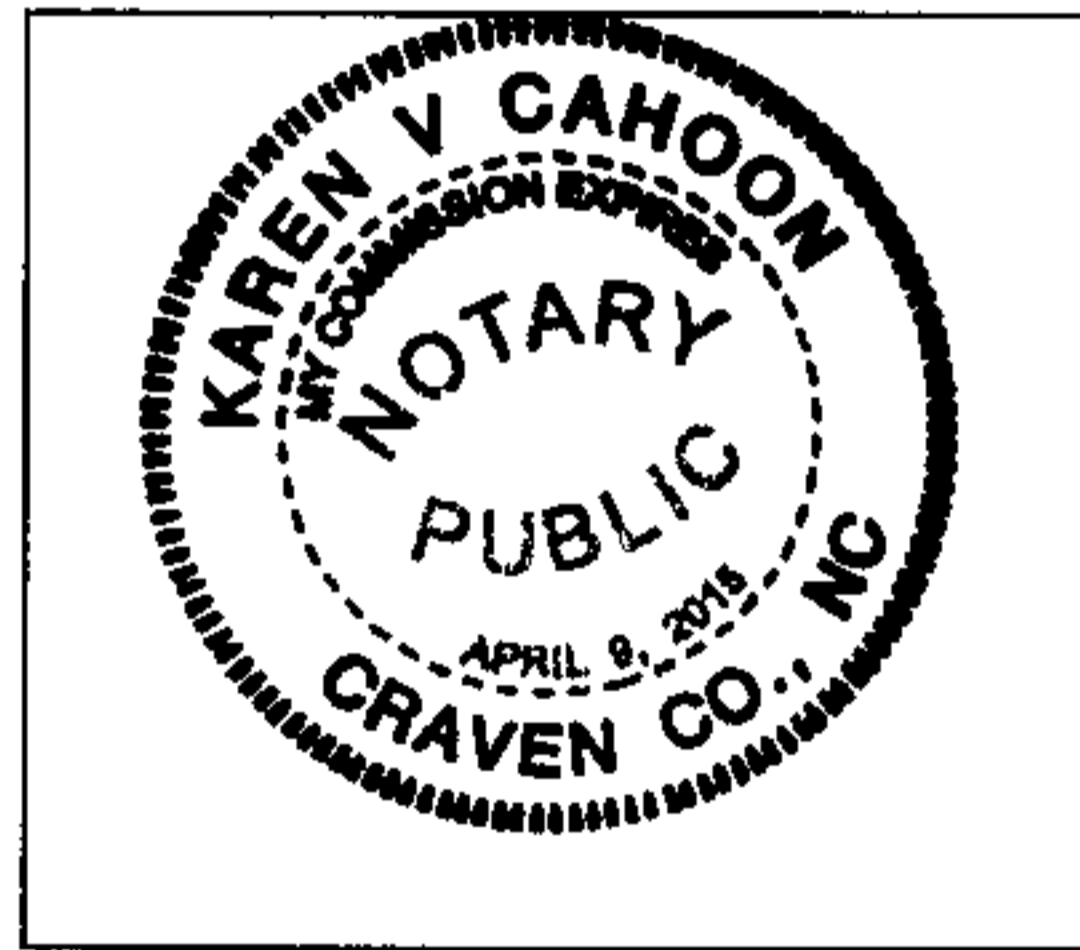
NORTH CAROLINA
CRAVEN COUNTY

I, the undersigned Notary Public of the County of Craven and State of North Carolina, do hereby certify that Gary Brown personally appeared before me this day and acknowledged (i) that he is the VP of **BRANCH BANKING AND TRUST COMPANY**, a corporation, and (ii) that by authority duly given and as the act of such corporation, he signed the foregoing instrument in the name of such corporation on such corporation's behalf as its act and deed.

WITNESS my hand and notarial seal, this 14 day of September, 2010.

Karen V. Cahoon
NOTARY PUBLIC

My Commission Expires:
4.9.15



NOTARY SEAL/STAMP MUST
APPEAR LEGIBLY IN ABOVE BOX

EXHIBIT A

1. The following covenants are intended to ensure ongoing compliance with state stormwater management permit number SW7070527 as issued by the Division of Water Quality. These covenants may not be changed or deleted without the consent of the State.
2. No more than 4,475 square feet of any lot shall be covered by structures or impervious materials. Impervious materials include asphalt, gravel, brick, stone, slate or similar material but do not include wood decking or the water surface of swimming pools.
3. Swales shall not be filled in, piped, or altered except as necessary to provide driveway crossings.
4. Built-upon area in excess of the permitted amount requires a state stormwater management permit modification prior to construction.
5. All permitted runoff from outparcels or future development shall be directed into the permitted stormwater control system. These connections to the stormwater control system shall be performed in a manner that maintains the integrity and performance of the system as permitted.

8\\SERVER02\LSS\LSSDOCS\00021000.000.DOC



Image ID: 000001857890 Type: CRP
Page 38 of 38

BK **2941** PG **547**