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NORTH CAROLINA

COUNTY OF DARE

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
OF PORT TRINITIE SUBDIVISION

THIS DECLARATION, made and entered into this the 16th
day of APRIL, 1987, by TRINITIE GROUP, INC., a North
Carolina Corporation with its principal office located in Rocky
Mount, North Carolina (hereinafter referred to as "Developer").

W I T N E S S E T H:

WHEREAS, Developer is the owner of all of that tract of
real property located in Atlantic Township, Dare county, North
Carolina, and being more particularly shown and described on
that certain map or plat entitled "Port Trinitie" and recorded
in Plat Cabinet C, Slide 20 C & D, in the office of the Register of
Deeds of Dare County, reference to said plat being hereby
specifically made; and

WHEREAS, Developer desires to create thereon an exclusive
residential community to be named "Port Trinitie Subdivision"
for the benefit of the said community through the granting of
specific rights, privileges, and easements of enjoyment which
may be shared and enjoyed by all residents of Port Trinitie
Subdivision; and

WHEREAS, Developer intends to develop Port Trinitie
Subdivision as an extension of, and in conjunction with, the
previously developed Port Trinitie Condominium, subject to the
privilege and right of use of certain streets, easements, and

other facilities therein for the joint and mutual benefit of the owners of Port Trinitie Condominium and the residents of this residential community, upon certain terms, conditions, and rights of use as set forth in a conveyance of such properties by the Developer of Port Trinitie Condominium to Port Trinitie Association by deed dated April 16, 1987, and recorded in Book 505, Page 626, of the Dare County Registry; and

WHEREAS, Developer desires to insure the attractiveness of the individual lots within Port Trinitie and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect, and enhance the values of the said property and to provide for the maintenance of the Community Facilities; and, to this end, desires to subject the real property described in Section 1 of Article II to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which are for the benefit of said property and each Owner thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation, protection, and enhancement of the values in Port Trinitie Subdivision to insure the residents' enjoyment of the specific rights, privileges, and easements in the Community Facilities, to create an organization to which should be delegated and assigned the powers of maintaining, and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created.

NOW, THEREFORE, Developer hereby declares that all

numbered lots shown on the aforesaid plat entitled "Port Trinitie," recorded in Plat Cabinet C, Slide 20 C & D, in the office of the Register of Deeds of Dare County, North Carolina, are held and shall be held, conveyed, encumbered, leased, rented, used, occupied, and improved subject to this Declaration and to the following restrictions, covenants, conditions, easements, charges, and liens which shall run with the land and shall be binding on all parties, their heirs, successors, and assigns, having or acquiring any right, title, or interest in and to the real property or any part or parts thereof subject to this Declaration. The aforesaid property shall include as an appurtenance thereto running with the land the right to use and enjoy certain properties, herein Community Facilities, subject to such restrictions and rights of assessment and lien as set forth in a deed recorded in Book 505, Page 626, Dare County Registry.

ARTICLE I

DEFINITIONS

The following words as used in this Declaration or any supplement hereto (unless the context shall prohibit) shall have the following meanings:

Section 1. "Articles" means the Articles of the Incorporation of Port Trinitie Homeowners Association.

Section 2. "Association" shall mean and refer to Port Trinitie Homeowners Association, its successors and assigns.

Section 3. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple

title to any Lot which is a part of the Subdivision, including contract sellers but excluding those having such interest merely as security for the performance of an obligation.

Section 4. "Lot" shall mean and refer to Lots 1 through 29 inclusive with delineated boundary lines, shown on the recorded plat of Port Trinitie Subdivision.

Section 5. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 6. "Community Facilities" shall mean the streets, easements, walkways, and amenities, including pool and tennis courts, as now or hereinafter may be located on that property described in deed dated April 16, 1987, recorded in Book 505, Page 626, in the office of the Register of Deeds of Dare County, North Carolina.

Section 7. "Sister Association" shall mean and refer to Port Trinitie Association, its successors and assigns.

Section 8. "Condominium Owner" shall mean the Owner or Co-Owners of condominium units in Port Trinitie Condominium as that property is defined and dedicated pursuant to the Amended and Restated Declaration of Unit Ownership of Port Trinitie dated October 20, 1984, recorded in Book 383, Page 636, Dare County Registry, and all amendments thereto.

Section 9. "Development Area" shall mean the property described by deed recorded in Book 324, Page 533, in the office of the Register of Deeds of Dare County, North Carolina which encompasses Port Trinitie Condominium and Port Trinitie Subdivision.

Section 10. "Subdivision" means Port Trinitie Subdivision as shown on that subdivision plat entitled "Port Trinitie," recorded in Plat Cabinet C, Slide 20 C & D, Dare County Registry.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

The real property which is, and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration, located in Dare County, North Carolina and as described in Exhibit A attached hereto and made a part hereof. This property shall be herein referred to as "Subdivision."

ARTICLE III

PORT TRINITIE HOMEOWNERS ASSOCIATION

Section 1. Association. A corporation named Port Trinitie Homeowners Association has been or will be formed pursuant to the rules and requirements of the Non-Profit Corporation Act (Chapter 55A) of the General Statutes of North Carolina as an association of the Owners of Lots. Its purposes are to collect assessments, or assist its Sister Association in such collection, for the use, maintenance, repair and replacement of Community Facilities; to enforce the restrictions contained herein; and to make and enforce rules and regulations governing the Owners' use and occupation of Lots and the Community Facilities.

Section 2. Members. Each Owner of each Lot within the Subdivision shall be a Member of the Association. The Developer, by this Declaration, and the Owners of individual

Lots by their acceptance of individual deeds thereto, covenant and agree with respect to the Association.

(a) That for so long as each is an Owner of a Lot within the Subdivision, each will perform all acts necessary to remain in good and current standing as a Member of the Association;

(b) That each shall be subject to the rules and regulations of the Association with regard to ownership of a Lot; and

(c) That any unpaid assessment, whether general or special, levied by the Association in accordance with these restrictions, the Articles or By-Laws thereof, or by the Sister Association with regard to the Community Facilities, shall be a lien upon the Lot upon which such assessment was levied, and shall be the personal obligation of the Owner of the Lot at the time the assessment fell due.

Section 3. Unity. Each membership in the Association shall relate to and have a unity of interest with an individual Lot which may not be separated from ownership of said Lot.

Section 4. Voting. There is but one class of membership of the Owners of the Lots with the Members being entitled to one vote for each Lot owned. Each vote shall be expressed by the Owner, in person or by proxy who would cast the vote for each respective Lot. Where any Lot is owned as a tenancy in common or as a tenancy by the entirety, or another form of multiple ownership, said tenants or Owners shall determine between or among themselves how the vote to which they

are entitled shall be cast. However, there shall not be any division of a vote that said Owners would otherwise be entitled to cast if the tenants do not unanimously agree among or between themselves as how the vote should be cast. In no event shall more than one vote be cast with respect to any Lot. Multiple Owners may designate a single person to act as agent to cast their vote.

Until the Developer has sold all of the Lots in the Subdivision, neither the Association nor any of the individual Lot Owners, nor their use of the Community Facilities shall interfere with the completion of contemplated improvements and the sale of other Lots. The Developer may make use of the unsold Lots as may facilitate completion of the construction thereof and sale, including, but not limited to the maintenance of sales office, model unit, the showing of the property and the displaying of advertising signs. Any action or vote of the Association which attempts to restrict or inhibit the rights of the Developer as stated herein shall be void.

ARTICLE IV

MANAGEMENT AND ADMINISTRATION

The management and administration of the affairs of the Subdivision shall be the sole right and responsibility of the Association. The management shall be carried out in accordance with the terms and conditions of this Declaration, the Articles, and the By-Laws of the Association, but may be delegated or contracted to managers or management services. Until such time as the formation of the Association, not to be later than one

year hereafter, the Developer, or its agent, shall be delegated with all the authority of the Association; and after the formation of the Association, the Developer shall reserve the right to appoint the Board of Directors and Officers thereof until the earlier of (i) such time as the Developer no longer owns any Lots in the Subdivision, or (ii) five (5) years hereafter.

ARTICLE V

PROPERTY RIGHTS IN THE COMMUNITY FACILITIES

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

(a) The right of the Sister Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Community Facilities and in aid thereof to mortgage said properties;

(b) The right of the Sister Association to take such steps as are reasonably necessary to protect the above-described properties against foreclosure;

(c) The right of the Sister Association, as provided in its Articles, By-Laws, and Declaration of Unit Ownership and Deed recorded in Book 505, Page 626, to suspend the enjoyment rights of any Member of this Association in the recreational facilities for any period during which any assessment remains unpaid, and for any period not to exceed

thirty (30) days for any infraction of its published rules and regulations; and

(d) The right of the Sister Association to charge reasonable use fees for the repairs, maintenance, replacement, and improvements of the Community Facilities; provided, such fees may be charged and assessed upon each Lot within the Subdivision may not be greater than the amount of fees assessed and charged against condominium units within Port Trinitie Condominium. It is expressly understood that the Association may assist its Sister Association in the collection of general and special assessments and other use fees as appropriated by the Sister Association with regard to the Community Facilities. The Association shall further have the right to enforce the collection and place a lien upon the Lot of any Owner within the Subdivision who fails to duly remit any assessment or fee and will assist in the suspension of the enjoyment rights in recreational facilities for infraction of published rules and regulations of the Sister Association regarding such facilities.

Section 2. Title to Community Facilities. Title to the Community Facilities shall remain with the Sister Association, its successors and assigns; provided, however, the Owners shall enjoy a perpetual and non-exclusive right of ingress and egress running with and appurtenant to the Lots for ingress and egress upon, under, and over the easements, access paths and streets within the Community Facilities, and a perpetual right of use of the recreational facilities running with said Lots.

ARTICLE VI

COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessment. Each Owner of any Lot within the Subdivision, 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: (1) as collecting agent for the Sister Association such amounts assessed for repair, maintenance, improvements, or replacement and use of the Community Facilities, and (2) such other general or special assessments to be established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney fees, shall also be the personal or corporate obligation of the person(s) or firm(s) or corporation(s) owning such property at the time when the assessment fell due.

Section 2. Purposes of Assessments. The assessments levied by the Association shall be used exclusively to promote and maintain streets and recreational facilities and in particular for the improvement, maintenance, use, and enjoyment of the Community Facilities, including but not limited to, the cost of repair, replacement, and additions thereto, the cost of labor, equipment, materials, management, and supervision thereof, and maintenance of insurance thereon, and for such

other funds as required by the Association in carrying out any duty as may be required or delegated to the Association under this Declaration, or its Articles or By-Laws. Provided, however, the Owner of an unimproved Lot in the Subdivision shall pay only a partial assessment and shall not be subject to any assessment with regard to the recreational facilities within the Community Facilities. Commencing as of the first day of the month following the issuance of a certificate of occupancy for a dwelling on a Lot, such Owner shall be subject to the full assessment for Community Facilities.

Section 3. Special Assessments. In addition to assessments for the general operation of the Association and for the Community Facilities, the Association may levy, in any year, the special assessment applicable to that year only as agreed by the Members for such other purposes as may be approved by the Members in accordance with Section 5 hereof.

Section 4. Uniform Rate of Assessment. All assessments must be fixed at a uniform rate for each Lot. The Community Facilities assessments and any general Association assessments shall be collected on a monthly basis; one-twelfth (1/12) of said assessment to be collected on the first day of each month, special assessments shall be paid when assessed.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 shall be sent to all Members not less than thirty (30) days and no 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 shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and if the same is called for a date not later than sixty (60) days after the date of the first meeting, the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

Section 6. Date of Commencement of Annual Assessments;

Due Date; Certificate of Payment. The annual assessments (general operations and Community Facilities) provided for herein shall commence as to each Lot on the first day of the month following the conveyance of such Lot from the Developer to an Owner and shall be due and payable thereafter on the first day of each calendar month thereafter. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days before January 1 of each year, the Board of Directors shall fix the amount of the annual assessment against each Lot and at least fifteen (15) days before January 1 of each year, shall send written notice of each assessment to every Owner subject thereto. The due dates for the payment of annual and special assessments shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 7. Effect of Non-payment of Assessments;

Remedies of the Association. Any assessment, if not paid within thirty (30) days after the date such assessment is due, together with interest at the rate of twelve percent (12%) per annum, cost of collection, court costs, and reasonable attorney fees, shall constitute a lien against the Lot upon which assessment is levied. The Association may record notice of the same in the office of the Clerk of Superior Court of Dare County under the provisions of Article 8 of Chapter 44 of the North Carolina General Statutes. The lien created herein shall be prior to all other liens except (a) liens for real estate taxes due and unpaid, and (b) all sums unpaid on deeds of trust and other encumbrances recorded against the Lot prior to the docketing of the lien, and (c) materialmans and mechanics liens.

The lien for assessments may be foreclosed by suit by the Board of Directors of the Association in like manner as a foreclosure of a deed of trust or mortgage and real estate. The Board of Directors is hereby granted a power of sale for such purpose. The Board of Directors of the Association shall have power to bid in the Lot at the foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same. In the alternative, the Board of Directors of the Association may maintain a suit against the delinquent owner of the Lot to recover a money judgment for unpaid assessments without foreclosing or waiving the lien securing said unpaid assessments. The personal obligation for a delinquent assessment shall not pass to a successor in title to a Lot

unless expressly assumed by said successor. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Community Facilities or abandonment of his Lot.

Section 8. Subordination of the Lien to Mortgages. the liens provided for herein shall be subordinate to the lien of any mortgage, mortgages, deed of trust, or deeds of trust recorded prior to the docketing of such lien. Sale or transfer of any Lot shall not affect the personal obligation of the delinquent Lot Owner for any assessment due. However, the sale or transfer of any Lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust recorded prior to the docketing of such lien.

ARTICLE VII

COMPLIANCE WITH THIS DECLARATION, THE ARTICLES, AND THE BY-LAWS OF THE ASSOCIATION

In the case of failure of a Lot Owner to comply with the terms and provisions contained in this Declaration, the Articles or the By-Laws of the Association, or the rules and regulations, including assessment policies, of the Sister Association (with

regard to the Community Facilities), the following relief shall be available:

(a) The Association, an aggrieved Lot Owner or Owners within the Subdivision on behalf of the Association, or any Lot Owner on behalf of all the Lot Owners within the Subdivision, shall have the right to bring an action and recover sums due, damages, injunctive relief, and/or such other and further relief as may be just and appropriate.

(b) The Association shall have the right to remedy the violation and assess the costs of remedying the same against the offending Lot Owner as a special assessment.

(c) If the violation is the non-payment of any general or special assessment, the Association shall have the right to suspend the offending Owner's voting rights and the use by such recreational facilities in the Development Area for any period during which an assessment against the Lot remains unpaid. The suspension of use of the recreational facilities is in addition to a similar right by the Sister Association for delinquent Community Facilities assessments.

(d) The remedies provided by this Article are cumulative and are in addition to any other remedies provided by law.

(e) The failure of the Association or any person to enforce any restriction contained in this Declaration, the Articles, or the By-Laws shall not be deemed to waive the right to enforce such restrictions thereafter as to the same violation or subsequent violation of similar character.

ARTICLE VIII

PROPERTY RIGHTS OF LOT OWNER, CROSS-EASEMENTS,
AND EXCEPTIONS AND RESERVATIONS BY DEVELOPER

Section 1. Community Facilities Easement. Every Owner of a Lot within the Subdivision, as an appurtenance to such Lot, shall have a perpetual easement over and upon the Community Facilities within the Development Area for each and every purpose or use to which such Community Facilities were intended as determined by their type, or for which such Community Facilities generally are used. Such easements shall be appurtenant to and shall pass with the title to every Lot located within the Subdivision, whether or not specifically included in a deed thereto, subject to the following provisions:

(a) The Sister Association shall have the right to make reasonable rules and regulations respecting the use of the same.

(b) The Sister Association shall have the right to suspend the right to use the recreational facilities within the Development Area for any period during which any due assessment against such Owner's Lot remains unpaid and for any infraction of its published rules and regulations.

(c) The Sister Association shall have the right to charge reasonable fees for the use of any recreation facility situated upon the Community Facilities and such other fees and assessments for the repair, maintenance, and improvements of the Community Facilities.

Section 2. Utilities. The Sister Association

hereinafter may grant easements for utility purposes for the benefit of the Development Area and the Lots now or hereafter located thereon, over, under, along, and through the Community Facilities.

Section 3. Right of Use. Any Owner may delegate his right of enjoyment to the Community Facilities to the Members of his family or his tenants who reside on the Lot.

Section 4. Lot Perimeter Easement. Easements and rights of way over and upon each Lot for drainage and the installation and maintenance of utilities and services are reserved exclusively to Developer for such purposes as Developer may deem incident and appropriate to its overall development plan, such easements and rights of way being shown or noted on the aforesaid recorded plat of the Subdivision, which plat is incorporated by reference and made a part hereof for a more particular description of such easements and rights of way. The easements and right of way areas reserved by Developer on each Lot pursuant hereto shall be maintained continuously by the Owner, but no structures, plantings, or other material shall be placed or permitted to remain upon such areas or other activities undertaken thereon which may damage or interfere with the installation or maintenance of utilities or other services, or which may retard, obstruct, or reverse the flow of water or which may damage or interfere with the established slope ratios or create erosion problems. Improvements within such areas also shall be maintained by the respective Owner, except those for which a public authority or utility company is responsible.

Section 5. Common Drive. There is hereby created a mutual and non-exclusive, perpetual easement for ingress and egress running with Lots 28 and 27 over and upon that western twenty foot portion of Lot 27 for use as the mutual common drive for Lots 21, 28, and 27. Likewise, Lots 25 and 26 shall have running with the land therewith and as an appurtenance thereto a mutual and non-exclusive common drive for ingress and egress to each of said Lots, said drive being twenty feet in width and shall run along the common boundary between Lots 25 and 26.

The materials, grading, and location of the common drives shall be subject to the approval of the Architectural Committee, and each Lot Owner shall be subject to payment of his share of the reasonable expense of construction, maintenance, and repair as follows: for Lots 21, 28, and 27, such expenses shall be shared twenty-five percent (25%) each by the Owners of Lots 28 and 21 and fifty percent (50%) by the Owner of Lot 27; for Lots 25 and 26, the expenses thereof shall be shared 33 1/3% by the Owner of Lot 25 and 66 2/3% by the Owner of Lot 26. If the Owners of the Lots shall fail to contribute their proportionate share as and when due, or in the event the Owners of a common drive are unable to mutually agree as to the operation and maintenance of said common drive, any Owner affected by said common drive may apply and petition the Association to resolve their differences or assist in the collection of any unpaid expenses. In such event, the Association shall reserve the right to make binding decisions on behalf of the Owners, and in the event of unpaid expenses due, to assess the Lot Owner the

unpaid share, and if not paid to record a Notice of Lien and pursue the remedies as set forth in Section 7 of Article VI hereof.

ARTICLE IX

ARCHITECTURAL STANDARDS AND

ARCHITECTURAL STANDARDS COMMITTEE

Section 1. Committee. The Board of Directors of the Association shall establish an Architectural Standards Committee (hereinafter referred to as the "Committee") which shall be composed of two (2) members. The Board of Directors shall have the right to appoint and remove, at any time and without cause, any or all of said members. The Developer may appoint the members of the Committee (i) so long as the Developer continues to own any Lot in the Subdivision, or (ii) until five (5) years after the date of this Declaration, whichever occurs earlier. At such time as the Developer no longer owns any Lot in the Subdivision, or upon the expiration of the aforementioned time, or upon notification by the Developer to the Board of Directors that it does not desire to continue to appoint the Committee, both members shall be appointed by the Board of Directors.

Section 2. Approval. No building, fences, drives, or other structure shall be erected, placed, moved into, maintained, or in any way altered on any Lot within the Subdivision until the proposed building plans, specifications, exterior color or finish, plot plan (showing proposed location and elevation of such building structure, drives, and parking areas) shall have been submitted to and approved by the

Committee. "Construction" shall include within its definition clearing, excavation, grading, and other site work.

Section 3. Guidelines. The Committee shall have exclusive jurisdiction over all original construction on any Lot and later changes or additions after initial approval thereof, together with any modifications, additions, or alterations subsequently to be constructed on any Lot or made to any improvements initially approved. The Committee shall prepare and, on behalf of the Board of Directors, shall promulgate architectural standard guidelines ("guidelines") and application and review procedures ("procedures"). The guidelines and procedures shall be those of the Corporation, and the Committee shall have the sole and full authority to prepare and to amend the guidelines and procedures. The Committee shall make the guidelines and procedures available to owners, builders, and developers who seek to engage in the development of or construction upon the Lots and who shall conduct their operations strictly in accordance therewith.

Section 4. Authority. The Committee shall have the absolute and exclusive right to disapprove any plans, specifications, or details submitted to it upon any ground, including purely aesthetic considerations. Approval shall be evidenced by an approved copy of the elevation plans left in the permanent possession of the Committee.

Section 5. Size/Completion. The minimum square footage required shall be 1400 square feet of living area for single story residences and 1650 square feet for multi-story

residences, exclusive of porches, patios, garages, unfinished or unheated areas, and other protrusions from the base dimensions of the residence. The exterior of all houses and other structures, after approval of the building plans, must be completed within six (6) months from the commencement of construction, except where completion is impossible, or results in great hardship to the Owner or builder due to strikes, fire, national emergencies or calamities.

Section 6. Inspection. The Committee, or its agent, shall have the right to inspect all construction to ensure that it is performed in strict accordance with the approved plans, specifications, and details. Upon completion of the construction in accordance with the approved plans, specifications, and details, the Committee shall issue a certificate of completion to the Owner.

Section 7. Interior. Nothing contained herein shall be construed to limit the right of an owner to remodel the interior of his residence or permitted pertinent structures, or to paint the interior of the same any color desired.

Section 8. Non-Warranty. Neither the Developer, nor the Committee, nor the Board of Directors, or any architecture agent thereof shall be responsible in any way for any defects in plans, specifications, or details submitted, revised, or approved in accordance with the provisions contained herein or in the guidelines, nor for any structural or other defect in any construction.

Section 9. Title. The requirements of this Article

shall not constitute a lien or encumbrance on any Lot on which construction is completed, and any subsequent purchaser thereof for value without notice thereof is in no way affected by the failure of his predecessors in title to comply with the terms hereof.

Section 10. Repairs/Landscaping. There shall be no exterior painting of buildings, yard walls, exterior lighting, no repair or replacing of original roofs, and no major landscaping on any of the Lots by or on behalf of the Owner thereof, or any person holding thereunder, except as may be approved by the Committee.

Section 11. Violation. Violation or breach of any architectural standard contained in this Declaration shall give the Committee, its legal representatives, successors and assigns, in addition to all other remedies, the right, upon fifteen (15) days notice, to enter upon the land upon or as to which such violation or breach exists, and summarily, to abate and remove, at the expense of the Owner thereof, any erection, thing, or condition that may be or exist thereon contrary to the intent and meaning of the provisions hereof; and the said Committee shall not thereby be deemed guilty of any manner of trespass, or be liable for any damage, for such entry, abatement, or removal.

ARTICLE X

RESTRICTIONS ON USE AND OCCUPANCY

Section 1. Residential Purposes. No Lot shall be used except for residential purposes. No building shall be erected,

altered, placed, or permitted to remain on any Lot other than one single-family residences. Only one family shall occupy the same main dwelling and its accessory buildings; provided, however, that servants' quarters or a guest suite may be erected, but such facilities may not be rented, leased, or sold separately from the main premises. No business or business activity may be carried on upon the property at any time; provided, however, that nothing herein shall preclude the Developer, its agents, affiliates, and employees from using all or part of the land or buildings owned by them for the purpose of carrying on business directly related to the development, sales, and/or management of the Subdivision by the Developer.

Section 2. Minimum Size. Any dwelling constructed on a Lot subject to these restrictions shall contain not less than 1400 square feet for single story residences, and 1650 square feet for multi-story residences, of fully enclosed and heated floor area devoted to living purposes (exclusive of roofed or unroofed porches, terraces, garages, and any outbuildings).

Section 3. Setbacks. No building shall be constructed or located on any Lot otherwise than in compliance with the applicable rules, regulations, laws, and ordinances of Dare County, including without limitation, front, side, and rear setback requirements; moreover, no building shall be constructed or located on any Lot in violation of the minimum building setback lines as noted on the Subdivision Plat at Plat Cabinet C, Slide 20C&D, Dare County Registry. For purposes of this covenant,

eaves, steps, and open porches shall not be considered a part of the building; provided, further, that this shall not be construed to permit any portion of a building on a Lot to encroach upon another Lot.

In the event that a dwelling is constructed nearer to the adjacent Lot line than is permitted by this paragraph, but not nearer than five feet to such line, such violation may be waived by the execution and recordation in the Dare County Registry of an instrument in writing executed by the Association, its successors or assigns, and the Owner of the adjacent Lot on the side which the violation occurs. Upon the execution and recordation of such waiver, said violation shall not thereafter be deemed to exist.

In the event that a dwelling is constructed nearer to the front Lot line or a side street line than is permitted by this paragraph but does not violate the setback line by more than ten percent (10%) of the minimum distance, such violation may be waived by the execution and recordation in the Dare County Registry of an instrument in writing executed by the Association, its successors or assigns, and the Owners of the adjoining Lots, or if there is only one adjacent or adjoining Lot, by the Owner of such Lot. Upon execution and recordation of such waiver, said violation shall not thereafter be deemed to exist.

Section 4. Subdivision. No Lot shall be subdivided, or its boundary lines changed, except with the prior written consent of the Developer; however, it shall be permissible to

combine two or more adjacent lots, which have a common ownership, into one tract of land for purposes of building a dwelling which would be authorized on such Lots individually. In the event of such a combination, the setback requirements relating to the common boundary between two Lots will not prohibit building upon that boundary so long as requirements relating to the outside border of the tract are met. This provision does not reduce or remove any other restriction which may exist as a result of this Declaration.

Section 5. Sewage. All plumbing fixtures and sources of sewerage located on a Lot shall be connected to an individual septic tank or other sewer system located upon such Lot and approved by the appropriate governmental authorities. Each such approved individual septic tank or sewer system shall be maintained in good and proper working order and condition by the Owner in accordance with the requirements of governmental authorities having jurisdiction. No outside toilet shall be constructed or permitted on any Lot except during construction as herein expressly provided.

Section 6. Trash. The design, size, and location of containers for the collection and removal of garbage, trash and other like household refuse shall be subject to and shall require the approval of the Committee.

Section 7. Prohibitions. The following general prohibitions and requirements shall apply and control the improvement, maintenance, and use of all Lots:

- (a) No mobile home, trailer, camper, tent, or

temporary house, temporary garage, or other temporary outbuilding shall be placed or erected on any Lot; provided, however, that the Committee may grant permission for temporary structures for storage of materials during construction. No such temporary structure as may be approved shall be used at any time as a residence.

(b) During construction of improvements on any Lot, adequate portable sanitary toilets must be provided for the construction crew and the Lot must be cleaned of excess debris at least once a week.

(c) All dwellings and permitted structures erected or placed on any Lot shall be constructed of material of good grade, quality, and appearance, and all construction shall be performed in good workmanship manner and quality. Any permitted outbuilding shall be of the same material, quality, general appearance, and workmanship as the dwelling on the Lot. The requirements of the Committee shall control all improvements to any Lot as is herein specified.

(d) All buildings, structures, and their appurtenances shall be maintained in a suitable state of repair. In the event of destruction or casualty, premises are to be cleared and debris removed within sixty (60) days from the date of such casualty. It shall be the responsibility of each Lot Owner to prevent the development of any unclean, unsightly, or unkept condition of buildings and other structures or grounds on his Lot which shall tend substantially to decrease the beauty of the Subdivision as a whole. Upon the failure of any Owner to

comply with this requirement, the Committee reserves the right, at its own option, within three weeks after written notice has been mailed to such Lot Owner's last known address, to clean such property up or remove the same (if such property has been destroyed by fire or other disaster) and the Committee's expense in doing so shall constitute a lien upon such Owner's Lot and improvements thereof, enforceable in the same manner as a delinquent assessment.

(e) No stripped, partially wrecked, or junked motor vehicle, or part thereof, shall be permitted to be parked or kept on any Lot. All motor vehicles of any type kept on any Lot shall have current registration and inspection certificates.

(f) No vehicle of any type shall be parked on any street in the Subdivision. No truck nor other vehicle in excess of a one-ton load capacity nor any mobile home, trailer, camper, similar vehicle, or boat shall be parked or kept overnight or longer, on any Lot in such manner as to be visible to the occupants of other Lots or the users of any street or recreation area.

(g) All fuel storage tanks shall be buried below the surface of the ground and all outdoor receptacles for ashes, trash, rubbish, or garbage shall be installed underground, screened, or so placed and kept as not to be visible to the occupants of other Lots or the users of any street or recreation area.

(h) All outdoor poles, clotheslines, and similar equipment shall be screened or so placed as not to be visible to

the occupants of other Lots or the users of any street or recreation area.

(i) All recreational equipment and personal property other than automobiles or bicycles must be stored in such a manner as not to be visible from any street or to the occupants of other Lots.

(j) No mail or paper box or other receptacle of any kind for use in the delivery of mail, newspapers, or magazines or material shall be erected or located upon any Lot except such receptacle of standard design as shall have been approved by the Committee.

(k) Except for builder identification signs approved by the Committee, there shall be no signs, billboards, or advertising structures of any nature whatsoever placed on any Lots or lands; provided, however, there shall be allowed one sign per Lot, not exceeding one square foot, for identification of the property Owner and a typical "For Sale" sign, provided such sign shall be no larger than six square foot in size.

(l) No radio or television antennas (including dish or satellite) may be installed without prior approval in writing by the Committee.

(m) All dwelling connections for all utilities, including but not limited to, water, electricity, gas, telephone, and television shall be run underground from the proper connecting points to the dwelling structure in such manner as may be acceptable to the appropriate utility authority.

(n) No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except that dogs, cats, or other household pets in a reasonable number may be kept, provided they are not kept, bred, or maintained for any commercial purpose, provided further, that such pets do not constitute a danger or nuisance to other Lot Owners or to the Subdivision.

(o) Entrances to enclosed garages may face in any direction, provided that all such garages shall have a door or doors that completely close off the garage entrance and such door or doors shall remain completely closed except during periods of actual use of such garage entrance.

(p) No noxious, offensive, or illegal trade or activity shall be carried on upon any Lot, nor shall anything be done on any Lot that shall be or become an unreasonable annoyance or nuisance to other Lot owners or the Subdivision.

Section 8. Amendment. As long as it owns ten percent (10%) or more of the Lots in the Subdivision, Developer reserves the right to include in any contract or deed hereafter made or entered into, such modifications and/or additions to these restrictions which will, in the sole opinion of Developer, raise the standards or enhance the desirability of the Subdivision as a residential area. Such reservation shall not be construed as authorizing Developer to relieve any purchaser of any Lot in the Subdivision, in whole or in part, from any of the restrictions set forth.

Section 9. Plat. The notes (pertaining to all Lots) and

area of environmental concern (pertaining to Lots 22 and 29) shown on the Subdivision plat entitled "Port Trinitie," drawn by Missell Associates, dated March 6, 1987, recorded in Plat Cabinet C, Slide 20 C & D, Dare County Registry, are incorporated herein by reference and shall be binding upon and run as a covenant to all Lots of Port Trinitie Subdivision.

The following restrictions of use are expressly noted:

- (a) Ten foot utility easement is reserved on all lines.
- (b) A Department of Transportation site triangle located on Lots 1 and 20.
- (c) All streets and access easements in the Subdivision shall be privately owned.
- (d) All buildings on Lots 7, 9, and 10 shall be confined to the building envelopes as shown on the Subdivision plat.

There is expressly reserved by the Developer and the Association, their successors and assigns, a perpetual and exclusive sign easement on Lots 1 and 20 of Port Trinitie Subdivision for the purpose of identifying and promoting the Development Area, said easement as shown on the Subdivision plat for Port Trinitie recorded in Plat Cabinet C, Slide 20C & D; provided, however, the shape, size, and attributes of the sign shall be subject to the approval of the Architectural Committee.

Section 10. Variances. Developer or Association may allow reasonable variances and adjustments of these restrictions in order to overcome practical difficulties and prevent

unnecessary hardships in the application of the provisions contained herein; provided, however, that such is done in conformity with the intent and purposes hereof and provided also that in every instance such variance or adjustment will not be materially detrimental or injurious to other property or improvements in the Subdivision.

Section 11. Enforcement. Enforcement of these covenants, restrictions, and declarations may be by Developer, the Association, or any Owner of property subject to these covenants, whether for equitable restraint against the violation thereof, or at law for damages by virtue of any such violation. The invalidation of any one or more conditions and restrictions set out herein shall in no way affect any other of such provisions, all of which shall remain in full force and effect. The failure of Developer or of any such party entitled to enforce any protective covenant contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement.

ARTICLE XI

DURATION, AMENDMENT, AND TERMINATION

Section 1. Duration. The covenants and restrictions contained in this Declaration shall run with the land and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time, they shall be automatically extended for successive periods of five (5)

years. This Declaration may be amended in full or part during the first twenty (20) year period by an instrument signed by not less than eighty percent (80%) of the Lot Owners, and thereafter by an instrument signed by not less than sixty percent (60%) of the Lot Owners; provided, that no amendment shall alter any obligation to pay assessments for the use of the Community Facilities as herein provided or affect any lien for the payment of the same. For purposes of this vote, the Developer shall be deemed an Owner of any unsold Lots in its name. To be effective, any amendment must be recorded in the office of the Register of Deeds of Dare County, North Carolina.

Section 2. Validity. Invalidation of any one of these covenants or restrictions by judgment or Court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The Developer, or the Association, without the consent or approval of any Owner, shall have the right to amend this Declaration to conform to the requirements of any law or governmental agency having legal jurisdiction over the Subdivision or to qualify the Lots or improvements thereon for mortgages or improvement loans made or insured by a governmental agency or to comply with the requirements of any lending agency belonging to, sponsored by, or under the substantial control of, the United States Government or the State of North Carolina, regarding purchase or sale of such Lots and improvements, or mortgage interest therein, as well as any other law or regulation relating to the

control of the Subdivision, including without limitation, ecological controls, construction standards, aesthetics, and matters affecting public health, safety, or general welfare. A letter from an official of any such corporation or agency, including without limitation, the Veterans Administration, U.S. Department of Housing and Urban Development, Federal Home Loan Mortgage Corporation, Government National Mortgage Corporation, or the Federal National Mortgage Association, requesting or suggesting an amendment necessary to comply with the requirements of such corporation or agency shall be sufficient evidence of the approval of such corporation or agency, provided that the changes made substantially conform to such request or suggestion. No amendment made pursuant to this Section shall be effective until duly recorded in the Register of Deeds of Dare County.

ARTICLE XII

CAPTIONS

The captions preceding the various Articles of this Declaration are for the convenience of reference only, and shall not be used as an aid in interpretation or construction of this Declaration. As used herein, the singular includes the plural and where there is more than one Owner of a Lot, said Owners are jointly and severally liable for the obligations herein imposed. Throughout this Declaration, references to the masculine shall be deemed to include the feminine, the feminine to include the masculine, and the neuter to include the masculine and feminine.

ARTICLE XIII

ASSIGNABILITY OF RIGHTS AND LIABILITIES

Developer shall have the right to sell, lease, transfer, assign, license, and in any manner alienate or dispose of any rights, interests, and liabilities retained, accruing, or reserved to it by this Declaration. Following any such disposition, Developer in no way shall be liable or responsible to any party with regard to any such right, interest, or liability or any claim or claims arising out of the same in any manner.

ARTICLE XIV

LIBERAL CONSTRUCTION

The provisions of this Declaration shall be construed liberally to effectuate its purpose of creating a Subdivision of fee simple ownership of Lots and buildings governed and controlled by rules, regulations, restrictions, covenants, conditions, reservations, and easements administered by the Association with each Owner entitled to and burdened with the rights and easements equivalent to those of other Owners.

IN TESTIMONY WHEREOF, the Developer has caused this instrument to be executed in its corporate name by its _____ President, attested by its _____ Secretary, and its corporate seal to be hereto affixed, all by order of its Board of Directors first duly given, this the day and year first above