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DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
OF
TUCKAHOE

ALVA G. WISE
REGISTER OF DEEDS
DARE COUNTY, N.C.

NORTH CAROLINA
DARE COUNTY

KNOW ALL MEN BY THESE PRESENTS, that this Declaration of Covenants, Conditions and Restrictions, made and entered into on this 20th day of December, 1983, by FIRST WASHINGTON CORPORATION, a North Carolina corporation, hereinafter referred to as Developer.

W I T N E S S E T H :

WHEREAS, Developer is the owner of the real property described in Article One of this Declaration and desires to create thereon a residential community (the "Development") with Common Areas for the benefit of the Community; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities in the Development and for the maintenance of the Common Areas and, to this end, desires to subject the real property described in Article One to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is, and are, for the benefit of said real property and each owner thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in the Development, to create an agency to which should be delegated and assigned the powers of maintaining and administering the Common Areas and administering and enforcing the covenants, conditions and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has caused to be incorporated under the laws of the State of North Carolina a non-profit corporation, Tuckahoe Homeowners Association, Inc., for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, the Developer declares that the real property described in Article One, and such additions thereto as may hereafter be made pursuant to Article One hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the terms and provisions of the covenants, conditions, restrictions, charges and liens (sometimes referred to herein as "covenants and restrictions" or "This Declaration) hereinafter set forth.

ARTICLE ONE

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Existing Property. The real property which is, and shall be, held, transferred, sold, conveyed and occupied subject to this Declaration (the "Existing Property") is located in Dare County, North Carolina, and is more particularly described as follows:

(See Schedule "A" attached hereto and incorporated herein by reference.)

ARTICLE TWODEFINITIONS

Section 1. The following words when used in this Declaration or any supplemental Declaration (unless the context shall require otherwise) shall have the following meanings:

(a) "Association" shall mean and refer to the Tuckahoe Homeowners Association, Inc.; and "By-Laws" shall mean and refer to the By-Laws of the Association.

(b) "Board" shall mean and refer to the Board of Directors of the Tuckahoe Homeowners Association, Inc.

(c) "Common Areas" shall mean and refer to those areas of land shown on any recorded subdivision plat of The Properties labelled as "Common Areas" or shown as streets or roads and as such intended to be devoted to the common use and enjoyment of the Owners of the Lots, subject to special rights, if any, granted Owners of particular Lots, which are a part of The Properties.

(d) "Living Area" shall mean and refer to those heated and/or air-conditioned areas within a Living Unit which shall not include garages, carports, porches, patios, or storage areas.

(e) "Living Unit" shall mean and refer to any building or portion of a building, situated upon any Lot, which is a part of The Properties, designed and intended for use and occupancy as a residence by a single family.

(f) "Mobile Home" shall mean and refer to a modular unit, including double wide and triple wide units, built on a chassis, designed to be used as a dwelling, with or without a permanent foundation.

(g) "Lot" shall mean and refer to any plot of land within The Properties shown upon any recorded subdivision map of The Properties, or any portion thereof, with the exception of Common Properties as heretofore defined.

(h) "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article Five, Section 1, hereof.

(i) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon The Properties, but notwithstanding any applicable theory of any lien or mortgage law, shall not mean or refer to any mortgagee or trust beneficiary unless and until such mortgagee or trust beneficiary has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(j) "The Properties" shall mean and refer to all the Existing Property and any additional units of Developer as are subject to this Declaration or any Supplemental Declaration under the provisions of Article One hereof.

(k) The "Developer" shall mean and refer to First Washington Corporation ("FWC") and any person or entity who is specifically assigned the rights and interests of FWC hereunder.

(l) "Common Expense" shall mean and refer to:

(i) Expense of administration, maintenance, repair or replacement of the Common Properties.

(ii) Expense declared Common Expense by the provisions of this Declaration or the By-Laws.

(iii) Expense agreed upon as Common Expense by the Association and lawfully assessed against Owners of Lots in accordance with the By-Laws.

(iv) Any valid charge against the Association or against the Common Properties as a whole.

ARTICLE THREE

GENERAL PROVISIONS

Section 1. Duration. All covenants, restrictions and affirmative obligations set forth in this Declaration shall run with the land and shall be binding on all parties and persons claiming under them to specifically include, but not limited to, the successors and assigns, if any, of First Washington Corporation for a period of fifty (50) years from the date of this Declaration, after which time, all said covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a two-thirds majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part, provided, however, that

no such agreement to change shall be effective unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken.

Section 2. Notices. Any notice required to be sent to any Member or Owner, under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, Certified Mail - Return Receipt Requested, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing. Notice to any one of the Owners, if title to a Lot is held by more than one, shall constitute notice to all Owners of a Lot.

Section 3. Enforcement. In the event of any violation or breach of any of the restrictions contained herein by any property Owner or agent of such Owner, First Washington Corporation, its successors or assigns, or the Owners of Lots within the development, or any of them, jointly or severally, shall have the right to proceed in law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach of any of the restrictions set out above, but before litigation may be instituted ten (10) days written notice of such violation shall be given to the Owner or his agent. The failure to enforce any right, reservation or condition contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so hereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement. The invalidation by any court of any restriction contained in this Declaration shall in no way affect any of the other restrictions, but they and each of them shall remain in full force and effect.

ARTICLE FOUR

RESTRICTIONS ON USE AND RIGHTS OF THE ASSOCIATION AND OWNERS

(a) Permissible Uses. No Lot shall be used except for residential purposes, and no building of any type shall be erected, altered, placed, or permitted to remain on any Lot other than one detached single-family dwelling, garage, swimming pool, or tennis court, for the private use of of the Owner or guests of said Owner, which shall comply with all applicable zoning regulations. The dwelling shall be constructed prior to or simultaneously with

any garage, swimming pool or tennis court. No Lot shall be used for access to any adjoining lot or other property. When an owner acquires two or more adjoining lots then, and in that event, the adjoining one or more lots may be used as one building site and the side lot lines and easements referred to herein shall apply to the outside perimeter line of the combined lots. Each building erected upon said lot shall have the exterior completed within six months after construction shall have commenced and failure to complete the exterior of such building within the six months period shall operate as a forfeiture of architectural approval granted, at the option of First Washington Corporation or its successors and thereon said corporation or its agents shall have the right and privilege to go upon the premises with such labor and materials as are necessary and complete the same and such shall operate as a primary lien against the structure and lot upon which it is located. No business or business activity may be carried on upon the property at any time provided, however, that nothing shall preclude First Washington Corporation, its subsidiaries, affiliates, agents and employees from using all or part of the dwellings owned by or rented by them for the purpose of carrying on business directly related to the development, management and/or sale of lots and homes in Tuckahoe.

(b) Utilities and Easements. All utility lines of every type, including but not limited to water, electricity, telephone, sewage and television cables, must be underground. The Developer reserves unto itself, its successors and assigns, a perpetual alienable and releasable easement and right on, over and under the ground to erect, maintain and use electric and telephone systems, cable television service, and conduits for the purpose of bringing public services to The Properties, on, in or over an area within 10 feet of each Lot line fronting on a street or where a Lot line abuts a right of way or boundary line, five feet along the side lines of each Lot, and 10 feet along the rear line of each Lot, and such other areas as are shown on any recorded plats of The Properties. First Washington Corporation reserves unto itself, its successors and assigns, perpetual, alienable and releasable easements within the development and the right on, over and under the ground to cut drainways for surface water and make any grading of the soil whenever and wherever such action may appear to the developing corporation to be necessary to maintain reasonable standards of health, safety and appearance. In the event of any additions to The Properties, as provided in Article One,

by the Developer, the easements created hereby shall exist on the Lots in such additional units. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, take or add any soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation or to maintain reasonable standards of health, safety and appearance.

(c) Minimum Square Footage and Setback Requirements. In no event shall any residential building located on an oceanfront or soundfront lot contain less than 1,500 square feet of "Living Area" for any one and one-half story structure or less than 1,600-square feet of "Living Area" for any two story dwelling. All other residential buildings shall contain no less than 1,350 square feet of "Living Area" for any one and one-half story dwelling or less than 1,450 square feet of "Living Area" for any two story dwelling when not located on an oceanfront or soundfront lot. No building, including porches, eaves, steps and similar fixtures shall be located on any lot within 25 feet of the front line nor closer than 10 feet from the sidelines thereof, nor closer than 25 feet from the rear property line or 20% of the lot depth. In the case of a side property line which abuts a street, the minimum setback shall be 20 feet.

(d) Temporary Structures and Limitations on Use. No structure of a temporary nature may be placed upon any portion of The Properties at any time. Temporary shelters, tents, travel trailers, campers or self-propelled mobile homes may not at any time be used as a temporary or permanent residence. Campers, travel trailers, boat trailers, self-propelled mobile homes and other vehicles of that nature may be stored on a lot, provided that they do not constitute a visual nuisance and are stored in compliance with the setback requirements of sub-paragraph (c) above. No mobile homes shall be permitted to remain on any portion of The Properties, either temporarily or permanently.

(e) Driveways. Prior to the commencement of construction of improvements or clearing of any lot, other than by hand, the Owner shall place a temporary clay or permanent clay and gravel or concrete driveway to provide entry to the lot from the road.

(f) Parking. Parking on the traveled streets within the development shall be prohibited at all times. Each lot owner shall provide off-street parking space for his family's use and the use of their guests. This would constitute a turnaround large enough to park two cars, in addition to the driveway. Public parking spaces will be maintained by the developing corporation until turned over to the homeowners association at various places for the lot owners at large. All construction vehicles are to be parked off of the traveled streets and on the shoulder of the road or in the driveway of the lot at all times during construction.

(g) Debris. No leaves, trash, garbage or other similar debris shall be burned, except as permitted by the appropriate governmental authority. No garbage, trash, construction debris or other unsightly or offensive material shall be placed upon any portion of the properties, except as is temporarily and incidental to the bona fide improvement of any of the properties.

(h) Garbage, Mail and Delivery Boxes. The Developer shall determine the standards and issue guidelines for the implementation thereof for the location, material, color and design of all mail and newspaper boxes and the manner in which they shall be identified.

Each owner shall provide recepticals for garbage in accordance with the standards established by the Developer and the Architectural Review Committee.

(i) Screening. Each lot owner shall provide screening from public view, approved in writing by the Developer or the Architectural Review Committee, for fuel tanks, air-conditioning units, water tanks, or for any other permanent facility which the Developer or Architectural Review Committee, in its sole opinion, shall require to preserve the beauty and harmony of the development.

(j) Antennas. In the event a master antenna system is installed at The Properties, no television antenna, radio receiver or sender or similar device shall be attached to or installed on the exterior portion of any structure or any lot or Common Properties within The Properties, provided, however, that the provision of this paragraph shall not apply to the installation by the association of equipment necessary for a CATV and mobile radio systems within The Properties.

(k) Disposal. Prior to commencing construction of any residence, applicable permits for sewage disposal shall be obtained with the location and size of such proposed facility to be approved by the Developer or the Architectural Review Committee. No sewage disposal system shall be used unless such system is designed, located, constructed and maintained in accordance with the requirements, standards and recommendations of the appropriate public health authority. Each septic tank and nitrification field relating thereto shall be maintained in good condition so that its use and existence shall not constitute a nuisance to any other Owner.

(1) Unsightly Conditions. Each lot owner within the development shall maintain and preserve his lot or lots in a clean, orderly and attractive appearance within the spirit of this development. Failure on the part of a lot owner to adhere to such proper, clean, orderly and attractive maintenance to his property, upon ten days written notice given him by the Developer, First Washington Corporation, or its successors or assigns, shall subject the lot owner to a suit for specific performance.

(m) Nuisances. It shall be the responsibility of each lot owner to maintain the exterior of his residence and the surrounding grounds of his lot in a clean, tidy and safe manner. No lot shall be used in whole or in part for the storage of anything which might cause such lot to appear cluttered, unclean or obnoxious to the eye, nor shall any substance, thing or material be kept on any lot which might omit fowl or obnoxious odors, noises or other conditions that will or may disturb the serenity, safety or comfort of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any lot or shall anything be done thereon tending to create a nuisance to the neighborhood.

(n) Entry. Each lot owner shall keep his lot cleared of unsightly underbrush, weeds or debris and if said lot owner shall permit same to exist on his property and fail to remove the same within thirty days after being requested to do so by the Developer, its successors or assigns, it reserves for itself and its agents the right to enter upon the lot for the purpose of cleaning, clearing or cutting the grass, underbrush or debris, which, in the Developer's opinion, distracts from the overall beauty and natural character of the neighborhood or adversely affects the safety or health of the residents and such entrance shall not be deemed a trespass. The expenses of entry and removal shall be the personal debt of the lot owner(s) and shall also constitute a lien upon the land until paid. The provisions of this section shall not be construed as an obligation of the Developer, its successors or assigns, to provide such services.

(o) Trees, Vegetation and Dunes. Any lot owner shall not remove, reduce, cut down or otherwise change or cause to be removed, reduced, cut down or changed, the elevation of any sand dunes or ridges or both in the development, or trees more than three inches in diameter at a point two feet above the ground, or any flowering trees or shrubs above five feet in height, without the express written consent of the Developer, which shall require

proposals for the restabilization of any such disturbed areas.

(p) Animals and Pets. Animals, livestock or poultry of any kind shall not be raised, bred or kept on any lot except dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose and provided that they are under the control of their owner at all times.

(q) Discharge of Firearms. Hunting and trapping of wild animals, fowl and game and the discharge of firearms and/or bows and arrows within the properties is prohibited, unless required for public safety.

(r) Vehicles. All motorized vehicles operating within the properties must be properly muffled so as to eliminate noise which might be offensive to others. Two and three wheel motorized vehicles, as well as four wheeled go-cart or beach buggy type vehicles are prohibited from being used or operated on or within the Common Properties or frontal dune system or sand dunes.

(s) Wells. The drilling of private wells for irrigation purposes is expressly prohibited unless the plans and specifications are approved in advance, in writing, by the developing corporation through its duly authorized representative.

(t) Signs. No sign of any kind of advertising device shall be displayed to the public view on a lot except one sign of not more than 432 square inches advertising the property for sale. Said sign shall be located adjacent to a driveway, ten feet back on the property line and not more than three feet in height, including the sign and stand. During construction, a builder's sign may be affixed to the dwelling but it may not be more than 432 square inches and must be removed before occupancy by the owners. All for rent signs shall be designed, location determined, size, material and color of such signs, by the Architectural Review Committee. First Washington Corporation shall not be prevented from erecting such signs as may be deemed necessary to the operation of the subdivision or the normal conduct of its business, provided that any sign so erected shall be within the acceptable limits as defined by the guidelines applicable to all other lot owners in the subdivision.

ARTICLE FIVE

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION AND BOARD OF DIRECTORS

Section 1. Membership. Every person or entity who is a record Owner of a fee simple interest in any Lot is subject by this Declaration to assessment by the Association and shall be a Member of the Association; provided, however, that any such person or entity to hold such interest merely as a security for the performance of an obligation shall not be a Member. The requirement of membership shall not apply to any mortgagee or trust beneficiary acquiring title by foreclosure or otherwise, pursuant to the mortgage or deed of trust instrument.

Section 2. Voting Rights. The Association shall have one class of voting membership, and Members shall be entitled to one vote for each Lot in which they hold an interest required for membership by Section 1 of this Article. When more than one person or entity holds such an interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine and such persons shall designate one (1) person to vote for their Lot, but in no event shall more than one vote be cast with respect to any such Lot.

Section 3. Control of the Association and Board of Directors. The Existing Property contains 84 Lots and the Developer does not presently contemplate adding to The Properties. Within four (4) years from the date of the first sale of the Lot by the Developer, or until the date when fifty percent (50%) of the total number of Lots contemplated have been sold by the Developer, the voting rights of the Developer as to any matters in which members may vote other than the election of Directors by virtue of Lots owned by the Developer, shall not be less than a majority of the total votes outstanding in membership. Two thirds of the Board shall be composed of Directors appointed by the Developer. These matters shall be further governed by the by-laws of the Association.

ARTICLE SIX

PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Members' Easements of Enjoyment. Subject to the provisions of Section 3 of this Article, every Member shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot.

Section 2. Title to Common Areas. The Developer may retain the legal title to the Common Areas until such time as it has completed improvements, if

any, thereon and until such time as, in the opinion of the Developer, the Association is able to maintain the same but, notwithstanding any provision to the contrary herein, the Developer hereby covenants, for itself, its successors and assigns, that it shall convey the Common Area to the Association not later than three (3) years from the date of the first sale of a Lot by the Developer or when fifty percent (50%) of the Lots, as defined in Section 3 of Article 5, are sold by the Developer, whichever occurs first. The Association shall be obligated to accept conveyance in accordance with this paragraph.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created herein shall be subject to the following:

(a) The right of the Association as provided in its Articles and By-laws to suspend the enjoyment rights of any owner for any period during which an assessment remains unpaid and for any period not to exceed thirty (30) days, for any infraction of any published rules and regulations, and

(b) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purpose and subject to such conditions as may be agreed to by the members, provided that no such dedication or transfer, determination as to the purpose or as to the conditions thereof, shall be effective unless an instrument signed by the members entitled to cast fifty-one percent (51%) of the total number of votes of all members has been recorded agreeing to such dedication, transfer, purpose of condition and unless written notice of the proposed agreement and action thereunder is sent to every member at least thirty (30) days in advance of any action taken, and

(c) The rights of the members of the Association shall in no wise be altered or restricted because of the location of Common Areas in an additional unit of Developer in which such member is not a resident.