

Prepared by and Return to:
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NORTH CAROLINA

 REGISTRY
 RECORDS & DEEDS
 DARE COUNTY, N.C.

ISLAND PINES SUBDIVISION

DARE COUNTY

RESTRICTIVE COVENANTS

THIS DECLARATION OF RESTRICTIVE COVENANTS now made and declared this the 7th day of January, 1994 by DAVIS & GRIFFIN, a North Carolina General Partnership, hereinafter referred to as Declarant;

W I T N E S S E T H :

THAT WHEREAS, DAVIS & GRIFFIN, a North Carolina General Partnership is the fee simple owner of that certain tract of land located in Kinnakeet Township, Dare County, North Carolina, and shown on a certain map or plat thereof titled "Final Plat of Island Pines, Village of Waves, Kinnakeet Township, Dare County, North Carolina" by Bissell Professional Group and dated December 30, 1993 and recorded in Plat Cabinet (), Slide(s) 187(24), in the Office of the Register of Deeds, Dare County, North Carolina; and

WHEREAS, Davis & Griffin, intends to develop the property shown on the aforesaid plat according to a common scheme such that the restrictions herein imposed shall inure to the benefit of each purchaser of lots as shown on the said plat, to insure the best use and most appropriate development of building sites, to protect against improper uses of surrounding lots which would depreciate the value of their property, to preserve the natural beauty of the property, to guard against the erection of poorly designed or proportioned structures and structures built of improper or unsuitable materials, to insure the highest and best development of said property, to encourage and secure the harmonious improvement of building sites, to secure and maintain proper setbacks from property lines and to maintain adequate open space between structures; and in general to provide adequately for a high development of said property, both of enhancing the values of investments made by purchasers of building sites and preserving, as fully as possible, the natural beauty of the subdivision.

NOW, THEREFORE, the Declarant, its successors and assigns, does hereby declare and make known that the following covenants, restrictions and reservations are hereby imposed upon lots 1-16 inclusive of Island Pines Subdivision in the Village of Waves, Kinnakeet Township, Dare County, North Carolina, as shown and delineated on the map or plat in Plat Cabinet C, Slide(s) 189(81), of the Dare County Registry, all of which shall run with the land as shown on the map of plat thereof and any additional lands brought within the scheme and plan of development of the subdivision named "Island Pines", and shall be binding upon the Declarant, its successors, grantees and assigns, and upon all subsequent owners of lots of land as shown on the aforesaid plat (including any additional lands which may be developed by the developer pursuant to this scheme of development), claiming by and through the Declarant.

ARTICLE I
USE RESTRICTIONS AND COVENANTS

1. Permitted Uses; Commercial Uses Prohibited. Lots 1-14 inclusive shall be used only for residential purposes and no business or business activity may be conducted on said lots at any time, provided however that nothing herein shall preclude the Declarant, its successors in interest, agents and employees from using all or part of the dwellings owned by them for the purpose of carrying on business directly related but not limited to the development, sale, and/or management of the subdivision.

Lots 15 and 16 may be used for either residential or any commercial uses authorized by the zoning district applicable to said lots as said district uses may be amended from time to time by the appropriate unit of government; except that a motor vehicle service station or gas station use shall be prohibited notwithstanding its inclusion as an authorized use in the appropriate zoning district.

2. Permitted Structures. No building shall be erected, altered, placed, or permitted to remain on lots 1-14 (and lots 15 and 16 if used for residential purposes) other than one single-family residence (expressly excluding duplexes, multiple-unit

houses and mobile homes) and an attached garage approved by the Declarant or its successors in interest. The approval of the plans and specifications shall be noted in writing on the plans. In the event the developer fails or refuses to either approve or disapprove the plans within thirty (30) days after submission to the Declarant, its successors or assigns, then the requirement of this covenant shall be deemed waived and its enforcement against the lot owner, and the heirs and assigns of said lot owner, shall be barred by reason of the Declarant's failure to approve or disapprove the covenants within thirty (30) days of the date of submission to the Declarant. In the event of a recombination and/or resubdivision, the Declarant reserves the right to relocate the pedestrian access easement along the boundary lines of the lots resulting from the recombination and/or resubdivision.

Any commercial structures erected, placed or built on lots 15 and 16 must be approved in advance by the Declarant, its successors or assigns, as provided in this paragraph for residential structures.

3. Subdivision or Resubdivision of Lots. The Declarant, its successors or assigns, reserves the right, power and authority to recombine and resubdivide lots within the subdivision in the event a central water system is installed within the subdivision which provides water to all the subdivision lots. The recombination and/or resubdivision shall be approved by the unit of government with subdivision review authority unless the resubdivision and/or recombination is exempt therefrom by applicable law. The consent of other lot owners within the subdivision shall not be required in order to effect such recombination and/or resubdivision. Unless waived by Developer with respect to any specific owner, all lot owners shall connect to the central water system within sixty (60) days following the availability of water through such central water system; however, the Declarant, its successors and assigns, is not obligated by the terms of these covenants to install or provide for a central water system within the subdivision.

When one owner acquires two or more adjoining lots or a portion of a lot contiguous with a whole platted lot, then in that event, the adjoining one or more lots or a portion thereof may be used as one building site, in which event the side line easements and set backs referred to herein shall apply to the outside perimeter of the property line of the combined lots acquired by said property owner.

4. Setbacks and Building Lines. The front, rear and side set backs of each lot shall be the same as the front, rear and side set back standards of the plat recorded in Plat Cabinet , Slide(s) , Dare County Registry; however, uncovered porches, decks and stairways, and upper level overhangs may extend a distance of not more than three (3) feet into the side and front set backs shown on the recorded plat.

5. Completion of Building. All construction shall be completed within 14 months from the start thereof, provided that the Declarant, its successor in interest or assigns, may extend such time when, in its opinion, the conditions warrant such extension.

6. Cable TV. The erection of any exposed antennas shall be done only with the approval of the Declarant. As long as cable service is available, no exposed antenna shall be erected on or used on any of the subdivision lots.

7. Temporary Structures. No temporary structures, such as a trailer, mobile home, tent or shack, shall be constructed or placed upon any lot before, during, or after completion of construction of any buildings and structures except for such structures as are normally used by construction contractors during the period of construction. Such temporary structures shall be promptly removed after completion of construction and may not be used as residences while on the property.

8. Occupancy. No single family residence erected upon any lot shall be occupied in any manner prior to its completion of construction.

9. Signs. Except as herein provided, no signs except "For

Sale", "For Rent", and signs giving the name of the house or owner, shall be erected on any lot. The Declarant 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, and signs of general contractors and construction lenders may be erected during construction and must be removed prior to obtaining an occupancy permit. The Declarant, its successors or assigns, may enter upon the lot of any owner and remove any sign violating these covenants and such entry shall not be deemed a trespass. The sign so removed may be left on the lot to be removed from the premises or destroyed by either the lot owner or the sign owner.

10. Pets. No animals of any kind shall be kept, raised or bred on any lot, except a reasonable number of the usual household domestic pets such as dogs or cats, provided that such pets shall not be kept, raised or bred for commercial purposes and provided that all pets are under the control of their owner.

11. 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 and shall prevent waste from occurring to any structure on his lot. In the event of destruction of or other casualty to the building or structure, the premises shall be cleared and debris removed therefrom by the owner of the lot within ninety (90) days from the date of such casualty.

(a) 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 that might emit foul 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, nor shall anything be done thereon tending to create a nuisance to the neighborhood.

(b) After construction has commenced, the property

owner and his builder shall keep the lot clean and neat in appearance. A trash and rubbish container at least 8 feet wide and 8 feet long shall be maintained during construction. All construction trash and debris shall be placed in the trash container and removed from the premises by the owner or the contractor. The burning of trash and rubbish is expressly prohibited. No structure, including the residential building, shall be occupied until all construction trash, rubbish, debris and the trash container have been removed from the premises.

(c) No junk, wrecks or inoperative automobiles, trucks, buses or boats shall be permitted to remain on the property unless otherwise permitted by this declaration nor shall unsightly material be stored thereon. Owners of unoccupied lots shall at all times keep and maintain their property in an orderly manner and prevent the accumulation of rubbish and debris upon the premises.

12. Easements for Utilities and Drainage; Cablevision. The Declarant, on behalf of itself and/or such utility companies that may service the subdivision from time to time, and the cablevision companies, reserves a perpetual right, privilege and easement as set forth on the recorded subdivision plat along the front, rear and side lot lines of each lot to construct, maintain, and operate in, upon, across and through such easement in a proper and workmanlike manner, electric, cablevision, telephone, gas, sewer, water, drainage and other conveniences and utilities and appurtenances necessary or convenient thereto, together with the right at all times to enter upon the said easement with men and equipment for the purpose of inspecting, altering and repairing the same. The Declarant reserves the right to maintain or otherwise keep clear any obstructions that may adversely affect the proper maintenance and operation of the various utility systems and further reserves a perpetual right to enter upon any lot for the purpose of constructing or maintaining emergency drainageways for the benefit, health and safety of the neighboring residents. These reservations, however, shall not be

considered an obligation of the Declarant to provide or maintain any such utilities, services or easements. It is further provided that where any two or more lots are in common ownership and used as one building site, the easements reserved herein shall be located upon the outside perimeter of the lots only.

13. Duration of Covenants. These restrictions shall be binding on the land and all parties owning same or in possession thereof for a period of twenty (20) years from the date hereof and shall be extended for successive periods of ten (10) years thereafter, unless, prior to the expiration of the initial twenty year period or any such ten year period thereafter, an instrument signed by the owners of record of the majority in interest of the lots in the subdivision and any subsequent phases subject thereto has been recorded revoking or modifying said restrictive covenants. Any subsequent land subjected to this declaration by an amendment hereto shall continue subject thereto for the remainder of the current term of these covenants and shall be extended on the same date as provided herein unless modified or rescinded by a vote of the majority in interest of all owners in any subsequent phase or lands upon which these covenants (and as the same may be amended) have been imposed.

14. Modification of Covenants. As long as the Declarant owns two or more of the lots shown on the aforesaid plat or amendments thereto, the Declarant, its successors or assigns, reserves the right to alter, amend, modify, change or eliminate any or all of the covenants contained herein.

15. Road and Storm Water System Maintenance. Declarant, its successors and assigns, will provide for maintenance and repair of the storm water runoff system and Shore Pines Drive until twelve (12) of the lots have been sold or, with respect to the maintenance and repair of Shore Pines Drive, until it has been accepted by the State of North Carolina or other appropriate government unit for maintenance purposes. Nothing in this paragraph shall prevent or prohibit the Declarant from collecting each lots prorata share of the repair and maintenance cost from

the lot owner as provided in Article III.

16. Enforcement of Covenants. If the owners of such lots or any of them, or their heirs or assigns, shall violate any of the covenants hereinbefore set out, it shall be lawful for any other lot owner to institute legal proceedings against the owner or owners violating any of such covenants, either to prevent him from so doing or to recover damages for such violation or both. Except as herein set forth in Paragraph 2, the failure to enforce any right, reservation, restriction or condition contained, 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 to subsequent thereto and shall not bar or affect its enforcement.

In the event Declarant, its successors or assigns, employs counsel to enforce any of the foregoing covenants by reason of a violation of said covenants, all costs incurred in such enforcement, including reasonable attorney's fees shall be paid by the owner of such lot or lots and the Declarant, its successors or assigns, shall have a lien upon such lot or lots to secure the payment of all such accounts, which lien may be enforced by civil action in the nature of a suit to foreclose a lien of a deed of trust.

Invalidation of any of these covenants by judicial decree shall in no way affect any of the other provisions, which shall remain in full force and effect.

17. Additional Development. The Declarant reserves the right to subject additional lots or tracts to these covenants by filing an instrument describing the property subjected to these covenants. In such event the cost, fees and expenses of repairing and maintaining the common areas, roadways, easements and accessways (whether vehicular or pedestrian) shall be equally apportioned among the lots to which these covenants apply. The Declarant reserves the right to extend any easement to adjoining properties for the purpose of furnishing access, ingress, egress or other easement purposes to adjoining properties.

ARTICLE II

PROPERTY OWNERS ASSOCIATION

For the purposes of maintaining private roads, easements and other common areas and to perform all other common community services required or desired within the subdivision for the benefit of the lot owners, the Declarant has formed a non-profit unincorporated owners association named Island Pines Owners Association. Each owner of a lot or lots shall be a member of the Island Pines Owners Association. The Declarant, its successors or assigns, reserves the right to assign its rights and powers pursuant to these covenants to such property owners association at such time as the Declarant, its successors or assigns, in its sole discretion determines that such property owners association is prepared to assume the rights and exercise the powers created by these covenants. Upon such assignment, the property owners association shall proceed to administer in accordance with said association's governing documents, all the rights, privileges and powers contained herein.

ARTICLE III

ASSESSMENT FOR MAINTENANCE OF ROADS, EASEMENTS AND OTHER COMMON AREAS

The property owners of Island Pines agree to pay to Island Pines Owners Association, its successors or assigns, annually the said lot owner's prorata share of the cost of repairing and maintaining the roads, easements, accessways, walkways and any other common areas or amenities shown and delineated on the plat of "Final Plat of Island Pines, Village of Waves, Kinnakeet Township, Dare County, North Carolina" and recorded in Plat Cabinet C, Slide(s) 189 (C/D), in the Dare County Registry. The property owner shall pay their prorata share when it becomes due but in any event within 60 days. The prorata share shall be determined by dividing the number of lots delineated on the aforesaid plat owned by any property owner into the cost of maintenance and repairs. Unsold lots may be assessed the prorata share of maintenance costs, which shall be paid by the purchaser at closing. In addition to the cost and expense of maintenance

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and repairs, the association shall establish and assess annual fees for any capital or replacement funds which the directors of the association deem necessary for the future replacement of common elements or areas within the subdivision.

Each lot shall be subject to a continuing lien to secure the payment of each assessment or charge when the same is made. All liens authorized and created hereby shall become effective only upon recordation by the lien holder in the Dare County Registry of an instrument which sets forth the identity of the lien holder and the debtor, the lot to which the lien is attached, the amount of the underlying obligation which the lien secures, and the date when the indebtedness became due. No lien, whether recorded or not, shall be valid for more than ten years from the date on which the underlying indebtedness it secures becomes due and payable. The owner of each lot, by acceptance of a deed or other conveyance for such lot, shall be deemed obligated to pay to the property owners association such annual or special assessments, charges or common expenses, to be fixed, established and collected on a lot basis as herein provided. All assessments levied against the lot owners shall be uniform.

Upon failure of the owner of a lot to pay such assessment or charge, or installment thereof when due, the property owners association shall have the right to collect the amount thereof by an action at law against the owner as for a debt, and it may bring and maintain such other suits and proceedings at law or at equity as may be available. Such rights and powers shall continue in the association and the lien of such charge or assessment shall be deemed to run with the lot and the improvements subject thereto. The successive owners of each lot subject to the lien, by acceptance of deeds therefor, shall be deemed personally to assume and agree to pay all unpaid assessments or charges, additional assessments which have been previously levied against the property, and all assessments or charges or additional assessments as shall become a lien thereon during their ownership. The owner or owners of each lot shall be

personally liable, jointly and severally to the association of owners for payment of all assessments or charges, regular or special, which may be levied by the association against such lots while such party or parties are owners of that lot. In the event that any lot owners are in default in payment of any assessment or installment thereof owed to the association of owners, such lot owner or owners shall be personally liable, jointly or severally, for interest on such delinquent assessment or installment thereof as above provided, or at the maximum rate allowed by law if not otherwise stated, and for all costs of collecting such assessment or installment thereof and interest thereon, including a reasonable attorney's fee, whether suit be brought or not.

The lien provided for herein shall be subordinate to the lien of any mortgage or deed of trust. Any person, firm or corporation acquiring title to any lot and its improvements by virtue of any foreclosure, deed in lieu of foreclosure or judicial sale, shall be liable and obligated only for assessments as shall accrue and become due and payable for such lot subsequent to the date of acquisition of such title, and shall not be liable for the payment of any assessments which were in default and delinquent at the time such title was acquired. In the event of the acquisition of title to a lot by foreclosure, deed in lieu of foreclosure or judicial sale, any assessment or assessments as to which the party acquiring title shall be subject shall be absorbed and paid by all lot owners as a part of the common expense, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement or collection of such payment by means other than foreclosure.

ARTICLE IV

RELEASE OF LIEN

1. Release of Lien. NationsBank joins in the execution of these covenants and restrictions to evidence its prior review of these covenants and its agreement that the lien of its deed of

trust will be subordinate to these covenants except that the enforcement of any claim of lien or judgment to foreclose a lien for unpaid assessments shall be junior to and subordinate to the lien of any noteholder whose loan and indebtedness is secured by a deed of trust or mortgage lien on any subdivision lot and improvements thereon without regard to the order of filing of the deed of trust or other security agreement and the claim of lien.

IN WITNESS WHEREOF, DAVIS & GRIFFIN, a North Carolina General Partnership, Declarant, has executed this Declaration of Restrictive Covenants by and through its general partners, as the act of any by the authority of said partnership, and the undersigned (including said partnership) have adopted as their seal the word "SEAL" appearing at the end of their respective signature line the day and year first above written.

DAVIS & GRIFFIN

By: *Zane G. Davis*
General Partner

By: *Alfred Griffin*
General Partner

NORTH CAROLINA

DARE COUNTY

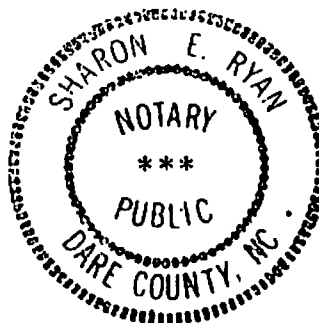
I, the undersigned Notary Public, do hereby certify that on this date personally appeared before me Zane G. Davis, General Partner of DAVIS & GRIFFIN, a North Carolina General Partnership, who acknowledged the due execution of the foregoing instrument for the purposes therein expressed by authority of and as an act of the partnership.

WITNESS my hand and notarial seal, this 9th day of January, 1994.

Sharon E. Ryan
Notary Public

My Commission Expires:

6/26/95



NORTH CAROLINA

DARE COUNTY

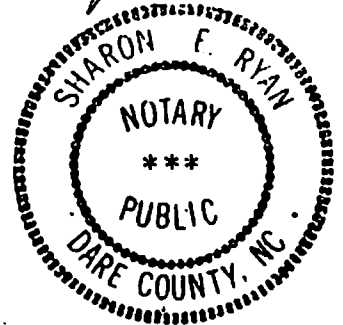
I, the undersigned Notary Public, do hereby certify that on this date personally appeared before me H. Lee Griffin, General Partner of DAVIS & GRIFFIN, a North Carolina General Partnership, who acknowledged the due execution of the foregoing instrument for the purposes therein expressed by authority of and as an act of the partnership.

WITNESS my hand and notarial seal, this 9th day of January, 1994.

Sharon E. Ryan
Notary Public

My Commission Expires:

6/26/95



NORTH CAROLINA

DARE COUNTY

The foregoing certificate(s) of Sharon E. Ryan,
Notary Public for Dare County, NC.
is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

Davis & Griffin
Register of Deeds

By: _____
Deputy/Assistant
Register of Deeds