

TERESA A. FRY
REGISTER OF DEEDS
DARE COUNTY, N.C.

BAY RIDGE SUBDIVISION

DECLARATION OF COVENANTS AND RESTRICTIONS

This Declaration of Covenants and Restrictions made and declared by Lanco Realty, Inc., hereinafter the Declarant, made this the 21st day of April, 1988.

WITNESSETH

THAT WHEREAS, Lanco Realty, Inc., a North Carolina corporation, is the fee simple owner of that certain tract of land located in Atlantic Township, Dare County, North Carolina, known as Bay Ridge Subdivision and being shown on a map or plat titled "Map For Record Bay Ridge" dated December 2, 1987, and prepared by Stroud Land Surveying and recorded in Plat Cabinet C, Slide 45C, in the Office of the Register of Deeds, Dare County, North Carolina; and

WHEREAS, Lanco Realty, Inc., 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; and

NOW, THEREFORE, the Declarant, its successors and assigns, does hereby declare and make known that the Declaration of Protective Covenants and Restrictions as hereinafter set forth are hereby imposed upon Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, and 26 of the Bay Ridge Subdivision as

Lot 19

shown and delineated on the aforesaid plat above described and recorded in Plat Cabinet C, Slide 45C, of the Dare County Registry, which shall run with the land as shown on the map of plat thereof and shall be binding upon the Declarant, its successors and assigns, and upon all subsequent owners of lots of land as shown on the aforesaid plat, claiming by and through the Declarant.

ARTICLE I

RESIDENTIAL AREA COVENANTS

1. Permitted Uses; Commercial Uses Prohibited. No lot shall be used except for residential purposes. No business or business activity may be carried on upon the property 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 and/or management of the subdivision.

2. Permitted Structures. No building shall be erected, altered, placed, or permitted to remain on any lot other than one single-family residence (expressly excluding duplexes, double or multiple-unit houses) and an attached garage approved in accordance with the terms of Paragraph 3 of this Article. The Architectural Review Committee shall establish standards for exterior colors, exterior materials, roof materials, roof pitch and roof breaks, decking, rails, pickets, and exterior lighting. All structures shall be built pursuant to the standards adopted by Architectural Review Committee. The standards may be changed from time to time subject to approval of the change the Declarant, its successors, or assigns. No improvement or structure may be erected, altered, placed or permitted to remain on any lot shown on the aforesaid plat except as provided herein.

No building or structure shall be erected or constructed to a height greater than 35 feet to the top plate from the average of the elevations of the four corners of the house as determined prior to any land disturbing activity in preparation for construction of the building or improvement or as determined by the Kitty Hawk Town Code,

whichever is more stringent. The mean elevation as specified herein shall be entered on the survey map furnished to the ARC. Dwellings constructed or placed on any lot shall have 1400 square feet of enclosed heated area. The calculation of enclosed heated area shall not include garages, decks, porches and walkways. The main roof line of each dwelling must have a 6-12 pitch. Any deviation from a 6-12 pitch must be approved by the Declarant or the Architectural Review Committee.

3. Architectural Control. The Declarant shall appoint an Architectural Review Committee (designated and also referred to herein as ARC). The initial terms of the members of the ARC shall be one, two, and three years respectively, and thereafter, the ARC members shall be appointed for terms of three years each. Ownership of property in the subdivision shall not be a requirement for membership on the ARC. Subject to the approval of the Declarant, its successors, or assigns, the ARC may employ professionals to render services and to advise it, including but not limited to, surveyors, attorneys, engineers and architects, and the lot owner or owners shall pay the cost of such professional services for the ARC review of their plans and specifications.

No building, structure, or site work preparatory to construction, shall be commenced, altered, repaired, maintained or reconstructed on any lot until the plans and specifications for such work have been reviewed and approved in writing by the ARC. All approved plans shall be signed by at least two members of the Architectural Review Committee. Before commencing such review, a lot owner shall submit to the Architectural Review Committee three (3) complete sets of plans and specifications, including but not limited to: a site plan, a foundation plan, foundation survey by a North Carolina registered surveyor, a floor plan or plans, the four directional elevations, a schedule of proposed exterior colors and materials, and any other schedules required by the ARC in order for it to determine if its adopted standards will be satisfied. No changes or subsequent alterations shall be made to the site or building without the express written approval of the Architectural Review Committee. The

Architectural Review Committee may approve or conditionally approve the building site location, the plans, or specifications, or it may refuse approval upon any grounds, including purely aesthetic considerations, which in its sole discretion shall appear warranted to protect the beauty and harmony of the subdivision. The Architectural Review Committee shall not approve plans for any residence with an enclosed heated area of less than 1400 square feet, excluding garages, decks, porches and walkways. In the event the ARC fails to approve or disapprove said plans and specifications within 45 days after receipt of a written request therefore, then such approval shall not be required. The ARC, the Declarant, its successors, assigns or agents shall not be responsible for any structural defects in the plans or specifications of any building or structure erected according to such plans and specifications, and the ARC and the Declarant, its agents, successors or assigns, shall have the right, but no affirmative duty, to inspect any construction for the purpose of ascertaining its compliance with the approved plans and specifications.

Where construction of any improvement required to be approved has not commenced before the expiration of 6 months following approval, said approval shall be void and of no effect; the plans for such improvement shall be resubmitted to the Architectural Review Committee for reconsideration, and the Architectural Review Committee may, in its discretion, either confirm its earlier approval of the plans or disapprove them.

4. Subdivision or Resubdivision of Lots. No lot shall be subdivided or resubdivided to create an additional lot or lots. There may be added to or combined with any lot, however, as shown on the recorded plat, all or a portion of another lot or lots to produce a larger building site and in such event, any boundary line changes (as well as any boundary line changes within the subdivision for any reason whatsoever) shall require the written consent of the Declarant or its successors in interest. 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.

5. Building Locations. The Architectural Review Committee has the right to determine the exact location of any building to be located on the lot. Such location shall be determined only after a reasonable time has been allowed for the lot owner to submit a survey and plans showing such location to the Architectural Review Committee and the Architectural Review Committee to review said survey and plans.

6. Setbacks and Building Lines. No building shall be erected or maintained on any lot closer than 25 feet from the front property line, nor closer than 10 feet from the side property lines, not closer than 20 feet from the rear line. Where a greater setback is shown on the subdivision plat the same shall apply instead of the setbacks in this paragraph. The front line shall be the shortest line adjacent to a street.

7. Completion of Building. All construction shall be completed within 18 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.

8. Utilities and Cable TV. All utilities and cable TV connections and lines must be installed underground when and as underground service is available and at the expense of each individual property owner. The erection of any exposed antennas shall be done only with the approval of the Architectural Review Committee. As long as cable service is available, no exposed antenna or satellite dish shall be erected on or used on any of the subdivision lots.

9. Screening. Each lot owner shall provide screening from the public view, approved in writing by the Architectural Review Committee, for garbage stations, fuel tanks, service yards, air conditioning units, clothes lines, water tanks, rubbish storage receptacles, or for any other permanent facility which the Architectural Review Committee, in its sole opinion, shall require to preserve the beauty and harmony of the development.

10. Pilings. All dwellings constructed on a foundation of or which are supported by pilings shall utilize pilings with a minimum of

8 inch by 8 inch characteristics which shall be buried no less than eight (8) feet below the surface of the ground unless stricter standards are imposed by the North Carolina Building Code and/or the Kitty Hawk Town Building Inspector, in which event the stricter standards shall apply. All pilings shall be enclosed with siding or lattice approved by the Architectural Review Committee.

11. 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.

12. Vegetation and Fill. No existing vegetation or sand dunes shall be disturbed during construction without the express written consent of the Architectural Review Committee and until it approves the owner's proposal for the restabilization of any such disturbed area. No lot shall be filled by more than 2 feet of material placed on the ground surface without first obtaining the written approval of the Architectural Review Committee.

13. Occupancy. No single-family residence erected upon any lot shall be occupied in any manner prior to completion of construction and until the Architectural Review Committee has verified compliance with these covenants and with general compliance with the plans and specifications submitted and approved pursuant to Paragraph 3 of this Article; nor shall any residence, after completion of construction, be occupied until it complies with the approved plans and specifications, the requirements herein and all other covenants, conditions, reservations and restrictions herein set forth.

14. 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. Permitted signs shall be no larger than six (6) square feet in area. No signs shall be illuminated. 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, provided that any "For Sale" and "For Rent" signs so erected shall meet the requirements of this paragraph. Signs of general contractors and construction lenders may be erected during construction and must be removed prior to obtaining an occupancy permit. The ARC may enter upon the lot of any owner and remove any sign violating these covenants and such entry by a member of the ARC 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 or sign owner. Signs containing the name of the subdivision may be erected at the intersection of the subdivision streets with other streets in accordance with the requirements of the Town of Kitty Hawk.

15. Fences. No fences shall be constructed on the lots or land exceeding 48 inches in height above ground level. The ARC must approve any proposed fence construction to assure its conformity with the standards of these covenants. This paragraph does not apply to hedges or densely growing shrubbery or to fences on property lines not abutting streets or to fences less than six feet in height which are not located within the setback areas of the lot.

On corner lots, no wall, fence, or other structure shall be erected or maintained or vegetation allowed to grow which shall obscure the view of traffic or otherwise create a traffic hazard.

16. 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.

17. Vehicle Storage. Upon construction of a residence the lot owner shall provide a concrete driveway and concrete surface for parking at least two (2) vehicles off the street. The storage of travel trailers, campers, trucks and self-propelled mobile homes shall be in a garage or under the residential dwelling. No one shall live in or occupy campers, travel trailers, trucks, self-propelled mobile homes, and other vehicles while parked on the lot.

18. Access to Subdivision Streets. Access within the subdivision shall only be permitted to and over the subdivision streets at points

or locations approved by the Architectural Review Committee. All owners shall provide a temporary clay driveway for workers and for unloading construction materials prior to commencing construction. The lot owner shall repair and bear the expense of repairing subdivision streets damaged by vehicles in connection with the construction on the lot. The ARC may required the lot owners to install a culvert where a driveway intersects a subdivision street and the lot owner shall pay the cost of the culvert and its installation.

19. 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 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.

20. Lot Maintenance. Each lot owner shall keep his lot cleared of unsightly underbrush, weeds, debris, and lumber. If said lot owner shall permit the same to exist on his property and fail to remove the same within 30 days after being requested to do so by the Declarant, then the Declarant or its agents or employees shall have the right to enter upon the lot for the purpose of cleaning, clearing or cutting the grass, underbrush to removing debris which, in the Declarant's opinion, detracts from the overall beauty or natural character of the neighborhood or adversely affects the safety of health of the residents, and such entry 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 provision of this paragraph shall not be construed as an obligation of the Declarant to provide such services.

21. Water and Sewage. All wells and toilets and sewage units shall be installed and located in accordance with the rules and regulations of the North Carolina Department of Health or its successor regulatory agency. No outside toilets will be permitted under any circumstances except those self contained, temporary facilities used by construction workers during the period of construction of a dwelling on a lot, and such units shall be removed after completion of construction or before occupation of the dwelling, whichever shall first occur. The septic tank and all pipes or laterals running from the septic tank to the dwelling shall be covered with soil and stabilized with vegetation. Said dwelling shall not be occupied until the septic tank and lines and/or pipes have been covered as provided herein. Thereafter, the owner shall maintain said laterals and lines as provided in this paragraph.

22. Easements for Utilities and Drainage; Vegetation. The Corporation, on behalf of itself and/or such utility companies that may service the subdivision from time to time, reserves a perpetual right, privilege and easement as shown on plat recorded in Plat Cabinet C,

Slide 45 C, along the front, rear and side lot lines of each lot to construct, maintain, and operate in, upon, across and through said easement in a proper and workmanlike manner, electric, cable television, 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 around the outside perimeter of the lots only.

23. Building Exteriors. The exterior materials of all buildings must be selected from the schedule of approved exterior materials on file with the ARC and, prior to occupancy, must be stained, painted, or sealed with a material approved by the Declarant and listed on the schedule of Approved Stains and Sealants filed with the ARC. Thereafter, the lot owner shall maintain the exterior of the buildings in essentially the same condition (normal wear and tear accepted) with the same or another approved stain, paint, or sealant. Use of vinyl siding shall be prohibited.

ARTICLE II

GENERAL PROVISIONS

1. Term of Covenants. These covenants shall run with the land and shall be binding on all parties owning a lot or lots or in possession thereof and all persons claiming under them for a period of 30 years from the date hereof and shall be extended for successive periods of 10 years thereafter; unless, prior to the expiration of the initial 30

attorney to enforce any of the foregoing covenants by reason of a violation of said covenants, all costs incurred in such enforcement, including reasonable attorneys fees shall be paid by the owner of such lot or lots and the Declarant, or its successors in interest 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 the lien of a deed of trust as well as any other manner provided by law.


In addition to the foregoing, the Declarant shall have the right, whenever there shall have been built on any lot in the subdivision any structure which is in violation of these restrictions, to enter upon the property where such violations exist and summarily abate or remove the same at the expense of the owner, if after 30 days written notice of such violation it shall not have been corrected by the owner. Any such entry and abatement or removal shall not be deemed a trespass. Except as hereinafter provided, the failure to enforce all rights, reservations, restrictions or conditions contained in these covenants, 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 to subsequent thereto and shall not bar or affect its enforcement. The failure of the Declarant or its successors in interest, to enforce by civil action a breach of Article I, paragraph 3 with respect to architectural standards within 12 months following the completion of said construction and the issuance of an occupancy permit therefore by the appropriate governmental agency shall constitute a waiver of the Declarant or its successors in interest right to enforce such breach of Article I, paragraph 3 with respect to said standards after the fofoesaid period of 12 months has expired. The architectural review required thereby shall not require the Declarant or the Architectural Review Committee to affirmatively police or enforce the "plan approval" requirement for violations thereof.

3. Severability. Invalidation of any one of these covenants by a judicial decree or order shall be severed and shall in no way affect any of the other provisions or covenants herein which shall continue and remain in full force and affect.

4. Successors and Assigns; Successors in Interest. All references to Declarant shall include its successors in interest or its assigns.

5. Future Development. The Declarant or its successor in interest may bring other lands which it develops under the force, lien and effect of this Declaration of Protective Covenants and Restrictions at the option of the Declarant or its successor in interest.

IN WITNESS WHEREOF, Lanco Realty, Inc., has caused this instrument to be executed by its duly authorized corporate officers and its corporate seal to be affixed the day and year first written above.

ATTEST:  [Signature]
Secretary

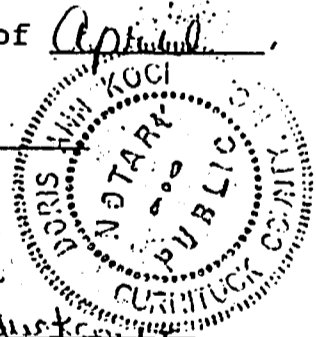
Lanco Realty, Inc
By: [Signature]
President

STATE OF NORTH CAROLINA
COUNTY OF DARE

This is to certify that on the 26th day of April, 1988, before me personally came Joseph V. Cherry, with whom I am personally acquainted, who being by me duly sworn, says that he is the President and that he, the said Joseph V. Cherry is the Secretary of Lanco Realty, Inc., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation, that the seal affixed to the foregoing instrument is said common seal and the name of the corporation was subscribed thereto by the said President and that said President and Secretary subscribed their names thereto and said common seal was affixed all by authority of the Board of Directors of said corporation and that the said instrument is the act and deed of said corporation.

Witness my hand and notarial seal this 26th day of April, 1988.

[Signature]
Notary Public



My Commission Expires: 9-10-91

The foregoing instrument of Doris Ann Koci is certified to be correct. This instrument is duly registered at the date and time and in the Book and Page .

[Signature]
Register of Deeds for Dare County.

By: [Signature]
Deputy/Assistant Register of Deeds