

STATE OF NORTH CAROLINA

MASTER DECLARATION OF
COVENANTS CONDITIONS AND
RESTRICTIONS

RECORDED IN BOOK 641 AT PAGE 435
DARE COUNTY REGISTER OF DEEDS

COUNTY OF DARE

THIS DECLARATION, made and entered into this the 19 day of July, 1989, by BUXTON WOODS PARTNERSHIP, a Virginia General Partnership, as Declarant and Developer;

W I T N E S S E T H :

WHEREAS, Declarant is the record owner of all of that tract of real property located in Hatteras Township, Dare County, North Carolina, and being more particularly shown and described on that certain map or plat entitled HATTERAS PINES and any additions thereto, if the Declarant brings that property under these same Restrictive Covenants by an Amendment to this Declaration, which is specifically provided for by this Declaration, recorded in Plat Cabinet C, at Slides 90-A and 90-B, in the office of the Register of Deeds of Dare County, reference to said plat being hereby specifically made; and

WHEREAS, Developer intends to develop the property on the aforesaid plat according to a common scheme for the use as single family residences and to develop said lots into a well planned community; and

WHEREAS, Developer and Declarant, prior to selling and conveying the aforesaid residential lots, desires to impose upon those lots certain mutual and beneficial restrictions, covenants and conditions and charges (hereinafter collectively referred to as ("Restrictions") for the benefit of all of the purchasers of lots in HATTERAS PINES and any additions thereto, if the Declarant brings that property under these same Restrictive Covenants by an Amendment to this Declaration, which is specifically provided for by this Declaration, to protect the owners of building sites against improper uses of surrounding lots which would depreciate the value of their property, to preserve the natural beauty of the property, guard against the erection of poorly designed or proportioned structures built of improper or unsuitable materials, to insure the highest and best development of said property, to encourage and secure the erection of attractive homes thereon, to secure and maintain proper setbacks from property lines and to maintain adequate free space between the structures, and, further, to protect the investments of Developer and the lot owners;

NOW, THEREFORE, Declarant hereby declare that all numbered lots shown on the aforesaid plat entitled HATTERAS PINES and any additions thereto, if the Declarant brings that property under these same Restrictive Covenants by an Amendment to this Declaration which is specifically provided for by this Declaration, recorded in Plat Cabinet C, at Slides 90-A and 90-B, 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. This Declaration and the Restrictions shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in and to the real property or any part or parts thereof subject to this Declaration.

ARTICLE 1

DEFINITIONS

Prepared by and
Return to:
McCown & McCown
Manteo, NC 27954

As used herein,

A. "Additional Land" shall refer to any property which may be added to the Subdivision pursuant to this plan of Development by the Declarant. No negative reciprocal easement shall arise out of this Declaration so as to benefit or bind any portion of the Additional Land until such portion of the Additional Land is expressly subjected to the provision of this Declaration.

B. "Articles " means the Articles of the Incorporation of the Hatteras Pines Homeowners Association, Inc.

C. "Association" means the Hatteras Pines Homeowners Association, Inc., a North Carolina non-profit corporation, its successors and assigns. The "Board of Directors" or "Board" shall be the elected body governing the Association and managing the affairs of the Association.

D. "By-Laws" means the By-Laws of The Hatteras Pines Homeowners Association, Inc., a North Carolina non-profit corporation.

E. "Common Areas" means all real property and personal property, which is owned by the Association for the common use and enjoyment of the owners, as well as any and all real and personal property, whether owned by the Association or not, which the owners have a mutual or common right or privilege to use and enjoy as provided by these Restrictions, the Articles and the By-Laws as well as any Amendment thereto.

F. "Common Expenses" means and includes actual and estimated expenses of operating the common area and operating the Association for general purposes, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board of Directors pursuant to this Declaration, the By-Laws and Articles of Incorporation of the Association;

G. "Declarant" shall mean Buxton Woods Partnership, a Virginia General Partnership, and its successors as DEVELOPER of the property described herein and any additional lands subsequently added to the this DECLARATION.

H. "Declaration" shall mean this instrument as the same may be from time to time amended or supplemented.

I. "Developer" means BUXTON WOODS PARTNERSHIP, its successors or assigns or any legal entity acquiring ownership of the "Subdivision" which is defined below.

J. "Lot" means a separately numbered tract of land lying within the Subdivision and which, according to the plat of that portion recorded at the dedication thereof, may be conveyed by the owners and owned in fee by the Grantee thereof, and held for such uses as are consistent with this Declaration and the Restrictions covering the area wherein the tract is located. The Owner of all of a numbered Lot may combine such numbered Lot, part or parts of another such numbered Lot and the aggregate shall be considered as one Lot for the purpose of these Restrictions.

K. "Member" shall mean and refer to each and every person and entity who or which holds a membership with voting rights in said Association.

L. "Owner shall mean the record owner, whether one or more persons or entities, of the fee simple title to any lot including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.

M. "Property" shall mean the real property shown on the plat referred to herein or any additional land which may be added hereto.

N. "Recreation Area" shall mean the portion or portions of the Properties which the Declarant has designated or may designate as a recreational area in any amendment to this Declaration, in a Supplemental Declaration or in any other instrument executed by Declarant and recorded in the Registry, together with the improvements and recreational amenities now or hereafter located thereon.

C. "Subdivision" means HATTERAS PINES Subdivision as recorded in Plat Cabinet C, at Slide 90A & 90B of the Dare County Registry and any additions thereto, if the Declarant brings such property under these same Restrictive Covenants by an Amendment to this Declaration, which is specifically provided for by this Declaration.

Article 2

APPLICABILITY

These Restrictions shall apply to all subdivided numbered Lots shown on the aforesaid plat or map (hereafter referred to as "Lot" or "Lots"), which Lots are for residential purposes only.

Article 3

OWNERS ASSOCIATION

A. A Corporation named Hatteras Pines Homeowners Association, has been or will be formed pursuant to the rules and requirements of the Nonprofit Corporation Act (Chapter 55A) of the General Statutes of North Carolina as an association of the Owners of the Subdivision. Its purposes are to own, manage, maintain, and operate the Common Areas and facilities located upon the Common Use Areas; to enforce the restrictions contained herein; and to make and enforce rules and regulations governing the Owners' use and occupation of the Subdivision.

B. Each Owner of each Lot within the Subdivision shall be a member of the Association. The Declarant, by this Declaration, and the Owners of individual Lots by their acceptance of individual deeds hereto, covenant and agree with respect to the Association:

1. 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 current standing as a member of the Association;

2. That each shall be subject to the Rules and Regulations of the Association with regard to the ownership of a Lot;

3. That any unpaid assessment, whether general or special, levied by the Association in accordance with these Restrictions, the Articles or the By-Laws 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, and shall entitle the Declarant to suspend the voting rights of such member or members.

C. 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.

D. The Association shall have one class of members who shall be all Owners. Each member shall be entitled to one vote for each Lot owned; provided, however, when more than one person holds 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, but in no event shall more than one vote or any fraction of a vote be cast with respect to any Lot.

Article 4

MANAGEMENT AND ADMINISTRATION

The management and administration of the affairs of the Common Areas 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 the Restrictions, the Articles and the By-Laws of the Association, but may be delegated or contracted to managers or management services.

Article 5

ASSESSMENTS, LIABILITY, LIEN AND ENFORCEMENT

The Association has heretofore been given the authority to administer the operation and management of the common areas of the property, it being recognized that the delegation of such duties to one entity is in the best interests of the Owners of all residential lots in the Subdivision. To properly administer the operation and management of the common areas, the Association will incur, for the mutual benefit of all the owners of residential lots, costs and expenses sometimes herein referred to as "common expenses". To provide the funds necessary for such proper operation, management and capital improvements, the Association hereby grants the right to make, levy and collect assessments against the members of the Association and their residential lots. In furtherance of this grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation of, the management of and for capital improvements to the common areas, which for the purpose of these Articles shall be deemed to include, but not limited to, the private streets and roads of the Subdivision and all other improvements, the following shall be operative and binding upon the owners of all residential lots.

A. Creation of the Lien and Personal Obligation of Assessments: The Declarant for each lot owned within the property, and each owner of any lot, 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:

- (i) Annual assessments or charges, and
- (ii) Special assessments for capital improvements or special assessments as established by the Board of Directors of the Association, such assessments to be established and collected as hereinafter provided and as may be further provided in the Articles and By-Laws of the Association.

The annual and special assessments, together with the interest, costs and reasonable attorney's fees, if any, shall be a charge on the lots and shall be a continual lien upon each lot against which they are levied. Each such assessment, together with interest, costs, and reasonable attorneys fees, shall also be the personal obligation of the person or entity who is the owner of such lot at the time when the assessment falls due.

B. Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the property and in particular, for the maintenance, repair and replacement of any and all improvements of the property and the entrance areas to the project, as well as the acquisition and maintenance of any and all other common areas of the property, including the costs of repair, repaving, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against any of the common areas, utility services and the procurement and maintenance of insurance as may be deemed necessary by the Board of Directors.

C. Maximum Annual Assessment: The maximum annual assessments for each calendar year shall be established by the Board of Directors and may be increased by the Board of Directors for any calendar year without approval by the membership by an amount not to exceed ten (10%) percent of the maximum annual assessment of the previous year. The maximum annual assessment for any calendar year may be increased WITHOUT LIMIT by a vote of two-thirds (2/3) of the members who are voting in person or by proxy at a meeting called for this purpose.

D. Special Assessments for Capital Improvements: In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part, the costs of any construction, reconstruction, repair, replacement or repaving of a capital improvement to the roads and streets of the property, the common areas, or any other common area of the property, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the vote of the members who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed to the uniform rate for all lots and may be collected on a monthly basis or as determined by the Board of Directors.

E. Notice and Quorum for any Action Authorized Under Article 5 Sections (C) and (D): Written notice of any meeting called for the purpose of taking any action authorized under (C) and (D) shall be sent to all members not less than ten (10) days nor 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 fifty percent (50%) of all votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be three-fourths (3/4) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

F. Rate of Annual Assessment: Annual and special assessments must be fixed at a uniform rate for all lots and shall be collected on as provided by the Board of Directors and shall be based upon a budget established by the Association. The books and records of the Association will be kept in such a manner that it is possible to determine and ascertain such sums as are expended by the Association for the development, improvement, maintenance and upkeep of all common area facilities of the Association; provided, however, that due to the fact that the Declarant shall not make any use whatsoever of any of the common areas other than is necessary for the development, marketing and selling of Lots in the Subdivision no lots owned by the Declarant shall be assessed for either annual or special assessments. If the Declarant shall construct a residence on any lot within the Subdivision, either for personal use by Declarant or his designee, or merely for speculation purposes, Declarant shall upon substantial completion of the residence be deemed an "owner" and will be subject to all the terms and provisions set forth in these Restrictions.

G. Date and Commencement of Annual Assessment: Due Dates: The annual assessments provided for herein shall be initially the sum of \$100.00 which shall be payable at the time of closing by the purchaser. Assessments shall be due thereafter on the first day of January of each year. At least thirty (30) days in advance of each annual assessment, the Board of Directors shall fix the amount of the annual assessment to every owner subject thereto. The due date and time of payment for future years 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.

H. Effect of Nonpayment of Assessments; Remedies of the Association: Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen (18%) percent per annum. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the lot and interest, costs, and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of any of the common areas or abandonment of his lot.

I. Lien: The lien herein granted unto the Association shall be

enforceable from and after the time of recording a claim of lien in the public records of Dare County, North Carolina, which claim shall state the description of the lot encumbered thereby, the name of the record owner, the amount due and the date due. The claim of the lien shall be recordable any time after default and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The lien provided for herein shall be subordinated to the lien of any first mortgage or Deed of Trust and any person, firm, or corporation acquiring title to any lot, 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 said lot subsequent to the date of acquisition of such title, and it shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired title. In the event of the acquisition of title to a lot by foreclosure or judicial sale, any assessments or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all owners of all lots as a part of the common expenses, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessments from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

J. Effect of Default in Payment of Ad Valorem Taxes or Assessments for Public Improvement by the Association: Upon default by the Association in the payment to any governmental authority entitled thereto of any ad valorem taxes levied against any of the common areas owned by the Association or assessments for public improvements to the common areas, which default shall continue for a period of six (6) months, each owner of a lot in the Development shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by dividing the total taxes and/or assessments due the governmental authority by the total number of lots in the property. If such sum is not paid by the owner thirty (30) days following the receipt of notice of the amount due, then said sum shall become a continuing lien on the lot of the then owner, his heirs, devisees, personal representatives, and assigns, and the taxing or assessing governmental authority may bring either an action at law or may elect to foreclose the lien against the lot of the owner.

K. Upon the sale of seventy-five percent (75%) of the lots in the Subdivision and any addition thereto, the Developer will turn over control of the Association to the Board of Directors to be elected by the membership in accordance with the Articles and By-Laws of the Association. Until such time, however, the Developer shall elect the Board of Directors of the Association.

Article 6

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 Bylaws of the Association, 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 same against the offending Lot Owner as a special assessment.

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

D. The failure of the Association or any Person to enforce any restriction contained in the Restrictions, the Articles or the Bylaws shall not be deemed to waive the right to enforce such restrictions hereafter as to the same violation or subsequent violation of similar character. Prior to availing itself of the relief specified herein, the Association may follow the hearing procedures as set forth in the By-Laws.

Article 7

EASEMENTS AND PROPERTY RIGHTS

A. The Declarant, by these presents, hereby establishes, grants, gives and conveys to each and every future owner of a lot in the subdivision an easement of ingress, egress and regress over and under all of the private roads and streets of HATTERAS PINES subdivision, including, but not limited to, the repaving, repair and maintenance thereof, shall be the mutual responsibility of the owners, including the Declarant so long as it is the owner of platted lots of the subdivision, acting by and through the Association except hereinafter provided. The cost of said maintenance shall henceforth be a common expense of the Association, and each member thereof shall be assessed a pro-rata share of the annual cost hereof as part of his annual assessment, as stated in these Restrictions. It is the intent of the Declarant that this grant is an easement as an appurtenance to each lot within the subdivision, and any conveyance or transfer of title to any lot in the subdivision shall be deemed to include such easement, whether expressly stated therein or not.

B. The Declarant, by these presents, hereby further establishes, grants, gives and conveys to each and every future owner of a lot in the subdivision an easement of access, use and enjoyment of any and all other common areas as shown and designated in the plat of the subdivision recorded in Plat Cabinet _____, at _____ of the Dare County Registry; PROVIDED HOWEVER, the easement and use of those common areas described herein is subject to the provision that all owners of lots share equally in the cost of maintaining the easement area and the improvement thereto, that cost of maintenance to be borne by the lot owners through the annual assessments paid to the Homeowners Association.

C. The Declarant does hereby agree and therefore declare that:

1. The cost of maintaining, repairing and replacing all of the improvements upon said easement, plus the costs of all utility services provided the easement area, as well as the local ad valorem taxes levied upon the easement area, shall be borne by all of the owners and members of the Association, and shall be paid by the Association. All said costs henceforth shall be a common expense of the Association; and each member thereof will be assessed his pro-rata share thereof as a part of his annual assessment.

D. Every owner shall have a right and easement of enjoyment in and to any and all other common areas which are owned by the Association for the enjoyment of the owners; this right and easement of enjoyment shall be appurtenant to and shall pass with the title to every lot.

E. The Declarant or the Association reserves the right to make reasonable Rules and Regulations respecting the use of all common areas, and the easements granted herein to future lot owners in the subdivision shall be subject to the Rules and Regulations as promulgated by the Declarant and/or the Association.

F. The Declarant or the Association reserves the right to grant

easements for utility purposes for the benefit of the Subdivision and the lots located thereon, over, under, along and through the common areas; provided however, that no such grant of easement shall have a material adverse effect on the use, enjoyment or value of any lot.

G. The Declarant or the Association reserves the right to grant easements for maintenance purposes for roads and rights of way to the appropriate agency of the State of North Carolina.

Article 8

ARCHITECTURAL STANDARDS AND ARCHITECTURAL STANDARDS COMMITTEE

The Board of Directors shall establish an Architectural Standards Committee (hereinafter referred to as the "Committee") which shall be composed of three (3) to five (5) members. The Board of Directors shall have the right to appoint and remove, at any time and without cause, three (3) members. The Declarant shall have the right to appoint and remove two (2) members of the Committee so long as the Declarant continues to own any portion of the Development Area. At such time as the Declarant no longer owns any portion of the Development Area, or upon notification by the Declarant to the Board of Directors that it does desire to continue to appoint two (2) members of the Committee, all three (3) to five (5) members shall be appointed or removed, at any time and without cause, by the Board of Directors. At least one of the members of the committees appointed by the Board of Directors shall be a resident in the Subdivision.

A. No construction, which term shall include within its definition clearing, excavation, grading and other site work, shall take place except in strict compliance with this Article, until the requirements thereof have been fully met, and until the approval of the Committee has been obtained and appropriate review fees paid.

B. The Committee shall have exclusive jurisdiction over all original construction on any Lot and later changes or 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 Association 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 or construction upon Lots and who shall conduct their operations strictly in accordance therewith.

C. The Committee shall have absolute and exclusive right to disapprove any plans, specifications or details submitted to it in the event the same are not in accordance with any of the provisions of these Restrictions and the guidelines; if the design, color scheme or location upon the Lot or Lots of the proposed improvements are not in harmony with the general surroundings or adjacent structures; if the plans or specifications submitted are incomplete; or in the event the Committee deems the plans, specifications or detail, or any part thereof, to be contrary to the best interests, welfare or rights of all or any part of the real property subject to this Declaration or the owners thereof.

D. All plans submitted to the Declarant and/or Committee for approval shall be personally received by the Declarant or Committee as to the time received, or shall be submitted by the Applicant by registered or certified mail, return receipt requested, so as to establish a date for the approval process. Once property submitted, the plans, specifications and details shall be approved by the Declarant and/or Committee within 45 days from the date of submission or the Applicant notified of the reasons for disapproval of the plans and specifications. In the event of disapproval by the Declarant or the Committee, the Applicant may resubmit such plans with the

modifications suggested by the Committee. In the event the Declarant and/or Committee does not approve the resubmission or act upon the same within 30 days after the resubmission, the same shall be deemed to have been approved by the Declarant or the Committee. The decision of the Committee on the original submission or any resubmission shall be final and not subject to appeal or review, provided that the Committee has acted timely within the guidelines established herein.

E. 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.

F. 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.

G. Neither the Declarant nor the Developer nor the Committee nor the Board of Directors or any architecture agent thereof shall be responsible in any way for any defect 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.

H. 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.

Article 9

RESTRICTIONS ON USE AND OCCUPANCY

A. No Lot shall be used except for single family residential purposes and no lot shall be subdivided in the Subdivision of HATTERAS PINES except that the Declarant may utilize a lot or a portion of a lot for access to additional land. In HATTERAS PINES Subdivision no structures shall be erected, placed or permitted to remain on less than a Lot other than one (1) detached, single family residence dwelling and such outbuilding as are usually accessory to a single family residence dwelling, including a private enclosed garage with a second story for guests and/or servants quarters which garage shall not be rented separately for remuneration. Unenclosed carports, or similar storage structures, shall not be erected, placed or permitted to remain on any lot. Any out buildings, as defined above, and including detached garages shall be located on the rear of the Lot behind the principal residence. Any resubdivision of a lot for the purpose of utilizing more than one lot for one principal residence may be permitted by approval of the Declarant and/or Committee in writing and such combination of lot or lots shall thereafter be deemed one lot for all of the purposes and provisions of these Covenants. Such recombined lot shall have one vote for the area, but shall be responsible for his pro-rata share of the costs or assessments based on the additional fraction of such recombined lot.

B. Any dwelling constructed on a Lot subject to these Restrictions shall contain not less than fourteen hundred (1400) square feet of fully enclosed and heated floor area devoted to living purposes (exclusive of roofed or unroofed porches, terraces, garages and any outbuildings).

C. No above-grade structure (except approved fences or walls) may be constructed or placed on any lot except within the minimum building setback lines as set forth herein;

(a) Twenty-five (25) feet from the Lot front line.

(b) Ten (10) feet from the Lot side line or fifteen (15) feet if the lot is a corner lot adjoining a road or street shown on the recorded subdivision plat.

(c) Twenty-five (25) feet from the Lot rear line.

The term "lot front line" defines the boundary line of the Lot that is contiguous to and bounded by the named street as shown on the recorded plat. If the lot is a corner lot, contiguous to two (2) named streets, then the shortest line adjacent to either street shall be the "lot front line".

The term "lot rear line" defines the boundary line of the Lot that is farthest from, and substantially parallel to, the line of the street on which the lot abuts.

The term "lot side line" defines a boundary line that extends from the street on which the street abuts to the rear line of the Lot.

An owner of a Lot and a portion or all of an adjoining and contiguous Lot or Lots may construct a dwelling and/or other structures permitted hereunder upon and across the dividing line of such adjoining and contiguous Lots, all such structures to comply with the minimum building setback lines from the actual boundary lines of the subject owner's property, and thereafter such combinations of Lots or portions thereof shall be treated for all purposes under these Restrictions as a single lot. Any variance in the provisions of Section C, Article 9 which may become necessary by virtue of the topography or location of hills, ridges, swales or other conditions affecting an individual lot may be considered by the Committee and if found to be within the spirit and intent of these Covenants be approved in writing as a valid variance from these provisions.

As to any additional lands and a subsequent declaration the limitations hereinabove imposed are specifically made inapplicable as to that portion of the Subdivision wherein a cluster lot configuration is adopted pursuant to the special environmental district rules and regulations of the Dare County Zoning Ordinance SED-1, adopted March 21, 1988 by the Dare County Planning Board and the Dare County Board of Commissioners. Specifically the site of a residential structure may be designed in conformity with such special environmental district regulations without regard to the setback limitations imposed in these Covenants and in accord with the regulations adopted by Dare County for residential sites which shall permit where necessary the conveyance of, in any legally permissible manner, that area upon which a residential structure shall be built.

The rules and regulations of said special environmental district, SED-1, hereinabove referred to are incorporated in these Covenants by reference as if fully set forth herein.

D. 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 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. Lot owners shall use community water so long as same is available. Lot owner shall be responsible for payment of any and all fees associated with the procurement or maintenance of his community water service. If community water service should become unavailable, Lot owner may drill a private well at his own expense, said well shall comply with any and all governmental or Health Department regulations.

E. No containers for the collection and removal of garbage, trash and other like household refuse shall be kept on a Lot so as to be visible by the users of any streets or other common areas. Without the approval of the Board of Directors of the Association, no owner shall dump or otherwise dispose of or place trash, garbage, debris, or any unsightly or offensive material on the common area or upon any lot whether occupied or unoccupied, nor shall any owner permit any member of his family or any of his guests, tenants, licensees, or agents to do so.

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

1. 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.

2. Once construction of a dwelling or other improvements is started on any Lot, the improvements must be substantially completed in accordance with the approved plans and specifications within twelve (12) months from commencement.

3. 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.

4. All dwellings and permitted structures shall be constructed on site of materials of good grade, quality and appearance, and all construction shall be performed in good workmanship manner and quality. The exterior of all dwellings and permitted structures shall be either natural wood siding using semi-transparent stain or weathering stain, cedar shakes, stone or brown earthen brick. Building color and trim shall be in keeping with the natural surroundings of Buxton Woods. Colors that contrast with the surroundings and neighboring houses are to be avoided. Roof materials shall be asphalt shingles or natural cedar shakes. No used structure shall be relocated or placed on any lot and no structure shall have an exterior constructed of concrete blocks, asbestos or asphalt siding. 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 therein specified.

5. Roof slopes on main roof shall not exceed 12/12 or be less than 6/12, except as may be approved by the Committee.

6. Except structures erected by the Developer, no structure erected upon any lot may be used as a model home unless prior written permission to do so shall have been obtained by the Declarant and/or the Committee and such structure shall not be used for any business, office or commercial purpose whatsoever unless used by the Developer to facilitate the sale of lots in the Subdivision.

7. All Lots, whether occupied or unoccupied, shall be well maintained and no accumulation of rubbish or debris shall be permitted. However, the native growth on said Lots, such as trees, bushes, shrubs, marsh grasses, marsh lands, or other vegetation whatever, shall not be permitted to be destroyed, removed, installed or planted from or on any Lot without prior written approval of the Committee, based upon the site plan including access, landscaping plan or planting plan submitted to the Committee and approved in writing by the Committee. In the event such growth is destroyed, removed, installed or planted, except as stated above, the Committee may require the removal, replanting or replacement of same, the cost thereof to be borne by the Lot owner.

8. No trash, ashes, garbage or other refuse shall be dumped or stored or accumulated on any Lot or other area in the subdivision.

9. Any dwelling or improvement on any Lot which is destroyed in whole or in part by fire or other casualty must be rebuilt or all debris removed and the Lot restored to a slightly condition with reasonable promptness, provided, however, that in no event shall such debris remain on such Lot longer than three (3) months.

10. 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.

11. 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 a manner as to be visible to the occupants of other Lots or users of any street or recreation area.

12. 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.

13. All outdoor poles, clotheslines and similar equipment shall be so placed as not to be visible to the occupants of other Lots or the users of any street or recreation area.

14. 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.

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

16. No sign (excluding typical "For Sale" and builder identification signs or similar signs), billboard or other advertising structure of any kind may be erected or maintained upon any Lot; provided, however, that construction identification signs approved by the Committee showing the Lot number and name of the builder may be exhibited upon the Lot during the period of construction.

17. No radio and television antenna installation shall be allowed to be erected or maintained on any Lot. Satellite "dishes" shall be allowed but must be erected in such a manner and in such a area so as not to be visible from any street or common area.

18. 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 a manner as may be acceptable to the appropriate utility authority.

19. 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, and provided, further, that such pets do not constitute a danger or nuisance to other Lot owners or to the neighborhood.

20. No yard sales, garage sales, flea markets or other activities of that nature shall be allowed.

21. 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 remain completely closed except during periods of actual use of such garage entrance.

22. No window air-conditioning units shall be installed in the side of any structure in such manner as to be visible from any street or recreational area.

23. 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 neighborhood.

24. No owner shall make or permit any disturbing noise by himself, his family, employees, servants, agents, tenants, guests, visitors, or licensees, nor do or permit anything by such persons that will interfere with the rights, comforts or convenience of any other owner.

Article 10

AMENITIES AND FACILITIES

Every park, recreation area, recreation facility, dedicated access and other amenities appurtenant to the Subdivision, whether or not shown and delineated on any recorded plat of the Subdivision, shall be considered private and for the sole and exclusive use of the Owners of Lots within the Subdivision. Neither Declarants' execution nor the recording of any plat nor any other act of Declarants with respect to such areas is, or is intended to be, or shall be construed as a dedication to the public of any such areas, facilities or amenities.

Article 11

WAIVER

No provision contained in these Restrictions, the Articles or the By-Laws, shall be deemed to have been waived, abandoned, or abrogated by reason of failure to enforce them on the part of any person as to the same or similar future violations, no matter how often the failure to enforce is repeated.

Article 12

VARIANCES

The Board of Directors in its discretion may allow reasonable variances and adjustments of these Restrictions in order to alleviate practical difficulties and hardship in their enforcement and operation. Any such variance shall not violate the spirit or the intent of this document to create a subdivision of Lots owned in fee by various persons with each such Owner having an easement upon areas owned by the Corporation.

To be effective, a variance hereunder shall be recorded in the Dare County Register of Deeds Office; shall be executed on behalf of the Corporation; and shall refer specifically to this Declaration.

Article 13

DURATION, AMENDMENT AND TERMINATION

A. The Covenants and Restrictions contained in this Declaration shall run with 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 two successive periods of five (5) years.

The Declarant, its successor or assigns reserve the right to amend, modify or vacate any restriction herein contained whenever the circumstances, if in the opinion of the Declarants, their successors or assigns, conditions warrant such amendment modification or vacation as being necessary or desirable. Additionally, this Declaration may be amended in full or part during the first twenty (20) year period and the 2 successive five (5) year periods by an instrument signed by not less than seventy (70%) percent of the Lot Owners, provided that no amendment shall alter any obligation to pay common expenses to benefit the common areas, as herein provided, or affect any lien for the payment of same. To be effective any amendment must be recorded in the office of the Register of Deeds of Dare County, North Carolina and a marginal entry of same must be signified on the face of this document.

B. Invalidity of any one of these covenants or Restrictions by judgement or court order shall in no way affect any other provisions which shall remain in full force and effect.

Article 14

CAPTIONS

The captions preceding the various Articles of these Restrictions are for the convenience of reference only, and shall not be used as an aid in interpretation or construction of these Restrictions. 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 15

ASSIGNABILITY OF RIGHTS AND LIABILITIES

Declarant 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, Declarants 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 16

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 an Owners Association with each Owner entitled to and burdened with the rights and easements equivalent to those of other Owners.

Article 17

NOTICES - DECLARANT AND/OR ASSOCIATION

All notices, applications or other documents required by the Declaration of Protective Covenants shall be to Buxton Woods Partnership at PO Box 175, Avon, NC 27915 until written notice to the lot owners of any change in address is given by the Owner/Developer.

A. Lot Owner: Each lot owner shall have the responsibility of furnishing to the Owner/Developer any change in his/her address from that address given at the time of the purchase of property in the Subdivision. Failure of an owner to give such notice to the Owner/Developer shall in no way relieve owner or owner's property from the provisions of these Covenants.

Copies of the Articles of Incorporation and By-Laws are attached to and made a part of this Master Declaration.

IN TESTIMONY WHEREOF, Buxton Woods Partnership has hereunto signed and sealed this instrument this day and year first above written.

BUXTON WOODS PARTNERSHIP

By: David S. Lang (Seal)
David S. Lang, General Partner

By: HATTERAS INVESTOR LIMITED PARTNERSHIP

By: CHARLES J. BLAIR, M.D. INC.,
General Partner

By: Charles J. Blair (Seal)
President,
General Partner

Attest:

Melissa P. Vaughan
Secretary

(CORPORATE SEAL)

STATE OF N.C. COUNTY DARE
I, A Notary Public of the County and State aforesaid, certify that
DAVID S. LANG, Partner Grantor,
personally appeared before this day and acknowledged the execution
of the foregoing instrument. Witness my hand and official stamp or
seal, this 20th day of July, 1989.

My Commission expires: 9-22-93

Robert M. Whitte
Notary Public

(NOTARIAL SEAL)

ROBERT M. WHITTE
NOTARY PUBLIC
DARE COUNTY, N.C.

CITY
STATE OF VIRGINIA, County of Richmond

I, a Notary Public of the County and State aforesaid, certify that
Melissa P. Vaughan, personally came before me this day
and acknowledged that she is Secretary of CHARLES J. BLAIR,
M.D. INC., a Virginia corporation, and that by authority duly given
and as the act of the corporation, the foregoing instrument was signed
in its name by its President, sealed with its corporate seal and
attested by her as its Secretary. PARTNER.
Witness my hand and official stamp or seal, this 24th day of
July, 1989.

My Commission expires: 9/25/92

Carol C. Muller
Notary Public

(NOTARIAL SEAL)

The foregoing certificates of Robin M. Whitt, a Notary Public of Dare County, North Carolina, and Ann C. Miller, a Notary Public of the Commonwealth of Virginia 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.

Register of Deeds for Dare County

By _____
Assistant Register of Deeds