

BLACK ROCK FARM

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

EXHIBIT A**LEGAL DESCRIPTION FOR BLACK ROCK FARM**

All of the streets, open spaces, and other Common Areas which are, or which, in the future, become a part of the development known as Black Rock Farm (also and/or formerly known as Black Rock Development Corporation Subdivision) in Bertie County North Carolina, and all of the lots owned by the Declarant as of the time of the recording of this declaration which are listed below and which are located in Phase I, Phase III and Phase IV of Black Rock Farm.

PHASE I

Lots 1-6 and 8-11, which are in Section B of Phase I as shown on a plat recorded in Plat Cabinet A, Slide 673, Bertie County, North Carolina Register of Deeds Office.

PHASE III

Lots 1 through 3, 6, and 8 through 16 as shown on a plat recorded in Plat Cabinet B Slide 165 in the Bertie County, North Carolina Register of Deeds Office.

PHASE IV

Lots 1 through 20 as shown on a plat recorded in Plat Cabinet B, Slide 267 in the Bertie County, North Carolina Register of Deeds Office.

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NORTH CAROLINA
 BERTIE COUNTY

DECLARATION OF COVENANTS, CONDITIONS AND
 RESTRICTIONS FOR BLACK ROCK FARM

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THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BLACK ROCK FARM is made this the 7th day of July, 2000 by BLACK ROCK DEVELOPMENT CORPORATION, a North Carolina corporation, and WILLIAM M. BELL, hereinafter collectively referred to as "Declarant."

RECITALS

Declarant is the Owner of certain real property located in Bertie County, North Carolina, which is described in Exhibit A, attached hereto and hereby incorporated by reference. Declarant desires to subject the property to the provisions of this Declaration and to develop the property under the name of **Black Rock Farm** and desires to create thereon a residential community (the "Community") together with streets, roads, footways, open spaces, entrances, drainage facilities, access easements, and any other Community Properties (herein after referred to collectively as the "Community Properties") for the benefit of the Community; and

Declarant desires to provide for the preservation of the values and amenities in the Community and for the maintenance of the Community Properties and, to this end, desires to subject the real property described on the attached Exhibit A to the covenants, conditions, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is, and are, for the benefit of each parcel of real property and each owner of a portion thereof; and

Declarant has deemed it desirable, for the efficient preservation of the values and amenities in the Community, to create an organization to which should be delegated and assigned the powers of maintaining and administering the Community Properties and facilities, administering and enforcing the covenants, conditions and restrictions, and collecting and disbursing the assessments and charges

hereinafter created; and

Declarant has caused to be incorporated under the laws of the State of North Carolina a nonprofit corporation, Black Rock Development Owners Association, Inc. (the "Association"), for the purpose of exercising the functions contained in this Declaration, the Bylaws, and its Articles of Incorporation;

Declarant previously adopted restrictive covenants for Black Rock Development Corporation Subdivision, recorded in Book 665, Page 115, Bertie County Public Registry, said subdivision being shown on a certain survey dated November 10, 1987 which is recorded in Plat Cabinet A, Page 673 in the office of the Register of Deeds of Bertie County, North Carolina;

Paragraph 26 of the aforementioned restrictive covenants recorded in Book 665, Page 115, Bertie County Public Registry, authorizes Declarant to amend, modify or vacate any restriction or covenant contained in said restrictive covenants whenever the circumstances, in the sole opinion of the Declarant, warrant such amendment, modification or vacation;

Declarant warrants that certain amendments, modifications and/or vacation of the restrictive covenants recorded in Book 665, Page 115, Bertie County Public Registry is necessary and desirable; and

Declarant anticipates that the Common Properties shown on all of the current and future recorded plats of the Community Properties subject to this Declaration will be conveyed by Declarant to the Association.

NOW, THEREFORE, Declarant does hereby declare that all of the property described herein, together with any additional property which it may hereafter add by supplement to this Declaration,

shall be held, transferred, conveyed, occupied and used subject to the following easements, covenants, conditions, restrictions, liens and charges which shall run with the title to the real property and which shall be binding upon and inure to the benefit of all of the parties having any right, title or interest in the above described properties, their heirs, successors and assigns.

ARTICLE**1****DEFINITIONS**

Section 1.1. Definitions. The following words when used in this Declaration shall have the following meaning:

1.1.1. "Architectural Control Committee" or "ACC" or "Committee" shall mean the committee appointed by the Board for the purpose of establishing and enforcing the architectural standards of the Community.

1.1.2. "Articles" means the Articles of Incorporation of Black Rock Development Owners Association, Inc.

1.1.3. "Assessment" shall mean an Owner's share of the common expenses or charges established by the Association, and as hereinafter defined.

1.1.4. "Association" shall mean the Black Rock Development Owners Association, Inc., a nonprofit corporation whose purpose is to administer the property which is subject to this Declaration.

1.1.5. "Board" or "Board of Directors" means the Board of Directors of the Association.

1.1.6. "Bylaws" shall mean the Bylaws of the Association.

1.1.7. "Common Properties" shall mean all real and personal property (a) designated and shown in writing and or on a plat by the Declarant as Common Properties; (b) conveyed to the Association for the use and benefit of the Association; and (c) held by Declarant for the benefit of the Association. Such real property may include, for example, roads, streets, walkways, any rights-of-

way reserved to the Association, open spaces (both landscaped and natural), lagoons, lakes or ponds. Nothing contained in this definition shall limit the type of personal property which may be owned by the Association and constitute Common Properties.

1.1.8. "Common Expenses" shall mean all expenditures made by the Association in carrying out its duties together with all funds assessed by the Association for the creation, maintenance, and allocations of reserve under this Declaration.

1.1.9. "Community Properties" or "Community" or "Properties" shall mean the property described on the attached Exhibit A together with all improvements located or constructed thereon. It shall also refer to any additional property which may hereafter be made subject to this Declaration.

1.1.10. "Declarant" shall mean Black Rock Development Corporation, a North Carolina corporation, with offices at Merry Hill, North Carolina, and William M. Bell, as well as their successors and assigns. The Declarant may assign or pledge any or all of its rights reserved under the land use documents through an assignment or in an instrument of conveyance or assignment.

1.1.11. "Declaration" shall mean this document which includes the Covenants, Conditions and Restrictions for Black Rock Farm together with all amendments which may be filed in the office of the Register of Deeds, Bertie County, North Carolina.

1.1.12. "Dwelling" shall mean any Dwelling quarters in a detached building.

1.1.13. "Lot" shall mean any unimproved parcel of land within the Properties, including future phases added to the Properties after recordation of the Declaration, to be used exclusively for a single family, detached Dwelling. A parcel of land shall be deemed a Lot rather than a Dwelling until the improvements constructed thereon are sufficiently complete to reasonably permit habitation thereof.

Upon completion of the building, the Lot and the improvements thereon shall collectively be considered a "Dwelling" for purposes of this Declaration.

1.1.14. "Occupant" shall mean any person including, without limitation, any Owner, family member, guest, invitee, lessee, or tenant of an Owner occupying or otherwise using a Dwelling within the Properties.

1.1.15. "Owner" shall mean the record Owner, whether one or more persons or entities, of the fee simple title or contractual equitable title to any Lot or Dwelling in the Properties. Notwithstanding any theory of the mortgage, "Owner" shall not mean or refer to the mortgagee, unless and until such mortgagee has acquired title pursuant to foreclosure or any deed or proceeding in lieu of foreclosure.

1.1.16. "Person" shall mean a Natural Person, Corporation, Partnership, Association, Trust or other legal entity, or any combination thereof.

1.1.17. "Rules" shall mean any and all regulations of the Association promulgated by the Board pursuant to its power under this Declaration or any other land use document.

1.1.18. "Supplemental Declaration" shall mean a Declaration filed by Declarant which describes one or more additional parcels of property to be located within the Properties, and which establishes covenants, conditions and restrictions for that particular parcel of property. Supplemental Declarations will be filed to add additional real property to the Community Properties not covered by this Declaration.

ARTICLE 2

REPLACE AND SUPERCEDE

This Declaration shall, in respect only to the land described in Exhibit A, amend, replace, and supercede the restrictive covenants for Black Rock Development Subdivision, dated January 11, 1988 and recorded in Book 665, Page 115, Bertie County Public Registry, and any amendments thereto which heretofore applied to the land described in Exhibit A.

ARTICLE 3**MEMBERSHIP, VOTING RIGHTS AND****GOVERNANCE OF THE ASSOCIATION**

Section 3.1 Membership. Every person or entity who is a record Owner of a Lot or a Dwelling subject to this Declaration, which is situated in the Properties, shall be a member of the Association, provided that any such person or entity who holds an interest merely as security for the performance of an obligation shall not be a member.

Section 3.2. Voting Rights. The Association shall have three classes of voting membership.

3.2.1. Class A members shall be owners of Lots. Any Class A member shall be entitled to one vote for each lot owned.

3.2.2. The Class B member shall be owners of Dwellings. Class B membership begins for an Owner at the time when an occupancy permit has been issued by the Architectural Control Committee as provided herein. Each Class B member shall be entitled to 1½ votes for every Dwelling owned.

3.2.3. The Class C member shall be the Declarant which shall be entitled to fifteen votes for each Lot or Dwelling owned by it until the Turnover Meeting.

3.2.4. When more than one person or entity holds an interest in any Lot or Dwelling, all such persons shall be Members, and the vote or votes for such Lot or Dwelling shall be exercised as they among themselves determine and such persons shall designate one (1) person to vote for their Lot or Dwelling, but in no event shall more than one (1) vote be cast with respect to any such Lot or more than one and one-half (1½) vote be cast with respect to any such Dwelling.

Section 3.3. Governance.

The Association shall be governed by a Board of Directors. In accordance with the Bylaws of the Association, the Association elected a Board of Directors on the 19th day of November, 1999.

Section 3.4. Turnover. Within 90 days of the earlier of (1) the Declarant's decision, subject to Declarant's sole discretion and evidenced in a writing delivered to the President of the Association, to turnover the Association to owners other than the Declarant or (2) the Declarant not owning or holding title to any lots subject to the Declaration or any lots anticipated to be subject to the Declaration within 180 days after Declarant does not own or hold title to any existing lots subject to this Declaration, the Association shall conduct a special meeting of the membership, hereinafter called the Turnover Meeting, for the purpose of assuring the transition of the Association to owners other than the Declarant, provided however that so long as the Declarant is the Owner of one Lot or Dwelling governed by the Association, the Declarant shall be entitled to appoint at least one member to the Board of Directors.

ARTICLE 4

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 4.1. Owners' Easements Of Enjoyment In The Common Properties. Subject to the

provisions of the Section herein entitled "Easement For Governmental, Health, Water, Sewage Disposal, Sanitation And Emergency Services" and any additional provisions of this Declaration, every Owner, members of the Owner's household, guests of the Owner, agents, and licensees, shall have a permanent and perpetual easement for the use and enjoyment of the Common Properties and each easement shall be appurtenant to and shall pass with a title to every Lot or Dwelling. Such easements of enjoyment shall include but not be limited to the Owners' right of ingress and egress over the streets, roadways and walkways over the Common Properties for the purpose of access to the Owners' Lot or Dwelling. All streets in the Properties shall be private and the maintenance shall be the responsibility of the Association.

Section 4.2. Title To The Common Properties. The Declarant may (but is not obligated to) retain the legal title to the Common Properties until the earlier of (1) the Declarant's decision, subject to Declarant's sole discretion and evidenced in a writing delivered to the President of the Association, to convey title to the Common Properties to the Association or (2) the Declarant not owning or holding title to any lots subject to the Declaration or any lots anticipated to be subject to the Declaration within 180 days after Declarant does not own or hold title to any existing lots subject to this Declaration. Notwithstanding any other provision herein, however, upon the happening of the earlier of the two aforementioned events, Declarant shall convey title to the Common Properties to the Association by Non-Warranty Deed, at no cost to the Association, free and clear of all liens and encumbrances except this Declaration and any supplements and amendments thereto. The Association covenants that it will accept a conveyance of all of the Common Properties.

Section 4.3. Limitation Of Owners' Easements. The rights of easement, use and enjoyment

created hereby shall be subject to the following:

4.3.1. The right of the Association to adopt and enforce, at any time, rules and regulations governing the use of the Common Properties and all facilities situated thereon. Any rules and/or regulations so adopted shall apply until rescinded or modified the same as if originally set forth at length in this Declaration.

4.3.2. The right of the Association to set specific charges for the use and maintenance of the Common Properties.

4.3.3. The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of maintenance, repair and improvement of the Common Properties and in aid thereof to mortgage such properties.

4.3.4. The right of the Association as provided in its Articles and Bylaws to suspend the enjoyment rights of any Owner for any period during which any assessment remains unpaid, or for a period that may be determined by the Board of Directors for any violation of this Declaration, the Association's Articles, Bylaws, or published rules and regulations; provided however, that the right of a member of ingress and egress over the streets shall not be abrogated.

4.3.5. The right of the Declarant and the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority or utility for such purpose.

4.3.6. The right of the Declarant, without approval of the Association or any Owner, to add to or delete part of the Common Properties and to dedicate easements and rights-of-way over the Common Properties in accordance with the terms of this Declaration.

Section 4.4. Easement For Utilities. There is hereby reserved for the benefit of the Declarant,

the Association, any public utility or governmental unit providing services in the Community, and their respective successors and assigns, an easement upon, over, under and across all of the Common Properties and all land located within ten (10) feet of any Lot line as shown on all plats of record, for the purpose of installing, replacing, maintaining and operating all utilities.

Section 4.5. Easement For Governmental, Health, Water, Sewage Disposal, Sanitation And Emergency Services. A non-exclusive easement is hereby granted to the appropriate governmental authorities and to the appropriate private organizations supplying health, sanitation, police services and emergency service such as fire, ambulance and rescue services, for purpose of ingress and egress over the Common Properties. Declarant further reserves an easement over the Common Properties as needed for the installation, maintenance and operation of the central water and sewage disposal systems which will serve the Properties.

Section 4.6. Maintenance Easement. The Declarant reserves for itself and the Association and their respective agents and employees an easement to enter upon any unimproved areas in the Properties for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, stumps or other unsightly growth and removing trash therefrom so as to maintain reasonable standards of health, fire safety and appearance within the Properties. This reservation shall not impose any duty or obligation upon the Declarant or the Association to perform any such action. Furthermore, the Declarant hereby reserves for its benefit and that of the Association an easement but not obligation to enter upon any unimproved area which is located within thirty (30) feet from the waters edge of any lagoon, pond, water course and waterway, whether natural or man made, within the Properties for the purpose of maintaining such area and keeping the area clear and free

from unsightly growth and trash and the maintenance of reasonable water quality standards.

Section 4.7. Environmental Easements. Declarant reserves for its benefit and the Association and their respective agents and employees an easement on, over and across any and all unimproved areas in the Properties for the purpose of taking any action necessary to effect compliance with environmental rules, regulations, procedures promulgated or instituted by the Board of Directors or by any governmental entity. Such easement shall include, without limitation, the right to implement erosion control procedures and practices, the right to drain standing water, and the right to dispense pesticides and herbicides within the Properties.

Section 4.8. Easement For Declarant. The Declarant reserves to itself, its successors and assigns the right of temporary roads, utility services and drainage systems as are necessary in its sole discretion for the proper development and administration of the Properties. Such right shall extend over, through, under and across the Common Properties.

Section 4.9. Changes In Boundaries: Additions To Designated Common Properties. Declarant expressly reserves for itself and its successors and assigns the right to change and realign the boundaries of any designated Common Property within the Properties, and to make additions thereto.

ARTICLE 5

COVENANT FOR ASSESSMENTS

Section 5.1. Creation Of The Lien And Personal Obligation Of Assessments. Except as hereinafter more fully provided, each Owner of any Lot or Dwelling, with the exception of the Declarant, by acceptance of a deed therefor, whether or not it shall be so expressed in the particular

deed of conveyance, shall be deemed to covenant and agree to all the Covenants and Restrictions of this Declaration and to pay the Association: (1) Periodic Assessments and (2) Special Assessments for capital improvements and other assessments to be fixed, established, and collected from time to time as hereinafter provided. The Periodic and Special Assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. Each Owner expressly covenants, by acceptance of a deed, that liens may be placed against the Owner's Lot or Dwelling for nonpayment of assessments in accordance with N.C.G.S. § 47F-3-116, as amended.

Section 5.2. Purpose Of Assessments. The assessment levied by the Association for common expenses shall be used exclusively for the general purposes of promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners and occupants of the Community and maintaining the Community and improvements therein, all as may be more specifically authorized from time to time by the Board of Directors. The common expenses to be funded by the periodic assessments may include but shall not necessarily be limited to the following: (a) utility charges for utilities serving the Common Properties and charges for other common services for the Community including trash collection and security services if any such services or charges are in fact paid by the Association; (b) the cost of insurance coverage as the Board of Directors determine to be in the interest of the Owners; (c) the expenses of maintenance, operation and repair of the Common Properties; (d) the expenses of the Architectural Control Committee which are not defrayed by plan review charges; (e) any real or personal property taxes assessed or levied against the Common

Properties; (f) the expense of maintenance, operation, repair and reconstruction of any and all roadways, pathways, trails, lagoons, waterways and landscaped areas within the property which have not been conveyed to the Association; (g) all expenses associated with providing security services to the Properties; (h) the establishment and maintenance of a reasonable reserve fund for maintenance, repair and replacement of the Common Properties, to cover emergency repairs as a result of casualties which are not covered by insurance and to cover unforeseen operating contingencies or deficiencies arising from unpaid assessments; (i) management fees and expenses of administration; and (j) such other expenses as may be determined from time to time by the Board of Directors of the Association to be common expenses.

Section 5.3. Date Of Commencement Of "Periodic Assessments"; Due Date: Assessment Period. The periodic assessment provided herein for Owners shall commence upon conveyance of a Lot or Dwelling to the Owner. Once the assessment period has commenced, the assessments shall thereafter be due on the first day of every assessment period as this term is defined in the Bylaws of the Association. However, the Declarant shall be exempt from any and all assessments including its ownership of any lots after the Turnover Meeting.

Section 5.4. Basis And Amount Of The Periodic And Special Assessments. Periodic and special assessments shall be divided among the Lots and Dwellings, excluding all Lots and Dwellings owned by the Declarant, made subject to this Declaration. The Owner of each Lot or Dwelling, with the exception of the Declarant, in the property shall pay a periodic assessment set by the Board based on the actual and estimated costs in carrying out its duties for the assessment period. The Owner of each Lot in the Properties, with the exception of the Declarant, shall pay an assessment in an amount

equal to 75% of the periodic assessment for the Dwelling. For the purpose of this assessment, a property will be classed as a Lot and not as a Dwelling until construction is completed on the Dwelling. The assessment as a Dwelling shall begin on the day after an Occupancy Permit has been issued for the same by the ACC, prorated to the end of the current assessment period. The Board shall set a budget and establish the amounts of any periodic or special assessment without a vote of the general membership of the Association. The Board shall provide written notice to all Owners of a change in the amount of the periodic assessment by mailing such notice to all members at least thirty (30) days in advance of the effective date of the adopted change.

Section 5.5. Special Assessments. In addition to the periodic assessment authorized by this Article, the Board may levy in any assessment period a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties including the necessary fixtures and personal property related thereto, or for other purposes deemed appropriate by the Association. The due date of any special assessment under this Article shall be fixed in a resolution of the Board of Directors authorizing such assessment. The Declarant shall not be required to make any payment for Special Assessments.

Section 5.6. Duties Of The Board Of Directors. The Board of Directors of the Association shall prepare a roster of Owners and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. The Association shall, upon demand at any time, furnish to any Owner liable for an assessment a certificate in writing signed by an officer of the Association setting forth whether the Assessment has been paid. The certificate shall

be conclusive evidence of payment of any assessment therein stated to have been paid and shall be binding on the Association.

Section 5.7. Effect Of Non-payment Of Assessment; The Personal Obligation Of the Owner;

The Lien; Remedies Of The Association; Late Fee. If an assessment is not paid on the date when due (being the dates specified in the notice of the assessment given to each Owner), then it shall become delinquent and shall, together with interest thereon, become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period. If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate established by the Board of Directors not to exceed the maximum legal rate of interest, and the Association may bring an action at law against the Owner personally obligated to pay the outstanding assessment and/or bring an action to foreclose the lien against the property. There shall be added to the amount of such assessment all costs of collection, including, but not limited to the cost of preparing and filing the complaint in such action, the cost of any and all attorneys' fees incident to collection whether or not suit is brought, including attorneys fees on appeal. In the event a judgment is obtained, such judgment shall include interest on the assessments as provided above and a reasonable attorneys' fee to be fixed by the Court, together with costs incident to the action. In addition to the foregoing remedies, the Board of Directors may assess a one-time "Late Fee" as may have been theretofore established by the Board of Directors for each periodic or special assessment which is more than thirty (30) days delinquent, for the purpose of helping defray collection costs. The

Board may also suspend the enjoyment rights of the delinquent Owner in the Common Properties pursuant to the provision herein entitled "Limitation of Owners' Easements."

Section 5.8. Subordination Of The Lien To Mortgages. The lien for the assessments provided for in this Declaration shall be subordinate to the lien of any mortgage now or hereafter placed upon an Owners property subject to assessment, unless such assessment is secured by a Claim of Lien that is recorded prior to the recording of such mortgage.

ARTICLE 6

DECLARANT'S OPTION TO BULKHEAD LOTS

Section 6.1. Declarant's Right to Bulkhead. Declarant, its successors, heirs, and assigns shall have the right, but shall not be required, to construct an original bulkhead on any Lots adjacent to and contiguous with the Chowan River. Upon the completion of said original bulkhead, Declarant shall have no further obligation, liability, or responsibility with respect to said original bulkhead and the Chowan River.

Section 6.2. Lot Owner's Obligation. Upon completion of said original bulkhead, it shall be the express obligation, liability and responsibility of the Lot Owner to maintain, repair and replace that portion of the bulkhead which bulkhead's said Lot Owner's portion of his/her Lot adjacent to the Chowan River.

Section 6.3. Declarant's Easement. Declarant, its successors, heirs, and assigns reserve the express right and easement to enter upon said Lots adjacent to the Chowan River for purposes of constructing an original bulkhead. This right and easement shall include the right to alter the topography of said Lots and relocate the earth thereof to the extent necessary to fill behind and

laterally support said bulkhead. However, no alteration of topography or earth movement shall be accomplished so as to render the lot affected unsuitable for construction of a dwelling and sanitary sewage system thereon as regulated and subject to permit by applicable Federal, State and County Governmental Authorities.

Section 6.4. Lot Owner Default. Should any Lot Owner fail to properly maintain, repair and/or replace the bulkhead located on said Lot Owner's Lot, Declarant, its successors, heirs and assigns may enter upon the Lot and perform the necessary work to maintain, repair and/or replace said bulkhead. Such entry by Declarant its successors, heirs and assigns shall not be deemed a trespass. Said Lot Owner shall be deemed in default of Lot Owner's obligation to maintain, repair and/or replace said bulkhead when said Lot Owner fails to so act within thirty days after written notice from the ACC.

Section 6.5. Assessment and Lien. Lot Owner shall be assessed the full cost of properly maintaining, repairing and/or replacing the bulkhead located on said Lot Owner's Lot. In the case of failure to pay the charges or assessment, the Board shall place a lien on the Lot which shall be a personal obligation of the Lot Owner and shall be due and payable in all respects.

ARTICLE 7

MAINTENANCE AND INSURANCE OF PROPERTIES

Section 7.1. Maintenance Responsibilities Of Owners. Each Owner is responsible for maintaining the grounds of their Lot and exterior appearance of their Dwelling, including, but not limited to, bulkheads, upkeep and care of walls, roofs, gutters and downspouts, excessive weeds and grass growth and unsightly trash. In the event that any lot or dwelling is neglected and uncared for

through failure of an individual Owner to maintain their property as outlined herein so that its condition creates a hazard and presents an unsightly appearance within the Community, the Association shall have the right, but not the obligation, to provide necessary maintenance.

Section 7.2. Maintenance Action By The Association. Where the Board determines that an Owner has failed or refused to carry out their duties under this Article, the Board shall take such action as is necessary to restore the property to the standards of the Community. Entry upon any property for this purpose by the Association, its agents or employees shall not be deemed a trespass. Except in emergency situations, however, the Association shall give such Owner fifteen (15) days notice prior to its entry on the premises to perform such work.

Section 7.3. Assessment For Association Maintenance Of Owner's Lots Or Dwelling. Where the Association, in the interest of the Community, authorizes maintenance on individual lots, the work shall be performed in a cost efficient manner and the Association shall have the right to assess the individual property Owner. In the case of failure to pay the charges or assessment, the Board shall place a lien on the Lot an/or Dwelling which shall be a personal obligation of the Owner and shall be due and payable in all respects.

Section 7.4. Maintenance Of Common Properties. Unless otherwise provided, the Association shall maintain and keep in good repair the Common Properties including any improvements or structures located thereon. No diminution or abatement of assessments, fees or charges, however, shall be claimed or allowed by any Owner by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by it under this Declaration.

Section 7.5. Insurance Of Common Properties. The Board shall maintain liability insurance on the Common Properties.

ARTICLE 8

ADMINISTRATION OF THE COMMON PROPERTIES

Section 8.1. Management. The Association, subject to the rights of the Declarant and the rights and duties of the Owners as set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Properties and all improvements located thereon.

Section 8.2. Duties And Powers. The duties and powers of the Association shall be those set forth in (a) Chapter 55A of the North Carolina General Statutes as it applies to nonprofit Corporations, (b) this Declaration, (c) the Bylaws and (d) the Articles of Incorporation of the Association. Should there be conflicts or inconsistencies between any of these documents then the order of authority shall be the General Statutes, this Declaration, the Articles of Incorporation, and the Bylaws. Notwithstanding any other provision in this Declaration to the contrary, as long as the Declarant shall own any Lot or Dwelling in the Properties, the Association shall not, without the consent of the Declarant, borrow money or pledge, mortgage, deed in trust, or hypothecate all or any portion of the Common Areas.

Section 8.3. Agreements. All Agreements and actions lawfully authorized by the Board of Directors shall be binding upon all Owners, their heirs, successors and assigns. The Association may perform its duties and responsibilities through its Board of Directors and further shall have the authority to delegate to persons of its choice such duties as may be determined by the Board of Directors to be expedient. The Board shall have the power to employ such managers, agents and

employees as necessary in its discretion to carry out its functions under this Declaration. In addition the Association may pay for and the Board of Directors may hire and contract for such legal, accounting and other professional services as are necessary or desirable in connection with the operation of the Properties or enforcement of this Declaration or the Bylaws or the rules and regulations of the Association.

Section 8.4. Restraint On Transfer. The shares of the Owners in the funds and assets of the Association cannot be individually assigned, hypothecated or transferred in any manner except to the extent that a transfer of ownership of a Lot or Dwelling also transfers the membership in the Association which is an appurtenance to such Lot or Dwelling.

Section 8.5. Rules And Regulation. The Association, acting through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of all Lots, Dwelling , Common Properties, and all other areas within the Properties. These rules and regulations shall be consistent with the rights and duties established by this Declaration.

Section 8.6. Condemnation Of Common Properties. Should any portion of the Common Properties be taken through eminent domain or conveyed by deed in lieu of condemnation by the Association, the award or proceeds made or collected by the Association shall be disbursed or held as follows: (a) to the extent practical in the discretion of the Board, the funds shall be used for the replacement of the condemned facility on some other part of the Common Properties; (b) if replacement at some other location within the Common Properties is not feasible then these funds shall be added to the reserves held by the Association; or (c) should the Board deem the funds not necessary for addition to the reserves then these funds shall be disbursed on a prorata basis to the

membership of the Association.

ARTICLE 9

AFFIRMATIVE ARCHITECTURAL AND LANDSCAPING CONDITIONS

Section 9.1. Purpose. In order to preserve the natural setting and beauty of the Properties, to establish and present a harmonious and aesthetically pleasing design for the Properties, to protect and promote the value of the Properties, the Lots made subject to this Declaration, and all improvements located therein or thereon, including landscaping, shall be subject to the restrictions set forth in this Article. Every Grantee of any interest to any property subject to this Declaration, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article.

Section 9.2. Architectural Control Committee.

9.2.1. The Board of Directors shall establish an Architectural Control Committee (ACC) to provide and maintain standards as to harmony of external design and location in relation to surrounding structures, topography and consistent with the principles of the community.

9.2.2. The Committee Members shall be composed of at least three (3) persons, including a Chair, who need not be members of the Association. A majority of the Committee may designate a representative to act for it. In the event of death, resignation or removal by the Board of any member of the Committee, the Board shall have full authority to designate a successor. The members of the Committee may be paid a stipend or honorarium at the discretion of the Board. The Association shall maintain a list of the names and addresses of the Committee members or their designated representatives for the benefit of owners.

Section 9.3. Submission of Plans. Unless expressly authorized in writing by the ACC, no Dwelling, fence, wall, driveway or other structure nor any exterior addition or alteration to any existing Dwelling, nor any clearing or site work shall be commenced, erected or maintained upon the Properties, until plans and specifications therefor showing the shape, dimensions, materials, basic exterior finishes and colors, location on site, driveway, parking, well, septic tank and drain field, floor plan and elevations therefor (all of which is hereinafter referred to as the "Plans"), shall have been submitted and approved in writing, as to harmony of external design and location in relation to any surrounding structures and topography, by the Committee. The Committee shall have the absolute and exclusive right to refuse to approve any such plans and specifications which are not suitable or desirable in the opinion of the Committee based on the Code of Architectural and Landscaping Policies and Procedures, provided that the Committee shall not refuse to approve any plans and specification which are substantially similar to any other plans and specifications which previously have been approved for any Dwelling.

Section 9.4. Code of Architectural and Landscaping Policies and Procedures. The Committee shall establish a written Code of Architectural and Landscaping Policies and Procedures which shall be binding as a part of this Article. The Code shall be given to each Owner on or before purchase of the property and acceptance of the deed shall constitute receipt and acceptance of the Code and all subsequent amendments, revisions, and replacements thereto. The Committee shall at its discretion revise and amend the Code, and where material changes are made, the Board shall approve the same and circulate them to every Owner. The Code of Architectural and Landscaping Policies and Procedures will contain an outline of the philosophy of the Community, basic design

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guidelines, siting setback requirements and considerations, landscaping guidelines, the process for submitting and obtaining approval of plans, fee structure and a list of contractor requirements during construction.

Section 9.5. Siting and Location. Because of its importance to the individual Owners and the Community as a whole, the Committee shall first approve the site plan and location of each Dwelling within the Properties. Then, following a stake-out of the approved site plan, the on-site location will be inspected by the Committee to determine that it is in compliance. Following a satisfactory inspection, written approval of same must be issued for construction to proceed.

Section 9.6. Construction.

9.6.1. Prior to commencement of construction, a building permit must be issued by the Committee and prior to occupancy, an occupancy permit must be issued by the Committee. The Committee or its agents shall have the right to inspect all construction to ensure that the structure is in accordance with the approved plans, specifications and details. No structure or improvement shall be made unless it conforms strictly to the approved plans, specifications and details. These required permits are in addition to those required by the local, county, or state authorities.

9.6.2. During Construction, all vehicles involved, including vehicles delivering supplies, must enter the building Lot on that Lot's driveway so as not to unnecessarily damage trees, street paving and curbs. During construction, the builders must keep homes, garages and building sites clean. All building debris, stumps, trees, etc. must be removed from each Lot by builder as often as necessary to keep the Dwelling and Lot attractive. Such debris will not be dumped in any area of Black Rock Farm.

Section 9.7. Completion. The exterior of any improvement permitted by the Committee shall be completed one (1) year from the start of construction. The Committee may permit an extension of this period in extenuating circumstances. Otherwise, the Committee shall recommend the Board to take whatever action is appropriate and necessary to stabilize and remedy the appearance of the property and Lot in accordance with the Section herein entitled "Maintenance Action By the Association."

Section 9.8. Landscaping.

9.8.1. To preserve the aesthetic appearance of the Properties, no landscaping, grading, excavating, or filling of any nature shall be implemented or installed by anyone other than the Declarant, unless and until the plans therefore have been submitted to and approved in writing by the Committee.

9.8.2. Standards and Plans for landscaping in general shall be part of the Code.

9.8.3. The landscaping and grading plans shall be reviewed and approved with consideration of the harmony of the proposed landscaping design, the environmental character of the surrounding area, the preservation of natural drainage patterns, the visual impact on the surrounding areas, and the establishment of adequate shading and buffering in regard to individual Lots.

9.8.4. Unless located within five (5) feet of a building or parking area, no tree, shrub, bush or other vegetation having a trunk diameter of six (6) inches or more at a point of four (4) feet above ground level shall be cut, removed or mutilated without the prior approval of the Committee, provided this does not apply to dead or diseased trees or shrubs. If any such healthy tree, bush or shrub is removed with approval of the Committee, the Owner shall replace it with a tree, bush, or

shrub of comparable value approved by Committee. In the even the Owner fails, within thirty (30) days, to satisfactorily replace the tree, bush or shrub removed, the Owner shall pay the Association a damage fee as established by the ACC. The Association through its agents and employees, shall have the right to enter the property for the purpose of replacing the tree, bush or shrub. Damages provided for herein shall become a lien on the property of the Owner.

Section 9.9. Approval Not A Guarantee. Approval of plans, specifications and the publication of architectural and landscaping standards shall not be considered as representing or implying that the plans, specifications or standards if followed will result in properly designed improvements. Neither the Declarant, the Association, the Committee nor any agent thereof shall be responsible or liable in any way for defects in any such plans or specifications submitted revised or approved pursuant to the terms of this Article.

Section 9.10. Placement of Improvements And Setback Lines. In addition to setback lines depicted on the recorded plats, "foot-print areas" will be designated on each Lot allowing optimum orientation and maximizing view potential for all Lots. Variances within the footprint area will be approved at the discretion of the Committee.

ARTICLE 10

RESTRICTIONS ON USE AND RIGHTS OF

THE ASSOCIATION AND OWNERS

Section 10.1. Permissible Uses. No Lot shall be used except for residential purposes.

Section 10.2. Division of Lots. No Single Family Detached Dwelling Lot shall be subdivided, or its boundary lines changed by its Owner, except with the written consent of the Declarant.

However, the Declarant hereby expressly reserves to itself, its successors or assigns, the right to replat any two (2) or more Single Family Detached Lots shown on a plat thereof prior to delivery of a deed in order to create a modified Single Family Detached Dwelling Lot. The Declarant may also create a modified Single Family Detached Dwelling Lot by the sale of two or more adjacent Lots to one party, followed by the construction thereon of a Dwelling in such a manner as to require the total Lots to be treated as one modified Lot in order to meet the setback and side line requirements, without the necessity of replatting. The restrictions and covenants herein apply to each Lot so created.

Section 10.3. Minimum Square Feet In Dwelling. Each Single Family Detached Dwelling shall contain a minimum of 2,000 square feet of heated interior living space, exclusive of all basements, garages, breezeways, porches, patios, balconies, and unfinished attics even if said areas are enclosed.

Section 10.4. Animals and Pets. No animal or livestock of any description, except the usual household pets (dogs and cats) shall be kept on any Lot or Dwelling. Each Lot or Dwelling is restricted to keeping, housing, maintaining or providing for a maximum total of three (3) usual household pets at any given time. Owners are expected to keep pets under control so as not to disrupt the well being of the Community. Where necessary, the Board shall act to require owners to restrain animals causing a nuisance. It is an intent and purpose of this restriction and covenant to prohibit the keeping and quartering on the lots contained in Black Rock Farm of horses, cows, ponies, goats, chickens, pigs, or other animals commonly classified as domestic animals.

All dogs must either be fenced in or attached to a leash and under control of their owners at

all times when outdoors. Failure to maintain dogs inside a fence or attached to a leash may result in appropriate authorities impounding or restraining such dogs.

Section 10.5. Utilities and Easement. All utility lines of every type, including, but not limited to, water, electricity, telephone, television cables or sewage must be underground.

Section 10.6. Antennas. No television or radio antennas, or satellite dishes, or other similar devices shall be attached or installed on any Dwelling or located within any portion of the Properties, unless contained entirely within the interior of the building. The Declarant or the Association may, however, install equipment necessary for master antennas for security, cable television, mobile radio or other similar systems within the Properties. Should cable television services not be available or adequate television reception not otherwise be available to an Owner, then the Owner may make written application to the ACC for permission to install an outside satellite dish or television antenna. The ACC may, but need not, approve such application.

Section 10.7. Temporary Structures. No temporary house, trailer, tent, garage, or other building shall be placed or erected on any Lot. However, the Association may grant permission for any such temporary structure for storage of materials during construction. No such temporary structure as may be approved shall be used at any time as a Dwelling.

Section 10.8. Fences and Mailboxes. Perimeter fences are not permitted. Fencing around a limited area within a Lot may be permitted following approval of a site plan showing the location of the fence, and a plan showing the design and materials of the fence by the ACC. Mailboxes are permitted providing they comply with the requirements of the Code.

Section 10.9. Garbage And Storage Receptacles. Garbage receptacles are permitted

provided they are screened in accordance with the Code. Every fuel storage tank shall be buried below the surface of the ground or screened in accordance with the Code.

Section 10.10. Offensive And Illegal Activities. No noxious, offensive or illegal activities shall be carried on within the Properties nor shall anything be done that shall be or become an unreasonable annoyance or nuisance.

Section 10.11. Outside Burning. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted, except in accordance with a validly issued burning permit from Bertie County and the Declarant or the Association.

Section 10.12. Discharge Of Firearms. Hunting or trapping of wild animals, fowl and game and the discharge of firearms and/or bows and arrows within the Properties is prohibited unless required for public safety.

Section 10.13. Motorized Vehicles. No motorcycle or motorbike shall be used on the streets for the purpose of entering or leaving the Properties. No dirt bike, go-cart, four wheeler, ATV, off-road vehicle, or similar vehicle may be used within the Properties at all under any circumstances. No recreational vehicles, campers, trailers, or commercial vehicles shall be parked in plain view within the Properties at any time, except in closed garages or in parking areas designated for such vehicles. All motor vehicles operated on the Properties shall have quiet mufflers. Further, no person shall operate any motor vehicle on the Properties unless he holds a valid driver's license.

No junked, wrecked or inoperative automobiles, trucks, buses, trailers or boats shall be permitted to be placed or remain on any Lot in the Properties.

Section 10.14. Signs. No sign of any kind, including billboards and advertising posters, shall

be displayed to the public view on any Lot or Dwelling, except for one sign per lot with dimensions of not more than two feet by three feet (2 ft. x 3 ft.) advertising a Dwelling for sale. Any sign required by legal proceedings shall be permitted. A sign identifying each house name or number will be permitted providing it is in accordance with the Code and shall be no larger than six inches by eighteen inches (6 in. x 18 in.) in size.

Section 10.15. Sales And Construction. The Declarant, its agents, employees, successors and assigns may maintain such facilities and carry on such activities as may be reasonably convenient or incidental to the completion, improvement and sale of Lots or Dwellings within the Properties, including without limitation, the right to (1) install and operate construction trailers, sales offices, signs and model Dwellings, and (b) maintain such facilities and carry on such activities.

Section 10.16. Time Shares. No Dwelling or Lot may be subdivided to permit the creation of a time share or time shares as same is defined by Chapter 93A, Article 4 of the North Carolina General Statutes, or any subsequent legislation affecting time.

Section 10.17. Stormwater Runoff Rule Compliance.

10.17.1. No more than thirty percent (30%) of any Lot shall be covered by structures and/or paved surfaces, including walkways or patios of brick, stone, slate, or similar materials. This covenant is intended to ensure continued compliance with stormwater runoff rules adopted by the State of North Carolina and therefore may be enforced by the State of North Carolina.

10.17.2. No Lot Owner shall in any way impede, obstruct, or change the direction of the natural flow of stormwater runoff in Black Rock Farm, the streets, ditches and drainage system thereof, nor place or cause to be placed any culvert or drainage device on or under said Lot Owner's

Lot or any driveway associated therewith which in any way alters, impedes, obstructs or changes the direction of the natural flow of stormwater runoff in Black Rock Farm, the streets, ditches and drainage system thereof.

10.17.3. Any drainage equipment or materials so placed on or under any lot or driveway in Black Rock Farm shall conform to the North Carolina Department of Transportation standards and specifications and shall be approved by the ACC prior to placement.

ARTICLE 11

GENERAL PROVISIONS AND ENFORCEMENT

Section 11.1. Duration. This Declaration shall affect and run with the land and shall exist and be binding upon all parties and all persons claiming under them until December 31, 2029 and shall continue in full force and effect thereafter until 60% of the Owners have, by written vote, agreed to amend or terminate them.

Section 11.2. Rule And Regulations. The Board of Directors is specifically granted the power to pass rules and regulations for purposes of enforcing this Declaration.

Section 11.3. Enforcement. Failure of an Owner, members of the Owner's household, the Owner's guests, licensees or invitees to comply with a provision of this Declaration or a provision in the Bylaws, Articles of Incorporation or Rules and Regulations of the Association shall provide the Association with the right to bring legal action at law or in equity, including but not limited to an action for injunctive relief, damages, or a combination thereof against the Owner. All costs and expenses incurred by the Association in terminating or resolving a violation of this Declaration, inclusive of attorneys' fees (whether or not litigation is instituted) and court costs, shall be the

responsibility of the Owner determined by the Association to be in violation. Collection of such attorneys' fees, costs and damages may be enforced by any method described in this Declaration providing for the collection of periodic assessments, or by a civil action to collect the debt.

Section 11.4. No Trespass. Whenever the Association, the Declarant, the Architectural Control Committee and their respective successors, assigns, agents or employees are permitted by this Declaration to enter upon or correct, repair, clean, maintain, preserve or do any other action within any portion of the Properties, the entering thereon and the taking of such action shall not be deemed a trespass.

Section 11.5. Interpretations. In all cases, the provisions of this Declaration shall be construed together and given that interpretation or construction which, in the opinion of the Declarant or the Board of Directors, will best effect the intent of the general plan of Community. The provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes which are less restrictive.

Section 11.6. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such a manner as to be effective and valid. However, if the application of any provision to any person or property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application and to this end the provisions of this Declaration are declared to be severable.

Section 11.7. Notices. Notices required under this Declaration shall be in writing and shall be delivered by hand or sent by United States mail, postage prepaid. All notices to Owners shall be

delivered or sent to such address as have been designated in writing to the Association or if no such address has been so designated by the Owner, at the address of the Owner's Lot or Dwelling. All notices to the Declarant shall be delivered or sent to the Declarant's main office in Mary Hill, North Carolina or to such other address as the Declarant from time to time may notify the Association.

Section 11.8. Amendments. The Declarant reserves the right to modify or amend this Declaration at any time without prior notice and without the consent of any person or entity or the Association for any purpose whatsoever. Once the Declaration has been amended or modified, such amendment or modification shall extend to and be applicable to the Lots and Dwellings that were sold prior to or subsequent to such amendment or modification. Any such amendment or modification of the Declaration by the Declarant shall not require the joinder of the Association or any Lender. The Declarant, by itself, shall not have the right to modify or amend this Declaration after Turnover. The Board of Directors of the Association, after Turnover, as herein provided may modify or amend this Declaration provided any such amendment or modification may not materially alter the basic plan of development and is not in violation of Chapter 47F of the North Carolina General Statutes.

IN WITNESS WHEREOF, this Declaration together with Covenants, Conditions and Restrictions has been signed and executed by the Declarant the day and year first above written.

DECLARANT:

BLACK ROCK DEVELOPMENT CORPORATION,
a North Carolina Corporation

BY: William M. Bell (SEAL)
William M. Bell, President

William M. Bell (SEAL)
William M. Bell

STATE OF NORTH CAROLINA

CITY/COUNTY OF Pasquotank

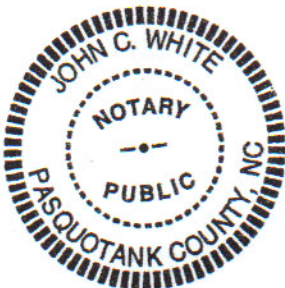
I, a Notary Public of the City/County and State aforesaid, certify that William M. Bell, President of BLACK ROCK DEVELOPMENT CORPORATION, a North Carolina Corporation personally came before me this day and acknowledged that he is President of BLACK ROCK DEVELOPMENT CORPORATION, a North Carolina Corporation and that by the authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President.

Witness my hand and official stamp or seal, this 7th day of July, 2000.

John C. White
Notary Public

My commission expires:

10/10/04
SEAL



NORTH CAROLINA

BERTIE COUNTY

NORTH CAROLINA, BERTIE COUNTY

The foregoing certificate(s) of

John C. White

, Notary(~~ies~~) Pub-

lic, is (are) certified to be correct. This instrument was presented and recorded in the office of Register of Deeds, Bertie County, N. C., in Book 773, Page 96, at 4:45 o'clock P. M.

This

day of

July

2000

, at

4:45

o'clock

P.

M.

Belinda S. White

Belinda S. White, Register of Deeds

By: Margaret L. Bond

Ass't/Deputy Register of Deeds

Register of Deeds

BY:

Deputy/Assistant