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BLAIR FARM
DECLARATION OF MASTER PROTECTIVE COVENANTS,
RESTRICTIONS, AND EASEMENTS

and

SUBMISSION OF SECTION FOUR
BLAIR FARM SUBDIVISION TO MASTER DECLARATION

THIS DECLARATION of protective covenants, restrictions, and easements, is dated for purposes of reference this 24th day of May, 1999, by Blair Pointe, LLC, a North Carolina limited liability company (hereinafter "Declarant").

STATEMENT OF EXPLANATION:

Declarant is the owner of real property consisting of approximately 171 acres in or near Morehead City, North Carolina the property is more fully described on Exhibit A attached hereto, and is referred to herein as "Blair Farm." It is the plan and intent of Declarant to develop Blair Farm in different residential phases or sections (referred to hereinafter as "Sections") but each with a common identity to the others. It is the intent of the Declarant that each Section will be subject to these general protective covenants, restrictions, and easements, and the owners within each Section shall have access to the general Blair Farm common amenities.

The Sections will generally be referred to by a particular name or designation "at Blair Farm," or by a Blair Farm section or phase number. Each Section will typically consist of an area with similar lot sizes or restrictions, or similar types of Living Units. Some Sections may have certain shared facilities not available to owners within the other Blair Farm Sections.

In order to enforce the provisions of this Declaration, including but not limited to the architectural control standards established herein, in order to maintain Blair Farm in a clean and attractive condition, in order to own, manage and maintain the Association Properties as defined below, including the amenities, and to further provide an organization for the benefit of the owner of each Living Unit or Lot within Blair Farm, Declarant will charter a North Carolina non-profit corporation named "Blair Farm Owners Association, Inc." (the "Association"). The owner of each lot or living unit within a section Blair Farm committed to this Declaration is and shall be a member of the Association, and the owner of each such lot or living unit is and will be obligated to pay assessments to the Association for the benefit of the Association and every owner within Blair Farm. The, organization of and operation of the Association is described in this Declaration and in the Bylaws of the Association.

It is the desire and intention of Declarant for its benefit and for the benefit of the purchaser of each lot or living unit within Blair Farm, and with the objective of preserving the value of each lot or living unit, to restrict the utilization of properties and improvements within Blair Farm in accordance with the guidelines established herein. Therefore, Declarant hereby subjects the property described hereinafter as Section Four - Blair Farm Subdivision, and reserves the right to subject in the future additional sections of Blair Farm, and adjacent properties, to the terms and provisions of these Protective Covenants for the use and benefit of all present and future owners of Lots and Living Units within the sections annexed to this Declaration.

ARTICLE A

MASTER DECLARATION

1. Definitions. The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

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1.1 "The Act" shall mean the North Carolina Planned Community Act.

1.1A "Amenity" shall mean any swimming pool, tennis court, clubhouse, or other recreational feature, including appurtenances, conveyed to, or constructed by, the Association and available for the use and enjoyment of the Members, their families and guests.

1.2 "Architectural Control ARC" shall mean those three or more individuals so designated from time to time by the Board of Directors of the Association. Those individuals appointed by the Board of Directors may be removed from the Architectural ARC at any time by the Board of Directors at its discretion. The Board of Directors may designate itself as the Architectural ARC.

1.3 "Associate Member" shall mean the owner or owners of a numbered lot within the subdivision adjacent to Blair Farm known as Blair Pointe the plat of which appears of record in Map Book 29 at pages 181 through 183, Carteret County Registry, who is not a member of the Association but who, as a result of paying dues as determined in this Declaration is permitted to use the Amenities.

1.4 "Association" shall mean and refer to Blair Farm Owner's Association, Inc., as formed or to be formed by Declarant.

1.5 "Association Properties" shall mean all Common Areas and Amenities deeded, leased, or granted to it.

1.6 "Board of Directors" shall mean the Board of Directors from time to time of the Association.

1.7 "Common Area" shall mean and refer to those areas of land now or hereafter shown on any recorded subdivision plat of the Property or hereafter deeded to the Association and intended to be devoted to the common use and enjoyment of the Owners, but shall exclude each individual Lot and any structure thereon.

1.8 "Declarant" shall mean Blair Pointe, LLC, its successors and assigns to which it shall convey or otherwise transfer its right, title and interest to all or any part of the Property and in so doing expressly designates the transferee as a "Declarant" hereunder.

1.9 "Development Period" shall mean the period that is twenty five (25) years from the date of this Declaration is recorded at the Register of Deeds of Carteret County.

1.10 "Family" shall mean persons related by blood or marriage and up to two additional unrelated persons all maintaining a common household, or up to three unrelated persons maintaining a common household. "Common household" means a shared Living Unit including a common kitchen.

1.11 "Guest" shall mean a social guest actually visiting either an owner of a Lot or Living Unit or an Associate Member.

1.12 "Living Unit" shall mean a structure or part of a structure designed and constructed for utilization by a single Family, whether detached or attached to another Living Unit, whether located on a Lot or located on a tract of land undivided into separate Lots.

1.13 "Lot" shall mean a numbered parcel of land in a Section of the Property designed and restricted for the construction of a Living Unit thereon. As used herein, "Lot" shall not include any Common Area, Amenity, road or street. Where rights are granted to, or obligations imposed upon, the owner of a "Lot" the term shall include the term "Living Unit" thereon, if any, likewise, reference to a Living Unit shall, where the context is appropriate, also be interpreted to include the Lot upon which such Living Unit has been constructed.

1.14 "Member" shall mean a person or entity who holds membership in the Association as provided in this Declaration hereafter.

1.15 "Mortgagee" shall include the noteholder or cestui que trust secured by a deed of trust.

1.16 "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit. "Owner" shall exclude a mortgagee or trustee or beneficiary of a deed of trust.

1.17 "Property" shall mean all that certain property described in Exhibit A attached hereto and incorporated herein by reference, and such additions thereto as may hereafter be brought within the jurisdiction of the Association by annexation and subjected to this Declaration as herein provided. "Property" is synonymous with "Blair Farm."

1.18 "Section" shall mean a portion of the Property divided into Lots or Living Units on a plat which is recorded at the Carteret County Register of Deeds office and which by this Declaration or an amendment or supplement to this Declaration is made subject to this Declaration. Additionally, "Section" shall include any division of the Property shown on a recorded plat that commits such Section for Amenities or Common Areas. The term "Phase" shall be synonymous with "Section."

1.19 "Structure" shall mean any permanent or temporary improvement to the real estate other than trees or shrubbery, the placement of which upon a Lot (or any part thereof) may affect the appearance of the Lot (or any part thereof) including, by way of illustration and not limitation, any building, porch, deck, shed, greenhouse, bath house, covered or uncovered patio, swimming pool, clothesline, sign, curbing, boardwalk, paved drive way, paved walk way, wall or fence. "Structure" shall also mean (i) any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across the Property, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across the Property, and (ii) any change in the grade of the Property (or any part thereof) of more than six (6) inches from that existing at the time of purchase by an Owner.

1.A Incorporation of the North Carolina Planned Community Act. The provisions of the North Carolina Planned Community Act (the "Act") set forth in chapter 47F of the North Carolina General Statutes are generally incorporated herein by reference. However, in the event of conflict between any provision of the Act and this Declaration, the Declaration shall control if the law so allows, and if not, the Act shall control. The terms of the Act shall supplement this Declaration as required by context.

2. General Restrictions and Provisions.

2.1 All Lots and Living Units shall be limited to residential use only. However, this residential limitation shall not affect the use of the Amenities for the purposes for which they are established.

2.2 The operator of the Amenities shall be allowed to sell to the Members, Associate Members, and their Families and Guests, food and beverage, and items reasonably associated with the use and enjoyment of the Amenities. All such sales shall take place on the premises of an Amenity.

2.4 Notwithstanding the limitation of the Lots and Living Units to residential use, Declarant, and Declarant's agents, shall have the right to maintain one or more offices on the Property for the purposes of selling, marketing, and developing Lots and Living Units and the Property.

2.5 All dwelling connections for utilities, including but not limited to, water, sewer, electricity, gas, telephone, and televisions shall be run underground from the proper connecting point to the dwelling structure.

2.6 Plats of various Sections may establish minimum building setback lines and easements. Such setback lines and easements are incorporated herein. Additionally, this Declaration or amendments or supplements hereto may establish setback lines.

2.7 No activity, whether active or passive, that is reasonably considered a nuisance by the Association shall be allowed within Blair Farm. Activities which are noisy, produce noxious fumes or odors or otherwise interfere with the peace and quiet or the residential character of the subdivision are prohibited.

2.8 No more than one Family shall occupy a Living Unit at any one time except for short term house guests.

2.9 Each Owner shall be a member of the Association, subject to suspension of membership privileges as set forth herein.

2.10 Each Lot and Living Unit is subject to assessment to defray the common expenses of the Association.

2.11 No Lot or Living Unit shall be owned or utilized in the time share, interval ownership, or use share form of ownership or use.

2.12 No Living Unit shall be rented or leased for an initial term of less than six months.

2.13 Manufactured homes, mobile homes, modular homes, and houses built off site are prohibited on the Property. Notwithstanding this general prohibition, the Declarant, its agents, and contractors in the course of development of the Property or constructing permitted structures on the Property shall be allowed to maintain mobile offices while development or construction is being pursued.

3. Specific Building and Lot Use Restrictions.

3.1 Only one (1) Living Unit shall be allowed per Lot. (This restriction is inapplicable to any section annexed in condominium form of ownership where individual Lots are not created.)

3.2 No permitted Structure shall be constructed which utilizes exposed concrete block, log construction, 4' x 8' or greater sheathed siding, vinyl or aluminum siding (except that vinyl may be used as an accessory or trim material and may be used as exterior siding if specifically approved for a Structure by the ARC). This restriction may be varied in accordance with the Variance procedures provided in this Declaration. This restriction shall not prohibit the use of cement or concrete block in foundations, provided they are not exposed. All chimneys visible from the exterior of any building shall be finished in brick, stone, stucco or the exterior material of the Structure.

3.3 All roofs shall have a minimum pitch of at least a five (5) feet of rise for every twelve (12) feet of run and shall be shingled with dimensional shingles of Timberline brand or the equivalent, wooden shakes, tile, or pleated metal. However the Architectural Review Committee may approve roofs with less pitch, including flat roofs, when the Architectural Review Committee determines that such roofs are authentic components of an architecturally correct traditional home approved for construction by the Architectural Review Committee. Flat roofs, where allowed, need not be made of any particular material.

3.4 Construction of any dwelling on exposed stilts or pilings is prohibited. This restriction is subject to variance pursuant to the provisions for variance contained in this Declaration.

3.5 All dwellings, including those on a concrete "slab foundation" shall have a foundation wall of brick, stone, or stucco at least twenty-eight (28) inches in height from finished adjacent grade. All detached buildings, including those on a concrete "slab foundation" shall have a foundation wall of brick, stone, or stucco at least eight (8) inches in height from finished adjacent grade.

3.6 Every dwelling and appurtenant garage, if any, must be accessed from the adjacent street by a paved driveway. Driveways shall be constructed of concrete at least four (4") inches thick, brick, or fixed stone aggregate. There shall be no "runner" type of construction whereby a tract or runner is poured for each wheel of a vehicle. Driveways of brick shall be supported on a foundation at least four (4") inches thick. Minimum and maximum widths of driveways and elevations shall be established by the Architectural Review Committee.

3.7 One detached building appurtenant to the dwelling house (for example a garage or garden house) constructed on each Lot shall be allowed if the appearance of said building, including building materials, is completely compatible with the appearance of the dwelling house, and if such detached building is approved by the Architectural Review Committee.

3.8 No sign, bill board, or advertising placard shall be allowed on any Lot or Living Unit so as to be visible from any street right of way or any adjoining property or Amenity, except for the following signs, which shall be allowed:

(a) one (1) sign per Lot or Living Unit not exceeding two (2) square feet in surface area identifying the property upon which such sign is placed only by the name of the owner and/or a street number;

(b) one (1) sign per Lot or Living Unit no greater than six (6) square feet in size which includes only the words "For Sale", the name of a listing real estate agent and the telephone number of said agent. Each such sign

must be located a minimum of ten (10) feet from the nearest adjoining street right of way;

(c) street or directional signs erected by Declarant or by the Association;

(d) any sign constructed by any governmental agency;

(e) identification and informational signs constructed by Declarant, the purpose of which is to assist Declarant in identifying the project and the location of Lots, Living Units, sales offices, amenities, sales models or other uses within Blair Farm;

(f) during property development and sale, Declarant may erect such identifying and marketing signs as it may deem necessary.

(g) signs placed on Amenities or Common Areas by the Declarant or the Association for purposes of identifying the same and/or containing information about the use of such property.

3.9 Mailboxes and newspaper holders shall be erected and thereafter maintained according to standard specifications of Declarant and the rules and regulations of the Association adopted after the Declarant transfers this authority to the Association.

3.10 Walls and fences shall not exceed four (4) feet maximum height above ground elevation. Fences or walls located in the front yard are further restricted so as to not exceed three (3) feet maximum height above ground elevation. Fences facing any street shall not be of the solid opaque barrier type. There shall be no chain link fences on any Lot. Metal or chain link animal fences or cages are specifically prohibited.

3.11 No satellite receiving dish, ham radio antennae, microwave receiving and sending device or any other electromagnetic transmitting or receiving apparatus shall be allowed on any Lot, except when maintained within a building permitted by this Declaration and not visible from outside the building, and except for the following:

- a. satellite receiving dishes no greater in size than twenty four (24) inches in diameter,
- b. underground telephone and cable television wires and cables,
- c. Antenna for receiving commercially broadcast radio/television transmissions and one weather station device as long as such antenna or weather device does not extend more than forty-eight (48) inches above the highest point on the building. Such antennas will be inconspicuous.

3.12 Travel trailers, truck bed campers, habitable motor vehicles, and similar devices (collectively referred to hereinafter as "RV's") are prohibited within any Section; however, RV's may be kept in the driveway or parking area of a Living Unit for up to forty-eight (48) hours to allow an owner to load or unload an RV. Additionally, either the Declarant or the Association may designate an area of Common Area for the purpose of storing RV's and boats and boat trailers of the Owners of Living Units.

3.13 No motor vehicle that is junked, partially wrecked, fails to display a current license plate, fails to display a current North Carolina inspection sticker, or is non-operative, shall be placed or allowed to remain on a Lot or within a Section except within an enclosed garage.

3.14 No lawn or garden equipment shall be parked or stored on a Lot or within a Section except in an enclosed structure otherwise permitted by this Declaration.

3.15 A single boat not exceeding twenty five (25) feet in length may be kept on a Lot provided it is on a trailer and the boat and trailer are properly licensed.

3.16 No motor vehicle or boat dismantling or repairing is permitted on a Lot or within a Section subject to this Declaration.

3.17 No stripped, partially wrecked or junked motor vehicle or boat, or a part thereof shall be permitted to be parked or kept on a Lot or within a Section subject to this Declaration.

3.18 No unlicensed motorcycles, dirt bikes, go-carts, or all terrain vehicles ("ATV's") shall be operated on

the subdivision streets or common areas.

3.19 No trucks (including the tractors of "tractor - trailer" rigs) exceeding one ton shall be parked on a Lot or on a street within a Section except for trucks making deliveries to a Lot or Living Unit and except for trucks used in construction or development of the Property or Living Units.

3.20 All lots located within Blair Farm shall be maintained in a clean and attractive condition. To further this goal the following restrictions are placed on the Property:

- a. The accumulation or storage of any rubbish, trash, debris, or unused material is prohibited. Any construction debris shall be removed no later than fourteen (14) days following substantial completion of a construction project on any property subject to these Covenants.
- b. No trash, ashes, garbage or other refuse shall be dumped, stored or accumulated on any Lot or Common Area except in places and containers approved by the Association.
- c. All Lots, whether occupied or unoccupied, shall be well maintained so they are compatible with the rest of the neighborhood. In order to ensure compliance with these requirements, the Association shall have the right and authority, which is specifically acknowledged by the owner of each Lot, to go upon each Lot on a frequency deemed desirable by the Association, and cause any or each of such Lots to be mowed, and trash and debris located thereon to be removed. To compensate the Association for this expense, the owner of each Lot serviced by the Association shall pay to the Association, as a special assessment, a sum equal to the actual cost to the Association causing this work to be accomplished.
- d. Cut grass and other vegetation waste will be properly disposed of and will not be deposited or allowed to gather in the Subdivision streets or storm water drainage system.

3.21 All fuel storage tanks and LP gas tanks shall be screened or concealed in such a fashion that they are not visible from adjacent Lots or streets.

3.22 All trash and garbage receptacles shall be screened or concealed in such a fashion that they are not visible from adjacent Lots or streets except on the pick up day.

3.23 No window air conditioner shall be installed where it will be visible from adjacent streets.

3.24 No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot or within any Living Unit, except that dogs, cats and other household pets in a reasonable number established by the Association may be kept provided that such pets do not constitute a danger or nuisance to other Living Unit owners or their permitted pets. No animal shall be kept, bred or maintained for any commercial purpose. Snakes and other animals that are known to be harmful to humans are not to be brought to or kept in the subdivision. Wire fences or cages for keeping dogs, or other animals are prohibited outside of a Living Unit. The Association shall have the authority to prohibit from all Sections annexed to this Declaration specified breeds of dogs or other animals with reputations for vicious tendencies.

3.25 No temporary structure, tent, shack or other building shall be allowed to remain on a Lot for a period greater than forty-eight (48) hours (excluding such items used by contractors in the course of construction of Structures).

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

4. Owners Association.

4.1 Creation. An Owners Association named Blair Farms Owners Association, Inc. (hereinafter "Association") is or will be created by Declarant. Every Owner of a Lot or Living Unit within the Property subject to this Declaration, including Declarant, shall be a member of the Association. Each new Owner automatically becomes a member of the Association upon acquisition of his Lot or Living Unit. Upon disposition of said property such Owner's membership automatically terminates. Mortgage holders or other equitable holders of rights shall not be members of the Association.

4.2 Voting Rights. The Owner of each Lot or Living Unit shall be a voting member of the Association. One vote shall be allowed for each Lot or Living Unit; however Declarant shall have two votes for each Lot or Living Unit owned by Declarant until Declarant has sold one hundred and twenty five (125) Lots or Living Units at which time Declarant shall thereafter have the same voting right as other members. To the extent that there is more than one owner of any one Lot and or Living Unit, said owners shall determine among themselves, and designate, one voting member, which voting member shall cast the vote allocated. If the owners cannot agree among themselves, the Board of Directors of the Association shall determine and designate a voting member from among the owners.

4.3 Board of Directors. The Association shall be governed by a Board of Directors. Until Declarant has sold one hundred twenty five (125) Lots or Living Units within Sections annexed to this Declaration, Declarant shall appoint a majority of the members of the Board. As long as Declarant has the right to appoint a majority of the members of the Board, the Board shall consist of three members. Declarant's appointees need not be members of the Association. Upon the sale of the one hundred and twenty five (125) Lots or Living Units, or the end of the Development Period, or relinquishment of Declarant's right to appoint a majority, the Board will thereafter be selected in accordance with the Bylaws of the Association. All power and authority of the Association is exercisable by the Board of Directors.

4.4 Bylaws. The Bylaws of the Association may be amended as set forth therein. In the event any provision of the Bylaws are inconsistent with the provisions of this Declaration, the provisions of this Declaration shall control.

4.5 Duties of the Association. The Association shall have the responsibility for operating, maintaining, and replacing all Association Property. The Association shall be responsible for adopting rules and regulations governing utilization of such Association Property (subject to the limitations contained herein). To the extent deeded to the Association, the Association shall be obligated to accept ownership of all Association Property including Amenities, designated on any recorded subdivision plat of any portion of Blair Farm made subject to the terms and provisions of this Declaration.

4.6 Powers of the Association.

4.6.1 The Association, by action of the Board of Directors on behalf of the Association, shall have the following powers contained in G.S. 47F-3-102 of the Act:

- a. Adopt and amend rules and regulations;
- b. Adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from Lot or Living Unit Owners;
- c. Hire and discharge managing agents and other employees, agents and independent contractors;
- d. Institute, defend or intervene in litigation or administrative proceedings on matters affecting the planned community;
- e. Make contracts and incur liabilities;
- f. Regulate the use, maintenance, repair, replacement, and modification of common elements;
- g. Cause additional improvements to be made as a part of the common elements;
- h. Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, provided that common elements may be conveyed or subjected to a security interest only pursuant to G.S. 47F-3-112;
- i. Grant easements, leases, licenses, and concessions through or over the common elements;
- j. Impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements other than the limited common elements and for services provided to lot owners;

- k. Impose reasonable charges for late payments of assessments and, after notice and an opportunity to be heard, suspend privileges or services provided by the association (except rights of access to lots) during any period that assessments or other amounts due and owing to the association remain unpaid for a period of 30 days or longer;
- l. After notice and an opportunity to be heard, impose reasonable fines or suspend privileges or services provided by the association (except rights of access to lots) for reasonable periods for violations of the declaration, bylaws, and rules and regulations of the association;
- m. Impose reasonable charges in connection with the preparation and recordation of documents, including, without limitation, amendments to the declaration or statements of unpaid assessments;
- n. Provide for the indemnification of and maintain liability insurance for its officers, executive board, directors, employees, and agents;
- o. Assign its right to future income, including the right to receive common expense assessments;
- p. Exercise all other powers that may be exercised in this State by legal entities of the same type as the association; and
- q. Exercise any other powers necessary and proper for the governance and operation of the association.

4.6.2 In addition to the powers incorporated from the Act above, the Association, by action of the Board of Directors on behalf of the Association, shall also have the following powers:

- a. to enforce any provision of this Declaration and any amendment or supplement hereto;
- b. to undertake any activity that is reasonable and necessary for the maintenance and operation of the properties specifically made subject to this Declaration;
- c. to acquire and operate the Amenities;
- d. to adopt and enforce rules and regulations for the use of the Amenities and Common Areas and the conduct of owners, and their families and guests, in Blair Farms;
- e. to maintain and improve landscaping in the Common Areas;
- f. to insure the Amenities;
- g. to secure liability insurance for the Association, its board members and officers;
- h. to expend Association funds on any activity that is reasonable and necessary or convenient for the operation of the Association or the enjoyment of Blair Farms by Owners whether or not that activity is specifically set forth in this Declaration;
- i. to assess the owners of Lots and Living Units for the cost and expenses of operating the Association and fulfilling its duties and responsibilities. The amount of such assessment will be determined pursuant to the formulas set forth in this Declaration and any amendment or supplement hereto;
- j. to suspend the voting rights of any Lot or Living Unit owner and suspend the rights of the owner, his family and guests, to use any common areas and amenities (except as may be necessary to obtain ingress and egress to the owners Lot or Living Unit) if such member of the Association fails to timely pay any assessment or fine;
- k. employ the services of an engineer, attorney, accountant or other professional.

5. Covenant for Assessments.

5.1 Assessments. Each Owner of every Lot and Living Unit, by the acceptance of title thereto, shall be deemed to covenant and agree to pay to the Association assessments as outlined in this Declaration. The purpose of the assessments will be to defray the common expenses of the Association to include, but not be limited to the operation, maintenance, repair, replacement and improvement of Common Properties and Amenities; for capital improvements to Common Properties and Amenities; for administration of the Association, and for enforcement of this Declaration. These assessments are to be fixed, established and collected from time to time as hereinafter provided. The assessments may be classified as (a) Standard, (b) Supplemental, and (c) Special. Lots or Living Units in Sections annexed to this Declaration subsequent to the recording hereof, shall be subject to initial assessment upon the conveyance of such Lot or Living Unit by the Declarant to a third party but Declarant shall be obligated to pay such assessments beginning eight months from the annexation of such additional Section to this Declaration, on unsold Lots or Living Units.

(a) A Standard Assessment uniform in amount will be assessed against each Lot or Living Unit in each Section subjected to this Declaration. The Standard Assessment will be made on an annual basis but will be payable monthly or quarterly as determined by the Board of Directors. The initial Standard Assessment assessed against each Lot or Living Unit shall be \$350.00 for the first fiscal year of the Association. The Standard Assessment for all subsequent fiscal years will be determined by the Board of Directors.

(b) A Supplemental Assessment will be assessed against each Lot that is greater in area than two acres. The amount of the Supplemental Assessment will be determined by multiplying the Standard Assessment by a fraction the numerator of which is the square footage of the Lot that exceeds two acres and the denominator of which is 90,000 square feet. The product divided by two is the amount of the Supplemental Assessment. (By way of illustration if the Standard Assessment is \$1,200.00 per year and a Lot is 180,000 square feet in size or approximately four acres, the Supplemental Assessment for said Lot will be determined by multiplying \$1,200.00 by the fraction $180,000/90,000$ for a product of \$2,400.00. Divide the \$2,400.00 by two for a quotient of \$1,200.00 which is the annual Supplemental Assessment for the Lot.) This Supplemental Assessment will be in addition to the Standard Assessment. (Note: The concept of Supplemental Assessment is included in this Declaration to address the possibility that future Sections will have extraordinarily large lots which will reduce the number of properties available for Standard Assessment thus reducing potential income to the Association. The Supplemental Assessment is designed to make up lost potential revenues to the Association resulting from the platting and sale of lots exceeding two acres.) The Supplemental Assessment will be made on an annual basis but will be payable monthly or quarterly as determined by the Board of Directors.

(c) A Special Assessment may be levied by the Board of Directors from time to time to provide revenues for budget short falls that arise from unforeseen circumstances or otherwise, or to provide revenues for capital improvements. Special Assessments will be payable as directed by the Board of Directors.

5.2 Lien and Personal Obligation.

a. All assessments levied by the Association, and any installment thereof, if unpaid for a period of thirty (30) days after the due date, shall constitute a lien on the Lot and/or Living Unit against which such assessments are made when filed of record in the office of the Clerk of Superior Court of Carteret County in the manner provided therefor by Article 8 of Chapter 44 of the General Statutes of North Carolina (or any replacement article). The Association's lien may be foreclosed in like manner as a mortgage on real estate under power of sale under Article 2A of Chapter 45 of the General Statutes of North Carolina with the Association being deemed as holding the power of sale.

b. The lien under this section is prior to all liens and encumbrances on a Lot or Living Unit except (i) liens and encumbrances (specifically including, but not limited to, a mortgage or deed of trust on the Lot or Living Unit) recorded before the docketing of the claim of lien in the office of the clerk of superior court, and (ii) liens for real estate taxes and other governmental assessments and charges against the Lot or Living Unit. This subsection does not affect the priority of mechanics' or materialmen's liens.

c. Where the holder of a first mortgage or first deed of trust of record, or other purchaser of a Lot or Living Unit, obtains title as a result of foreclosure of a first mortgage or first deed of trust, such purchaser and its heirs, successors, and assigns, shall not be liable for the assessments against such lot which became due prior to the acquisition of title to such lot by such purchaser. Such unpaid assessments shall be deemed to be common expenses collectible from all the lot owners including such purchaser, its heirs, successors, and assigns. However, the Lot or Living Unit is liable for assessments, or installments thereof, that become due and payable after acquisition of title.

d. Each assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, in addition to constituting a lien when thirty days delinquent, shall also be the personal obligation of the owner of the Lot or Living Unit at the time the assessment, or installment thereof, was due. In addition to foreclosure of its lien, the Association may also institute suit against the owner for collection of the delinquent assessment. The personal obligation for assessments which are delinquent at the time of transfer of a Lot or Living Unit shall not pass to the transferee of said Unit unless said delinquent assessments are expressly assumed by the transferee.

e. The remedies set forth herein are cumulative and shall be in addition to any other remedy provided to the Association by law.

f. If it is necessary for the association to enforce any lien, or to pursue a civil action to recover unpaid assessments, the Association shall be entitled to recover its actual reasonable attorneys fees, court costs, and any other expenses in connection therewith.

g. As used in this Declaration the term "assessment, if more that 30 days delinquent is deemed to include interest thereon at the rate of twelve percent (12%) per annum, the Association's actual reasonable attorneys fees incurred in collecting the delinquent assessment(s), and other costs of collection incurred by the Association.

5.3 Declarant's Credit for Subsidy. Declarant will receive a full credit against assessments on all Lots and Living Units owned by Declarant for all sums Declarant contributes annually to subsidize the common expenses of the Association, as more particularly described below.

6. Amenities.

6.1 Declarant intends to construct certain Amenities, including a club house, swimming pool and tennis courts, for the benefit of the owners of Lots and Living Units. These amenities will be conveyed to the Association by the Declarant at the time the Declarant determines is appropriate. Thereafter, the Association, by and through its Board of Directors, shall pass appropriate rules and regulations with regard to the use, care, and operation of those Amenities. The initial assessments levied by the Association may not be sufficient to defray the costs of operating and maintaining the Amenities in Blair Farm.

6.2 The Declarant in its sole and absolute discretion and without being bound in law or equity to do so, may subsidize the operation and maintenance of the Association Properties for as long as it determines such subsidy is appropriate. Declarant will receive a credit against assessments on all Lots owned by Declarant for all sums Declarant contributes to subsidize the common expenses of the Association.

7. Associate Membership.

7.1 Each owner of a lot within (a) the subdivision of Blair Pointe the plat of which appears of record in Map Book 29 at pages 181 through 183, Carteret County Registry, and (b) within that tract of land conveyed by Declarant to Robert F. Youngblood by deed dated _____, recorded in Book _____, Page _____, Carteret County Registry, shall have the right to join the Association as an associate member. Associate membership shall entitle such Associate Member and his Family and Guests to full use and enjoyment of the Amenities to the same extent as owners of Lots or Living Units within Blair Farm.

7.2 An Associate member shall have no right to vote on Association business and shall have no right to enforce the provisions of this Declaration except as to the right to become an Associate Member.

7.3 An Associate Member, during his associate membership, shall pay to the Association periodic dues in the same amount assessed to the owners of Lots or Living Units in Blair Farm as Standard and Special Assessments. Upon joining, the Associate Member binds himself to pay a minimum of a year's dues, regardless of his resignation or termination as an Associate Member during the year.

7.4 Associate membership is voluntary on the part of the Associate Member and is effective only as long as the Associate Member owns a lot in Blair Pointe. An Associate Member may resign his membership by delivering a written resignation to the Association to be effective on a date subsequent to delivery of the resignation. The Association by written notice may terminate the membership of an Associate Member for delinquency in the payment of any dues that exceeds sixty days. In the event of a termination of an associate membership for any reason other than the sale of such

Associate Member's Blair Pointe lot, such former Associate Member shall forfeit the right to join the Association. The Association shall nonetheless have the right to accept the person back into associate membership upon the payment by such person of all dues that would have been payable during the period the membership was terminated. In the event of resignation or termination of associate membership for any reason whatsoever, such Associate Member shall not be entitled to any refund of any dues or assessments paid or prepaid.

7.5 Unless membership is terminated, all dues assessed against the Associate member shall be the personal obligation of the Associate Member and may be collected by the Association by civil action. In the event of collection by civil action, the Association's costs of collection, including attorneys fees, shall be deemed additional dues due and payable by the Associate Member.

7.6 Associate membership is transferable to the purchaser(s) of the Associate Member's Blair Pointe lot without fee as long as there is no delinquency in the dues.

8. ARCHITECTURAL CONTROL AND REVIEW PROCEDURES.

8.1 There shall be established as a committee of the Association an Architectural Review Committee ("ARC"). The ARC will be the Declarant until such time as the Declarant transfers architectural review and control to the Association by written instrument.

8.2 No construction, reconstruction, remodeling, alteration or addition of or to any Structure, building, fence, wall, driveway, or walkway, or improvement of any kind or nature that will be visible from streets, Amenities, or adjacent Lots or Living Units shall be constructed without the prior written approval of the ARC as to appearance, location, and specifications. However, no approval shall be required for the construction of any Living Unit, Amenity, infrastructure, or other Structure constructed or installed by Declarant or the assignee of this specific Declarant right.

8.3 Prior to commencing construction of any Structure on any Lot or on the Property, a plot plan and plans for the Structure including specifications of materials to be used, must be submitted in duplicate for review and approval by the ARC. The location of all existing and proposed structures shall be shown on the plans. There shall be further provided to the ARC sufficient building elevations and landscape plans, including a statement of exterior building materials and proposed exterior colors, to allow the ARC to appropriately and accurately evaluate what is proposed for construction on the Lot.

8.4 The ARC shall approve the plans as submitted, if all required information is submitted, and the following affirmative findings are made by the ARC:

- a. that the improvements sought to be constructed will not have negative economic impact on any other property within Blair Farm;
- b. that all required specific building standards and other conditions contained within this Declaration as amended or supplemented have been met;
- c. that the improvements are architecturally compatible with proposed or constructed improvements on other properties within its Section and within Blair Farms, and are consistent with the general construction standards and guidelines set out herein, and supplemented by the ARC;
- d. that the improvements have been situated on the Lot within the applicable setbacks; and
- e. that the impervious surface limitation coverage proposed on each Lot is consistent with the requirements of the DEHNR.

The discretion given to the ARC shall be utilized in an effort to ensure that all structures within the subdivision are compatible with the neighborhood and do not pose undue burdens on other Owners. The ARC may not impose any requirement that violates any construction code or other law or ordinance. The ARC shall be the sole arbiter of the plans and specifications for improvements and may withhold approval for any reason including purely aesthetic considerations.

8.5 Procedure. The ARC shall have thirty (30) days to approve or disapprove such submitted plans and

specifications after receipt thereof. The ARC may extend the approval period by an additional thirty (30) days by giving written notice to the applicant. Failure to respond within the time period provided shall constitute approval by the ARC by default.

8.6 Documentation. One set of plans, denoted as approved (or approved with specified conditions) shall be retained by the ARC and the other shall be returned to the applicant. ARC shall be obligated to specify the particular grounds upon which denial of any application is founded.

8.7 Right of Appeal. Any Owner disagreeing with the finding of the ARC may appeal the decision to the Board of Directors of the Association by giving written notice of appeal to the President of the Association within fifteen (15) days following receipt of notice of denial (or notice of imposition of conditions unacceptable to said owner). The Board of Directors of the Association shall then review the plans, giving the Chairman of the Committee the opportunity to present to the Board of Directors of the Association specific reasons why the plans were denied, in the presence of the owner or his agent, and the owner or his agent may present information challenging the findings of the Committee. The decision of the ARC shall only be overridden by unanimous vote of the entire membership of Board of Directors of the Association. This provision shall not be applicable until such time as Declarant has relinquished control of the ARC to the Association, as more fully set out herein.

8.8 Notices. All notices required to be given herein shall be given in writing, hand-delivered or mailed postage prepaid, return receipt requested.

9. Variances.

9.1 Variances from the terms of all provisions of this Declaration and all amendments and supplements hereto, EXCEPT as to storm water restrictions and except as to residential use of the Property including the requirement that dwellings be limited to use by one Family, may be granted pursuant to the procedures set forth herein in cases where a literal enforcement of the provisions of this Declaration will result in practical difficulty or unnecessary hardship to a Lot or Living Unit owner.

9.2 An owner, or a proposed purchaser of a Lot or Living Unit who holds a valid purchase contract, shall file a written request for a variance with the ARC which request shall detail the variance owner seeks. Such variance shall first be approved by a majority of the members of the ARC which committee shall then transmit the request for variance to the Board of Directors of the Association. After receiving approval from the ARC, the applicant must determine from the Association a date time and place for a Board of Directors' meeting to consider the variance request. The applicant must then send written notice to the owners of Lots or Living Units within Blair Farms whose properties are located within 500 feet of applicant's property ("Adjacent Owners") advising of the variance request and the date, time and place of the Association's Board of Directors' meeting to consider the request. Notice of the meeting must be mailed by first class mail or hand delivered to the Adjacent Owners at least 14 calendar days before the scheduled meeting of the Board of Directors. The Adjacent Owners' identity and addresses may be determined by the Carteret County tax records. Prior to or at the meeting, the applicant for a variance must file an affidavit indicating that the notice requirements of this section have been met and including the names and addresses of the Adjacent Owners notified.

9.3 At the meeting, the Board of Directors will consider the request for variance and will receive comments from Adjacent Owners and other interested property owners. In order for a variance request to be granted, the Board of Directors of the Association by majority vote must approve the request in addition to the approval required of the Architectural Review Committee.

9.4 In granting a variance, the Architectural Review Committee and the Board of Directors may jointly attach thereto such conditions regarding the location, character and other features of the proposed building, or structure, as they may deem advisable in furtherance of the purposes of the Protective Covenants.

9.5 To be effective, the terms of the variance must be set forth in a written instrument which will recite that the provisions of this section have been complied with including approval by both the Architectural Review Committee and the directors of the Association. The instrument shall be executed by officers of the Association and recorded in the Carteret County Register of Deeds Office. All costs incurred by the Association in reviewing, approving, preparing for recording and recording (including attorney's fees) shall be paid by the applicant as a condition of the variance.

9.6 A variance granted hereunder shall run with the title to the property. The applicant for a variance is solely responsible for acquiring variances from any applicable governmental land use regulations.

10. Streets.

10.1 Declarant shall construct all streets within Blair Farm to standards specified by the Town of Morehead City for residential streets. Upon completion of construction of such streets, the Declarant has the exclusive right and privilege, but no obligation, to dedicate any or all the roads constructed on the property subject to this Declaration as public ways, maintained and controlled by the Town of Morehead City. The area within the right of way of any street between pavement and Lot boundary shall be maintained by the owner of the adjacent Lot as a part of such owners Lot, subject to the ordinances and regulations of the Town of Morehead City. This area, however, shall remain subject to all terms and provisions of this Declaration as amended or supplemented. Declarant shall maintain such streets to standards imposed by the Town of Morehead City until the earlier of the following:

- a. Transfer of the maintenance responsibilities for any street to the Association or to any other Association chartered to administer any Section within Blair Farm, which transfer shall only be made at such time as said streets meet all applicable standards so as to qualify for acceptance by the Town of Morehead City; or
- b. Acceptance by the Town of Morehead City of maintenance responsibilities for such street; or

10.2 Nothing contained herein shall prohibit Declarant from constructing private streets, not offered for dedication to the Town of Morehead City or the public which streets are to be owned and maintained by an owners association created to administer common areas of one or more Sections. Any such private streets shall be constructed in accordance with the standards for private streets established by the Town of Morehead City.

11. Storm Water Permit.

11.1 The State of North Carolina has imposed limitations on the amount of impervious surfaces that may be created on any Lot to manage the run off of rain or storm water. The limitations and regulations are currently enforced by the North Carolina Department of Environmental Health and Natural Resources ("DEHNR"). The amount of impervious surface allocated to each Lot will be set forth in this Declaration as to Sections Two and Four and as to additional Sections will be set out in an amendment or supplement to this Declaration. Impervious surfaces are defined from time to time by DEHNR, but generally include the utilization of any surface area that has a substantial impact on the ability of such surface to percolate rainwater, and includes areas under roof, driveways, walkways, and other hardened surfaces, including designated parking areas, but generally excluding wood decking. The ARC shall not approve any proposed improvements on any Lot that, when combined with other improvements, exceed the allowed impervious surface limitations.

11.2 In addition to all other restrictions contained within this Declaration, and in accordance with limitations imposed by the State of North Carolina as set out herein, filling in or piping of any vegetated conveyances (ditches, swells, etc.) associated with the development, with the exception of average driveway crossings, is strictly prohibited. Furthermore, areas allowed for construction, which areas are within the Area of Environmental Concern ("AEC") defined under the Coastal Area Management Act ("CAMA") of the State of North Carolina, may have permitted built upon areas reduced in accordance with rules and regulations imposed by the Coastal Resources Commission in accordance with authorization given by the CAMA. In addition, projects covered by permits issued by the State of North Carolina shall maintain a thirty foot wide vegetative buffer between all impervious areas and adjoining surface waters.

12.3 Declarant reserves the right to amend this Declaration, and any amendment or supplement hereto, to keep the Property and any Section in compliance with storm water regulations. Such amendments may include additional restrictions and easements on the Common Properties. Therefore, notwithstanding any provision to the contrary in this Declaration, Declarant shall have the absolute right to, in its sole discretion, amend this Declaration to include any and all such restrictions and/or easements required by DEHNR as part of its approval of a storm water plan for the Property. Any such amendments shall become operative and binding upon all owners, and their properties when set forth in an amendment or supplement to this Declaration and recorded in the office of the Register of Deeds of Carteret County, North Carolina. The Association shall have the obligation and responsibility of maintaining the Common Properties in accordance with such additional restrictions and storm water plans.

12.4 The State of North Carolina through DEHNR, or its successor, is given specific authority to enforce this Declaration to the extent necessary to cause compliance with the impervious surface limitations imposed by the North Carolina Coastal Storm Water Regulations. The remedies available to the State of North Carolina include, without limitation, the remedy of specific performance. None of the impervious surface limitations contained herein may be altered without the prior approval of the State of North Carolina.

13. Additional Properties.

13.1 Additional Properties May be Annexed. During the Development Period, Declarant may subject all or any part of the Property to the terms and provisions of this Declaration by recording an amendment hereto specifically describing such additional or annexed property. In addition to subjecting any or all of the Property to this Declaration, Declarant may also include additional adjacent properties (adjacent being defined as inclusive of properties across a right of way or water body). However, to the extent that any portion of the Property has not been subjected to the terms and provisions of this Declaration at the expiration of the Development Period, the right to annex additional properties as a matter of right shall terminate. Properties shall thereafter be annexed to this Declaration only with the written consent of the Board of Directors of the Association. Declarant may assign the right to annex portions of the Property to third parties. Notwithstanding any provision to the contrary herein, no express or implied negative restriction on any portion of the Property not specifically annexed to this Declaration shall be deemed to exist.

13.2 Modified Restrictions on Annexed Properties. Declarant may impose such building and site restrictions, standards, and utilization provisions as Declarant deems appropriate on additional Sections annexed to this Declaration even though different from those set forth herein for Section Four - Blair Farm Subdivision; however, all Sections annexed to this Declaration will be subject to the provisions of this Article A. The particular building restrictions and site utilization restrictions contained within an amendment or supplement to this Declaration subjecting additional properties to the terms and conditions hereof shall be binding upon the properties described in such amendment. To the extent that there are no such modifications contained in such amendment or supplement, all of the terms, provisions and conditions, including all building restrictions and site utilization restrictions set forth in this Declaration for Section Four, shall be fully applicable to such annexed properties.

13.3 Additional Owners Associations. Declarant reserves the right to establish an additional and separate owners association for any Section annexed to this Declaration. Owners in such Sections shall nevertheless be members of Blair Farm Owners Association, Inc. and will be subject to all of the terms and provisions of this Declaration.

14. RESERVATION OF RIGHTS. Declarant hereby reserves the right to utilize all streets and roads within each Section for purposes of ingress and egress to properties within Blair Farm owned by it, or for purposes of providing access to other contiguous properties owned by it. This right shall be assignable by Declarant to successors in interest of properties within Blair Farm to which Declarant makes a specific written delegation of a part or all of its reserved rights. Any utility easements reserved as shown on any recorded plat (and all roadways shall be deemed for this purpose a utility easement) shall be available for utilization by Declarant, authorized utility companies (including the Town of Morehead City), or by the owner of any Lot or Living Unit within Blair Farm, for purposes of providing utility services or necessary drainage, but as to Lot or Living Unit owners, only upon approval of the Association given by its Board of Directors.

15. UTILITY EASEMENTS. There is hereby reserved a general utility easement along the portion of all properties fronting on any platted street within the subdivision. This easement is ten feet in width and contiguous with all platted streets. Any and all other easements as depicted on the plat are also reserved for the purposes stated.

16. DRAINAGE EASEMENTS. The Sections now or hereafter made subject to this Declaration contains, or may contain, dedicated drainage easements as appear on the recorded Section plats. These drainage easement are for the use and benefit of all of the owners of property within the Subdivision and shall be maintained in a condition necessary to accomplish their intended purpose. Until such responsibility is assumed by the Town of Morehead City, it shall be the duty of the Association to provide for the continuous maintenance of these drainage easements. To facilitate this maintenance the Association shall have authority to contract for any necessary maintenance work.

17. RESUBDIVISION. No resubdivision of any single Lot shall be allowed. Declarant reserves the right, however, to sell and convey to any grantee more than one (1) contiguous Lots or portion thereof without the same being a violation of this Declaration. Provided however, that if Declarant does make such a conveyance of a Lot and a portion of another Lot, then thereafter the conveyed property shall become a single land unit and further re-subdivision shall not be permitted, and

all restrictions constrained herein shall then apply to that single land unit as a single lot.

18. COMBINATION OF LOTS. The Owner of multiple contiguous lots may construct a single dwelling overlapping interior lot lines, and such overlap will not be a violation of any of these covenants. Provided however, that once such multiple lot construction takes place, then said multiple lots become one (1) single land unit and further re-subdivision is not permitted, and all restrictions contained herein shall then apply to that single land unit as a single lot. Even if a Lot or Lots are combined, for the purposes of calculating and paying assessments, they shall be deemed to be the number of lots that existed before the combination.

19. ENFORCEMENT.

19.1 This Declaration, including any amendment hereto, may be enforced by:

- a. any individual Lot or Living Unit owner,
- b. the Association, or
- c. the Declarant, as long as Declarant owns any property within Blair Farm.

19.2 In addition, the State of North Carolina shall have enforcement rights relating to the storm water management provisions of this Declaration.

19.3 Remedies available to any party enforcing this Declaration shall include, but are not limited to, specific performance. In any action to enforce this Declaration, including any action to collect assessments of any type, or to foreclose upon any real property for non-payment of such assessments, all costs associated with said collection, including court costs and reasonable attorney's fees, shall be collected as an additional charge. In addition, interest at the rate of twelve percent (12%) per annum shall be collected from the due date of any assessment, until paid in full.

20. AMENDMENTS.

20.1 This Declaration shall continue in full force and effect until 12:00 noon on January 1, 2010, at which time it shall be automatically extended for successive periods of ten (10) years, unless a document terminating this Declaration is recorded prior to any renewal date in the office of the Register of Deeds of Carteret County. Termination shall require the written consent of eighty per cent (80%) of the owners of Lots or Living Units subjected to this Declaration.

20.2 This Declaration may be amended at any time with the approval of the owners of sixty-seven percent (67%) of the Lots and Living Units subjected to this Declaration by written ballot cast at a meeting of the members of the Association or by document bearing the signatures of the requisite number of such owners. No amendment shall be effective until reduced to writing and recorded at the Carteret County Registry. No amendment shall alter the rights reserved to Declarant without Declarant's written consent.

20.3 In addition to all other rights reserved to Declarant, Declarant reserves the right to unilaterally amend this Declaration:

- a. to bring the same into conformity with any guidelines of the Veteran's Administration, Federal Housing Administration, Federal National Mortgage Association, or similar organizations;
- b. to clarify ambiguities or inconsistencies contained herein; or
- c. to add or delete any incidental provisions deemed in the sole discretion of Declarant to be in the best interest of any Section of Blair Farm, and the Owners therein.

Declarant's rights to amend set forth in this section shall continue for so long as Declarant owns any real property within Blair Farm, or for twenty five (25) years from the recording hereof, whichever is the first occurring event. In the event the Declarant amends this Declaration, such amendment will be recorded in the Carteret County Registry and a copy filed with the Association.

21. BINDING EFFECT. All covenants, restrictions, reservations, easements and privileges contained herein shall run with the land and the grantee, by accepting any deed to any portion of such land subjected hereto, accepts the same subject to this Declaration and its terms and conditions and agrees for himself, his heirs, successors and assigns, to be fully bound by each and all of the terms and conditions of this Declaration, jointly, separately, and severally.

22. RUNS WITH THE LAND. With respect to each Section specifically subjected to this Declaration, whether described below or in an amendment or supplement, this Declaration shall run with such land and shall bind and inure to the benefit of the owner of each Lot and Living Unit.

23. Waiver. No provision contained in this Declaration, the Bylaws or the Rules, or in the Architectural Standards shall be deemed to have been waived, abandoned, or abrogated by reason of failure to enforce them on the party of any person as to the same or similar future violations, no matter how often the failure to enforce is repeated.

24. Invalidation. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, and all of the remaining will remain in full force and effect.

25. Town Ordinances. The property subject to this Declaration is located within the Town of Morehead City, and to the extent applicable, is subject to its ordinances and regulations.

26. MISCELLANEOUS. As used herein the masculine, feminine, and neuter genders are interchangeable, and the singular includes the plural, all as required by context.

ARTICLE B

SUBMISSION OF SECTION FOUR

BLAIR FARM SUBDIVISION TO THE DECLARATION

27. Submission of Section Four. Section Four - Blair Farm Subdivision, according to the plat thereof prepared by Baldwin and Associates, Surveyors, recorded in Map Book 29, Pages 523 through 525, Carteret County Registry (referred to hereinafter as "Section Four"), is hereby submitted to Article A of this Declaration. In addition to all terms and provisions of Article A, the following restrictions, covenants and easements shall also bind, and inure to the benefit of, the Lots in Section Four and shall run with the title of said Lots.

27.1 Only one single Family dwelling and one detached appurtenant structure is permitted on any Lot within Section Four.

27.2 Every garage constructed on any Lot must be of sufficient size to simultaneously house or store at least two (2) full size automobiles, but not more than three (3) full size automobiles.

27.3 Structures generally referred to as "carports" are prohibited.

27.4 No construction shall be permitted which utilizes a flat-top roof.

27.5 Any dwelling constructed on any corner lots (lots fronting on more than one street) shall make the exterior finish and decor (shutters, doors and windows) consistent on the sides which front these streets.

27.6 Each Living Unit must contain the following minimum enclosed living space. For purposes of this section, minimum enclosed living areas shall consist of heated area, exclusive of all garages, attics, porches, patios and decks.

(a) one story house - 1,800 square feet;

(b) one story house with attached enclosed two car garage - 1800 square feet;

(c) one & one-half story house - 1,400 square feet first floor, 500 square feet second floor;

(d) two story - 1,000 square feet first floor, 1,000 square feet second floor;

(e) three story (and two and one half story house) -1,000 square feet first floor; 1,000 square feet second floor; 800 square feet third floor.

27.7 No structure containing more than three living floors shall be allowed.

27.8 There shall be only one (1) curb cut for each dwelling unit constructed on a Lot and that single curb cut shall be for ingress and egress for driveway purposes. Specifically, no curb cuts shall be permitted for the discharge of water (such as gutters, downspouts, water softeners or water drainage from air conditioners) from a Lot to the streets in the subdivision. Notwithstanding the foregoing, the ARC may permit two curb cuts to accommodate a circular drive.

27.9 Construction of a Structure on a Lot shall be completed within 12 months from its commencement. For purposes of this item, the commencement of construction shall be the date of the issuance of the building permit or actual commencement of the construction of improvements, whichever comes earliest. Completion shall include finishing of the exterior of any building, landscaping, finish painting, construction of the driveway, final trash cleanup, the issuance of a certification of occupancy and installation of permanent electrical service, all as required by context.

28. Section Four Storm Water Restrictions. Consistent with the storm water management permit from DEHNR for Sections Two and Four - Blair Farms Subdivision, the following restrictions apply only to Sections Two and Four:

- a. The allowable built-upon area per Lot in Section Four is 5,656 square feet, inclusive of that portion of the right-of-way between the front lot line and the edge of the pavement. All impervious surfaces including buildings, pavement, and walkways of brick, stone, and slate, but excluding uncovered wood decking and the water surface of swimming pools, are cumulatively subject to this 5,656 square feet limit.
- b. The covenants pertaining to storm water regulations may not be changed or deleted without concurrence of the DEHNR.
- c. Filling in or piping of any vegetated conveyances (ditches, swales, etc.) associated with the development except for average driveway crossings, is strictly prohibited by any persons.
- d. Lots within Coastal Area Management Act's ("CAMA's") Area of Environmental Concern ("AEC") may have the permitted built-upon area reduced due to CAMA jurisdiction within the AEC.
- e. Each lot will maintain a thirty (30) feet wide vegetated buffer between all impervious areas and surface waters.

IN WITNESS WHEREOF, Declarant executes this instrument under seal.

BLAIR POINTE, LLC (SEAL)

By: _____(SEAL)
John W. Gainey, III, Member/Manager

By: _____(SEAL)
David A. Horton, Member/Manager

By: _____(SEAL)
Larry N. Land, Member/Manager

By: _____(SEAL)
K. Dean Wagaman, Member/Manager

STATE OF NORTH CAROLINA

COUNTY OF CARTERET

I, the undersigned, a Notary Public of said County and State, do hereby certify that JOHN W. GAINEY, III, Member/Manager of Blair Pointe, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this ____ day of June, 1999.

NOTARY PUBLIC

My Commission Expires:

STATE OF NORTH CAROLINA

COUNTY OF CARTERET

I, the undersigned, a Notary Public of said County and State, do hereby certify that DAVID A. HORTON, Member/Manager of Blair Pointe, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this ____ day of June, 1999.

NOTARY PUBLIC

My Commission Expires:

STATE OF NORTH CAROLINA

COUNTY OF CARTERET

I, the undersigned, a Notary Public of said County and State, do hereby certify that LARRY N. LAND, Member/Manager of Blair Pointe, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this ____ day of June, 1999.

NOTARY PUBLIC

My Commission Expires:

STATE OF NORTH CAROLINA

COUNTY OF CARTERET

I, the undersigned, a Notary Public of said County and State, do hereby certify that K. DEAN WAGAMAN, Member/Manager of Blair Pointe, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this ____ day of June, 1999.

NOTARY PUBLIC

My Commission Expires:

Exhibit A

Blair Farm

In Morehead Township, Carteret County, North Carolina, beginning at a point in the eastern right of way line of 20th Street Extension (N.C.S.R. 1176) which point is located the following two courses and distances from the intersection of the center lines of Country Club Road (N.C.S.R. 1177) and 20th Street Extension: (1) In a southerly direction with the center line of 20th Street Extension 3601.26 feet, and (2) S 89-24-48 E 30 feet to the point or place of beginning. (The point or place of beginning is also the southwest corner of the Andrew A. Midgette, Sr. [now or formerly] property on 20th Street Extension per deed recorded in Book 755, Page 458, Carteret County Registry.) From said point or place of beginning run thence S 89-24-48 E 1443.80 feet to a point; thence N 04-11-03 W 873.10 feet to a point; thence S 61-54-58 E 470.56 feet; thence S 62-00-01 E 1113.93 feet; thence S 61-59-08 E 2305.43 feet to a point; thence S 13-01-04 W 487.93 feet to a point in the northern right of way line of Blair Farm Parkway; thence in a northwesterly direction with the curve of Blair Farm Parkway to a point that if in a straight line is located N 40-06-47 W 474.81 feet (CH) from the previous call. Thence S 36-50-49 W 256.90 feet to a point in a branch of Dill Creek which point is referred to herein at Point A. Thence with the meanderings of Dill Creek generally in a westerly direction (but following the actual meanderings of the high water mark of said creek) to a point, referred to herein as Point C, where the high water mark of the northern bank of Dill Creek intersects with the property of Marvin T. Moore (now or formerly) as described in deed recorded in Book 536, Page 340 Carteret County Registry. The meanderings along the highwater mark of Dill Creek expressed in courses and distances between Point A and Point C are:

CALL TABLE
Point A TO Point C

S 35-23-32 W 67.04', S 63-19-39 W 7.64', S 08-10-01 W 28.65',
S 34-15-46 W 32.12', S 37-18-58 W 33.71', S 39-11-54 W 26.12', S 51-58-54 W 29.42', S 78-43-54 W 9.87', S 84-20-04 W 18.72',
N 46-04-13 W 10.74', S 63-34-40 W 15.71', N 88-59-38 W 15.05', N 46-51-23 W 22.61', S 86-57-03 W 21.44', N 35-10-53 W 13.70',
N 86-50-36 W 14.43', S 18-25-32 E 10.96', S 17-55-01 W 15.93',
N 35-48-17 W 18.66', N 51-43-37 W 7.81', N 20-18-20 W 41.06',
N 26-24-40 E 11.62', N 28-20-33 W 9.71', N 03-33-42 E 10.16',
N 06-20-17 W 16.56', N 74-08-40 W 17.83', S 03-55-30 W 20.15',
S 38-17-11 E 6.14', S 05-32-20 W 31.92', S 06-02-33 W 20.68',
N 79-51-54 E 10.17', S 08-57-07 E 47.68', S 24-05-47 E 24.63',
S 60-54-14 E 20.56', S 01-43-59 W 9.00', S 57-04-55 E 29.86',
S 89-33-22 E 24.49', S 43-35-20 E 20.87', S 19-47-01 W 17.53',

S 89-49-12 E 13.04', S 50-18-56 E 11.43', S 09-56-32 W 8.49',
S 11-11-57 E 40.11', S 44-39-39 E 13.61', S 20-49-34 W 21.67',
S 33-11-22 E 17.84', S 17-18-26 E 14.39', S 19-20-32 E 11.31',
S 00-07-11 E 54.41', S 35-26-25 E 14.69', S 01-44-30 W 14.92',
S 30-01-25 W 14.10', S 13-59-23 E 20.86', S 10-04-27 W 34.51',
S 08-00-13 W 216.36', N 43-02-24 W 50.71', N 59-08-49 W 18.25'
N 74-56-35 W 28.40', N 17-17-00 E 64.70', N 56-28-57 W 30.39',
N 22-48-25 W 56.99', S 31-01-59 W 37.22', S 14-26-21 W 83.69',
S 34-35-16 W 46.23', S 18-08-59 E 39.23', S 41-45-42 W 38.06',
S 83-40-37 W 26.04', S 00-15-31 E 19.61', S 73-25-01 W 44.93',
N 81-17-14 W 25.11', N 49-12-45 W 23.35', N 28-30-21 E 21.54'
N 45-16-01 W 14.88', N 08-05-17 W 45.47', N 01-13-34 E 55.50',
S 81-24-30 W 34.53', S 57-31-31 W 24.42', S 52-12-58 W 26.07',
S 70-25-25 W 23.64', N 77-08-09 W 21.78', N 46-33-23 W 39.73',
N 24-26-06 E 56.51', N 26-01-56 E 32.83', N 37-06-15 W 27.60',
N 15-14-37 E 33.97', N 41-43-47 E 29.45', N 11-34-29 W 25.91',
N 49-11-44 E 24.35', S 54-47-33 E 39.96', S 77-43-23 E 24.45',
N 08-56-28 E 69.11', N 56-59-05 W 45.94', N 66-56-10 W 34.44',
N 63-41-20 W 34.98', N 02-28-21 W 73.67', N 18-13-06 E 19.19',
N 24-27-38 W 18.26', N 00-26-30 E 38.64', N 28-09-38 E 18.49',
N 15-29-30 W 24.83', N 19-49-43 E 31.24', N 64-08-51 E 29.48',
N 02-11-55 E 24.33', N 78-37-02 E 28.57', N 32-57-24 W 22.40',
N 65-51-21 W 15.50', N 54-11-30 E 34.40', N 47-56-58 W 50.88',
N 02-56-13 E 28.90', N 56-05-53 E 26.18', N 14-10-35 E 33.25',
N 54-08-25 W 33.45', S 62-27-11 W 47.26', N 27-41-35 W 39.96',
S 67-08-59 W 15.35', N 27-48-44 W 43.20', S 56-56-20 W 13.21',
N 79-50-59 W 19.69', N 00-43-07 E 52.94', N 43-59-51 E 39.53',
S 71-51-22 W 41.13', N 68-15-36 W 24.00', S 53-29-24 W 35.88',
S 71-23-13 W 17.17', N 44-16-55 W 31.28', S 27-28-37 W 32.77',
S 33-52-02 E 33.17', S 52-19-14 W 17.13', S 02-08-31 W 18.62',
S 60-02-26 E 16.53', S 19-36-41 W 14.76', S 66-58-44 E 33.62',
S 13-02-56 E 10.10', N 49-43-56 E 19.39', S 47-29-56 E 30.41',
S 18-57-13 E 44.47', S 07-35-42 E 22.52', N 70-50-16 W 18.59',
S 73-22-46 W 17.07', S 14-25-49 E 19.80', S 47-33-36 W 15.83',
S 03-52-33 E 31.19', S 16-09-44 W 16.85', S 40-46-26 W 43.39',
S 38-10-49 W 68.87', S 47-34-39 W 38.64', S 04-01-20 W 21.18',
S 49-45-07 W 21.69', S 86-09-11 W 18.59', S 84-31-32 W 37.60', N 35-41-25 W 28.65', N 09-50-52 W 42.12', N

25-59-41 W 41.01',

N 14-17-59 W 20.67', N 00-32-52 E 38.19', N 22-06-25 W 41.61',
N 05-05-33 W 36.22', N 06-04-40 E 33.04', N 02-30-03 E 45.74',
N 12-11-12 W 34.61', N 22-54-03 W 36.44', N 09-48-39 W 13.86',
N 57-26-17 W 19.51', N 07-26-18 W 18.01', N 41-23-58 W 29.42',
N 29-49-03 W 26.08', N 30-30-14 W 26.87', S 54-47-59 W 23.96',
S 25-28-00 E 28.42', S 28-04-35 E 27.82', S 06-56-47 W 27.22',
S 00-35-25 E 25.79', S 56-31-21 E 26.21', S 25-15-16 E 27.25',
S 03-24-30 W 33.11', S 17-08-21 W 27.44', S 00-39-34 W 54.88',
S 04-39-15 W 29.83', S 26-50-49 E 23.87', S 09-14-31 W 15.63',
S 46-20-46 E 12.09', S 27-36-06 W 65.30', S 47-40-36 E 60.69',
S 19-04-02 E 44.93', S 17-25-32 E 64.71', S 42-04-33 E 51.18',
S 55-44-03 E 21.25', S 61-33-48 E 61.24', N 88-46-35 E 16.11',
S 56-16-58 E 51.60', S 14-41-45 E 34.44', S 10-25-37 E 55.59',
S 04-57-58 W 89.16', S 05-54-47 W 69.67', S 02-35-01 W 71.02',
S 04-05-47 E 42.65', S 46-18-56 E 17.63', S 01-58-10 W 55.91',
S 04-03-45 W 61.40', S 05-07-57 E 24.28', S 12-56-12 W 38.07',
S 06-47-58 W 58.49', S 10-37-50 W 89.80', S 18-38-31 W 74.13',
S 18-44-05 W 25.90', S 48-41-35 W 69.55', S 45-25-55 W 38.71',
N 54-44-12 W 46.91', S 58-35-20 W 18.93', N 23-57-08 W 92.32',
S 85-45-16 W 23.84', N 36-56-46 W 67.36', N 89-49-32 W 44.50',

S 49-04-07 W 71.56', N 38-16-09 W 68.17', N 03-23-03 W 78.39',
S 89-33-52 W 49.43', N 48-09-27 W 34.04', N 31-29-42 W 49.73',
N 43-20-48 E 79.91', N 15-20-13 W 86.50', N 36-49-45 E 116.06'
84.73', N 10-39-06 W 38.10',
N 28-38-49 E 47.21', N 60-29-06 E 36.32', N 34-59-15 W 16.78',
N 53-22-56 W 44.60', N 05-49-32 W 35.22', N 73-04-48 W 46.37',
N 50-51-12 W 41.38', N 12-10-43 W 78.70', N 00-59-07 W 102.68'
N 00-04-41 E 104.43', N 03-30-09 W 162.46' N 13-37-56 W 64.92'
N 07-00-00 W 46.37', N 02-57-36 W 76.57', N 02-13-53 W 72.70',
N 11-42-54 E 56.05', N 04-01-44 E 60.94', N 02-16-20 E 67.40',
N 14-27-05 E 37.72', N 07-33-03 E 51.99', S 81-55-20 W 19.38',
S 19-23-00 W 32.57', S 20-58-58 W 24.46', S 20-43-21 W 19.98',
S 64-07-06 W 30.76', S 04-45-39 W 77.56', S 06-48-27 E 26.31',
S 22-38-47 E 14.31', S 04-13-57 W 28.50', S 12-53-49 W 71.46',
S 02-03-59 W 39.41', S 06-10-07 E 32.41', S 07-34-12 W 40.52',
S 08-32-49 W 43.32', S 38-25-08 E 13.94', S 33-01-53 W 19.77',
S 05-43-24 E 21.64', S 17-11-45 W 34.11', S 10-01-32 W 43.08',
S 08-40-29 W 58.18', S 24-47-11 W 35.64', S 07-05-03 W 37.45',
S 17-18-02 E 30.78', S 06-59-18 W 44.68', S 14-38-35 W 43.53',
N 79-31-54 W 24.49', N 53-59-44 W 18.30', N 47-42-17 W 24.29'
N 50-31-42 W 60.69', N 20-19-01 W 44.04', N 67-23-54 W 18.87',
N 09-22-59 W 31.84', N 54-44-56 W 26.82', S 70-50-04 W 22.39',
N 26-56-24 W 27.87', N 38-37-37 W 44.00', N 74-49-51 W 11.46',
N 47-44-04 W 18.05', N 16-56-05 E 16.48', N 51-58-36 W 27.10',
N 27-56-47 W 29.04', N 41-30-56 W 51.14', N 77-33-23 W 44.12',
S 45-00-01 E 52.17', S 02-01-09 E 46.15', S 05-05-54 W 32.67',
S 85-13-17 E 15.91', S 36-12-22 E 32.56', S 02-52-31 E 14.34',
S 69-31-47 E 22.84', S 52-04-42 E 14.92', S 41-30-33 E 45.01',
S 21-18-39 E 25.14', S 41-16-00 E 27.64', S 31-21-55 E 23.81',
S 26-09-28 E 45.11', S 27-52-47 E 62.98', S 13-44-57 W 56.66',
S 21-13-59 E 34.46', N 85-06-48 E 30.29', S 61-55-57 E 25.89',
S 04-46-39 W 23.27', S 22-15-22 W 39.70', S 31-15-20 W 25.42',
S 43-06-49 W 47.79', N 18-45-57 W 36.82', S 88-09-34 W 50.43',
S 68-10-55 W 56.85', S 51-28-54 W 29.62', S 25-22-40 E 90.46',
S 20-47-03 E 155.67', S 47-50-24 E 115.11', S 24-43-50 E 19.62'
N 66-31-18 W 46.09', N 46-23-54 W 83.20', N 16-48-44 W 47.16',
N 20-07-42 W 37.57', N 10-19-37 W 31.39', N 44-22-46 W 13.91',
N 07-36-05 W 42.49', N 50-00-06 W 25.83', N 42-37-37 W 26.49',
N 17-18-53 W 32.19', S 77-58-16 W 32.40', S 43-14-59 W 46.00',
S 49-28-08 W 74.93', S 45-41-05 W 44.37', S 20-14-53 W 48.16',
N 65-54-18 W 60.10', S 85-50-03 W 28.73', S 35-04-13 W 42.96',
S 15-06-34 E 35.83', S 32-59-11 E 50.89', S 08-32-45 W 41.46',
S 29-45-39 W 48.70', S 26-08-39 W 48.23', S 51-27-48 W 74.84',
N 10-05-47 E 15.30', N 30-45-13 W 61.71', N 15-20-21 W 30.71',
N 00-56-34 W 85.64', N 39-40-50 E 44.92', N 25-41-30 E 59.68',
N 75-07-59 E 32.70', N 54-06-37 E 36.95', N 05-59-57 E 58.95',
S 88-17-19 W 50.14', S 35-18-01 W 26.18', N 53-32-28 W 41.87',
N 87-45-10 W 40.87', N 04-24-53 E 104.25', N 36-14-59 E 25.27'
N 43-41-23 W 58.99', N 12-12-37 W 37.18', N 23-45-24 E 35.51',
N 50-19-10 E 27.10', N 79-15-08 E 34.08', S 78-03-33 E 53.39',
S 46-24-13 E 44.43', S 80-20-54 E 32.45', N 13-10-38 E 34.47',
N 12-56-25 W 48.99', N 51-34-20 W 41.65', S 67-07-48 W 27.89',
S 66-53-51 W 45.75', N 78-27-03 W 26.16', N 49-38-39 W 40.94',
N 10-12-35 E 25.03', N 04-31-40 W 214.52' N 12-35-58 E 176.79'
N 66-56-57 E 47.08', N 30-01-42 E 26.34', N 64-16-50 E 29.15',
S 86-17-11 E 20.06', N 13-56-17 E 20.19', N 45-01-30 E 56.16',
N 06-30-03 W 49.32', N 30-12-10 W 22.64', N 25-01-22 W 46.51',
N 82-40-10 E 38.68', N 22-35-46 E 62.26', N 08-40-22 E 39.88',

N 02-10-33 W 50.93', N 00-07-15 E 32.87', N 43-46-39 W 22.01',
S 79-00-11 W 26.66', S 31-35-40 W 30.82', S 22-17-00 W 38.66',
S 22-35-51 W 70.83', S 52-09-16 W 32.51', S 61-20-29 W 28.72',
N 51-01-17 W 41.54', N 13-43-37 W 60.70', S 13-07-06 W 13.85',
S 52-42-51 W 53.22', S 24-25-37 W 28.25', S 59-29-51 W 36.96',
N 67-00-25 W 77.15', S 02-59-11 E 29.16', S 45-22-49 E 72.77',
S 34-18-13 E 35.82', S 08-03-57 E 66.62', S 02-09-58 W 66.89',
S 03-19-28 W 29.91', S 15-15-20 W 102.15' S 06-14-04 W 104.94'
S 00-06-31 E 74.10', S 09-35-04 W 68.56', S 27-00-01 W 39.02',
S 46-55-56 W 34.87', S 11-18-08 W 81.21', S 08-19-05 W 203.99'
S 07-59-21 W 157.87' N 67-50-17 W 100.83' N 43-12-30 W 28.61'
N 16-15-35 W 22.77', N 41-55-13 W 69.91', N 51-44-32 W 37.27',
N 46-59-22 W 22.67', N 67-51-26 W 54.10', N 62-49-56 W 44.02',
N 45-37-02 W 34.60', N 34-14-42 W 69.05', N 58-38-30 W 36.65',
N 30-34-38 W 45.74', N 33-56-46 W 21.45', N 45-28-04 W 45.02.'

Run thence from Point C with the Moore (now or formerly) line N 36-27-01 E 184.17 feet to a point; thence N 53-35-34 W 900.09 feet to a point; thence N 79-56-21 W 718.13 feet to a point in the eastern right of way line of 20th Street Extension; thence with the eastern right of way line of 20th Street Extension approximately 950 feet to the point and place of beginning. The foregoing description is taken from a map of Blair Farm Subdivision dated August 13, 1998 revised October 9, 1998 prepared by Baldwin and Associates Land Surveying and Planning for Blair Pointe, LLC.