

PREPARED BY: G. ELVIN SMALL, III

NORTH CAROLINA
PASQUOTANK COUNTY

NEWBEGUN LAND SUBDIVISION
SECTION G

DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION, made this 15th day of October, 1997, by NEWBEGUN LAND GENERAL PARTNERSHIP, A North Carolina General Partnership consisting of Linda Small Etheridge, Di Small Bray, William F. Small, II, Jeffrey R. Small, G. Elvin Small, III, F. P. Markham Small, and Anita S. Oldham, Declarants;

W I T N E S S E T H :

THAT WHEREAS, Declarants are the fee simple owners of that certain tract of land situated near the City of Elizabeth City in Nixonton Township, Pasquotank County, North Carolina, and shown on that certain map or plat entitled "NEWBEGUN LAND - SECTION G," by Edward T. Hyman, Jr., Registered Surveyor, which map or plat is recorded in Map Book 23, Pages 7 and 8, in the Office of the Register of Deeds of Pasquotank County, North Carolina; and whereas it is the desire of the Declarants to establish for the aforesaid property and to subject all of said property to certain protective covenants and use restrictions for the benefit of all of the owners of property within said area;

NOW, THEREFORE, Declarants hereby covenant, declare and make known that the lands shown and delineated on that map or plat hereinabove referred to are hereby subject to the following restrictions as to the use thereof, which said restrictions shall run with the said lands by whomsoever owned, and shall be binding upon the successors in interest of the Declarants:

ONE: If the owner or owners of any lot in Section G of Newbegun Land Subdivision covered by these restrictions, or the successors, heirs or assigns of such owner or owners, shall violate any of the covenants and restrictions herein, it shall be the right of any lot owner to institute proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants or restrictions for the purpose of preventing him or them from so doing, or to recover damages for such violation, or both.

TWO: Invalidation of any of these covenants or restrictions by judgment, court order or otherwise shall in no way affect any of the other provisions contained in this instrument, and the remaining covenants or restrictions shall remain in full force and effect, and these covenants shall therefore be construed and considered as being severable.

THREE: These covenants or restrictions shall be binding upon the lands hereinabove designated and upon all persons owning same or in possession thereof for a period of twenty years after October 15, 1997, and shall be extended for successive periods of ten years thereafter, unless prior to the expiration of said twenty year period or any such ten year period, an instrument executed by the record owners of a majority of the lots included and contained in Section G, Newbegun Land Subdivision, has been recorded revoking or modifying the said covenants or restrictions set forth herein.

FOUR: If any further owner of any lot contained in Section G, Newbegun Land Subdivision, shall desire to sell the lots owned by him, he shall offer the Declarants herein the option to repurchase the said lot(s) at a price no higher than the lowest price he is willing to accept from another prospective purchaser.

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by Dollie J. Summerour
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Declarants agree to exercise said option or reject the same in writing within fourteen days of said offer. These covenants shall be binding on Declarants, their heirs and assigns, and upon all purchasers of any of the aforesaid lots and their heirs and assigns, for as long as any of the Declarants shall live and for twenty years from the date of death of the last of the Declarants to die, unless sooner rescinded.

FIVE: PROPERTY OWNERS' ASSOCIATION

(1) Declarants have heretofore authorized the incorporation of Newbegun Land Association, Inc. (hereinafter referred to as the HOA), pursuant to the provisions of Section FIVE of that certain amended Declaration of Restrictive Covenants recorded in Book 491, Page 555, Pasquotank County Public Registry, the provisions of which are by reference incorporated herein.

(2) Membership - Each person or entity who purchases an equitable interest or undivided equitable interest in any lot within Section G of said Newbegun Land Subdivision shall be a member of HOA, provided that any such person or entity who holds such an interest merely as a security for the performance of an obligation shall not be a member.

(3) Voting Rights - Each "Owner", as that term is defined herein, shall be entitled to one vote and each vote shall be expressed by the "Owner" in person or by proxy. An "Owner" shall mean any person owning any lot or lots in Newbegun Land Subdivision, Section G. Where any lot or lots is/are owned as a tenancy in common or as a tenancy by entirety or other form of multiple ownership, said tenants shall be considered as one "Owner". In no event shall more than one vote be cast by any such "Owner".

(4) Maintenance Assessments - Each "Owner", as defined hereinabove, by acceptance of a conveyance for a lot or lots within the subdivision or any additions thereto, whether or not it shall be expressed in any such deed or conveyance, shall be deemed to covenant and agree to pay to the HOA one annual assessment or charge and special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. Regardless of whether an "Owner" owns one or more lots, he shall pay only one of any assessment levied by the HOA as opposed to multiple assessments for multiple lots. The assessment levied by the HOA shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the subdivision and in particular for the improvement and maintenance of the property, services and facilities devoted to this purpose and related to the use and enjoyment of the common areas, if any, and of the forms and structures situated upon the property.

(a) Annual Assessment or Charge - The annual assessment for members owning unimproved lots in Section G, Newbegun Land Subdivision, shall be in such amounts as have been or may be determined by the HOA, pursuant to the provisions of Section FIVE in the aforesaid amended Declaration of Restrictive Covenants recorded in Book 491, Page 555, Pasquotank County Public Registry. The HOA shall have the right to increase or decrease the annual assessments to reflect the actual cost for providing maintenance and other services. The annual assessment shall commence as to each "Owner" on the first day of the month following the conveyance of a subdivision lot or lots to said "Owner". The first annual assessment shall be adjusted according to the number of months remaining in the calendar year and shall be paid on the first day of the calendar month after the conveyance. At least thirty (30) days before January 1 of each year, the Board of Directors of the HOA shall fix the amount of

The annual assessment for each "Owner" and at least fifteen (15) days before January 1 of each year, shall send written notice of each assessment to every "Owner" subject thereto. The due date for the payment of the annual assessment shall be established by the Board of Directors.

(b) Special Assessments for Capital Improvements - In addition to the annual assessment with regard above, the HOA may levy against each owner in any assessment year a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, repair or replacement of a capital improvement upon the common area, if any, including roads, plans, fixtures and personal property related thereto. Any such levy of a special assessment for capital improvements shall require the affirmative vote of two-thirds of all members. Special assessments shall be governed by the HOA By-Laws, which shall initially require the affirmative vote of two-thirds of all voting owners.

(c) Collection of Assessment - The annual and special assessments, together with interest, costs and reasonable attorneys fees, shall be a charge on the land and shall be a continuing lien upon the property in the subdivision held by the "Owner". Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The HOA may bring an action at law against the property in the subdivision held by "Owner", and interest, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No "Owner" may waive or otherwise escape liability for any assessment provided for herein by abandonment of his property located in the subdivision. The liens provided for herein shall be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust.

5. Architectural Control Committee - An Architectural Control Committee composed of three (3) or more members of the HOA shall be appointed by the Board of Directors of the HOA to insure the architectural integrity of Newbegun Land Subdivision and shall have such powers and authority as hereinafter set out. Provided, however, that the original Declarants reserve the right to reject as members of the Architectural Control or Planning Committee any person or persons appointed by the Board of Directors of the HOA, and the original Declarants further reserve the right to replace any member of the Architectural Control and Planning Committee appointed by the Board of Directors of the HOA with other members of the HOA.

SIX: No business, commercial or professional enterprise or activity shall be conducted upon any lot and no structure shall be erected or maintained upon any lot other than one single family residence, together with such outbuildings or dependencies as may be approved by the Architectural Committee, excepting however, any lot or structure designated as "Common Area" as same is hereinafter defined. Provided however, that, in addition to one single-family residence, as provided for hereinabove, a detached garage for no more than three automobiles may be placed upon a lot. Any such detached garage shall be located at least one hundred feet from the front lot line as shown on the plat of Section G, Newbegun Land Subdivision.

SEVEN: Common Area - "Common Area" shall mean all real and personal property which may be dedicated as such by Original Declarants and/or acquired by the HOA, which property is intended to be devoted to the common use and enjoyment of the members of the HOA and not designated for use by the general public. Every member of the HOA shall have a right and easement of enjoyment in

and to any common area which right shall be appurtenant to and shall pass with the title of every lot, subject to the following provisions:

- (1) The right of the HOA, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Areas and in aid thereof to mortgage said properties and the rights of the members hereunder;
- (2) The right of the HOA, as provided in its Articles and BY-Laws, to suspend the enjoyment rights of any member in the recreational facilities for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations;
- (3) The right of the HOA to charge reasonable fees for special uses that might be made of certain parts of the Common Area by members of the HOA or persons outside the community;
- (4) The right of the HOA to dedicate or transfer all or part of the Common Areas to any public agency, authority or utility;
- (5) Any member may delegate his rights of enjoyment to the Common Area to members of his family and tenants who reside on the property or such other persons as may be permitted by the HOA.

EIGHT: Additions to Existing Property. Additions may be made and other properties made subject to this Declaration of Restrictive Covenants and persons or entities having title to the additional properties shall become members of the HOA and be entitled to all of the benefits and obligations thereof as set out in this Amended Declaration.

NINE: No structure shall be erected, placed or permitted to remain on any lot closer than fifty (50) feet from the front lot line, nor closer than ten (10) feet from the side lines. On waterfront lots, no dwelling shall be erected, placed or permitted to remain on any lot within thirty (30) feet of the high water line.

TEN: When one owner acquires two or more adjoining lots, then and in that event, the adjoining lots may be used as one building site, in which event, the side line restrictions hereinabove set forth shall apply to the outside perimeter property line of the combined lots owned by said Owner. No lots may be resubdivided for the purpose of creating additional lots.

ELEVEN: No one-story dwelling containing less than 2000 square feet of interior living space shall be constructed on any building site. No one and one-half story dwelling containing less than 2000 square feet of interior living space shall be constructed on any building site. No dwelling comprised of two or more stories shall be constructed on any building site, unless said dwelling contains at least 2200 square feet of interior living space. For purposes of this section, the term interior living space does not include basements, garages, breezeways, porches, patios, balconies and unfinished attics, even though said breezeways and porches may be enclosed. No dwelling having a roof with less than 7/12 pitch shall be constructed on any building site. No dwelling shall be constructed unless the same contains at least four separate roof plains.

TWELVE: The construction of a dwelling, addition to a dwelling, garage, carport or other structures shall not be commenced until the construction plans have been submitted in writing and approved by the Architectural Committee appointed by the Board of Directors of the HOA. Any addition to any dwelling or garage, including fencing, requires like approval from said Architectural Committee.

Any plans and specifications prepared and submitted in proper form and order to the Architectural Committee appointed by the Declarants and which plans and specifications have not been approved nor rejected within thirty days after the submission thereof shall be conclusively presumed to have been approved and ratified; provided, however, that such plans and specifications and any construction pursuant thereto, shall nevertheless fully comply with all provisions required of improvements in Section G, Newbegun Land Subdivision.

THIRTEEN: All construction and any alteration to original structures shall be completed within months from the commencement of construction, and landscaping in accordance with a plan given prior approval by the Architectural Control and Planning Committee shall be completed within eighteen months from the commencement of construction.

FOURTEEN: No structure of a temporary nature, house trailer, mobile home, trailer, camper, modular home, tent, or shack shall be erected, parked, placed, or allowed to remain on any lot in temporarily or permanently, and no structure of a temporary character shall be used at any time on any said lots as a place of residence, provided, however, that nothing herein shall be construed to prohibit the temporary use of a portable toilet for use by workmen during construction.

FIFTEEN: No structure shall be moved on any lot contained in Section G, Newbegun Land Subdivision, unless it shall conform with and be in compliance with the covenants and restrictions set forth herein, including approval of the Architectural Committee appointed by the Board of Directors of the HOA.

SIXTEEN: All dwellings must have private inside bathroom facilities and septic tanks which conform to the minimum requirements of the public health laws and ordinances of the Pasquotank County Board of Health;

SEVENTEEN: No exterior light, mailbox, newspaper receptacle or fence shall be erected on any of the lots in Section G, Newbegun Land Subdivision, until the same has been approved by the Architectural Control and Planning Committee. No trash receptacles, clothing drying apparatus, exterior air-conditioning equipment or other mechanical equipment, satellite dishes, carports, playhouses, dog pens or dog houses, other recreational equipment, electric meters, or detached outbuildings shall be erected, placed or allowed to remain on any lot in said subdivision unless adequately screened from view in a manner approved by the Architectural Control and Planning Committee.

EIGHTEEN: No nuisance or offensive, noisy, noxious or illegal activity, including the recreational use of firearms shall be carried on or suffered or permitted upon any lot in Section G, Newbegun Land Subdivision. There shall be no hunting allowed upon any lot contained in said Section G of Newbegun Land Subdivision. No part of any lot shall be used or occupied so as to adversely affect the use or value of the adjoining premises for residential purposes or the neighborhood wherein the premises are situated. All garbage and trash receptacles shall be emptied regularly and all electric meters, exterior air conditioning equipment, fuel tanks, wood piles, and trash, garbage or rubbish accumulations are to be adequately screened so as to preclude view of the same. No signs or advertising posters shall be permitted on any lot in said subdivision, except signs identifying the owner or occupant of the property and one sign used by the builder during construction.

NINETEEN: No domestic animals, except household pets, shall be kept or maintained upon any of the lots in Section G, Newbegun Land Subdivision, it being the intent and purpose of this provision to prohibit the keeping and quartering on the lots contained in Section G, Newbegun Land Subdivision, of horses, cows, ponies, goats, chickens, or other animals commonly classified as domestic animals. No unattended or unleashed dogs shall be allowed or permitted in said section.

TWENTY: No junked, wrecked or inoperative automobile, truck, bus or boat shall be permitted to remain on any lot in said subdivision, nor shall any other unsightly materials be stored thereon. All owners of vacant or unoccupied lots in Section G, Newbegun Land Subdivision, shall at all times keep and maintain said lot in an orderly manner and shall prevent the accumulation of rubbish, trash and debris thereon and shall cut down any excessive growth of weeds, brush or bramble thereon.

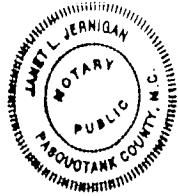
TWENTY-ONE: All buildings, structures and other appurtenances shall be maintained in a suitable state of repair; and in the event of destruction by fire or other casualty, the premises are to be cleaned and cleared of debris within ninety days from the date of casualty.

TWENTY-TWO: No owner of any lot in Section G, Newbegun Land Subdivision, shall permit the riding of two-wheeled motorized vehicles, motorcycles or "go-carts" over any vacant lot which he may own, nor shall any such owner permit the creation of a trail or tract on which said two-wheeled motorized vehicles, motorcycles or "go-carts" shall be operated.

TWENTY-THREE: All lots in said subdivision shall be subject to reasonable and necessary drainage and utility easements along lot lines for the purpose of constructing and maintaining of necessary utilities. An easement of 35 feet is hereby reserved from the center lines of the dedicated streets as shown on the maps or plats of Section G, Newbegun Land Subdivision, for the erection of telephone lines and poles, electric lines, underground lines and other utilities for said Section of Newbegun Land Subdivision.

TWENTY-FOUR: Tree Removal - No more than two trees which are greater than six inches in diameter may be removed by an lot owner from his property (whether he owns one or more lots) within one calendar year, without the prior approval of the Architectural Control and Planning Committee. Any owner who violates this provision shall replace the trees cut without authorization or otherwise in violation of this provision, with the trees replaced to be the same variety and size as those which were cut in violation of this provision. This restriction is designed for the purpose of preventing erosion, and maintaining the natural beauty of the lots contained in Newbegun Lands Subdivision, and not to unduly hinder the building of residences by owners on these lots. Applications to the Architectural Control and Planning Committee for permission to remove additional trees shall be considered in this spirit, and not unreasonably withheld.

IN WITNESS WHEREOF, the Declarants have executed this Declaration of Restrictive Covenant, this the day and year first above written.



NEWBEGUN LAND GENERAL PARTNERSHIP

By: [Signature]
ELVIN SMALL, III, General Partner

By: [Signature]
JEFFREY E. SMALL, General Partner

STATE OF NORTH CAROLINA
COUNTY OF PASQUOTANK

I, the undersigned Notary Public, do hereby certify that G. ELVIN SMALL, III and JEFFREY E. SMALL, General Partners of Newbegun Land General Partnership personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this the 15th day of October, 1997.

[Signature]
Notary Public

My Commission Expires:
7-20-99

STATE OF NORTH CAROLINA
COUNTY OF PASQUOTANK

The foregoing or annexed certificate of Janet L. Jernigan, a Notary Public of the County of Pasquotank, State of North Carolina, is certified to be correct. This the 26th day of March, 1998.

[Signature]
REGISTER OF DEEDS

BY: [Signature]
Deputy/Assistant