

Prepared by and return to:
 Thomas L. White, Jr.
 P. O. Box 189
 Manteo, N.C. 27954

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NORTH CAROLINA
 DARE COUNTY

ALVA G. WISE
 REGISTER OF DEEDS
 DARE COUNTY, N.C.

KINNAKEET SHORES SUBDIVISION
 DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS

WHEREAS Greenwood Development Corporation is the fee simple owner of that certain tract of land located in Kinnakeet Township, Dare County, North Carolina, South of Avon and being shown on a map or plat entitled "Kinnakeet Shores - Phase One", by Triangle Engineering and Surveying, Inc., Land Surveyors, dated the 24th day of April, 1980 and recorded in Plat Cabinet 8, Slide 9, in the Office of the Register of Deeds of Dare County, North Carolina;

AND WHEREAS Greenwood Development Corporation, hereinafter called "Declarant" intends to develop the property shown on the aforesaid plat according to a common scheme with the purposes that the restrictions herein imposed shall inure to the benefit of each and all of the purchasers of lots as shown on the said plat, to insure the best use and most appropriate development and improvement of each building site thereon, to protect the owners of building sites against improper uses of surrounding lots which would depreciate the value of their property, to preserve the natural beauty of the property, guard against the erection of poorly designed or proportioned structures and structures built of improper or unsuitable materials, to insure the highest and best development of said property, to encourage and secure the erection of attractive homes thereon, to prevent haphazard and inharmonious improvement of building sites, to secure and maintain proper setbacks from property lines and to maintain adequate free space between structures;

NOW, THEREFORE, the Declarant does by this instrument declare and make known the following covenants and restrictions which said covenants and restrictions shall run with the lands shown on the map to which hereinabove referred, by whomsoever owned, and said covenants and restrictions shall be binding upon all purchasers of lots in the subdivision, their heirs, successors, and assigns.

ARTICLE I

RESIDENTIAL AREA COVENANTS

1. Residential Use. No lot shall be used except for residential purposes. No building shall be erected, altered, placed, or permitted to remain on any lot other than one single-family residence—expressly excluding duplexes, double or multiple unit houses—and any accessory buildings approved in accordance with the terms of Paragraph 3 of this Article. Only one family shall occupy the same main dwelling and its accessory buildings, provided, however, that servants' quarters or a guest suite, approved in accordance with the terms of Paragraph 3 of this Article, may be erected, but such facilities may not be rented, leased or sold separately from the main premises. No business or business activity may be carried on upon the property at any time, provided however, that nothing herein shall preclude the Declarant, its subsidiaries, affiliates, and employees from using all or part of the dwellings owned by them for the purpose of carrying on business directly related to the development and/or management of the subdivision.

2. Subdivision of Lots. No lot shall be subdivided, or its boundary lines changed.

3. Approval of Plans. No building or other structure, site work or clearing preparatory to construction shall be begun, altered, added to, maintained or reconstructed on any lot until the plans and specifications for such work have been reviewed and approved by the Architectural Review Committee of the Property Owners Association. Before commencing such review, a lot owner shall submit to the Architectural Review Committee three (3) complete sets of plans and specifications, including but not limited to: a site plan, a foundation plan, a floor plan or plans, the four directional elevations, and a schedule of proposed exterior colors and materials. No change shall be made from such approved plans and specifications, nor shall subsequent alterations be caused to the site or building, without the express approval of the Architectural Review Committee. The Architectural Review Committee may approve the plans, siting or specifications conditionally, or it may refuse approval upon any grounds, including purely aesthetic considerations, which in its sole discretion shall appear warranted to protect the beauty and harmony of the subdivision. In no event shall the Architectural Review Committee, in the exercise of its discretion, approve plans for any main residence with a total area of less than 1100 square feet, excluding garages, guest houses and accessory buildings.

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

4. Building Locations. The Architectural Review Committee has the right to determine the exact location of any building or other structure to be located on the lot. Such location shall be determined only after a reasonable time has been allowed for the lot owner to submit plans showing such location to the Architectural Review Committee and the Architectural Review Committee to review said plans. In no event shall the Architectural Review Committee in the exercise of its discretion, approve the location of a residence, garage, or guest house within 25 feet of the front line of said lot, within 10 feet of the sidelines of said lot, or within 20 feet of the rear lines thereof. The front line shall be the line adjacent to the street. Except for corner lots the front line shall be the shortest line adjacent to either street. Where a greater setback is shown on the subdivision plat the same shall apply instead of the setbacks in this paragraph. Where the Dare County subdivision ordinance prescribes more stringent set-back requirements, they shall govern.

5. Completion of Building. Each building and structure erected upon said lot shall be completed within eighteen (18) months after commencing construction, except where completion is impossible or would result in severe hardship to the lot owner or the builder due to causes not in his control.

6. Utilities. All utilities shall be placed underground, and the erection of any exposed antennas shall be done only with the approval of the Architectural Review Committee.

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

8. Pillings. All dwellings located on the East side of Highway 12 which are constructed on a foundation of or are supported by pillings shall utilize as a minimum 8 inch by 8 inch pillings or pillings of the same or greater strength characteristics which shall be buried no less than eight (8) feet below the surface of the ground.

9. Temporary Structures. No temporary structures, such as a trailer, tent or shack, shall be placed upon any lot before, during, or after completion of construction of any buildings and structures except for such structures as are normally used by construction contractors during the period of construction. Such temporary structures shall be promptly removed after completion of construction, and may not be used as residences while on the property.

10. Vegetation. No existing vegetation or sand dunes shall be disturbed during construction without the express written consent of the Architectural Review Committee which shall require proposals for the restabilization of any such disturbed area. Any vegetation distributed during construction shall be repaired to the satisfaction of the Architectural Review Committee. This shall not prevent the Declarant from engaging in such clearing, mowing, and pruning activities as are necessary to effect the overall plan of development.

11. Sewage Disposal. Prior to commencing construction of any residence, applicable permits for private sewage disposal shall be obtained, with the location and size of such proposed facility to be approved by the Dare County Health Department.

12. Attachment of Utilities. No permanent, public or private utilities may be connected to any residence until the Architectural Review Committee has verified general compliance with these covenants and with the plans and specifications submitted and approved pursuant to Paragraph 3 of this Article and has approved said utility connections in writing.

13. Occupancy. No single-family residence erected upon any lot shall be occupied in any manner prior to completion of construction and the connection of permanent utilities.

14. Signs. No signs, except "For Sale", "For Rent" and signs giving the name of the house or owner, shall be erected on any lot. Permitted signs shall be no larger than four (4) square feet in area. No signs shall be illuminated. The Declarant shall not be prevented from erecting such signs as may be deemed necessary to the operation of the subdivision or the normal conduct of its business, provided that any "For Sale" and "For Rent" signs so erected shall meet the requirements of this paragraph.

15. Fences. No fences of any kind shall be permitted in the subdivision.

16. Pets. No animals of any kind shall be kept, raised or bred on any lot, except a reasonable number of the usual household domestic pets such as dogs or cats, provided that such pets shall not be kept, raised or bred for commercial purposes and provided that all pets are under the control of their owner at all times.

17. Vehicle Storage. Upon construction of a residence the lot owner shall provide a paved surface for the parking of at least two (2) vehicles off the road. The storage of travel trailers, campers, trucks and self-propelled mobile homes shall be permitted only to the rear of the front or side of any structure nearest the street. Campers, travel trailers, trucks, self-propelled mobile homes, and other vehicles of that nature shall not be lived in while parked on the lot.

18. Access to N.C. Highway 12. No driveways or other access shall be constructed or allowed from any lot bordering N.C. Highway 12 to or from Highway 12. Access shall only be permitted to and over the subdivision streets.

19. Nuisances. It shall be the responsibility of each lot owner to maintain the exterior of his residence and the surrounding grounds of his lot in a clean, tidy and safe manner. No lot shall be used in whole or in part for the storage of anything which might cause such lot to appear cluttered, unclean or obnoxious to the eye; nor shall any substance, thing or material be kept on any lot that might emit foul or obnoxious odors, noises or other conditions that will or may disturb the serenity, safety or comfort of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon tending to create a nuisance to the neighborhood.

20. Entry. Each lot owner shall keep his lot cleared of unsightly underbrush, weeds or debris, and if said lot owner shall permit the same to exist on his property and fail to remove the same within 30 days after being requested to do so by the Property Owners Association, the Association or its agents or employees shall have the right to enter upon the lot for the purpose of cleaning, clearing or cutting the grass, underbrush or debris which, in the Association's opinion, detracts from the overall beauty or natural character of the neighborhood or adversely affects the safety of health of the residents, and such entrance shall not be deemed a trespass. The expenses of entry and removal shall be the personal debt of the lot owner(s) and shall also constitute a lien upon the land until paid. The provisions of this paragraph shall not be construed as an obligation on the part of the Declarant or the Association to provide such services.

21. Easements for Utilities and Drainage. The Declarant on behalf of itself and/or such utility companies that may service the subdivision from time to time, reserves a perpetual right, privilege and easement ten (10) feet wide on the front, rear and side lot lines of each lot to construct, maintain and operate in, upon, across and through said easement, in a proper and workmanlike manner, electric, cable television, telephone, gas, sewer, water, drainage and other conveniences and utilities and appurtenances necessary or convenient thereto, together with the right at all times to enter upon the said easement with men and equipment for the purpose of inspecting, altering and repairing the same. The Declarant reserves the right to maintain or otherwise keep clear any obstructions that may adversely affect the proper maintenance and operation of the various utility systems and further reserves a perpetual right to enter upon any lot for the purpose of constructing or maintaining emergency drainageways for the benefit, health and safety of the neighboring residents. These reservations, however, shall not be considered an obligation of the Declarant to provide or maintain any such utilities, services or easements. It is further provided that where any two or more lots are in common ownership and used as one building site, the easements reserved herein shall be located around the outside perimeter of the lots only.

ARTICLE II

COMMON ELEMENTS

1. Alterations. The Declarant, in fulfilling its general plan for improvement of the subdivision, hereby reserves, with respect to those areas denoted as "Common Elements," roads, bridges, and canals, the right to change and alter roads and to install or alter utility and drainage facilities and such other facilities as are necessary or desirable for implementation of its plan of development and of this reservation of common elements. The right to change or alter the use of such property is reserved exclusively for the benefit of the Declarant. The Declarant shall have the right to convey such common elements to an appropriate governmental body for upkeep and maintenance or to the Property Owners Association which shall accept such conveyance upon tender of a deed by the Declarant or its successors.

2. Bridges. Declarant expressly reserves to itself, its agents or assigns, the right to build bridges or walkways across any natural or man-made canal, lagoon, creek or physical barrier. Nothing in this paragraph will be construed however as an obligation for the Declarant to provide or construct any such improvements, except as shall be shown on any recorded plat.

3. Common Elements. To insure that land designated as Common Elements shall remain for the perpetual benefit of all members, their families and guests, of the Property Owners Association, hereinafter described, an easement is hereby granted to each and every member of said Association, his family and guests, to pass over and enjoy the open spaces of the designated Common Elements shown on the maps and plats to which this Declaration is applicable. The Property Owners Association shall have the right to establish reasonable rules and regulations for the use and enjoyment of all such space.

4. Use Restrictions. Pursuant to its general plan of conservation and environmental protection, the Declarant reserves the right to make trails or paths through the Common Elements, to restrict the use of certain vehicles therein, and to otherwise improve and enhance the said Common Elements, including but not limited to the protection of the Common Elements from erosion or other forms of degradation by planting, fencing or other expedient means and the implementation of adequate draining and circulation of canals, lakes and drainage ways.

5. Disclaimer. It is expressly understood and agreed that the reservation of the roads, bridges and other Common Elements for the uses established hereby in no way places a burden of affirmative action on the Declarant, nor shall the Declarant be bound to make any such improvement or extend any such services as have been noted in this Article.

6. Rules and Assessments. The conveyance of any of the Common Elements to the Property Owners Association shall carry with it all rights to make rules and regulations as to the use thereof and to assess the costs of upkeep and maintenance on the property owners as hereinafter provided.

ARTICLE III

PROPERTY OWNERS' ASSOCIATION

1. Organization. For the purpose of providing maintenance and control of all Common Elements and other common community services of the kind and nature required or authorized by the charter of said organization for the benefit of all its members, each and every lot owner, in accepting a deed or contract for any lot in the areas to which this Declaration is applicable, agrees to and shall be a member of and be subject to the obligations and duly-enacted By-Laws and rules of the Property Owners' Association, Inc., a non-profit corporation.

2. Fees and Assessments. An initiation fee of \$50.00 per lot shall be paid by members at the time of accepting the deed or contract for his or their respective lot(s). The Association shall also by majority vote of its Board of Directors, in accordance with the provisions of the By-Laws, establish reasonable assessment charges for the services provided by and supported by the Association, except that assessment charges for the Association fiscal year beginning in 1981 shall be \$25.00 per lot. No assessment shall be made upon the lot of any owner during the Association fiscal year in which he purchases his lot.

3. Lien. Each lot shall be subject to a continuing lien to secure the payment of each assessment when the same is made. Upon demand, the Association will furnish a lot owner(s) or mortgagee thereof a certificate showing the charges or assessments due on any given date. No assessments, however, shall be made upon the lots retained by the Declarant or its assigns involved in the development of the subdivision.

4. Succession to Powers. Upon the sale of all lots covered by the Declarants plan of development for the areas to which this Declaration is applicable, the powers of the Declarant reserved by this Declaration shall automatically pass to and be vested in the Association. The Declarant reserves the right to assign these powers, or any part thereof, to the Association at any earlier time it deems desirable. In addition, at such time when 75% of the lots in the area to which this Declaration has been made applicable shall have been sold, the Board of Directors of the Association, upon authorization by a majority of the voting members thereof, may render a formal, written application to the Developer requesting it to assign the powers reserved to it by this Declaration to the Association, and the Declarant shall comply. The Association, following the assignment, may not, however, impair the right of the Declarant to the use of the Common Elements or to exercise the exclusive powers reserved unto it in Paragraphs 1, 10, and 14 of Article I for the conduct of its business incidental to the development of the subdivision.

5. Future Development. If other property adjoining or adjacent to Kinnakeet Shores - Phase. One shall be developed by Declarant or its successor, the Declarant or its successor shall have the option but not be obligated to include such properties under the provisions of this Declaration of Protective Covenants and Restrictions. It is further provided that the owner or owners of the lots in any additional properties made subject to this Declaration of Protective Covenants and Restrictions shall become members of the Property Owners Association established herein and all of the provisions of this Declaration of Protective Covenants and Restrictions shall become applicable to said lots.

ARTICLE IV

LIENS

1. Validity. All liens authorized and created hereby shall become effective only upon the recordation by the lienholder in the Dare County Registry of an instrument which sets forth the identity of the lienholder and the debtor(s), the lot(s) to which the lien is attached, the amount of the underlying obligation which the lien secures, and the date when the indebtedness became due. No lien, whether recorded or not, shall be valid for more than ten years from the date on which the underlying indebtedness it secures becomes due and payable.

2. Interest. If any unpaid assessment or other charge constituted a lien on the property by this Declaration shall remain unpaid for 30 days after the date upon which it first becomes due and payable, interest shall begin to accrue at the rate of six percent (6%) per annum, and such interest shall be secured by the lien.

3. Collection and Enforcement. The amount of any unpaid assessment or charge constituted a lien upon the property, together with any accrued interest and the costs of collection, including reasonable attorney's fees, shall remain the personal obligation of the owner of the property at the time such assessments and charges were made and continue to be a lien upon the property until paid; the lienholder may bring an action at law to collect the same or an action to foreclose the lien against the property in the manner provided by law.

4. Subordination of Liens. The lien of the assessments and charges provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments or charges which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments or charges thereafter becoming due, nor from the lien of any such subsequent assessment or charge.

ARTICLE V

GENERAL PROVISIONS

1. Term. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of thirty years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of 10 years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part.

2. Enforcement. In the event of a violation or breach of any of these restrictions by any property owner, or agent of such owner, the Property Owners' Association, the owners of the lots in the subdivision, the Declarant or any of them jointly or severally, shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event. In addition to the foregoing, Declarant shall have the right, whenever there shall have been built on any lot in the subdivision any structure which is in violation of these restrictions, to enter upon the property where such violation exists, and summarily abate or remove the same at the expense of the owner, if after thirty (30) days written notice of such violation it shall not have been corrected by the owner. Any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any right, reservation, restriction or condition contained in this deed, however long continued, shall not be deemed a waiver of the right to do so hereafter, as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement.

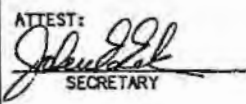
3. Severability. Invalidation of any one of these covenants, or part thereof, by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

4. Successors and Assigns. All references to Declarant shall include the successors and assigns thereof, except that the powers and rights reserved to Declarant shall not, by the terms of this provision, inure to individual lot owners but only to the Association at such time when the powers are vested in it or to the successors of Declarant to whom the powers are expressly assigned.

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

IN WITNESS WHEREOF the said Greenwood Development Corporation has caused this instrument to be executed in its name by its President and attested by its Secretary and its corporate seal affixed hereto, all as the act and deed of the said corporation by its authority duly and legally given, the day and year first above written.

GREENWOOD DEVELOPMENT CORPORATION
BY:  PRESIDENT


ATTEST:

SECRETARY

STATE OF SOUTH CAROLINA

~~STATE~~ COUNTY OF Greenwood

I, Mamie W. Nicholson, a Notary Public in and for the aforesaid State and Country, do hereby certify that John E. Eck personally came before me this day and acknowledged that he/~~she~~ is Secretary of Greenwood Development Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by its Secretary.

WITNESS my hand and notarial seal, this the 24th day of July, 1981.

MY COMMISSION EXPIRES:

8/26/90

Mamie W. Nicholson
NOTARY PUBLIC.



NORTH CAROLINA, DARE COUNTY

The foregoing certificate of Mamie W. Nicholson a Notary Public of South Carolina is certified to be correct.

This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

Alma S. Wine
REGISTER OF DEEDS

BY: Norma Jean Ward
ASSISTANT REGISTER OF DEEDS
Deputy

Recorded -10-881