TILLAR PLANTATION

Owned and Developed By Tanglewood Land Company Inc., A Virginia Corporation

DECLARATION PROTECTIVE COVENANTS

This Declaration of Protective Covenants (the Covenants) is made as of June 1, 1990, by Tanglewood Land Company, Inc., a Virginia corporation

WHEREAS:

A. The Developer is the owner of certain real property and appurtenances situate in Gaston Township, Northampton County, North Carolina, specifically described in Article II of this Declaration (the Property), that it has subdivided into residential, recreational lots with streets and limited recreational facilities (the Subdivision) for the beneficial use and enjoyment of its successors and assigns;

To preserve the values and promote the amenities of the Property and the Subdivision and to provide for the administration, operation, and maintenance of the streets, roads, recreational lands and central water system within the Subdivision and the Access Road to the Subdivision (collectively, the Common Property), it hereby subjects the Property and the Subdivision to certain restrictions, easements, and liens it deems beneficial to the Property and the subsequent purchasers and owners of the lots within the Subdivision;

It has incorporated Tillar Plantation Association, Inc., a Virginia nonstock, nonprofit corporation (the Association) to which it hereby delegates and assigns the duty the power:

1. To maintain, administer and operate the Common Property;

2. To administer and enforce the Covenants together with other persons or legal entities who now have or who may acquire subsequently ownership of the Property or any portion thereof; and

3. To collect and disburse the dues and assessments mentioned in the later provisions of the Covenants; and

4. To perform such other acts or duties as may or might be required, necessary or desired, to the end that the value of the Property and the Subdivision and the welfare of the several owners and their guests will be promoted, protected and enhanced.

NOW, THEREFORE, the Developer declares that the Property and the Subdivision shall be held, sold, and conveyed by it, its successors and assigns and shall be owned, occupied, used, and enjoyed by the subsequent purchasers thereof, their successors and assigns, subject to the restrictions, reservations, easements, liens, assessments and encumbrances (the Covenants) hereinabove or hereinafter mentioned, together with such amendments and/or additions thereto as may be incorporated herein subsequently by reference.

ARTICLE I. DEFINITIONS

The following words, when used in the Covenants (unless the context shall prohibit) shall have the following meaning

"The Association" shall mean and refer to Tillar Plantation Association, Inc., a Virginia corporation.
"The Property" shall mean and refer to all lands described in Article II. and land subsequently incorporated into the Subdivision as provided in Article II., Section 2, infra.

'Original Lot' shall mean that land shown on the original recorded subdivision map of the Property.

"Residential Lot" shall mean: (d)

Any lot or other parcel or tract of real property subsequently added to the Subdivision. Residential Lots shall be used exclusively for single or duplex family residential purposes.
"Owner" shall mean and refer to the person or legal entity, including the Developer, having a legal or equitable interest in any Residential

Lot whether or not such interest is acquired by deed, contract, Will, or intestate descent. The term shall not include, however, mortgagees, judgment liens creditors, or other lien holders.

"Legal Entities" shall include, but shall not be limited to corporations, partnerships, associations, churches, governmental agencies, municipalities, counties, states or the United States of America, their agencies or political subdivisions. "Member" shall refer to those Association members mentioned in Article III., Sections 1 and 2 of the Covenants.

"Common Property" shall mean and refer to the access easement to and the streets and roads within the Subdivision. The Common Property is dedicated to the common use and enjoyment of the present or future Owners of Residential Lots whether title is held by the Developer or the Association. Common Property shall include the well lot shown on the Subdivision Plat and all wells, pumps, tanks, storage facilities and distribution lines (the "Central Water System") now or hereafter located upon the well lots or within the Common

Property as part of the central water system.

"Set Back Line" shall mean and refer to the building set back lines of each Residential Lot shown on the Subdivision Plat or as provided

in Article III., Section 2 of the Covenants.
"Duplex" or "Duplex House" shall mean and refer to a residential house having completely separate living accommodations for two families. "Access Easements" shall mean and refer to the real property described in Article II., Section 1(B) upon which the main access roadway (the "Access Road") to the Property is or may be located at any time and from time to time.

"Register's Office" shall mean the Office of the Register of Deeds of Northampton County, North Carolina.

ARTICLE II. A. PROPERTY SUBJECT TO THIS DECLARATION

Section 1.(A) Real Property (Fee Simple)

TRACT NO. 1: Those certain tracts or parcels of land situate in Gaston Township, Northampton County, North Carolina, being Parcels One (1) containing 0.775 of an acre, Three (3) containing 5.693 acres, Four (4) containing 3.869 acres, Six (6) containing 2.044 acres, Eight (8) containing 3.46 acres, Nine (9) containing 2.217 acres, Ten (10) containing 0.435 of an acre, Eleven (11) containing 1.481 acres and Twelve (12) containing 1.312 acres, as shown on that map entitled "Plat of Survey of 12 Parcels and Access Road for Tanglewood Land Co., Inc., dated May 1, 1989, prepared by Marvin L. Crutchfield, Land Surveyor, No. L-1576, and recorded in Plat Book 24, Page 80, Northampton Public Registry.

Together with nonexclusive right of ingress and egress to and from the property described above over the access roads and cul-de-sacs shown on the above referred to map and the right to improve said roads and cul-de-sacs in such manner as Grantee shall deem appropriate.

BEING the identical property conveyed Tanglewood Land Company, Inc., a Virginia corporation, by deed of David B. Tillar, et ux., et al., May 11, 1989, recorded in the Office of the Register of Deeds of Northampton County, North Carolina, in Book 660, Page 921. TRACT NO. 2: Those certain tracts or parcels of land situate in Gaston Township, Northampton County, North Carolina, being Lots 58,

59, 60, 61, 62, 63 and 64 as shown and designated on map of subdivision of Julia B. Tillar, Don P. Tillar and Betty B. Tillar, dated September, 1955, made by D. C. Shearin, Registered Engineer, recorded in Plat Book 4, page 111, Northampton Public Registry; said lots being in the aggregate 250.62 feet wide along the southern margin; 185.57 feet wide along the northern margin; 180.5 feet along the western margin; and 293.6 feet along the eastern margin.

BEING the identical property conveyed Tanglewood Land Company, Inc., a Virginia corporation, by deed of Ronald L. Brown, et ux., May 17, 1989, recorded in the Office of the Register of Deeds of Northampton County, North Carolina, in Book 661, Page 900.

TRACT NO. 3: Those certain tracts or parcels of land situate in Gaston Township, Northampton County, North Carolina, being Lots Nos. One Hundred Thirty One (131), One Hundred Thirty Two (132) and One Hundred Thirty Three (133) as shown and designated on map of Subdivision of Julia B. Tillar, Don P. Tillar and Betty B. Tillar, dated September, 1955, made by D. C. Shearin, Registered Engineer, recorded in Plat Book 4. Page 111, Northampton Public Registry.

Together with a perpetual right and easement of ingress, egress and regress over and upon other property now or formerly belonging to Julia B. Tillar, Don P. Tillar and Betty B. Tillar, lying between the property herein conveyed and State Highway No. 46, in order that said Grantee,

its successors and assigns, may have ample access to and from the property herein conveyed and State Highway No. 46.

BEING the identical property conveyed Tanglewood Land Company, Inc., a Virginia corporation, by deed of Sudie D. Brothers, widow, May 18, 1989, recorded in the Office of the Register of Deeds of Northampton County, North Carolina, in Book 661, Page 092.

TRACT NO. 4: Those certain tracts or parcels of land situate in Gaston Township, Northampton County, North Carolina, being Lots Nos. Thirty Two (32), Thirty Three (33), Thirty Four (34), Thirty Five (35), Thirty Six (36), Thirty Seven (37), Thirty Eight (38), Thirty Nine (39), and the westernmost 12.52 feet of Lot No. Forty (40), as shown and designated on map of Subdivision of Julia B. Tillar, Don P. Tillar and Betty B. Tillar, dated September, 1955, made by D. C. Shearin, Registered Engineer, recorded in Plat Book 4, Page 111, Northampton Public Registry; said lots being in the aggregate 212.98 feet wide along the Southern margin; 213.32 feet wide along the Northern margin; 246.4 feet along the Western margin; and 234.55 feet along the Eastern margin.

Together with a perpetual right and easement of egress, ingress and regress over and upon other property now or formerly belonging to Julia B. Tillar, Don P. Tillar and Betty B. Tillar, lying between the property herein conveyed and State Highway No. 46, in order that said Grantee,

its successors and assigns, may have ample access to and from the property herein conveyed and State Highway No. 46.

BEING the identical property conveyed Tanglewood Land Company, Inc., a Virginia corporation, by deed of Thomas L. Vincent, et ux., et al., May 17, 1989, recorded in the Office of the Register of Deeds of Northampton County, North Carolina, in Book 661, Page 089.

As a matter of information, the real property and access easements described in tracts I-IV, inclusive, are shown:

A. On a plat of survey of Twelve Parcels and Access Roads made by Crutchfield & Associates, Inc. (Marvin L. Crutchfield, Surveyor) dated May 1, 1989 (File No. 054-89-139) recorded in the Office of the Register of Deeds of Northampton County, North Carolina (the Register's Office) in Plat Book 24, Page 80; and

On the subdivision plat of Tillar Plantation subdivision prepared by Crutchfield & Associates, Inc. (Marvin L. Crutchfield, Surveyor) dated September 20, 1989, revised February 23, 1990 (File No. 054-89F-139) recorded in the Register's Office May 18, 1990, in Book

24, Page 188,

to which reference is here made, the same being incorporated herein by reference.

Section 2. (A) - Additional Land

The Developer, its successors and assigns, at any time, and from time to time prior to December 31, 2000, shall have the free and unrestricted right:

To add other land (the Additional Land) to the Subdivision; and

To amend, supplement, restate or modify the Covenants as it deems necessary to reflect the character or permitted use of the Additional Land.

The Additional Land shall be incorporated into the Subdivision; subjected to the Covenants, and the Covenants may be amended, supplemented, modified, or restated with reference to the Additional Land by Supplemental Declarations of Protective Covenants (the Supplemental Covenants), duly executed by the Developer and recorded in the Office of the Register of Deeds.

The Supplemental Covenants shall not revoke, modify, or otherwise amend the Covenants as to the Real Property described in this Article II., Section 1 (A). Additional Land shall be subject expressly to the Assessments set forth in Article V. of the Covenants.

ARTCLE III. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership.

Each Residential Lot shall include as an appurtenance thereto membership in the Association and each Co-Owner shall be an Association member.

Section 2. Voting Rights.

Each Residential Lot shall include one and only one vote in all Association matters. The vote shall be cast as the Owners determine. In no event and under no circumstances shall more than one vote per Residential Lot be cast in the Association affairs. The Owners shall desginate their voting representative, in writing, with the Association secretary. The designation may be general or restricted.

If no designation is received by the secretary prior to the several meetings of the Association, the secretary may recognize any one of the Owners as the Owners' representative; receive and record the vote as cast by the person so recognized.

Section 3. Proxy Votes.

Proxy votes shall be permitted at any regular or special meeting of the Association.

Section 4. Quorum.

Fifteen (15%) percent of the Residential Lots represented by their owners, in person or by proxy, at any duly called regular or special meeting of the membership shall constitute a quorum for the purpose of electing directors and transacting any other business of the Association.

The Developer will exercise the voting rights appurtenant to each Residential Lot held by it as part of its original inventory and any lot reacquired by it after its initial sale.

ARTICLE IV. PROPERTY RIGHTS IN COMMON PROPERTIES

Section 1. Members Easement of Enjoyment.

Subject to provisions of Section 3. of this Article and Section 2. of Article III., each Residential Lot shall include as an appurtenance thereto, membership in the Association and the right to the use and enjoyment of the Common Property.

Section 2. Title to and Control of Common Property.

The Developer may retain title to and control of the Common Property or any portion thereof until it determines that the Association is able to maintain and operate the facilities. The Developer shall convey the Common Property to the Association and divest itself of control not later than December 31, 1992. The Developer may, at any time, delegate and assign to the Association such functions, duties and responsibilities pertaining to maintenance and operation of the Common Property as it considers appropriate and conducive to the good of the Subdivision. The Developer shall convey the Common Property to the Association subject to the Covenants. Property designated as Common Property is for the mutual enjoyment of the Developer and the Owners and is subject to the terms, conditions and restrictions of the Covenants.

Section 3. Subordination of Members Interest.

The Owners' rights in and to the Common Property are subject to the following:

- (a) The right of the Developer or the Association from time to time and at any time to borrow money to develop, maintain, or improve the Common Property and to encumber the Common Property as security for such loans. The members' rights to and use of the Common Property shall be subordinate to any Purchase Money Deed of Trust given by the Developer or the Association or any Deed of Trust given by the Developer or the Association as security for funds borrowed for the development or maintenance of improvements to the Common Property whether or not the Deed of Trust is in existence as of the date of this Declaration or is made by the Developer or the Association subsequent to the date hereof;
- (b) The right of the Association to take such steps as are reasonably necessary to protect the Common Property against foreclosure;
- The right of the Association or Developer to levy special assessments in addition to the annual assessment, hereinafter provided, for maintenance of or improvements to the Common Property.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENT

Section 1. Creation of the Lien.

Subject to the later provisions of this Article, an annual assessment (the Assessment) is hereby established and levied on each Residential

Lot. The Assessment shall apply equally to every Residential Lot including those owned by the Developer as part of its original inventory of unsold lots and to those reacquired by repurchase or repossession.

The Assessment is hereby made and shall remain a continuing lien on the Residential Lots.

The Assessment is also made the joint and several personal obligation of the Owners, their successors and assigns.

To the extent not prohibited by North Carolina law, the lien of the obligation to pay the Assessment shall include:

a. the principal amount thereof; and

b. interest at 10% per annum from and after the due date (hereinafter defined) thereof; and

c. a late payment charge of 50% of the principal amount of the Assessment if it is not paid within thirty (30) days after its due date; and d. all Court costs incurred by the Association in the collection of any unpaid Assessment (principal, interest and penalty); and

e. attorney fees of 33 1/3 % of the total amount of the Assessment including principal, interest and penalty.

Section 2. Purpose of the Assessment.

The Assessment shall be used by the Developer and/or Association to maintain, improve, renovate, operate and administer the Common Property (including the Access Road to the Subdivision and the streets, roads, easements and drainage ditches within the Subdivision to include such additions, modifications or substitutions thereto or therefor as the Developer and/or the Association may designate from time to time.

In the interest of clarity the Access Road and the interior streets and roads are of graded, gravel construction. The wearing surface of the roads is twenty feet wide, three inches deep and affords two travel traffic lanes for conventional vehicles. The access and interior roads shall be maintained to afford reasonable and seasonable access to each Residential Lot in the Subdivision by conventional motor vehicles.

Additionally, the Assessment shall be used to pay ad valorem taxes assessed or to be assessed on the Common Property and the cost of premiums for such insurance as the Developer and/or the Association shall elect to obtain and maintain on the Common Property.

Section 3. Amount of Annual Assessment - Due Date.

The annual Assessment shall be:

a. \$200.00 per single family; and

b. \$400.00 per duplex family lot (the Principal Amount).

The Assessment shall be due and payable, in advance, on February 15, 1991, and thereafter on February 15 of each succeeding year (the Due Date). The Assessment shall not be prorated for any portion of any year.

Section 4. Annual Assessment - Increase.

The Association, (which shall be controlled by the Developer until a majority of the Residential Lots are sold), may increase the Assessment upon thirty (30) days prior written notice to the Owners, but the amount of any increase shall not exceed 25% of the then current assessment in any annual assessment period.

Section 5. Special Assessment - Establishment - Levy.

The Board of Directors of the Association may, at any regular or special meeting, propose a special assessment which shall be submitted to the membership for approval at any regular or special meeting of the Members. The notice of any meeting of the Members at which a proposed special assessment will be considered shall be given in writing to each member at least 15 days, but not more than 30 days, prior to the meeting and shall state the time, place and purpose of the meeting. The Resolution shall state the purpose of the proposed special assessment, the amount, duration and due date thereof.

The proposed special assessment shall be deemed inacted; shall become a lien on each Residential Lot in the Subdivision and shall be the personal obligation of each lot Owner upon approval of a majority of those voting members present in person or by proxy at any meeting of the membership which is held in accordance with the provisions of this section.

The special assessment when enacted shall apply equally to each Residential Lot including any held by the Developer in its original unsold inventory and any repurchased, reacquired or repossessed by it.

Section 6. Quorum.

Fifteen (15%) percent of the Residential Lots represented by their owners, personally or by proxy, at any duly called regular or special meeting shall constitute a quorum for the conduct of the business of the Corporation.

Section 7. Duties of the Board of Directors

The Board of Directors of the Association shall prepare a roster of properties and assessments applicable thereto at least 15 days in advance of the due date of the Assessment. The roster shall be kept at the office of the Developer or the Association and shall be open to inspection by any Member during business hours.

The Developer or the Association shall send an annual notice of the Assessment to each Owner of record on or before February 1 of each year commencing February 1, 1991. The Association shall send a notice of any special assessment to each member within 15 days next after the enactment of any such assessment. Failure of the Developer or the Association to send the notice of assessment (annual or speical) shall in no way abrogate the lien of the Assessment nor the personal obligation of the Owner for its payment.

Section 8. Nonpayment of Assessment, Annual or Special - Enforcement.

If any assessment, annual or special, remains unpaid more than 30 days beyond its due date, the Association shall prepare and file forthwith, a NOTICE OF DECLARATION OF LIEN in the Register's Office, stating:

a. the name and address of the property owner — debtor;

b. the name and address of the Association;

c. the source and basis of the lien;

d. the amount of the lien (principal, penalty and interest rate);

e. a description of the Residential Lot to which the lien attaches (the Land);

f. date on which the lien commenced; and

g. any other information required by current applicable law.

The Association may proceed by appropriate legal action, in law or in equity, in a Court of competent jurisdiction in personam against the Owner personally obligated to pay the same and/or in rem against the Land to enforce the lien to collect the Assessment.

Section 9. Subordination of Lien to Deeds of Trust, Mortgages and Taxes.

The lien of the Assessment is and shall be subordinated to:

a. taxes levied by the United States of America, the State of North Carolina, the County of Northampton or the agency or political subdivision of either;

b. to any Purchase Money Deed of Trust or mortgage;

c. to any other Deed of Trust or mortgage executed as security for a valid debt;

to any valid mechanics or materialmans lien for work performed on or materials furnished in connection with improvements to any Residential Lot to the extent required by applicable law;

provided, however, such subordination shall apply only to assessments which become due and payable prior to the sale of the Residential Lot to which it has attached in a foreclosure proceeding under the Deed of Trust or mortgage, or to a judicial sale in a proceeding to enforce a tax lien, or to any other judicial proceedings to enforce the security interest of the person or legal entity entitled thereto.

Subsequent assessments shall not be affected adversely by any sale or transfer and shall not relieve the Residential Lot or its owner from liability therefor. The personal obligation of the Owner for payment of the Assessment shall not be terminated or otherwise affected by any sale under a foreclosure proceeding, whether or not the Assessment becomes due prior or subsequent to the foreclosure proceeding or sale.

Section 10. Exempt Property.

The following property shall be exempt from the Assessments:

a. All properties to the extent of any easement or other interest therein devoted to public use; b. All property defined in Article I., Section 1.(h) and Article IV., Section 2. hereof;

c. All property exempt from taxation pursuant to the laws of the State of North Carolina or the United States of America to the extent of such exemption;

ARTICLE VI.

CONSTRUCTION AND USE LIMITATIONS Section 1. Residential Use and Construction Requirements (Conventional or Prefab Construction). (a) The Residential Lots shall be used for single or duplex family residential purposes only.

(b) Excluding porches, garages, patios, carports, and basements, single family and duplex family residences shall have a minimum of 1200 square feet enclosed living area on the first or ground floor.

(c) All building materials shall be new or structurally sound.

The exterior walls of all improvements shall be brick, wood, aluminum, vinyl or masonite siding. No asphalt shingles, tarpaper, tin or similar building materials shall be used for the exterior walls of any improvements.

Concrete or similar blocks may be used for foundations but they shall not be employed as "above ground" exterior walls.

(d) All dwellings must have solid wall foundations.

- (e) All structures shall be completed on the exterior and all grading, landscaping and seeding shall be complete within six months from commencement of construction.
- (f) No temporary structures of any nature shall be erected, located, occupied, used or maintained on any Residential Lot.

Section 2. Double Wide Mobile Units Prohibited.

Double wide units shall not be erected, constructed, or located on any Lot in the Subdivision.

For the purpose of this covenant, a double wide unit is defined as a structure transportable in one or more sections which is built on a permanent chassie having an exterior tongue to enable the unit or units to be towed or moved from one location to another by use of an external motorized unit and is designed to be used as a dwelling for human habitation with or without a permanent foundation when connected to the required utilities including plumbing, heating, air conditioning, and electrical systems contained therein.

All dwellings or other free standing structures erected, constructed or built on any Lot in the Subdivision shall be conventional "stick built", "panelized", or "modular" construction having wood, brick, vinyl, or masonite exterior finish; shingled roof coverings with a slope of not less

than 6/12 and not less than a 12 inch overhang on all side and end walls.

Section 3. Building Set Back Lines.

Building set back lines established by Northampton County, North Carolina, are shown on the recorded subdivision plat found in Book 24, Page 188 in the Office of the Register of Deeds.

Section 4. Location of Improvements.

Proposed improvements to or upon the Residential Lots must be submitted to the Health Department, the Building Inspector, and the Zoning Officer of Northampton County, North Carolina; the Architectural Control Committee of the Association; and such other agencies of the local, state, or federal government that have or may acquire subsequently jurisdiction in the premise.

Section 5. Advertising.

(a) The Developer, the Owners or the agents or representatives of either, may advertise Residential Lots for sale by use of one, on-site sign not larger than 21/2 feet by 21/2 feet, erected on the specific lot to which the sign relates.

(b) The Owner of any Residential Lot may display his name and/or address on one on-site sign not larger than one foot by two feet in diameter.

(c) All signs shall be new and shall be properly and adequately maintained as to construction and appearance.

(d) The Developer may erect and maintain one sign at the entrance to the Subdivision of such size, type and description and for such duration as it may desire for general advertising purposes.

Section 6. Livestock.

(a) No livestock, poultry, or animals shall be permitted in the subdivision except family household pets (dogs and cats). Household pets shall not be maintained for commercial purposes, and they shall not be permitted to interfere with the right of quiet enjoyment of other persons owning property in the Subdivision.

Section 7. Garbage Containers.

(a) Trash, garbage, and other waste materials shall be kept in sanitary containers. Garbage cans and trash containers shall be kept in a clean, sightly, and sanitary condition.

Section 8. Fuel Containers.

(a) All fuel tanks and other containers shall be buried or concealed from the public view including the view of other Owners.

Section 9. Plumbing Facilities

All dwellings shall be equipped with inside plumbing facilities which shall conform to the minimum requirements of and shall be approved by the Code Enforcement Officers of Northampton County, North Carolina, and any other governmental agency of competent jurisdiction. Section 10. Building Permits.

The Residential Lot owner must obtain at his expense a building/improvements permit from the applicable Code Enforcement Officers of Northampton County, North Carolina, before construction of improvements begins. Additionally, the Lot owner must comply with all federal, state, or local regulations and code requirements governing lot improvements whether they now exist or are enacted subsequent to these Covenants. Section 11. Easements.

(a) Utility Easements: Each Residential Lot and each street or roadway is subject to the following easement reservation which the Developer or the Association may convey to public or private utilities or public or private service companies for electric, telephone, water, sewer and/or gas service to the Subdivition.

(1) Corner Lots:

Side (Street) - 10 feet Front (Street) - 15 feet Side Line (nonstreet) - 5 feet Rear Line - 15 feet

(2) All Other Lots:

Side Lines - 5 feet

Front Line (street) - 15 feet

Rear Line - 15 feet

The easements may be used for the construction or maintenance of utility conduits, poles, wires, pipes or fixtures and shall include the right to trim or cut any trees, brush, shrubs or grass (Vegetation) which interferes, or threatens to interfere, with the construction or maintenance of the utilities whether or not the Vegetation is actually located upon or situate within the easement area established above. The utilities may be installed above or below the ground.

(b) Drainage and Access Easements. Each lot is subject to a drainage easement for surface water 10 feet wide extending along the entire length of the front, side, and rear lot lines. The easement is reserved to the Developer, its successors or assigns and includes the right but not the obligation to clear, grade and maintain the easement area.

ARTICLE VII. ARCHITECTURAL CONTROL COMMITTEE

Section 1. Review by Committee.

(a) No residence, outbuilding, fence, or wall shall be constructed or located on any Residential Lot nor shall any addition, exterior change to or modification of the Improvements be commenced until the plans and specifications therefor have been submitted to and approved,

If no action is taken by the Association within forty-five (45) days after submission of the plans and specifications, the request shall be deemed approved.

ARTICLE VIII. UTILITIES

Section 1. Water.

The Developer will design and install a central water system (the System) according to the requirements of the North Carolina Utilities Commission for "like kind" subdivision. It will afford a reasonable supply of potable water for domestic household purposes to each Residential Lot in the Subdivision.

Initially, the Developer will maintain the System. Water service for domestic household purposes will be extended to a boundary line of each lot (the Lot Line) on or before December 31, 1991. The System will include a well lot, wells, storage and pumping facilities, trunk and distribution lines and such other apparatus, equipment, or components that may be required by the North Carolina Utilities Commission.

Residential Lot Owners will pay a "hook on" fee of:

(a) \$1,000.00 per single family lot; or

(b) \$2,000.00 per duplex lot;

when water service is requested subject, however, to approval of the North Carolina Utilities Commission.

The Owner will pay a monthly usage fee, in advance of service, in the amount of \$7.00 plus \$1.50 per 1,000 gallons per month per connection (the Monthly Usage Fee); except, however, that the "hook on" fees and Monthly Usage Fees will be established and maintained in compliance with the published regulations of the North Carolina Utilities Commission as such regulations exist from time to time.

Duplex residences will require a separate connection for each family unit. If two or more Residential Lots are owned by the same person or legal entity, separate "hook on" fees shall be made for each lot even if the lots adjoin unless the owner chooses to combine the lots as one by actually erecting a single residence upon the common boundary.

The "hook on" fee shall be due and payable upon request for service and no water service will be provided to any lot until the connection

fee has been paid in full.

The minimum Monthly Usage Fee of \$7.00 shall be due and payable in advance for each month from and after the month in which the request for service is made except that the Developer shall not pay any Monthly Usage Fee for unsold lots in its inventory.

The Developer reserves the right to install the System or to cause its installation by a related or unrelated legal entity. It will convey the system to the Association or to a related or unrelated legal entity on or before December 31, 1991, after which the operation and maintenance shall be the grantee's sole responsibility.

The "hook on" or service connection fee and the Monthly Usage Fee shall be paid to the Developer or its assigns.

THE WATER SERVICE WILL NOT AFFORD FIRE PROTECTION TO THE SUBDIVISION.

The water system, when installed, will meet the minimum requirements of the North Carolina Utilities Commission or other public body

having jurisdiction in the matter for single and duplex family domestic household purposes.

NO INDIVIDUAL WELLS, WATER SUPPLIES OR SYSTEMS ARE PERMITTED ON ANY LOT OR ANY GROUP OF LOTS IN THE SUBDIVISION. WATER SERVICE SHALL BE OBTAINED SOLELY FROM THE CENTRAL SYSTEM. THE SYSTEM WILL BE INSTALLED BY THE DEVELOPER OR ITS ASSIGNS. THE SYSTEM WILL BE CONVEYED TO AND OPERATED BY THE ASSOCIATION OR OTHER LEGAL ENTITY DETERMINED BY THE DEVELOPER.

ARTICLE IX. STREETS AND ROADS

Section 1. Construction.

The Developer has constructed the Access Road to and has constructed or will construct all streets within the Subdivision (the Roads).

THE CONSTRUCTION DOES NOT AND WILL NOT CONFORM TO THE SPECIFICATIONS OF NORTH CAROLINA DEPARTMENT
OF HIGHWAYS AND TRANSPORTATION. THE ROADS SHALL NOT BE DEDICATED TO NOR SHALL THEY BE MAINTAINED BY
THE STATE OF NORTH CAROLINA. THEY WILL NOT BE INCORPORATED INTO THE PUBLIC HIGHWAY SYSTEM OF THE STATE.

The Roads have a minimum 50 foot right-of-way. The Roads are or will be graded with a graveled wearing surface 20 feet wide, 3 inches deep and afford or will afford two lanes of travel for conventional vehicles.

Road construction will be complete on or before December 31, 1990.

Section 2. Ownership and Maintenance.

The Roads are owned and will be maintained by the Developer until December 31, 1990, or until the Association is sufficiently established and is capable of assuming maintenance responsibility, whichever first occurs. At that time, the Developer will convey the Roads to the Association and, the Association shall maintain the Roads.

The annual assessments or such portion thereof as the Developer deems necessary and proper, shall be paid to it by the Association to defray the maintenance cost of the Common Property until the sole maintenance responsibility is transferred to the Association.

ARTICLE X. SANITARY FACILITIES AND UTILITIES

Section 1. Privies Prohibited.

No outside toilet or privy shall be constructed or used on any Residential Lot.

No untreated waste from any lot shall be permitted to enter any lake, stream, branch, creek, ditch, or gully.

Section 2. Septic Tanks.

Sanitary waste disposal is and shall be the responsibility of each lot Owner. The Owners shall install and maintain, at their sole and separate expense, septic tanks and subsurface drain fields in strict compliance with the requirements of the Northampton County Health Department, Northampton County, North Carolina, and any other governmental agencies or political subdivisions thereof having jurisdiction in the premise.

Prior to the commencement of construction of the septic tank or drain field or any other improvements, the Owners must contact the Northampton County Health Department, Jackson, North Carolina, and obtain an improvements permit for installation of the facilities. The local health officials are required to visit the Residential Lot and establish the location of the septic tank and drain field in advance of construction.

ARTICLE XI. MOTOR VEHICLES

No unlicensed motor vehicles shall be operated within the Subdivision nor on the Access Road to the Subdivision. This prohibition expressly extends to mini-bikes, golf carts, go-carts, motor scooters, motorcycles, mopeds, trail bikes, and all other motorized unlicensed vehicles. In addition, no unlicensed driver shall operate any licensed motor vehicle within the Subdivision nor on the Access Road to the Subdivision.

ARTICLE XII. GENERAL PROVISIONS

Section 1. Duration.

The Covenants shall run with and bind the land and shall inure to the benefit of and shall be enforceable by the Developer, the Association, or the Owner of any Residential Lot in the Subdivision, their respective legal representatives, heirs, successors and assigns, until December 31, 2010. Thereafter, the Covenants shall be automatically extended for four successive periods of five years each (the Additional Term) unless amended or modified by the written agreement of the then owners of two-thirds of the Residential Lots prior to the expiration of the then current Additional Term.

No such agreement shall be effective unless recorded in the Register's Office at least six months in advance of the effective date of such amendment or modification.

Section 2. Notices.

Any notice required to be sent to any Member or Owner under the provisions of the Covenants shall be deemed legally given when mailed, postage prepaid, to the last known address of the Owner on the records of the Developer or Association at the time of such mailing.

Section 3. Enforcement.

Enforcement of these Covenants shall be by any proceeding at law or in equity in a court of competent jurisdiction against:

- a. Any person or persons violating or attempting to violate any covenant or restriction, either to enjoin violations or to recover damage; and
- b. The land to enforce any lien created by the Covenants. Enforcement proceedings may be instituted and maintained by:
 - 1. the Developer;
 - 2. the Association;
 - 3. any Lot Owner; and
 - 4. any government or agency thereof having jurisdiction in the premise.

The failure of the Association, Developer, or any Owner to enforce any covenant or restriction herein contained shall not be deemed a waiver of the right to do so thereafter.

Section 4. Rights of the Developer and/or Association.

The Developer or the Association, is hereby given the right to enter upon any Residential Lot for the purpose of removing signs, debris, brush, junk, or any other unsightly or unsanitary condition and shall not be considered a trespasser in so doing. The Developer and/or Association

further reserves the right to make a reasonable charge to the Owner of such lot or lots for such service which charge shall be a lien upon the lot and shall be fully enforceable by the Developer or the Association through appropriate legal action.

Section 5. Applicable Law and Severability.

The Covenants shall be governed by the laws of the State of North Carolina. If any provision of the Covenants is invalidated by order or decree of any court of competent jurisdiction, the remaining provisions of the Covenants unaffected by such order or decree shall remain in full force and effect. The Covenants shall be deemed amended to accord with any such order or decree.

IN WITNESS WHEREOF, Tanglewood Land Company, Inc., a Virginia corporation, causes the Covenants to be executed by its President,

attested by its Secretary, as its corporate act and deed, pursuant to authority of its Board of Directors as of the date and year first above written.

TANGLEWOOD LAND COMPANY, INC. By /s/J. LAWSON JONES J. Lawson Jones, President

ATTEST: /s/P. H. RUDD P. H. Rudd, Secretary (CORPORATE SEAL)

SEAL-STAMP STATE OF VIRGINIA, MECKLENBURG COUNTY

I, Robinette L. Reid, a Notary Public in and for the County and State aforesaid, certify that Pettus H. Rudd, personally came before me this day and acknowledged that he is Secretary of Tanglewood Land Company, Inc., a Virginia corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by J. Lawson Jones, President, sealed with its corporate seal and attested by Pettus H. Rudd, as its Secretary.

Witness my hand and official seal this 9th day of June, 1990.

My commission expires: March 10, 1991

/s/ROBINETTE L. REID Robinette L. Reid Notary Public

North Carolina - Northampton County

The foregoing certificate of Robinette L. Reid, N.P. of Commonwealth of Virginia 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.

> Pauline E. Deloatch, Register of Deeds For Northampton County By Deputy/Assistant Register of Deeds

Recorded at 9:12 a.m. in Book 670, Page 35.