

COVENANTS OF LINDEN RIDGE SUBDIVISION, WILMINGTON, NC

INTRODUCTION

KNOW ALL MEN BY THESE PRESENTS

That the undersigned, LINDEN RIDGE PARTNERS, INC. (herein called "Declarant"), a North Carolina General Partnership, is the Owner of all the interest and equity in that certain tract of land known as LINDEN RIDGE, SECTION 1, and it is the desire of the Declarant to insure the use of said property for attractive residential purposes only, to prevent the impairment of the attractiveness of the property, to maintain the desired tone of the community, and thereby to secure to each Lot Owner the full benefit and enjoyment of his home with no greater restriction upon the free and undisturbed use of his Lot than is necessary to insure the same advantages to the other Lot Owners;

NOW, THEREFORE, the Declarant does hereby covenant, agree and declare to and with all persons, firms or corporations now owning or hereafter acquiring any property in LINDEN RIDGE, SECTION 1, as shown on a map recorded in Map Book 38, at Page 48 of the New Hanover County Registry, that all of the Lots in said subdivision are hereby made subject to the following Restrictions as to the use thereof, running with the land by whomsoever owned, to wit.

ARTICLE I – DEFINITIONS

1. "Association" shall mean and refer to Linden Ridge Property Owners Association, Inc., a North Carolina non-profit corporation, its successors and assigns.
2. "Board of Directors" or "Board" means those persons elected or appointed and acting collectively as the Directors of the Association pursuant to its By-Laws.
3. "Building" shall mean and refer to a home and associate garage constructed or erected on a Lot shown upon a recorded map of the property.
4. "By-Laws" shall mean the by-laws of the Association as they now or may hereafter exist.
5. "Common Area" shall mean and refer to all land within the Linden Ridge Subdivision conveyed to the Association by warranty deed recorded in the New Hanover County Registry and which deed specifically designates said area as Common Area and incorporates the provisions of these restrictions as to the use of said property as Common Area, along with any facilities and improvements erected or constructed thereon, for the exclusive use and enjoyment of the Members of the Association. In addition, subdivision sign(s), landscaping and fencing located at the entrance to Linden Ridge Subdivision are declared to be Common Area. Additional Common Area may be annexed or "phased" into the subdivision as hereinafter provided.
6. "Common expenses" shall mean and include:
 - (a) All sums lawfully assessed by the Association against its Members;
 - (b) Expenses of administration, maintenance, repair or replacement of the Common Areas and the stormwater system;
 - (c) Expenses declared to be common expenses by the provisions of these Restrictions or the By-Laws;
 - (d) Liability for such other insurance premiums as the Restrictions or By-Laws may require the Association to purchase;
 - (e) Expenses agreed by the Members to be common expenses of the Association;
 - (f) Any ad valorem taxes and public assessments levied against the Common Area;
7. "Common profits" shall mean and refer to the balance of all income, rents, profits and revenues of the Association remaining after the deduction of the common expenses or reserve therefore. Common profits shall not mean or include any sums lawfully assessed against Members by the Association.

8. "Declaration" shall refer to these Declaration of Covenants, Conditions, and Restrictions for Section 1, Linden Ridge, and any supplements or amendments thereto.

9. "Declarant" shall mean and refer to LINDEN RIDGE PARTNERS, INC., a North Carolina corporation, its successors and assigns to whom the rights of Declarant are expressly transferred, or if such successors or assigns should acquire more than one undeveloped Lot or undeveloped acreage for the purpose of development, or acquire title to the Property under a deed in lieu of foreclosure, judicial foreclosure, or foreclosure under power of sale contained in any deed of trust, or ONE otherwise denominated a "Declarant", hereby shall be deemed Declarant.

10. "Home" shall mean and refer to a detached, free-standing dwelling or place of residence and attached or detached garage constructed upon a Lot within the property.

11. "Lot" shall mean and refer to any plot of land, other than the Common Area, which is subject to these Restrictions and is shown on a recorded subdivision map and upon which a home has been or may be constructed.

12. "Member" shall mean and refer to every person who is a member of the Association. Each Owner as defined herein, shall be a Member.

13. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is part of the Property, including contract sellers, but excluding those who have such interests merely as security for the performance of an obligation.

14. "Person" shall mean and refer to an individual, corporation, partnership, association, trustee or other legal entity.

15. "Property" shall mean and refer to that certain real property shown on that plan referred to above and any other real property which is made subject to these Restrictions.

16. "Subdivision" means all of the Property which shall be known collectively as Linden Ridge Subdivision, and all real property which may be made subject to these Restrictions in the future.

ARTICLE II - ANNEXATION OF ADDITIONAL PROPERTIES

1. Annexation by Membership. Except as provided in Section 2 below, annexation of additional property shall require the assent of two-thirds (2/3) of the Class A Members and two-thirds (2/3) of the Class B Members, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

2. Annexation by Declarant. If the Declarant, its successors or assigns, shall develop all or any portion of any land contiguous to or within one mile from the Property which is subject to the Restrictions, such additional tract or tracts may be annexed to said Properties without the assent of the Class A Members, by the execution and recording in the New Hanover County Registry of Supplemental Restrictions making said additional tract or tracts subject to these restrictions, provided however, the development of the additional tract(s) described in this section shall be in accordance with the same general scheme of development as Section 1, Linden Ridge Subdivision.

ARTICLE III - PROPERTY RIGHTS

1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every assessed Lot, subject to each of the following provisions;

(a) The right of the Association to formulate, publish and enforce rules and regulations as provided in Article V herein.

(b) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and carrying out its maintenance responsibilities and in aid thereof to mortgage said property, and the rights of such mortgagee in said properties shall be subordinate to the rights of the Lot Owners hereunder.

(c) The right of the Association to suspend the voting rights and rights to use of the Common Area and facilities by a member, or any person to whom he has delegated his voting right, for any period during which any assessment against his Lot remains unpaid, or for a period not to exceed sixty (60) days for an infraction of its published rules and regulations.

(d) Easements as provided in ARTICLE VI herein.

2. Delegation of Use. Subject to the provisions of the By-Laws and the rules and regulations of the Association, any Owner may delegate his right to the enjoyment of the Common Area to the Members of his family, his tenants, or contract purchasers, provided, every such delegee must reside in the home of the Owner.

3. Title to Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to any of the Property which is to be designated as the Common Area, to the Association, free and clear of all liens and encumbrances, at the time of or prior to, the conveyance of the last Lot in each respective section, except utility and drainage easements and easements to governmental authorities, upon condition that such area as shall be designated "Common Area" and shall be for the sole and exclusive use and benefit of Members, so long as such area is maintained in conformity with the requirements of these Restrictions, the By-Laws, and the Articles of Incorporation of the Association, at the sole expense of the Association, subject, however, to easements described in ARTICLE VI.

Similarly, the Declarant will convey to the Association, upon the same conditions and for the same uses and purposes, Common Areas which are parts of any additional phases of the Property developed by it in the future.

ARTICLE IV – ASSOCIATION

1. Membership. Every person who is record Owner of a fee or undivided fee interest in any Lot, including contract sellers, but excluding persons who hold an interest merely as security for the performance of any obligation, shall be a Member of the Association. There shall be only one vote per Lot in the Association except as otherwise provided in Section 2 of this ARTICLE IV. Membership shall be appurtenant to and may not be separated from Ownership of any Lot. The Board of Directors may make reasonable rules regarding proof of Ownership.

2. Voting Rights.

(a) Class "A". Class A Members shall be all Owners with the exception of the Declarant. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot, except as otherwise provided in this Section.

(b) Class "B". Class B Member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier.

- 1} When the Declarant owns twenty-five percent (25%) or less of the residential Lots in the Subdivision, including any property which may be annexed to the Subdivision, or
- 2} on January 1, 1999.

ARTICLE V - COVENANT FOR ASSESSMENTS

1. Creation of the Lien and Personal Obligation of Assessments. Every Owner of any Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, and every other Owner of any Lot which is made subject to the terms and conditions of this Declaration, is deemed to covenant and agree to pay to the Association.

- (a) Annual assessments or charges;
- (b) Special assessments for capital improvements.
- (c) Initial capital assessment.

Such assessments shall be fixed, established and collected from time to time as hereinafter provided.

The initial capital assessment, the annual and the special assessments, together with such interest thereon, costs of collection thereof, and reasonable attorney's fees as may be established by the Association, shall be a charge on the land and shall be a continuing lien upon the Lot and the improvements thereon, against which each such assessment is made. Each such assessment, together with such interest and costs and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of the Lot at the time the assessment became due. The personal obligations of an Owner for delinquent assessments shall not pass to his successors in title unless expressly assumed by them and then only with the consent of the Association. The liability for all assessments by the record Owners of each Lot shall be joint and several.

2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for promoting the health, safety and welfare of the Owners and the Subdivision; enforcing these covenants and the By-Laws, rules, regulations of the Association; providing the services and facilities for the purposes of or related to the maintenance, use and enjoyment of the repairing, maintaining and replacing the stormwater system, subdivision signs, and landscaping and fencing located at the entrance to the property.

3. Amount of Annual Assessment.

(a) Initial Annual Assessment. The initial annual assessment shall be ONE HUNDRED AND 00/100 (\$100.00) DOLLARS per Lot effective May 18 1998.

(b) Increase by Association. From and after the date specified in subparagraph (c)(1) above, the maximum annual assessment may be increased effective January 1 of each year by the Board of Directors, without a vote of the Membership of the Association, by a percentage which may not exceed twenty (20%) percent of the amount of the Assessment for the previous year.

(c) Increase by Members. From and after the date specified in subparagraph (c)(2) above, the annual assessment may be increased by an affirmative vote of a majority of the Members who are in person or by proxy, at a meeting duly called for such purpose, written notice of which, setting forth the purpose of the meeting, shall be sent to all Members not less than thirty (30) days nor more than (60) days in advance of the meeting.

(d) Criteria for Establishing Annual Assessment. In proposing the annual assessment for any assessment year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts, and reserves for future needs.

(e) Lots Owned by Declarant. Declarant shall be exempt from the payment of the annual assessment for any unsold Lots for a period of two years after the date such Lots are platted of record in the Office of the Register of Deeds of New Hanover County as Lots in the Subdivision. Upon the expiration of two years from the date of recordation of said plat or plats, the obligations of the Declarant to pay the pro rata share of the annual assessment of the year remaining shall be due, and accrual of the obligation to pay assessments to the Association shall not begin until that date.

4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the costs of construction or reconstruction, unexpected repairs, or replacement of a capital improvement upon the Common Area, including the necessary fixtures and personal property related hereto, provided that any such assessment shall have the assent of a majority of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which, setting forth the purpose of the meeting, shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots, on a per Lot basis, and may be collected on a monthly, quarterly or annual basis as determined by the Board of Directors.

6. Date of Commencement of Annual Assessment. Due Dates. The annual assessments provided for herein shall be paid in monthly, quarterly or annual installments and the payment of such shall commence as to each lot on May 18, 1998. The Board of Directors shall fix the amount of the annual assessment against each Lot at least (2) months in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto thirty (30) days in advance of each annual assessment period. The due dates shall be established by the Board of Directors. The Association, upon demand at any time, shall furnish a certificate in writing signed by an officer

of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

7. Initial Capital Assessment. Each initial Owner of a Lot agrees to pay an Initial Capital Assessment in the amount of One Hundred and no/100 Dollars (100.00), for the purpose of establishing the capital improvements fund of the Association. Said amount will be collected at closing of the sale of each Lot by the Declarant and shall be paid to the Association, to be maintained in a separate interest-bearing account.

8. Effect of Nonpayment of Assessments, Remedies of the Association. Any assessments or portion thereof which are not paid when due shall be delinquent. If the assessment or any portion thereof is not paid within (30) days after the due date, the same shall bear interest from the date of delinquency at the rate of (12%) per annum and in addition, a late fee shall be assessed in such amount as may be determined by the Board of Directors, with the initial late fee being \$5.00. The Association may bring an action against the Owner personally obligated to pay the same, or foreclose the lien against the Lot in the same manner as provided in North Carolina for the foreclosure of deeds of trust, and, in either event, interest, costs and reasonable attorney's fees of any such action shall be added to the amount or such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area or abandonment of his Lot.

9. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein on any Lot shall be subordinate to the lien of any first mortgage and ad valorem taxes on each Lot. The sale or transfer of any Lot shall not affect the assessment lien; however, the sale or transfer of any Lot pursuant to such mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

10. Exempt Property. All Properties dedicated to, and accepted by, a local public authority and all Properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein, except no land or improvements devoted to dwelling use shall be exempt from sold assessments.

ARTICLE VI - USE RESTRICTIONS

1. Rules and Regulations. The Board of Directors of the Association shall have the power to formulate, amend, publish and enforce reasonable rules and regulations concerning the use and enjoyment of any Common Area and the stormwater drainage system. The Association shall assume all permit responsibility associated with the stormwater system and shall also insure compliance with all applicable laws, ordinances, rules and regulations regarding the stormwater system.

2. Residential Purposes. All Lots in said Subdivision shall be single-family residential Lots, and shall be used for residential purposes only.

3. Minimum Size of Residence. No residence smaller than 1,200 square feet of heated floor space, exclusive of porches, steps, walks, garages, carports, storage areas, etc., shall be constructed or located on any building Lot. Provided, that in cases where the area is not more than ten percent (10%) below the minimum above set out, Declarant, or its designated agents, may, at their option, approve the construction of the dwelling if it is in conformity with the general development of the Subdivision.

In computing the number of square feet allowed as provided herein, no square footage in any part of the dwelling that is constructed over a garage will be counted, unless it is on the same utility hookup as the main dwelling and is a finished part of the constructed living space.

4. Construction Material. No concrete block, concrete brick, asbestos siding, aluminum siding, cinder block, tar paper, nor stucco composition shall be used for the exterior of any residence constructed on any building Lot herein conveyed, it being intended that only conventional frame, wood, masonite-type hardboard, vinyl, brick or clay brick exteriors utilized in buildings be constructed on the Lots. In addition, all exposed foundations shall be brick or stone.

5. Setback Lines. Since the establishment of standard inflexible building setback lines for location of houses on Lots tends to force construction of houses directly to the side of other homes with detrimental effects on privacy, view, preservation of important trees and other vegetation, ecological and related considerations, no specific setback lines are established by these Restrictions. In order to assure, however, that the foregoing considerations are given maximum effect, Declarant reserves the right to control and approve absolutely the site and location of any house or dwelling or other structure upon any Lot and a plot plan shall be furnished for approval before construction begins. In any event, no house shall be erected closer to the front Lot line than 20 feet or nearer to any side line than 10 feet or the minimum distances established by applicable New Hanover County ordinances, whichever shall be greater, unless a variance is received in writing prior to construction. On corner Lots, the side having the least frontage shall be considered the front Lot line of said Lot. A fenced area at least 20' x 20' attached

to the rear of the house shall be required within which shall be kept lawn mowers, bicycles, toys, grills and stored materials.

6. Roofs. The main roof structure on any residence must have a minimum pitch of 5/12' unless written permission to vary there from is first obtained from the Declarant. All shingles shall be earth tones, such as browns, grays and blacks, and shall be a minimum of 25 year architectural shingles or comparable quality.

7. Accessory Buildings. Construction plans and site location for any storage building must be approved by Declarant in writing prior to construction and must conform in paint color, building style and other matters to the residence.

8. Mobile Homes or Vehicles. No house trailer, mobile home, travel trailer or other recreational vehicle, tent, shack or temporary structure of any nature shall be located on any Lot or used at any time as a residence, temporarily or permanently, nor may any modular and prefabricated homes and previously constructed houses be erected or placed on any Lot, without the express written consent of the Declarant.

9. Fence. N fence shall be erected or hedge grown on any Lot unless written approval thereof has first been obtained from Declarant. No fence and no hedge shall be permitted nearer the front Lot line than the rear corners of the house constructed on said lot unless approved by Declarant. No garden shall be permitted nearer the front Lot line than fifteen (15) feet back of the back corner of the house. On Lots having buffer fences installed by the Declarant, the Owner shall be responsible to inspect and maintain the fence in its original condition unless the responsibility of maintenance of the fence is given to another entity in writing by the Declarant. All fences shall be constructed of wood or similar materials, with the finished side on the Outside.

10. Tanks. No fuel tanks or similar storage receptacles may be exposed to view. Any such receptacles may be installed only within the main dwelling house, within an accessory building, within a screened area, or buried underground except that one natural gas or propane tank of a maximum of 60 gallons may be installed above ground. Each Lot Owner shall provide receptacles for garbage and all garbage cans, carts and bags must be kept in a screened area, accessory building or other storage facility, and not visible from the street, except on garbage pick-up days.

11. Water. All water to be used in said subdivision for any purpose whatsoever shall be obtained from a Community Water System, provided by Cape Fear Utilities, Inc., its successors or assigns, unless other sources are approved by the City-County Board of Health, Cape Fear Utilities, Inc., the Owner of the Community Water System, or their successors, or the Declarant. An area within an eight (8) foot radius from each water meter shall be subject to an easement for maintenance and repair of such meter.

Lot Owners may, however, with the Declarant's consent, drill shallow wells for irrigation purposes and for non-domestic use provided said wells and pumps are located so as not to be visible from the streets, are properly enclosed and landscaped, and comply with any restrictions placed on the depth thereof as may be agreed between the Declarant and Cape Fear Utilities, Inc., its successors or assigns.

12. Sewage. Sewage disposal shall only be allowed by connecting with the New Hanover County sewer system or other suitable public sewer system, except as to those Lots that may be expressly exempted herefrom by the Declarant.

13. Sales. No yard sales or garage sales shall be permitted upon any Lot. No clothes lines shall be permitted except portable clothes tree stands which shall not be visible from the street.

14. Nuisance. No noxious or offensive activity or situation shall be carried on or maintained on any Lot or part of any Lot, nor shall any use be made of any Lot which may be or may become an annoyance or nuisance to the neighborhood. Household pets are allowed subject to city and / or county ordinances and leash laws. No domesticated farm animals or fowls shall be kept on any Lot.

15. Interference with Use of Lot. There shall not be maintained any plants or animals, nor device or thing of any sort whose normal activities or existence are in any way noxious, dangerous, unsightly, unpleasant or of like nature as may diminish or destroy the enjoyment of other property in the development by the Owners.

16. Cleanliness. It shall be the responsibility of each Owner to prevent the development of any unclean, unsightly, or unkept condition of buildings or grounds on such Lot which would tend to decrease the beauty of the Subdivision.

17. Lights. All light bulbs or other lights installed in any fixture located on the exterior of any building on any Lot shall be clear, white or non-frost light or bulbs.

18. Subdivision of Lot. No Lot shall be subdivided, or its boundary line changed without the written consent of the Declarant. However, the Declarant hereby expressly reserves to itself the right to replat any Lot or Lots or change the alignment or placement of any road as may be necessary to carry out the scheme of development of the Subdivision, in Declarant's sole discretion including the right to extend streets and roadways for the purpose of providing access to adjacent properties and to take such other steps as are reasonably necessary to make such replatted Lot or Lots suitable and fit as a building site.

19. Landscape Maintenance. The Owner of each Lot shall keep the Lot mowed regularly, including the area from the Lot line to the edge of the paved street and clear of any unsightly objects, and in the event that the Owner of any lot

breaches this restriction, the Declarant reserves the right to enter upon said Lot and mow the grass, clean up the Lot and remove unsightly trash, structures and objects at Owner's expense.

20. Street Lighting. The Declarant reserves the right to subject the Subdivision to a contract with Carolina Power and Light Company, or its successors and assigns, for the installation of underground electric cables and / or the installation of street lighting, either or both of which may require an initial payment and / or continuing monthly payment to Carolina Power and Light Company by each Owner.

21. Construction. Construction activity on a Lot shall be confined within the boundaries of said Lot. Each Owner shall have the obligation to collect and dispose of all rubbish and trash resulting from construction on his Lot. Upon Owner's failure to collect and dispose of such trash within fifteen (15) days after receipt of a written notice from Declarant, Declarant may collect and dispose of such rubbish and trash at Owner's expense.

22. Mailbox. Each Lot in the Subdivision shall have only one (1) mailbox and one (1) paper box to be mounted on a single post, and all such boxes shall be as approved by Declarant. Such mailboxes or paper boxes may be provided by the Declarant or the builder. Any boxes provided by the builder shall be considered an improvement and must remain with the Lot. Owners shall maintain all such boxes so as to be neat and attractive in appearance.

23. Antennas. No outside radio or television antennas or receivers of any type shall be erected on any Lot or dwelling unit within the Subdivision, unless and until written permission for the same has been obtained from the Declarant. Declarant retains the right if it approves the erection of any antenna to specify the color, size and location of the antenna.

24. Future Development. Declarant is not liable and makes no representation as to the development of any other phase or section except the phase or section covered by the Declarations. Declarant may make changes in future sections of the Subdivision not subject to the Declarations, including, but not limited to, changes in design, type of structures, restrictions or character of section. All maps, brochures and plans are purely for planning and illustration purposes and are not to be relied upon as any promise or covenant of whatsoever kind or nature.

25. Driveway. Each Lot must have a paved driveway at a location approved by Declarant. Off-street parking for not less than two passenger automobiles must be provided on each Lot prior to the occupancy of any residence constructed on said Lot, which parking areas and the driveways thereto shall be constructed of concrete, asphalt, brick or landscape paving blocks. All homes constructed in the

subdivision shall have a garage containing a minimum space for two (2) vehicles, unless this requirement is waived in writing by the Declarant.

26. Vehicles. No inoperable vehicle or vehicle without current registration and insurance, and no large vehicles or tractor-trailers will be permitted on any Lot or in the Subdivision. The Declarant shall have the right to have all such vehicles towed at the vehicle Owner's expense. No bus, van, school bus, or vehicle larger than 3/4 ton shall be parked, stored or kept in the Subdivision. Boats shall be kept inside a storage building or in the back yard not visible from the street or unsightly to the adjacent Lots.

27. Allowable Built-Upon Area. Each Lot shall be subject to the requirement that the allowable built-upon area per Lot shall be limited to 4500 square feet, inclusive of right-of-way structures, pavement, walkways or patios of brick, stone, or slate, but not including wood decking. This covenant will be binding on all Owners, and all persons claiming under them, shall be appurtenant to and run with the land, and may be enforced by the State of North Carolina. said covenant cannot be changed or deleted without consent of the State of North Carolina.

28. Signs. No signs (including "For Rent", "For Sale", and other similar signs) or property identification signs shall be erected or maintained on any Lot except with the express written permission of the Declarant, its successor or assigns, except as may be required by legal proceedings; provided, however, that the Declarant or its agents may place "For Sale" or "For Rent" signs on any Lots for sale and in suitable places on the Common Area approved by the Association; provided, however, that during the development of the Property and the initial marketing of Lots, the Declarant may maintain a sales office and may erect and display such signs as the Declarant deems appropriate as aids to such development and marketing, provided that such signs do not violate any applicable laws. Such permitted signs shall be placed in the approximate center of a lot and six feet from the road curb. No sign shall be nailed to trees.

29. Alterations. No person shall undertake, cause or allow any alteration of construction in or upon any portion of the Common Area except at the direction or with the express written consent of the Association.

ARTICLE VII - ARCHITECTURAL CONTROL

1. Architectural Review Committee. No structures, buildings, or improvements shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made, including change of color, until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by Declarant, or by an Architectural Review Committee (herein "Committee") composed of three (3) or more representatives appointed by the Declarant. Structures, buildings and improvements shall include, but not be limited to any dwelling, garage, fence, wall, sidewalk, hedge, mass planting, change in grade or slope, drainage pipe, drainage canal, ditch, swale, catch basin, swimming pool, treehouse, playhouse, sign, flagpole, exterior illumination, monument or marker, outdoor stauary, exterior lights, security lights, storm door, well, utility facility mailbox, patio, deck, screening for outdoor decorative objects, shrubbery or landscaping. In the event said Declarant or the Committee fails to approve or disapprove such design and location within thirty (30) days after complete plans and specifications have been received by it, and notification of receipt of plans and specifications has been sent to the submitting Owner(s), approval will not be required and this Article will be deemed to have been fully complied with. Declarant shall notify Owner if complete plans and specifications have not been received. Declarant, subject to the provisions of Section 2 hereinafter, may assign these duties to the Board of Directors of the Association or to an architectural committee composed of three (3) or more representatives appointed by the Board.

2. Declarant's Authority. All duties and responsibilities conferred upon the Board or the Committee by the Declaration or the Bylaws of the Association may be exercised and performed by the Declarant or its Designee at its discretion, so long as the Declarant shall own any Lot in the Properties or any additions annexed thereto by Supplemental Protective Covenants or Amendment to those Declarations.

3. Committee Members. Until 100% of the Properties have been developed and conveyed to Owners other than Builders, the Declarant retains the right to appoint all members of the Committee, who shall serve at the Declarant's discretion. Upon the expiration of such right, the Board shall appoint the members of the Committee, who shall serve and may be removed in the Board's discretion.

4. Architectural Standards. Until the appointment of the Committee, the Declarant shall adopt the Development Standards and Architectural Review Criteria (herein "Standards") and thereafter shall have sole and full authority to modify or amend them. Upon the appointment of the Committee, it shall be responsible for the adoption of and amendments to the Standards, subject to the approval of the

Declarant or the Board, whichever entity has the authority to appoint the Committee. Any amendments to the Standards shall apply to construction and modifications commenced after the date of such amendment only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced.

5. Review of Plans. No construction or improvements shall be commenced, erected, placed or maintained on any Lot, nor shall any exterior addition, change or alteration be made thereto, until an application and the plans and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout, screening, and any other requirements of the Committee, shall have been submitted to and approved in writing by the Committee. The Standards shall set forth the procedure for submission, review and approval of the application and Plans. A reasonable fee for the review of said application and Plans may be required.

6. Review Standards. In reviewing each submission, the Committee may consider, among other things, visual aesthetics, natural platforms and finish grade elevations, harmony of external design with surrounding structures and environment, and location in the relation to surrounding structure and plant life.

7. Construction Deadline. If construction does not commence on a project for which Plans have been approved within 6 months of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to resubmit the Plans for reconsideration.

8. Variations. The Committee, in its sole discretion, may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to the Declaration; or (c) stop the Committee from denying a variance in other circumstances.

9. Disclaimer. The Committee shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board, nor the Committee, shall be held liable for any injury, damages, or loss arising out of the review of any application and Plans, including, but not limited to the manner or quality of construction, defects in any plans or specifications, or deficiencies in kind or quality of materials used.

10. Nonconforming Structures. Any structure or improvement placed or made in violation of this Section shall be deemed to be nonconforming. Upon written request from the Board or the Declarant, Owners shall, at their own cost and expense, remove such structure or improvement and restore the land to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Board, the Declarant or their designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the Lot Owner and the benefited Lot and collected as an Assessment. In addition, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Section and the decisions of the Committee.

11. Lot Clearing. No lot may be clear cut or substantially cleared without the written consent of the Declarant. In no event may any tree with a diameter in excess of eight (8) inches measured at the base of the trunk at ground level be cut without the written consent of the Declarant, the lot Owner by acceptance of his deed of conveyance and the considerations contained therein shall pay as damages to the Declarant the sum of \$200.00 for each tree cut in violation of this provision.

ARTICLE VIII – EASEMENTS

1. Utilities. All of the property including Lots and Common Area, shall be subject to perpetual non-exclusive easement or easements in favor of all Owners for their use and the use of their immediate families, guests, invitees, tenants or lessees, for all proper and normal purposes and for ingress and egress and regress and to such easements for water lines, television antenna lines, and other public utilities as shall be established prior to subjecting the property to these Restrictions by the Declarant or its predecessors in title. The Association shall have the power and authority to grant and to establish in, over, upon and across the Common Area conveyed to it such further easements as are requisite for the convenient use and enjoyment of the property.

2. Emergencies. Every Lot and home shall be subject to an easement for entry by the Association or Declarant for the purpose of correcting, repairing or alleviating any emergency condition which arises upon any Lot or within any home and which endangers any building or portion of the Common Area.

3. Utility Management. An easement is hereby established over all Lots and Common Area for the benefit of any applicable private company or public governmental agency for setting, removing and reading of water meters, maintaining and replacing water, sewer and drainage facilities, fire fighting, law enforcement, garbage collection and the delivering of mail.

4. Future Development. An exclusive easement is hereby established in favor of Declarant over all Common Areas for access to adjacent properties for the purposes of future development and the installation of streets and public utilities.

5. Lot Easements. Easements for installation and maintenance of utilities, sewer and drainage facilities are reserved over a minimum of 10 feet from the rear, front and side Lot lines of each Lot, and easements for drainage, sewer and utilities also are reserved as may be shown and designated on the plat of the Subdivision hereinafter referred to.

6. Maintenance. The Declarant shall have no responsibility for maintaining utilities, sewer and drainage easements in connection with any Lots sold. All maintenance shall be the responsibility of the Owner of the Lot on which said easement is located, his heirs, successors and assigns. No structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, sewer or drainage facilities, or which may change the direction of flow of drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continually by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible.

7. Drainage. Drainage easements shall be maintained as follows.

- (a) Grass shall be kept mowed to a height of no more than four (4) inches.
- (b) Repair and reseeding of the drainage easement area, and cleaning of any catch basins located within each drainage easement shall be conducted as necessary.
- (c) Inspection shall be conducted by the Association at least every six (6) months to determine compliance with these standards.

ARTICLE IX - LOT MAINTENANCE

1. Lot Maintenance by Owner. If, in the opinion of the Association or the Declarant, any Owner shall fail to maintain any Lot owned by him in a manner which is reasonably neat and orderly, or shall fail to keep improvements constructed thereon in a state of repair so as not to be unsightly, or shall fail to maintain the utility, sewer and drainage easement in accordance with the requirements set out in Article VI, herein, or shall otherwise fail to comply with this Declaration, the By-Laws or the Rules and Regulations, all in the sole opinion of the Association or the Declarant, the Association in its discretion, by the affirmative vote of a majority of the Members of the Board of Directors, or the Declarant in its discretion, and following ten (10) days written notice to the Owner, may enter upon and make or cause to be made repairs to such improvements and perform any maintenance on the Lot, such as the removal of trash, cutting of grass, pruning of shrubbery, weeding, and items of drainage and erosion control, for the purpose of correcting the identified deficiency. The Association and the Declarant shall have an easement in all Lots for the purpose of accomplishing the foregoing. The reasonable cost incurred in rendering all such services, plus a service charge of fifteen percent (15%) of such cost, shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE X - COMPLIANCE AND ENFORCEMENT

1. Enforcement. The Association, the Declarant and any Owner, an aggrieved Owner within the Subdivision on behalf of the Association, or any Owner on behalf of all Owners within the Subdivision, shall have the right to enforce by any proceeding at law or in equity, all of the conditions, covenants and restrictions of these Restrictions and the Articles, Bylaws and rules and regulations of the Association. The prevailing party shall be entitled to collect all costs thereof, including reasonable attorney's fees.

2. Cost Assessment. The Association shall have the right to remedy any violation of these Restrictions and assess the costs of remedying same against the offending Owner.

3. Suspension. For any violation by an Owner, including, but not limited to, the nonpayment of any initial capital, general or special assessment, the Association shall have the right to suspend the offending Owner's voting rights and the use by such Owner, his agents, employees, licenses and invitees of the Common Areas in the Subdivision for any period during which a violation continues except that such penalties may not be for more than sixty (60) days for violation of any of the Association's published rules and regulations.

4. Remedies. The remedies provided by this Article are cumulative, and are in addition to any other remedies provided by law.

5. No Waiver. The failure of the Association or any person or Owner to enforce any restriction contained in these Restrictions, the Articles, the Bylaws or the rules and regulations shall not be deemed a waiver of the right to do so thereafter.

ARTICLE XI - GENERAL PROVISIONS

1. Severability. Invalidation of any one of these covenants or restrictions by judgement or court order shall in no way effect any other provisions, which shall remain in full force and effect.

2. Amendment. Except as provided in Article II herein, these Restrictions may be amended by vote of the Owners of two-thirds (2/3) of the Lots subject to these Restrictions, including any Lots within any additional property added to this Subdivision and made a part thereof in the future; that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements, as herein provided, or affect any lien for the payment thereof established herein. In no event may the Restrictions be amended so as to deprive the Declarant of any rights granted herein or reserved unto Declarant. All such amendments shall be certified as an official act of the Association by the Secretary thereof and shall be recorded in the New Hanover County Registry. All amendments shall become effective upon said recordation.

3. Duration. All covenants and restrictions herein shall run with the land and shall be binding on all parties owning Lots in said Subdivision for a period of twenty (20) years from the date hereof at which time these covenants shall be automatically extended for successive periods of ten (10) years each unless by vote of the then Owners of a majority of said Lots not under legal disability, it is agreed to revoke same.

4. Conflict. In the event of any irreconcilable conflict between these Restrictions and the By-Laws of the Association, the provisions of these Restrictions shall control. In the event of any irreconcilable conflict between these Restrictions or the By-Laws of the Association and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.

5. Delegation of Rights. The Declarant may from time to time delegate any or all of its rights, powers, discretion and duties hereunder to such agent or agents as it may nominate. It may also permanently assign any or all of its powers and duties (including discretionary powers and duties) obligations, rights, title, easements and estates reserved to it by this Declaration, to any one or more corporations, associations, or persons that will accept the same. Any such agreement shall be in writing recorded among the land records of New Hanover County, and the assignee shall join therein for the purpose of evidencing its acceptance of the same, and such assignee shall thereupon have the same rights, title, powers, obligations, discretion and duties as are herein reserved to the Declarant, and the Declarant shall thereupon be released therefrom.

AMENDMENT TO THE COVENANTS FOR SECTION 1

Now, therefore, in consideration of the premises, the Declarant amends the Declaration as follows:

1. Section 5 of Article VI of the Declaration is amended to delete the following language:

"On corner Lots, the side having the least frontage shall be considered the front Lot line of the said Lot. A fenced area at least 20' x 20' attached to the rear of the house shall be required within which shall be kept lawn mowers, bicycles, toys, grills and stored materials."

2. Except as specifically provided herein, all other provisions of the Declaration shall be in full force and effect.

SUPPLEMENTAL DECLARATIONS OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PHASE 2

ARTICLE I - DEFINITIONS

The Declarant adopts the definitions of terms as set out in the Declaration, except as specifically modified or changed by this Supplemental Declaration. The following definitions shall apply for purposes of this Supplemental Declaration:

1. "Property" as used in this Supplemental Declaration shall refer to the real property herein described.
2. "Owner" shall mean one or more persons or entities which hold the record title to any Lot within LINDEN RIDGE, PHASE 2.

ARTICLE II - ANNEXATION OF ADDITIONAL PROPERTIES

Pursuant to the provisions of Article II of the Declaration, the Declarant hereby annexes to the Subdivision the Property described herein, and adopts by reference, as if fully set out herein, all provisions of the Declaration and any supplements or amendments thereto, except as otherwise specifically set out herein.

ARTICLE III - USE RESTRICTIONS

With regard to the Property described herein, the Declarant adopts the use restrictions contained in Article IV of the Declaration, except for the following sections of said Article IV.

3. Minimum Size of Residence. No residence smaller than 1,000 square feet of heated floor space, exclusive of porches, steps, walks, garages, carports, storage areas, etc., shall be constructed or located on any building Lot. Provided, that in cases where the area is not more than ten percent (10%) below the minimum above set out, Declarant, or its designated agents, may, at their option, approve the construction of the dwelling if it is in conformity with the general development of the Subdivision.
4. Construction Material. No concrete block, concrete brick, asbestos siding, aluminum siding, cinder block, tar paper, nor stucco composition shall be used for the exterior of any residence constructed on any building Lot herein conveyed, it being intended that only conventional frame, wood, masonite-type hardboard, vinyl, brick or clay brick exteriors utilized in buildings be constructed on the Lots.

6. Roofs. The main roof structure on any residence must have a minimum pitch of 5'/12' unless written permission to vary therefrom is first obtained from the Declarant. All shingles shall be earth tones, such as browns, grays and blacks.

25. Driveway. Each Lot must have a paved driveway at a location approved by Declarant. Off-street parking for not less than two passenger automobiles must be provided on each Lot prior to the occupancy of any residence constructed on said Lot, which parking areas and the driveways thereto shall be constructed of concrete, asphalt, brick or landscape paving blocks.

SUPPLEMENTAL DECLARATIONS OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PHASE 3

ARTICLE I - DEFINITIONS

The Declarant adopts the definitions of terms as set out in the Declaration, except as specifically modified or changed by this Supplemental Declaration. The following definitions shall apply for purposes of this Supplemental Declaration:

1. "Property" as used in this Supplemental Declaration shall refer to the real property herein described.
2. "Owner" shall mean one or more persons or entities which hold the record title to any Lot within LINDEN RIDGE, PHASE 3.

ARTICLE II - ANNEXATION OF ADDITIONAL PROPERTIES

Pursuant to the provisions of Article II of the Declaration, the Declarant hereby annexes to the Subdivision the Property described herein, and adopts by reference, as if fully set out herein, all provisions of the Declaration and any supplements or amendments thereto, except as otherwise specifically set out herein.

ARTICLE III - USE RESTRICTIONS

With regard to the Property described herein, the Declarant adopts the use restrictions contained in Article IV of the Declaration, except for the following sections of said Article IV.

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4. Construction Material. No concrete block, concrete brick, asbestos siding, aluminum siding, cinder block, tar paper, nor stucco composition shall be used for the exterior of any residence constructed on any building Lot herein conveyed, it being intended that only conventional frame, wood, masonite-type hardboard, vinyl, brick or clay brick exteriors utilized in buildings be constructed on the Lots.

6. Roofs. The main roof structure on any residence must have a minimum pitch of 5'/12' unless written permission to vary therefrom is first obtained from the Declarant. All shingles shall be earth tones, such as browns, grays and blacks.

25. Driveway. Each Lot must have a paved driveway at a location approved by Declarant. Off-street parking for not less than two passenger automobiles must be provided on each Lot prior to the occupancy of any residence constructed on said Lot, which parking areas and the driveways thereto shall be constructed of concrete, asphalt, brick or landscape paving blocks.