

PRELIMINARY PROOF / NOT RECORDED

**DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS FOR
BELLE MEADE PLANTATION SUBDIVISION**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BELLE MEADE PLANTATION SUBDIVISION (the "Declaration") made as of this ___ day of _____, 2005, by GALARDE DEVELOPMENT, LLC and ATLANTIS HOLDINGS, LLC (hereinafter collectively referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is the owner of that certain real property comprising that residential subdivision known as, or to be known as, Belle Meade Plantation, and as more particularly described on Exhibit "A" attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, Declarant desires to insure the attractiveness of the Property and to preserve the values and amenities thereof; to establish a general plan of development as herein set out; to restrict the use and occupancy of the Property; and to provide for a method for the maintenance, repair, replacement and operation of the Common Area (as defined below).

NOW THEREFORE, Declarant hereby declares that the Lots (as defined below) and other property comprising the Property shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions and easements set forth in this Declaration which are for the purpose of protecting the value and desirability of the Property, and which shall run with the Property and be binding on all parties owning any right, title, or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

PROPERTY SUBJECT TO THIS DECLARATION
ADDITIONS THERETO

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, irrespective of whether there may be additions thereto as hereinafter provided, is located in new Hanover County, North Carolina, and is more particularly described on Exhibit "A" attached and incorporated herein (the "Existing Property").

Section 2. Additions to Existing Property. Additional property adjacent to or adjoining the Existing Property may be brought within the scheme of this Declaration and the jurisdiction of the Association (as defined below) by Declarant without the consent of the Association or its Members (as hereinafter defined); provided, however, that said annexations, if any, must occur within twenty (20) years after the date of the filing of this Declaration. Declarant shall not be obligated to subject any additional property to this Declaration. Such additions shall be made by filing a Supplementary Declaration of Covenants, Conditions and Restrictions with respect to the additional property in the New Hanover County, North Carolina, Public Registry, which shall extend the scheme of this Declaration and the jurisdiction of the Association to such properties and thereby subject such additions to the benefits, agreements, restrictions and obligations set forth herein.

ARTICLE II

DEFINITIONS

Section 1. "Association" means Belle Meade Plantation Owners Association, Inc., its successors and assigns.

Section 2. "Common Area" means any real property and property rights owned by the Association for the common use and enjoyment of the Owners and/or designated as "Common Area" on the Map of the Property, together with all improvements and facilities installed upon or used in connection with such real property and property rights. The Common Area shall include without limitations, the Association's rights (if any) in and to the Streets and access easements, parks, ponds and open space.

Section 3. "Declarant" means GALARDE DEVELOPMENT, LLC and ATLANTIS HOLDINGS, LLC, and any successor thereof so designated as a Declarant hereunder, which successor has purchased all remaining Lots not theretofore sold by said Declarant (or any successor

Declarant) to third party purchasers. At any time, there shall be no more than two Declarants hereunder. At any time, and from time to time, Declarant may relinquish any one or more of the rights granted to or reserved in favor of Declarant in this Declaration by written instrument recorded in the New Hanover County Public Registry, and from and after the recording of any such instrument, the Association shall thereafter have the power to exercise such right and shall thereafter be responsible for all obligations and liabilities with respect to such right. At such time as Declarant becomes a "Class A Member" of the Association as provided for in the By-laws of the Association, or ceases to be a Member of the Association, whichever shall earlier occur, all rights granted to or reserved in favor of Declarant shall be deemed transferred to and exercisable by the Association, and the Association shall from and after such time be liable for all actions taken in the exercise of such rights, with the exception of the right of architectural control provided for in Article III of this Declaration, which shall be relinquished by Declarant only in the manner and at the time set forth in such Article.

Section 4. "Lot" means any plot of land, with delineated boundary lines, shown upon the Map and any other subdivision map of the Property recorded after the Map is recorded. In the event any Lot is increased or decreased in size by re-subdivisions or through recordation of new subdivision plats, any such newly plotted lot shall thereafter constitute a Lot for the purpose of this Declaration.

Section 5. "Map" means that certain map of the Existing Property as recorded in Map Book ____ at Page ____ in the New Hanover County, North Carolina, Public Registry, and the map(s) of any additions to the Existing Property which may be recorded by Declarant in the New Hanover County, North Carolina, Public Registry.

Section 6. "Member" means every person or entity who holds membership in the Association.

Section 7. "Mortgage" means any mortgage or deed of trust constituting a recorded first lien on a Lot.

Section 8. "Mortgagee" means the owner and holder of a mortgage at the time such term is being applied.

Section 9. "Owner" means the record owner, whether one or more person or entity, of fee simple title to any Lot which is a part of the Property, including contract sellers and owners of any equity or redemption, but excluding those having such interest in a Lot

solely as security for the performance of an obligation.

Section 10. "Public Right of Way" means any streets and alleys marked as such on any Map of the Property and/or designated by Declarant as Public Right of Way. The Public Right of Way shall include all paved portions of such streets, adjoining curbs and gutters, irrigation systems, all storm drains, sanitary sewer lines, and other utility facilities installed therein or thereunder, all landscaped medians therein, and adjoining landscaped areas within the full width of the rights-of-way of the Public Right of Way as shown on any Map or as designated in writing by Declarant.

Section 11. "Property" means the "Existing Property" described in Article 1, Section 1 hereof, and any additions thereto, as are or shall become subject to this Declaration and any Supplementary Declaration under the provisions of Article I, Section 2 hereof.

ARTICLE III

ARCHITECTURAL CONTROL

Section 1. Duration of Control. Because Declarant may develop areas adjoining the subdivision and bring same within the scheme of this Declaration. Declarant shall retain the right of architectural control as provided for in this Article III for twenty (20) years from the date of filing of this Declaration even though the Declarant at the time of any exercise of such control may own no Lot. However, the Declarant may, at its sole option, surrender such right of architectural control at any time by a duly recorded written instrument, and, at such time, the Association shall have the power through an additional duly recorded written instrument to appoint an architectural review board (the "Architectural Review Board"), which Architectural Review Board, if so appointed, shall have the right of architectural control as described in this Article, and shall retain such right until said Architectural Review Board is terminated by a duly recorded written instrument executed by the Association.

Section 2. Extent of Control. No building, garage, fence, wall, sidewalk, hedge, mass planting, change in grade or slope, side preparation, swimming pool, tree house, children's play house, sign, exterior illumination, monument or marker, driveway, utility facility, mailbox, well, tennis court, patio, deck, dock or pier, shrubbery, landscaping, or any other structure or improvement ("Improvements") shall be commenced, erected or maintained upon any Lot nor shall any exterior addition, change or alteration therein

(including change of color) be made without the prior written approval or Declarant in its sole discretion. The areas over which Declarant shall have control shall include, but shall not be limited to, the size and plan of the principal residential structure, the location of the principal residential structure on the Lot, the size and plan of any attached or unattached garage or other building, the location and manner of construction of any driveway, swimming pool, utility facility, patio, mailbox, driveway and landscaping monuments and markers or any other exterior improvements, the composition and color of all material used on the exterior of any structure and the location and type of any shrubbery. Declarant shall also have control over the removal of any tree or other vegetation from any Lot and no party shall grade, excavate upon or otherwise alter the topography of any Lot or remove any tree or other vegetation therefrom without obtaining the prior written approval of Declarant in accordance with its general plan of development. The Declarant reserves the right to control absolutely and solely and decide the precise site and location of any house or dwelling or other structure upon all Lots, provided however, that such locations shall be determined only after reasonable opportunity is afforded the Lot Owner to recommend a specific site.

Section 3. Procedure. Any party requiring approval of any proposed Improvements to any Lot shall submit to Declarant plans and specifications showing in such detail and manner as Declarant shall require the nature shape, height, color, material and location of any such improvements. Declarant, in its sole and absolute discretion, may require in particular instances that such plans and specifications be accompanied by a plat prepared by a registered surveyor showing the location of the proposed Improvements on the Lot. All decisions by Declarant shall be based on Declarant's discretionary determination as to whether any particular Improvement is suitable and harmonious with the development of the Property. Declarant's approval or disapproval of any proposed Improvement shall be in writing. In the event that Declarant fails to approve or disapprove any such proposed Improvement within thirty (30) days after plans and specifications in such detail as Declarant may require have been received by it, such plans and specifications shall be deemed approved. Subsequent to the approval of any plans and specifications, the Owner shall have the responsibility for making such Improvements in accordance with the plans and specifications as approved. Approval by Declarant of any proposed Improvements shall not constitute or be construed as approval of the structural stability, design, or quality of any Improvement or the compliance of any such Improvement with applicable laws and codes. Refusal or approval of plans, specifications or location may be based upon any grounds,

including purely aesthetic considerations, which in the opinion of and the sole and uncontrolled discretion of Declarant shall be deemed sufficient.

In the event any Owner violates the terms of this Section, Declarant or its duly appointed agent shall, after thirty (30) days written notice to Owner to cure such violation and failure of Owner to so cure, be entitled to enter upon the Lot(s) of Owner and cure such defect including the removal of any Improvements built in violation hereof, all at the cost and expense of Owner. Any costs and expenses incurred by Declarant or such duly appointed agent in connection with the cure of any such violation shall be a lien upon such Lot(s), and upon the failure of such Owner to reimburse Declarant or such agent for such costs and expenses upon demand, Declarant or such agent may enforce such lien against such Lot(s) in the same manner as is provided for enforcement of the Association's lien for non-payment of assessments as provided for in Article VII, Section 8, hereinbelow. This right of the Declarant or its agent shall be in addition to all other general enforcement rights which the Declarant may have for a breach or violation of the terms of this Declaration and shall not be deemed a trespass by Declarant or its agents. Declarant reserves the right for reasonable needs, but shall not be obligated, to waive in writing any violation of this provision.

ARTICLE IV

COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

Section 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 the Common Areas. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a Book of Resolutions that shall be maintained in a place convenient to the Owners and available to them for inspection during normal business hours.

Section 2. Use of Lots. All lots and buildings shall be single-family residential lots and shall be used for residential purposes. The Developer may use one or more homes for offices and/or models for sales purposes. The foregoing shall not be construed to limit or prohibit offices within the home provided said offices are not open to the public or held out to be for public visitation, use or convenience.

Section 3. Subdivision of Lots. No Lot shall be subdivided by sale or otherwise so as to reduce the total Lot area shown on the

Map, except by and with the written consent of the Declarant and provided same is also permitted under applicable governmental regulations and private restrictions affecting said Lot. However, Declarant hereby expressly reserves unto itself, its successors and assigns, the right to re-plat any two or more Lots shown on the plat of any subdivision of the Property or Additional Property in order to create one or more modified Lots; to further subdivide tracts shown on any such subdivision plat into two or more Lots; to recombine one or more tracts or Lots or a tract and Lots to create a larger tract; to eliminate from this Declaration Lots that are not otherwise buildable or are needed for access, or for use as roads or access areas, and to take such steps as are reasonably necessary to make such re-platted Lots or tracts suitable and fit as building sites or access areas or roadways, said steps to include, but not limited to, the relocation of easements, walkways, and rights of way to conform to the new boundaries of the said re-platted Lots.

Section 4. Right of First Refusal Respecting Unimproved Lots. Before any unimproved Lot may be sold or resold to any person, firm or corporation by any Owner thereof except Declarant or its successors, the Owner of such Lot first shall offer in writing to sell the Lot to Declarant, at a price and on terms designated by said Owner. If Declarant does not accept or reject in writing said offer of sale within seven (7) days of its receipt of the same, then the Owner of such Lot shall have the right to sell the Lot to any third party; provided, however, the sale of said Lot to such third party shall be at a price and on terms and conditions not less favorable to said Owner than the offer made to Declarant, and the closing of the sale of such Lot must occur within six (6) months after the offer by Owner to sell the Lot to Declarant. Any sale of a Lot at a price or on terms and conditions less favorable to said Owner than the offer made to Declarant, or which closes more than six (6) months after the offer made by such Owner to Declarant, will require separate compliance with the foregoing provisions of this Article IV, Section 4.

Section 5. Reserved Utility Easements. In addition to the easements reserved on the Map, the Declarant reserves for itself, and its successors and assigns, a permanent easement in and the right at any time in the future to grant a permanent right of way over, under and along an area uniformly ten (10) feet in width along the front lines of each Lot for the installation and maintenance of poles, lines, conduits, pipes and other equipment necessary or useful for furnishing electrical power, gas, water, sewer, telephone service and other utilities and drainage facilities. Within such areas no structures, plantings, fences or

other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities or which may obstruct or retard the flow of water through drainage channels in such areas. The area of each Lot containing the easement and all improvements thereon shall be maintained continuously by the Owner of the Lot except for those improvements for which a public Authority or utility company is responsible.

Section 6. Reserved Drainage Easements. In addition to the easement reserved on the Map, the Declarant reserves for itself, and its successors and assigns, a permanent easement in and the right at any time in the future to grant a permanent right of way over, under and along an area uniformly thirty (30) feet in width along the rear lines of each Lot and ten (10) feet in width along the side line of each Lot; for the installation and maintenance of conduits, pipes and other equipment necessary or useful for furnishing drainage facilities. Within such areas no structure, plantings, fences or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of said drainage facilities or which may obstruct or retard the flow of water through drainage channels in such areas. The area of each Lot containing the drainage easement and all improvements thereon shall be maintained continuously by the Owner of the Lot except for those improvements for which a public Authority or utility company is responsible.

Section 7. Easements Reserved for the Association. The Association is hereby granted an easement for the installation and maintenance of all of the Common Areas.

Section 8. Exterior Lights. All light bulbs or other lights installed in any fixture located on the exterior of any building or on any Lot shall be clear, white or non-frost lights or bulbs, and shall be low level (not fluorescent, neon, etc.). No street lights or other high intensity lights are permitted.

Section 9. Electrical Power. The Declarant reserves the right, at its option, to subject the Property, or any portion thereof, to a contract with Progress Energy Corporation which may require a continuing monthly payment to Progress Energy Corporation by the Association.

Section 10. Approval of Plans. Front, rear and side elevations, together with specifications on the exterior siding, square footage, windows, doors, roofing and exterior colors must first be submitted to Declarant for review and approval prior to the beginning of any construction, to include site work. All buildings must be stick built and have a crawl space or raised slab of a

minimum of eighteen (18) inches. Mobile homes, modular homes and any other structure that is not stick built on the Lot are absolutely prohibited.

Section 11. Minimum House Size. A house shall contain not less than 1,600 square feet of heated living area. However, it is expressly understood and agreed that Declarant, in its sole discretion, may approve a 10 percent variance.

Section 12. Building Placement. Since the establishment of 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, the site and location of any house or dwelling or other structure upon any lot shall be controlled by and must be approved absolutely by the Declarant. Notwithstanding the foregoing, the minimum front setback of any dwelling shall be thirty (30) feet; the minimum side setback shall be ten (10) feet; and the rear setback shall be thirty five (35) feet. Detached garages or out buildings shall have a minimum front setback of seventy five (75) feet.

Section 13. Building Completion. The exterior of all houses and other structures must be completed within twelve (12) months after the construction of same shall have commenced, except where such completion is impossible or would result in great hardship to the Owner of builder, due to strikes, fires, national emergency or natural calamities.

Section 14. Number of Dwellings and Height. No structure shall be erected, altered, placed or permitted to remain on any Lot, except one single-family dwelling not to exceed two-and-a-half stories in height, unless the Declarant or its successor, as the case may be, approves in writing a structure of more than two-and-a-half stories, and one or more small accessory buildings which may include a detached private garage or guest facilities.

Section 15. Limitations on Impervious Surfaces. All Lots are subject to the State of North Carolina rules and regulations concerning stormwater runoff as those rules and regulations are amended from time to time. The maximum allowable built-upon area for Lots 1-13, 22, 23 and 34-52 is 3,200 square feet per lot. The maximum allowable built-upon area for Lots 14-21 and 24-33 is 3,700 square feet per lot. This allotted amount includes any built-upon area constructed within the lot property boundaries, and that portion of the right-of-way between the front lot line and the edge of the pavement. Built-upon area includes, but is not limited to,

structures, asphalt, concrete, gravel, brick, stone, slate, coquina and parking areas, but does not include raised, open wood decking, or the water surface of swimming pools. Declarant reserves the right to recalculate the maximum allowable built-upon area in accordance with the stormwater runoff rules and regulations of the State of North Carolina with the approval of State of North Carolina, Division of Water Quality. All runoff from the built-upon area on the lot must drain into the permitted system. This may be accomplished through providing roof drain gutters which drain to the street, grading the lot to drain toward the street, or grading the perimeter swales to collect lot runoff and directing them into the stormwater system or into the street. Lots that will naturally drain into the system are not required to provide these additional measures. Drainage swales or drainage patterns used to treat stormwater runoff as required by the rules and regulations of the State of North Carolina may not be filled in, piped or changed without the consent of the Declarant, its designee, the Association, or the State of North Carolina and shall be maintained as provided herein. For curb and gutter projects, no one may pipe, fill in, or alter any lot line swale used to meet North Carolina Stormwater Management Permit requirements. The State of North Carolina is hereby made a beneficiary of this Declaration to the extent necessary to maintain compliance with the stormwater management permit. These covenants are to run with the land and be binding on all persons and parties claiming under them. The covenant pertaining to stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality. Alteration of the drainage as shown on the approved plan may not take place without the concurrence of the Division of Water Quality. The foregoing covenants are intended to ensure ongoing compliance with State Stormwater Management Permit issued by the Division of Water Quality under NCAC 2H.1000. Declarant reserves the right to unilaterally amend the restrictions herein contained at any time to ensure ongoing compliance with said State Stormwater Management Permit.

Section 16. Outbuildings and Similar Structures. No trailer, camper or other structure of a temporary nature shall be erected or allowed to remain upon any Lot and no trailer, camper, shack, tent, garage, barn, or other structure of a similar nature shall be used as a residence either temporarily or permanently upon any Lot; provided, however, that this Section shall not be construed to prevent the Declarant from permitting any party building a structure upon any lot to erect temporary structures during construction.

Section 17. Nuisances and Unsightly Materials. No noxious, offensive, or illegal activity shall be carried on upon any Lot,

nor shall anything be done thereon which may be or become an annoyance to the neighborhood. No person may keep any animal upon any part of the Lot except that any Owner then occupying a residence upon a Lot may keep customary household pets upon such Lot provided that such pets are not kept, bred or maintained for any commercial purposes or in such a manner as to become a nuisance to the other Owners or residents of the subdivision and provided that such pets are kept in accordance with county ordinances and leash laws. No domesticated farm animal or fowl shall be kept on any part of the Property. No hunting for any bird or animal shall be permitted on any part of the Property.

All service utilities, fuel tanks and wood piles are to be enclosed within a wall or plant screen of a type and size approved by the Declarant or its successor, so as to preclude the same from causing an unsightly view from any street or way within the Property or from any other residence within the Property. No fences shall be placed or permitted to remain on any lot without approval of the Declarant.

Section 18. Maintenance of Lots. Each Owner shall keep his Lot in an orderly condition and shall keep the Improvements thereon in a first class and suitable state of repair promptly repairing any damage thereto by fire or other casualty. It shall be the responsibility of each Lot owner to maintain the berm, if any, located on the Lot. No clotheslines may be erected or maintained on any Lot. No Lot shall be used in whole or in part for storage of rubbish of any character whatsoever or for the storage of any property or thing that will cause any noise that will disturb the peace and quiet of the occupants of surrounding Lots, and no trash, rubbish, stored materials, wrecked or inoperable vehicles or similar unsightly items shall be allowed to remain on any Lot outside an enclosed structure; provided, however, that the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish or other debris for collection by governmental or other similar garbage and trash removal units. Each Owner shall provide suitable receptacles for trash, rubbish, garbage or ashes, and such receptacles shall be located in a screened area not generally visible from the road, the adjoining Lots or from Common Areas. In the event that any owner fails or refuses to comply with any of the foregoing, the Declarant may demand that the Owner promptly comply with the same by mailing a notice thereof to the Owner at his address specified in the records of the Association and by posting such notice on the Lot. If the Owner has not complied therewith within five (5) days thereafter, the Declarant may enter and correct the same at Owner's expense. Each Owner by acquiring a Lot(s) subject to these restrictions, agrees to pay such cost promptly upon demand by Declarant. Such cost shall be a

lien upon such Owner's Lot(s), and upon the failure of such Owner to pay such cost to Declarant upon demand, Declarant may enforce such lien against such Lot(s) in the same manner as is provided for enforcement of the Association's lien for non-payment of assessments as provided for in Article VII Section 8, herein below. No such entry as provided herein shall be deemed a trespass.

Section 19. Preservation of Trees, Natural Buffer. All landscaping, tree cutting and site preparation work to be performed shall be approved by the Declarant prior to any such landscaping, tree cutting and site preparation work being done. Plans must be submitted for approval to the Declarant and shall include a site plan with lot lines, building outlines, driveways and parking areas. Identification of trees for which removal is requested is required. Specifically, hardwoods with a caliper of 5 inches or more may not be cut or removed without the express written consent of the Declarant. Owners are encouraged not to cut any wild olive, eleagnes, hawapple, hawthorne, dogwood, oak, chinquapin, hickory, bay, cherry, holly, or cedar trees or shrubs, no matter the diameter.

Every effort shall be made to preserve existing trees during construction except those that the owner has the written consent of the Declarant to remove. Fencing and barricades should be employed to prevent root compaction. Trees damaged during construction should be treated as soon as possible.

If this section or Section 6 is violated and any tree is cut in violation of this Declaration without the written consent of the Declarant, the Lot Owner, by acceptance of his deed of conveyance and the considerations contained therein and herein, shall pay to the Declarant the sum of \$1,000 for each tree cut in violation of this Declaration.

Section 20. Mailboxes. Each lot shall have only one (1) mailbox and one (1) paper box which shall be mounted on a single post; all such boxes must be approved by Declarant. Such boxes may be provided by the Declarant or building contractor. Any such boxes shall be considered an improvement and must remain with the Lot, and shall be maintained by the Association. Boxes damaged beyond repair shall be replaced by the Association at the expense of the Owner of the Lot.

Section 21. Signboards. No signboard, billboard, or advertising sign of any description shall be displayed upon or above any Lot by an Owner, any building contractor or other party with the exception of the following signs, none of which may be affixed to a tree:

- Signs stating "For Rent" or "For Sale" which signs shall not exceed two feet by three feet in dimension, shall refer only to the Lot on which displayed and shall be limited to one sign per Lot, and
- Signs stating the name of the resident of any Lot and the street address, the design of which shall be furnished to Declarant and shall be subject to approval by Declarant.
- During the period of construction, the general contractor's sign, but no subcontractor's sign, shall be allowed.

Section 22. Antennae. No satellite dishes or similar structure greater than eighteen (18) inches in diameter nor any radio or television aerial antenna or any other external electronic equipment or devices may be installed or maintained on any exterior portion of any structure erected on a Lot or elsewhere upon any Lot or within the Property without the prior written approval of Declarant.

Section 23. Common Area Alterations. No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Areas except at the direction or with the express written consent of the Association.

Section 24. Lease of Homes. No dwelling unit on any Lot shall be leased for transient or hotel purposes, nor may any Owner lease less than the entire dwelling unit, nor shall any lease be for any period of less than six (6) months. Any lease must be in writing and provide that the terms of the lease and occupancy of this dwelling shall be subject in all respects to the provisions of the Declaration, the By-Laws and Rules and Regulations of the Association and that any failure of any lessee to comply with the terms of such documents shall constitute a default under the lease.

Section 25. Parking Rights and Restrictions. Adequate off-street parking shall be provided by the Owner of each Lot for automobiles and other vehicles owned and controlled by such Owner, members of the Owner's family or guests and invitees of the Owner.

Section 26. Driveways. All driveways shall be constructed of concrete or other material as may be approved by Declarant.

ARTICLE V

THE ASSOCIATION

Section 1. Association Membership. Every Owner of a Lot shall be a member of the Association which Declarant may organize at a time of its choosing. Membership shall be appurtenant to and may not be separated from ownership of any Lot. 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.

Section 2. Availability of Documents. The Association shall maintain current copies of the Declaration, the By-Laws and other rules and regulations concerning the Property as well as its own books, records, and financial statements, available for inspection by all Owners, mortgagees, and insurers and guarantors of Mortgages, upon reasonable notice and during normal business hours. In addition, any Mortgagee may, at its own expense, have an audited statement prepared with respect to the finances of the Association.

ARTICLE VI

COMMON AREA

PROPERTY RIGHTS AND OBLIGATIONS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right of enjoyment and easement in and to all Common Areas, which right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to and in accordance with the terms and provisions of this Declaration, including without limitation the following provisions:

a. The right of the Association to suspend the voting rights and enjoyment rights of an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

b. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless the Members entitled to at least a majority of the votes appurtenant to all Lots agree to such dedication or transfer and signify their agreement by a signed and recorded written document, provided that this subsection shall not preclude the Board of Directors of the Association from granting easements for the installation and maintenance of sewerage, utilities and drainage facilities upon, over, under and across the Common Area without the assent of the membership when

such easements, in the opinion of said Board, are requisite for the convenient use and enjoyment of the property.

c. The right of the Association, with the assent of Members entitled to at least two-thirds (2/3) of the votes appurtenant to all Lots, to mortgage, pledge, deed in trust, or otherwise hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

Section 2. Delegation of use.

a. Family. The right and easement of enjoyment granted to every Owner in Section 1 of this Article may be exercised by any members of the Owner's family who occupy the residence of the Owner within the Property as their principal residence in new Hanover County, North Carolina.

b. Tenants or Contract Purchasers. The right and easement of enjoyment granted to every Owner in Section 1 of this Article may be delegated by the owner to his tenants or contract purchasers who occupy a residence within the Property as their principal residence in new Hanover County, North Carolina.

Section 3. Maintenance Responsibility of Association. The Association shall have the responsibility of maintaining in good condition all Common Areas, including roadways, streets, the entrance to Belle Meade Plantation, plantings and shrubbery, amenities, or other facilities or improvements constructed thereon, and shall pay all costs of operation thereof, including premiums associated with general liability insurance insuring the Association from liability arising from ownership and operation thereof which the Board of Directors may elect to purchase. Further the Association shall be responsible for adopting rules and regulations governing utilization of all Common Areas. The Association shall be obligated to accept ownership of all Common Areas designated on the Map or any other Property that by Supplementary Declaration is made subject to this Declaration. To the extent necessary, the Association may employ personnel necessary to perform its obligations.

The specific maintenance and upkeep obligations of the Association with respect to Lots include maintenance of mailboxes and paper boxes. Boxes damaged beyond repair shall be replaced by the Association at the expense of the Owner of the Lot.

The Association shall have no obligation to maintain the exterior of any building, or any other improvements on any Lot. The owner of each Lot shall have an affirmative obligation to maintain the Lot and the exterior appearance of all buildings, structures, and improvements as provided in Article IV, Section 18, hereof.

Section 4. Private Right of Way. As is indicated hereinabove, the Private Right of Way shall be part of the common Area until same is accepted as a Public Right-of-Way by the State of North

Carolina. The Private Right of Way have been initially constructed by Declarant and are intended for the use and benefit of all Owners, their guests, employees, tenants and invitees for the purpose of ingress, egress and regress from portions of the Property to public streets by vehicle or otherwise. Neither the inclusion of the Private Right of Way on the Map nor the dedication of the Private Right of Way for the use and benefit of the Owners shall be construed to be an offer to dedicate the Private Right of Way for public use. The Association shall, at its own expense, operate, repair, maintain, and reconstruct the Private Right of Way, including all paved portions thereof, all curb and gutter, all irrigation systems, and all storm drains, sanitary sewer lines, and other utility facilities installed therein or thereunder, all street signs and related improvements, and all landscaped medians therein until same are dedicated for public use. The Association shall have the right to establish rules and regulations governing the use of the Private Streets, including establishing speed limits thereon. Notwithstanding the foregoing, it shall be the owner's responsibility to maintain that portion of the private Right of Way between the front boundary of the Lot and the paved street portion of the Private Right of Way.

ARTICLE VII

COVENANT FOR ASSESSMENTS

Section 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 such deed, is deemed to covenant and agree to pay to the Association: (1) general assessments or charges and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney fees, shall also be the personal or corporate obligation of the person(s), firm(s), or corporation(s) owning such Lot at the time when the assessment fell due, but such personal obligation shall not be imposed upon such Owner's successors in title unless expressly assumed by them.

The Declarant is not required to pay general or special assessments to the Association for unsold lots, and nothing in this Article shall be construed to require such payments.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the residents of the Property and in particular for the operation and maintenance of the Common Areas. The assessments shall also be used for the acquisition, improvement and maintenance of properties, services, utilities and facilities related to the use and enjoyment of the Property, the Lots and in particular, the Common Areas, including, but not limited to: the cost of all repair, replacement and additions thereto; the cost of operating and maintaining the Private Streets; the cost of labor, including the cost for providing a guard for the guardhouse if a guardhouse is built by or for the Association as a capital improvement with a special assessment as provided in Section 4 hereof; equipment, materials, management and supervision thereof; the payment of taxes assessed against the Common Areas; the procurement and

maintenance of insurance as permitted or required under the terms of this Declaration or the By-Laws, including without limitation casualty insurance on the Common Area, or any portion thereof, general liability insurance with respect to the Property, and directors' and officers' liability insurance for the directors and officers of the Association, any or all of which coverages the Association is hereby expressly authorized to obtain and maintain in such amounts as the Board of Directors shall deem prudent and reasonable; the employment of attorneys to represent the Association when necessary; payments of principal and interest on funds borrowed for Association purposes; and such other needs as may arise.

Section 3. Initial General Assessment. The initial general assessment, due and payable to the Association, shall be prorated and paid at the time of closing of the purchase of a Lot by an Owner, so that all payments thereafter shall be due on January 1 of each year or the due date(s) which may be set by the Board of Directors as is more fully set forth in Section 7 of this Article. All general assessments shall be fixed at a uniform rate for all Lots.

Section 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 cost of any construction, repair, or replacement of any common amenities, private utility facilities, or capital improvements, repayment of indebtedness or interest thereon, borrowing of funds to make property comply with zoning ordinances, borrowing of money for capital improvement or pledging or mortgaging of Association property as security for loans, including fixtures and personal property related thereto, provided that any such assessment shall be approved by no less than a majority of the votes of the Members of the Association. All special assessments shall be fixed at a uniform rate for all Lots.

Section 5. Working Capital Assessment. At the time title is conveyed to an Owner by Declarant, the Owner shall contribute to the Association as a working capital reserve an amount equal to \$200.00. Such funds shall be used for initial operating and capital expenses of the Association, such as prepaid insurance, supplies, and furnishings, fixtures and equipment for the common areas, etc. Amounts paid into the working capital fund are not to be considered as advance payment of general assessments. Any remaining working capital funds shall become part of the general operating funds of the Association.

Section 6. Notice and Quorum for Any Action Authorized Under Section 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 hereof shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members owning one-half (½) of the Lots, or of persons holding proxies entitled to cast one-half (½) of all the votes appurtenant to all Lots, shall constitute a quorum. If the required quorum is not present, subsequent meetings may be called subject to the same notice requirement, until the required quorum is present. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of General Assessments and Due Dates. The general assessments provided for herein shall commence as to each Lot on the date of conveyance of each

Lot to an Owner other than Declarant. Each Lot owned by Declarant shall be exempt from any assessment unless a residence is constructed thereon, in which case an assessment shall be due from and after the date of issuance of a certificate of occupancy for such residence. The first general assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the general assessment against each Lot at least thirty (30) days in advance of each general assessment period. Written notice of the general assessment shall be sent to every Owner. The due dates shall be established by the Board of Directors. The Board of Directors shall require the general assessments to be paid at least annually but may require the general assessments to be paid more often. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate allowed by law. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against such Owner's Lot in the same manner as is provided in the North Carolina General Statutes for foreclosure of mortgages under power of sale, and reasonable attorney fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area of abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any Mortgage. Sale or transfer of any Lot shall not affect any assessment lien. However, the sale or transfer of any Lot the is subject to any Mortgage pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any Mortgage.

Section 10. Exempt Property. Each Lot owned by Declarant shall be exempt from any assessment unless a residence is constructed thereon. All property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VIII

General Provisions

Section 1. Enforcement. The Declarant, the Association, or any Owner shall have the right to enforce by any proceeding at law or equity all conditions, covenants; and restrictions now or hereafter imposed by the provisions of this Declaration. Failure by such party to enforce any such

covenant, condition or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of the covenants, conditions or restrictions of this Declaration by judgment or court order shall in no way affect any of the other provisions not expressly held to be void. And such remaining provisions shall remain in full force and effect.

Section 3. Amendment. The covenants, conditions and restrictions of this Declaration shall run with the land and bind the Owners of Lots for a period of twenty (20) years from the date this Declaration is recorded, after which time such covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years unless terminated or altered by a vote of seventy percent (70%) of the Owners after the expiration of said twenty (20) year period. This Declaration may be amended during the first twenty (20) year period by an instrument signed by the Declarant and the Owners of not less than seventy percent (70%) of the Lots, thereafter by an instrument signed by the Owners of not less than seventy percent (70%) of the Lots. Any amendment must be properly recorded. For the purpose of this Section, an addition to the Existing Property as provided in Article I, Section 2 hereof shall not constitute "amendment". Notwithstanding the foregoing, Declarant retains the absolute right to unilaterally amend this Declaration in perpetuity for purposes of ensuring ongoing compliance with North Carolina stormwater regulations pursuant to Article IV, Section 15 hereof.

Section 4. Additional Property. In the future, the Declarant may or may not develop additional property in the vicinity of the Property. In such event the Declarant may, in its sole and absolute discretion, either annex such additional property to the Property by recorded instrument, as hereinabove described, in which case each lot within the annexed area shall be considered a Lot hereunder, or Declarant may separately impose the same, additional, or lesser restrictions on such additional property or may impose no restrictions whatsoever on the development of such additional property. Nothing herein contained shall be construed to impose any restrictions on or easements in any land or property now or hereafter owned by the Declarant, other than the Property.

Section 5. Waiver of Unintentional Violations. Declarant reserves the right, but shall not be obligated, to waive in writing any violation of the designated and approved building location line or either side Lot line, provided that such violation does not exceed ten percent (10%) of the applicable requirements and the violation thereof was unintentional.

Section 6. Preservation of Open Space and Density Transferability. Declarant shall preserve a minimum of 3.121 acres of open space within the Property and shall limit development to 52 residential lots. Declarant reserves the right to transfer any unallocated open space within the Belle Meade Plantation Subdivision to increase density elsewhere within the Belle Meade Development Master Plan. Said 3.121 acres of open space may be used for general utility and drainage purposes, including retention ponds as well as for recreational purposes and any other purpose as may be allowed by applicable law.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed and sealed as of the day and year first above written.

Galarde Development, LLC

Atlantis Holdings, LLC

By: _____ (SEAL)
John Galarde, Manager

By: _____ (SEAL)
Matthew DiGioia, Manager

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

I, Alan M. Solana, a Notary Public of the aforesaid County and State, do hereby certify that John Galarde, Manager of Galarde Development, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the execution of the foregoing instrument on behalf of said limited liability company.

Witness my hand and notarial seal, this the ____ day of _____, 2005.

Notary Public

My Commission Expires: May 30, 2009

(AFFIX SEAL)
STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

I, Alan M. Solana, a Notary Public of the aforesaid County and State, do hereby certify that Matthew DiGioia, Manager of Atlantis Holdings, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged the execution of the foregoing instrument on behalf of said limited liability company.

Witness my hand and notarial seal, this the ____ day of _____, 2005.

Notary Public

My Commission Expires: May 30, 2009

(AFFIX SEAL)

EXHIBIT "A"

Beginning at an existing iron pipe located at the Southwest corner of Cambridge Heights Johnson Farms Subdivision Phase 5 as the same is shown on Map Book 42, Page 306 in the New Hanover County Registry; thence North 79 degrees 09 minutes 20 seconds West a distance of 237.40 feet to an existing iron pipe; thence South 74 degrees 21 minutes 55 seconds West a distance of 26.01 feet to an existing iron pipe located at the Northeast corner of Douglas H. Clevinger and wife, Sabrina D. Clevenger Tract as recorded in Book 2411, Page 0830 of the New Hanover County Registry; thence along and with the North property line of said Clevinger Tract North 64 degrees 41 minutes 48 seconds West a distance of 665.33 feet to an existing iron pipe located at the Southwest corner of Stephen L. McGinnis and wife, Elizabeth T. McGinnis Tract as recorded in Book 1690, Pages 0473 thru 0475 of the New Hanover County Registry; thence North 00 degrees 19 minutes 03 seconds East a distance of 181.72 feet to an existing iron pipe; thence North 10 degrees 15 minutes 26 seconds West a distance of 42.27 feet to an existing iron pipe; thence North 66 degrees 02 minutes 05 seconds East a distance of 10.03 feet to an existing iron pipe located at the Eastern most corner of

Richard D. Longnecker and wife, Gail S. Longnecker Tract as recorded in Book 1507, Pages 0716 and 0717 of the New Hanover County Registry; thence along and with the Est property line of said Longnecker Tract North 09 degrees 29 minutes 11 seconds West a distance of 21.16 feet to a point; thence North 32 degrees 36 minutes 51 seconds West a distance of 66.14 feet to a point; thence North 14 degrees 37 minutes 45 seconds West a distance of 28.38 feet to an existing iron pipe; thence North 35 degrees 31 minutes 43 seconds West a distance of 51.43 feet to an existing iron pipe; thence North 19 degrees 41 minutes 02 seconds West a distance of 103.99 feet to an existing iron pipe; thence North 19 degrees 11 minutes 49 seconds West a distance of 63.05 feet to a point; thence North 00 degrees 56 minutes 32 seconds West a distance of 92.97 feet to a point; said point being the Northern most corner of said Longnecker Tract; thence along and with the center line of an existing ditch the following: North 66 degrees 53 minutes 45 seconds East a distance of 202.70 feet to a point; thence North 53 degrees 30 minutes 35 seconds East a distance of 53.47 feet to a point; thence South 62 degrees 59 minutes 55 seconds East a distance of 131.32 feet to a point; thence South 63 degrees 42 minutes 08 seconds East a distance of 341.30 feet to a point; thence South 63 degrees 33 minutes 08 seconds East a distance of 377.81 feet to a point; thence South 66 degrees 24 minutes 21 seconds East a distance of 107.51 feet to a point; thence South 89 degrees 54 minutes 58 seconds East a distance of 100.39 feet to a point; thence South 86 degrees 35 minutes 19 seconds East a distance of 102.54 feet to a point, located at the Northeast corner of Cambridge Heights Johnson Farms Subdivision Phase 2 as the same is shown on Map Book 39, Page 338 in the New Hanover County Registry; thence South 25 degrees 36 minutes 54 seconds West a distance of 697.20 feet to the POINT OF BEGINNING; cntaining 17.93 acres, more or less.