

PREPARED BY:
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STATE OF NORTH CAROLINA
COUNTY OF HYDE

THIS DECLARATION, made this the 2nd day of August, 1997,
by RED CREEK RANCH, INC., a Colorado Corporation, hereinafter
called Declarant;

W I T N E S S E T H:

THAT WHEREAS, the Declarant is the owner of the real property described in Article I of this Declaration and is desirous of subjecting said real property to the protective covenants hereinafter set forth, each and all of which is and are for the benefit of such property and for each owner thereof, and shall inure to the benefit of and pass and run with said property, and each and every lot or parcel thereof, and shall apply to and bind the successors in interest and any owner thereof.

NOW, THEREFORE, the Declarant hereby declares that the real property described in and referred to in Article I hereof is and shall be held, transferred, sold and conveyed subject to the protective covenants set forth below.

ARTICLE I

The real property which is, and shall be, held, transferred, sold and conveyed subject to the protective covenants set forth in the various articles of this Declaration is located in Currituck Township, Hyde County, North Carolina, and is more particularly described as follows:

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ALL OF Lots One (1) through 88 (), inclusive, of Pocosin Farms as more fully shown on that certain plat prepared by Berkley, Howell & Associates, P.C., dated 6-17-97, and recorded in the Office of the Register of Deeds of Hyde County, North Carolina, in Plat Cabinet C, Slide 338 through 342.

No property other than that described above shall be subject to this Declaration until specifically made subject thereto.

ARTICLE II

The real property described in Article I hereof (hereinafter called Lot or Lots as applicable) is subjected to the protective covenants and restrictions hereby declared in order to provide enforceable standards of improvement and development whereby aesthetics, living conditions and property values may be enhanced.

ARTICLE III

No lot shall be used except for residential, recreational, or agricultural purposes. No swine, livestock or poultry shall be raised or bred on any lot, except household pets, such as dogs and cats, which may be kept provided they are not bred or maintained for commercial purposes. With suitable facilities and proper fencing, horses and ponies shall be permitted on subdivision lots, provided at least One (1) acre per each horse or pony is fenced for the maintenance of said animal. Improvements constructed for the maintenance of animals shall be kept in good repair and must conform generally in appearance with any dwelling upon a lot, although such improvements shall need not be constructed of materials identical to an existing dwelling. Each Lot owner shall maintain any such improvements placed upon any Lot, and no unsightly or dilapidated buildings or other structures shall be permitted on any Lot with the exception of any pre-existing structures.

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No residence shall be erected, constructed, maintained or used or permitted to remain on any Lot other than one single-family dwelling of not less than 1,200 square feet. Once construction is begun on said dwelling, all exterior construction must be completed within One (1) year of the commencement of construction.

No more than one outbuilding may be constructed on any lot within Pocosin Farms Subdivision. Said outbuilding shall be only for the purposes of housing boats, cars, RV's, as well as lawn and garden equipment. Said building must be constructed in a workman-like manner and may not be constructed more than one year prior to construction of the main residence. This building must be enclosed on at least three sides and the top, and with some sort of door which would thus close in all four sides of the building.

There shall be no single-wide mobile homes/manufactured homes, no double-wide mobile homes/manufactured homes, or buses situate on any Lot as a residence or for storage, either temporarily or permanently. Modular homes are permitted to be erected upon any Lot, as long as all other building requirements are met and the home is placed on a permanent foundation.

ARTICLE IV

No trade, commerce or other activity which may be considered a nuisance to the neighborhood shall be carried on upon any Lot. No trade materials or inventories may be stored upon any Lot and no tractor-trailer type trucks, house trailers, or mobile homes may be stored or regularly parked on any Lot. No sign or billboard of any kind shall be erected or allowed to remain on any Lot other than a "For Sale" or "For Rent" sign. No junk or unsightly vehicles of

any type or description or outbuildings may be placed upon said Lot.

ARTICLE V

No Lot or Lots shall be subdivided except to enlarge an adjoining Lot but any Lot so enlarged cannot be improved with more than one single-family dwelling.

ARTICLE VI

No Lot shall be used for ingress and egress to any properties not part of this Subdivision. Declarant does hereby reserve unto itself the right to use any Lot prior to it being sold to a third person, for ingress and egress to any other adjoining property.

Declarant also reserves the right unto itself to extend any existing roadways shown on the recorded subdivision plat above referred to, to any additional property lying outside Pocosin Farms.

ARTICLE VII

Piers and bulkheads may be constructed on the property or adjacent thereto provided that prior to construction written approval has been obtained from the appropriate Federal, State, County and local authorities.

ARTICLE VIII

No structure, other than a fence, may be built within Fifteen (15) feet of any property line.

ARTICLE IX

Easements for installation and maintenance of utilities and drainage facilities are reserved Fifteen (15) feet in width over all side Lot lines and Lot lines along any road in said Subdi-

vision. In addition, the property described in Article I hereof is subject to such easements, setbacks and road rights-of-way as shown on that certain plat recorded in the Hyde County Registry in Plat Cabinet C, Slide 338 through 342. Declarant hereby reserves unto itself, its successors and assigns, the right to erect and maintain any utility lines, electric lines or to grant any easements or rights-of-way therefor, together with the right of ingress and egress for the purpose of installing and maintaining the same, over and across any unsold lots still owned by Declarant.

ARTICLE X

This development is not a campground. Lot owners are not, however, prohibited from overnight stays in professionally manufactured equipment, provided the camping equipment is not left on any Lot for more than Thirty (30) consecutive days and is not in violation of any local ordinance. Permanent residence in any type of camping equipment is strictly forbidden.

ARTICLE XI

The roadways and rights-of-way constructed throughout the Subdivision are for the common use of the grantor, Lot owners and their respective heirs, successors and/or assigns, and in addition, for the Lot owners and their respective heirs, successors and/or assigns, of Waterway Landing.

ARTICLE XII

All Lot owners of Pocosin Farms Subdivision, as shown in Plat Cabinet C, Slide 338 through 342, Hyde County Registry, and of Waterway Landing Subdivision, as shown in Plat Cabinet C, Slide 336 and 337, shall have the right to use a common area reserved along the

Intracoastal Waterway, as shown on the recorded plat, for the purposes of ingress and egress from said Waterway. This common area is to be used for fishing, picnicking, boating and swimming. Camping within said area is prohibited. Maintenance for said area is discussed below.

ARTICLE XIII

Every Lot described above and every Lot shown on the Waterway Landing map recorded in Plat Cabinet C, Slide 336 and 337 of the Hyde County Registry, shall be subject to assessment for maintenance and expenditures as listed below. The annual assessment for each Lot owner of Waterway Landing and Pocosin Farms shall be the sum of Two Hundred and no/100 Dollars (\$200.00) per Lot. If an owner owns more than one Lot, then in that event, the owner shall pay One Hundred Percent (100%) of said assessment for the first Lot and Twenty-Five Percent (25%) of the assessment for each additional Lot. The assessment shall be Two Hundred and no/100 Dollars (\$200.00) per year unless otherwise established. The funds shall be known as the "Waterway Landing - Pocosin Farms Maintenance Fund." Declarant shall be exempt from any and all assessments for any Lot owned by Declarant, either now or in the future. The annual maintenance assessment may be increased at any time by an affirmative vote of Seventy-Five (75%) of all Lot owners of both subdivisions.

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The Waterway Landing - Pocosin Farms Maintenance Fund shall be owned jointly by all the Lot owners of the property in Waterway Landing and Pocosin Farms subdivisions, and shall be used only for:

- a. road maintenance expenses;

- b. common property maintenance; and
- c. administration costs for the enforcement thereof.

There shall be created for the purpose of holding and administering such funds, "Waterway Landing - Pocosin Farms Property Owners Association," which shall have the power to file with the Register of Deeds of Hyde County a notice of assessment lien against any Lot for which the annual maintenance assessment has not been paid by February 1 of any year, and such lien shall continue until the assessment is paid. The Waterway Landing - Pocosin Farms Property Owners Association shall be comprised of all Lot owners and Declarant. Each owner shall be entitled to one vote for each Lot owned, except the Declarant which shall be entitled to two votes for each Lot owned. All decisions shall be made by a majority vote (except that a three-fourths [3/4] majority shall be necessary for the levy of increased or special assessments, or expenditure of monies), at a meeting of the Lot owners held after reasonable notice to all such Lot owners. The Association shall organize, elect officers, and operate freely within the restrictions herein contained. Declarant, either through its employees or agents or assigns, will administer the Association until Seventy-Five Percent (75%) of all Lots have been sold in both subdivisions. Following the sale of Seventy-Five Percent (75%) of the Lots, the Waterway Landing - Pocosin Farms Property Owners Association will elect its own administrators of the Association.

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When Seventy-Five Percent (75%) of the Lots as shown on the plats above referred to of these two subdivisions have been sold, Waterway Landing - Pocosin Farms Property Owners Association does

hereby agree that it will take over any and all maintenance of the roads and common areas. The Declarant does hereby agree that it will convey, by quitclaim deed, any and all interest it may have in any and all roads or common areas shown on the above referred to subdivision plats and Waterway Landing - Pocosin Farms Property Owners Association agrees to accept the deed and ownership.

Any damage by driveway connections to the private road shown upon said plats, or to the ditches or shoulders of the road, or to the flow of drainage water along the said road, shall be repaired at the expense of the owners connecting such driveways, within Fourteen (14) days of notification.

ARTICLE XIV

There shall be no hunting from any roadway or other designated easement for ingress and egress or for drainage within Pocosin Farms Subdivision.

There will be no hunting allowed on any property less than 50 acres in size.

There will be a maximum of One (1) hunter per 20-acres of land allowed at any time on any property within Pocosin Farms Subdivision. Hunters will not be allowed to use dogs for hunting unless said dogs are contained within the boundary of said hunter's property lines.

No firearms shall be discharged within 100 feet of any property line, roadway or easement of ingress and egress of the subdivision.

Every year all property owners of Pocosin Farms Subdivision shall meet to discuss and disclose the approximate locations of any

stand, blind, or primary hunting areas, as well as to amend any hunting by-laws as may be needed to insure that every safety precaution possible is taken.

ARTICLE XIV

These covenants are to run with the land and shall be binding on all parties and all persons claiming under them until January 1, 2025, at which time said covenants shall be automatically extended for successive periods of Ten (10) years unless by vote of a majority of the then owners of the Lots described herein, it is agreed to change said covenants in whole or in part.

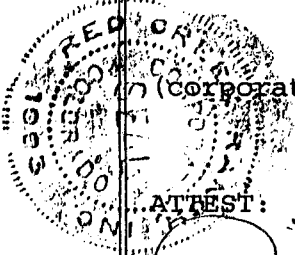
If the parties hereto, or any of them, or their heirs, successors, or assigns shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person or persons owning Lots described herein to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate such covenant, and either to prevent it, her, him or them from so doing to recover damages or other dues for such violation.

ARTICLE XV

Invalidation of any of these covenants or any part thereof by judgments or Court order shall in no wise affect any of the other provisions which shall remain in full force and effect, and the failure of any person or persons to take action to restrain the violation of any of these covenants and restrictions shall not be construed as a waiver of any enforcement rights and shall not prevent the enforcement of such covenant or covenants in the future.

IN WITNESS WHEREOF, RED CREEK RANCH, INC. has caused this instrument to be executed in its name by its _____ President, attested by its _____ Secretary, with its corporate seal to be hereunto affixed, all by authority of its Board of Directors first duly given, this the day and year first above written.

RED CREEK RANCH, INC.



(Corporate seal)

By: [Signature]
President

ATTEST:

[Signature]
Secretary

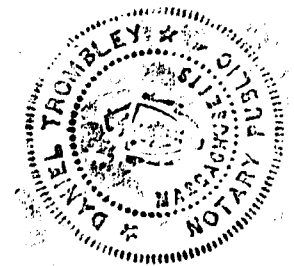
STATE OF Mass.
COUNTY OF Berkshire

I, Daniel Trombley, a Notary Public of the State and County aforesaid, certify that Paula McCarty personally appeared before me this day and acknowledged that he/she is _____ Secretary of RED CREEK RANCH, INC., a Colorado corporation, and by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by himself/herself as its _____ Secretary.

WITNESS my hand and official seal, this the 7th day of August, 1997.

[Signature]
NOTARY PUBLIC

My Commission expires: FEB 12, 2004



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NORTH CAROLINA, HYDE COUNTY

The foregoing certificate of Daniel Trombley, a Notary Public of the County of Berkshire, State of Massachusetts, together with his Notarial Seal attached is certified to be correct. This instrument was presented for registration and recorded in Real Estate Book 162, page 847.

This the 11th day of August, 1997 at 4:48 o'clock P.M.

Lora M. Boyd
Register of Deeds
By L. Marita Lewis-Spencer, Asst.

Indexed
Grantee