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DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR ASHCROFT AT THE COMMONS, PHASE I

KNOW ALL MEN BY THESE PRESENTS,

That the undersigned, 1ST WILMINGTON PROPERTIES (herein called "Declarant"), a North Carolina General Partnership, is the Owner of all of the interest and equity in that certain tract of land known as ASHCROFT AT THE COMMONS, PHASE I, 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 ASHCROFT AT THE COMMONS, PHASE I, as shown on a map recorded in Map Book 41, at Page 18 of the Onslow County Registry, that all of the Property and Lots in said subdivision, as hereinafter defined, are hereby made subject to the following Covenants, Conditions and Restrictions as to the use thereof, running with the land by whomsoever owned.

ARTICLE I

DEFINITIONS

1. "Association" shall mean and refer to Ashcroft At The Commons 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 Board of Directors of the Association pursuant to its By-laws.
3. "Building" shall mean and refer to any structure intended for human use constructed or erected on a Lot.
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 ASHCROFT AT THE COMMONS, PHASE I Subdivision which is conveyed to the Association by warranty deed recorded in the Onslow County Registry and which deed specifically designates said area as Common Area and incorporates the provisions of this Declaration as to the use of said property as Common Area, along with any facilities and improvements erected or constructed thereon. Common Area shall also refer to any of the Property designated as Common Area on any recorded plat of the Subdivision. In addition, subdivision sign(s), landscaping and fencing located at the entrance to ASHCROFT AT THE COMMONS, PHASE I Subdivision are declared to be Common Area. Additional Common Area may be annexed or "phased" into the subdivision as hereinafter provided. Common Area shall be used and maintained for the exclusive use and enjoyment of the Members of the Association.
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 Drainage System;

(c) Expenses declared to be common expenses by the provisions of this Declaration or the By-laws;

(d) Liability for such other insurance premiums as the Declaration 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. "Community-Wide Standard" shall mean the standard of conduct, appearance, aesthetics, maintenance, or other activity generally prevailing throughout the Subdivision. Such standard may be more specifically determined by the Board of Directors and the Architectural Standards Committee.

9. "Declaration" shall refer to this Declaration of Covenants, Conditions, and Restrictions for Ashcroft At The Commons, Phase I, and any supplements or amendments thereto.

10. "Declarant" shall mean and refer to 1ST WILMINGTON PROPERTIES, a North Carolina general partnership, its successors and assigns to whom the rights of Declarant are expressly transferred, or any legal entity acquiring title to any of the Property which has not been subjected to the terms of this Declaration, with the intent of and for the purpose of further development.

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

12. "Lot" shall mean and refer to any plot of land, other than the Common Area, which is subject to this Declaration and is shown on a recorded Subdivision map.

13. "Member" shall mean and refer to every person who is a member of the Association, as provided herein.

14. "Owner" shall mean and refer to one or more Persons who hold the record title to any Unit, but excluding any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale, then upon recording of such contract, the purchaser (rather than the fee owner) will be considered the Owner, if the contract specifically so provides.

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

16. "Property" shall mean and refer to that certain real property shown on that plat recorded in Map Book 41, page 18, Onslow County Registry, and any other

real property which is made subject to this Declaration, as provided herein.

17. "Subdivision" means all of the Property which shall be known collectively as Ashcroft at The Commons and all real property which may be made subject to this Declaration in the future, as provided herein.

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 special meeting of Members duly called for this purpose, written notice of which meeting 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 Declaration, such additional tract or tracts may be annexed to said Property without the assent of the Class A Members, by the execution and recording in the Onslow County Registry of a Supplemental Declaration of Covenants, Conditions and Restrictions making said additional tract or tracts subject to this Declaration, 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 Ashcroft At The Commons, Phase I.

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 VI herein.

(b) The right of the Association, in accordance with this Declaration and 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, provided that the rights of such mortgagee in said properties shall be subordinate to the rights of the 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) Restrictions on the use of the Property as provided in Article VI herein and provisions concerning easements as provided in Article VIII 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 guests, 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 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 stormwater 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 this Declaration, the By-laws, and the Articles of Incorporation of the Association, at the sole expense of the Association.

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

4. Easements for Ingress and Egress. There is hereby reserved to all Owners and other authorized users an easement over the streets and roadways for access for ingress and egress to and from the Lots and the Common Areas, subject to the right of the Board to promulgate reasonable Rules and Regulations for the use of said areas, as provided herein.

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 may make reasonable rules regarding proof of ownership as a prerequisite to voting by any Member.

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 the Owners of said Lot determine among themselves, but in no event shall more than one (1) vote be cast with respect to any Lot, except as otherwise provided in this Section 2.

(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, 2010.

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 the following:

- (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 assessments, and any 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, 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 successor in title unless expressly assumed by said successor in title 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 this Declaration and the By-laws and Rules and Regulations of the Association; providing the services and facilities for the purposes of or related to the maintenance, use and enjoyment of the Common Area and facilities; for the purposes of payment of common expenses; and the managing, repairing, maintaining and replacing the stormwater drainage 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 1, 2001.

(b) Increase by Board. From and after the date specified in subparagraph 3(a) 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 3(a) 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 special meeting of the Members duly called for such purpose, written notice of which meeting 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.

(d) Criteria for Establishing Annual Assessment. In proposing and adopting the annual assessment for any assessment year, the Board 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 Onslow 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 become effective, 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 thereto, 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. Commencement and Due Dates of Annual Assessment. The annual assessments provided for herein shall be paid in monthly, quarterly or annual installments and, except as otherwise provided herein, the payment of such annual assessments shall commence as to each Lot on May 1, 2001. The Board of Directors shall fix the amount of the annual assessment against each Lot at least two (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 thirty (30) days after the due date, the same shall bear interest from the date of delinquency at the rate of twelve percent (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 of such assessment. No Owner may waive or otherwise escape liability for the assessments 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. The following property shall be exempt from payment of Assessments:

- (a) all Common Area;
- (b) any Property dedicated to and accepted by any governmental authority or public utility;
- (c) any Property held by a conservation trust or similar nonprofit entity as a qualified conservation easement, except to the extent that any such easement lies within the boundaries of a Lot which is subject to assessment under this Article, in which case the Lot, whether or not wholly or partly subject to said easement, shall not be exempted from assessment;

ARTICLE VI

USE RESTRICTIONS

1. Rules and Regulations. The Board shall have the power to formulate, amend, publish and enforce reasonable rules and regulations (herein, "Rules and Regulations") concerning the use and enjoyment of any streets, Common Area and the Utility Easements, including the stormwater drainage system. The Association shall be responsible for all permit responsibility and compliance with all applicable laws, ordinances, rules and regulations regarding the stormwater drainage system.

2. Residential Purposes. All Lots in said Subdivision shall be used for residential purposes only and only single family residences shall be constructed thereon.

3. Minimum Size of Residence. No residence smaller than 900 square feet of heated floor space, exclusive of porches, steps, walks, garages, carports, storage areas, etc., shall be constructed or located on any 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, it being intended that only conventional frame, wood, masonite-type hardboard, vinyl, brick or clay brick exteriors be utilized in Buildings to be constructed on the Lots.

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 this Declaration. 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 Home or Building or other structure upon any Lot before construction begins. In any event, no Home or Building shall be erected closer to the front Lot line than 25 feet, nearer to any side line than 7 feet, and nearer to any rear lot line than 15 feet, or the minimum distances established by applicable Onslow County or the City of Jacksonville, North Carolina zoning 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, and no Home or Building shall be erected closer to the front Lot line than 25 feet, nearer to any side line than 7 feet, and nearer to any rear lot line than 7 feet, and nearer to any side street than 15 feet, or the minimum distances established by applicable Onslow County or the City of Jacksonville, North Carolina zoning ordinances, whichever shall be greater, unless a variance is received in writing prior to construction. No vegetable garden shall be permitted nearer the front Lot line than five (5) feet behind the rear corner of the Home.

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, and shall be a minimum of 25 year architectural shingles or comparable quality.

7. ✓ Accessory Buildings and Structures. Construction plans and site location for any storage building, accessory building, or any other exterior structure to be constructed or placed upon a Lot must be approved by Declarant in writing prior to construction and must conform in material, design, 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. No 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. 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. A fenced area of at least 20' x 20' attached to the rear of the Home shall be required within which shall be kept lawn mowers, bicycles, toys, grills and items commonly stored 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 containers or receptacles for garbage and trash, and all garbage cans, trash 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. Except as otherwise provided in this Section 11, all water to be used in said Subdivision for any purpose whatsoever shall be provided by the City of Jacksonville, North Carolina. An area on each Lot within an eight (8) foot radius from each water meter shall be subject to an easement for maintenance and repair of such meter. 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 applicable laws, ordinances and regulations.

12. ✓ Waste Water Disposal. Waste water disposal shall be through the public waste water disposal system of the City of Jacksonville, North Carolina, or other suitable public waste water disposal system, and each Home shall be required to be connected to and to utilize said system for waste water disposal.

13. ✓ Sales Prohibited. No yard sales or garage sales shall be permitted upon any Lot. No clothes line shall be permitted except portable clothes tree stands which shall not be visible from any adjoining 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 or Home thereon which may be or may become an annoyance or nuisance to the neighborhood. Common household pets are allowed, subject to all applicable City of Jacksonville, North Carolina and/or Onslow 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, prevent or destroy the enjoyment of the Subdivision by any other Owner.

16. ✓ Cleanliness. It shall be the responsibility of each Owner to prevent the development or the continuation of any unclean, unsightly, or unkempt condition on any Lot which would tend to decrease the beauty of the Subdivision. Garbage and trash shall be disposed by Owner in accordance with the rules and regulations of the Association.

17. ✓ Exterior Lights. All lights installed in any fixture located outside of any Home or Building shall be clear, white or non-frost light or bulbs. A variance from this requirement may be authorized pursuant to the provisions of this Declaration during specific holiday seasons.

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. ✓ Hunting. No hunting or discharge of firearms within the subdivision is permitted.

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 a continuing monthly payment by each Owner for the provision of said services.

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 the 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. 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.

28. 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.

29. Stormwater Run-Off Rules. All Lots are subject to the rules and regulations of the State of North Carolina concerning stormwater run-off as these rules and regulations are adopted and amended from time to time. These regulations currently provide that each Lot will be restricted to a maximum of 2,400 square feet of built-upon area within the Lot property boundaries and that portion of the right of way between the front Lot line and the edge

of the pavement of the adjoining street. 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. No drainage swales or drainage patterns used to treat stormwater run-off as required by the State of North Carolina may be filled in, piped or changed, nor may the provisions of this Section 30 be changed or deleted without the consent of the Declarant, its designee, and the State of North Carolina, and such areas must be maintained as set forth herein. The State of North Carolina is hereby made a beneficiary of this Declaration to the extent necessary to enforce its stormwater run-off regulations, as the same may be adopted or amended from time to time. Alteration of the drainage as shown on the approved drainage plan may not take place without the concurrence of the State. Any Lots within CAMA's Area of Environmental Concern may be subject to a reduction in their allowable built-upon area due to CAMA regulations. All runoff from any 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 towards the street, or grading perimeter swales and directing them into the Stormwater Detention Pond or the street. Any Lot which naturally drains into the permitted system is not subject to these provisions.

ARTICLE VII

ARCHITECTURAL CONTROL

1. General.

(a) Review of Plans. No structure shall be built, placed, erected, or installed upon any Lot, and no improvements (including staking, clearing, excavation, grading and other site work, exterior alteration of existing improvements, and planting or removal of landscaping materials) shall take place except in compliance with this Article and the Design Guidelines and upon approval of the Committee as provided herein.

(b) Interior Alterations. Any Owner may remodel, paint or redecorate the interior of a Home or Building or other structure on a Lot without approval. No approval shall be required to repaint the exterior of a Home, Building or other structure in accordance with the originally approved color scheme or to repair or rebuild said Home, Building, or structure in accordance with the originally approved plans and specifications.

(c) Activities of Declarant. This Article shall not apply to the activities of the Declarant, nor to improvements to the Common Area by or on behalf of the Association.

(d) Amendment to Article. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

2. Architectural Review Approval.

(a) Architectural Standards Committee. The Architectural Standards Committee (herein, "Committee") as described herein, shall have responsibility for administration of the Design Standards, as defined herein, and for review of all applications for construction and modifications, as provided herein.

(b) Organization of Committee. The Committee shall consist of at least three, but not more than five, persons and shall have exclusive jurisdiction over all construction on any portion of the Property. Until 100% of the Property has been developed and all Lots 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. The members of the Committee need not be Members of the Association and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board.

3. Standards and Procedures.

(a) Design Standards. The Declarant shall prepare the initial Design Standards and application and review procedures (the "Design Standards") which shall apply to all construction activities within the Properties. The Design Standards may contain general provisions applicable to all of the Properties, as well as specific provisions which vary from one portion of the Properties to another depending upon the location, unique characteristics, and intended use.

(b) Applicability of Standards. The Committee shall adopt such Design Standards at its initial organizational meeting and thereafter shall have sole and full authority to amend them subject to the approval of the Board. Any amendments to the Design 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.

(c) Publication of Standards. The Committee shall make the Design Standards available to Owners and Builders who seek to engage in development or construction within the Subdivision and all such Persons shall conduct their activities in accordance with such Design Standards.

4. Submission of Plans and Specifications.

(a) Submission 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 the plans and specifications ("Plans") showing site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout and screening shall have been submitted to and approved in writing by the Committee. The Design Standards shall set forth the procedure for submission of the Plans. A reasonable fee for the review of said plans as established by the Committee shall be required and submitted, along with said Plans and any other supporting documents required by Committee.

(b) Review of Plans. 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 structures and plant life. The Committee may require relocation of native plants within the construction site as a condition of approval of any submission. Location of any driveways shall be subject to the approval of the Committee.

(c) Decision on Review. The Committee shall, within 30 days after receipt of each submission of the Plans, advise the party submitting the same in writing, at an address specified by such party at the time of submission, of (i) the approval of Plans, or (ii) the segments or features of the Plans which are deemed by the Committee to be inconsistent or not in conformity with this Declaration and/or the Design Guidelines, the reasons for such finding, and suggestions for the curing of such objections. In the event the Committee fails to advise the submitting party by written notice within the time set forth above of either the approval or disapproval of the Plans, approval shall be deemed to have been given. Notice shall be deemed to have been given at the time the envelope containing such notice, properly addressed, and

postage prepaid, is deposited with the U.S. Postal Service, registered or certified mail, return receipt requested. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have given at the time of delivery.

5. No Waiver of Future Approvals. Each Owner acknowledges that the members of the Committee will change from time to time and that interpretation, application and enforcement of the Design Guidelines may vary accordingly. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

6. Variance. The Committee 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 this Declaration; or (c) estop the Committee from denying a variance in other circumstances.

7. Limitation of Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and the Committee shall not bear any responsibility for ensuring the structural integrity or soundness of any 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 and approval of any application, 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.

8. Enforcement.

(a) Nonconforming. Any structure or improvement placed or made in violation of this Article 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 its designees shall have the right to enter the Lot, 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 Lot and collected as an assessment as provided herein.

(b) Exclusion from Property. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded by the Board from the Properties. In such event, neither the Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this paragraph.

(c) All other Remedies Applicable. In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the Committee.

9. 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.

10. 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. Each Owner by acceptance of his deed of conveyance and the considerations contained therein, agrees to pay as damages to the Declarant the sum of \$200.00 for each tree cut in violation of this provision.

ARTICLE VIII

EASEMENTS

1. General Utility Easement. All of the Property, including Lots and Common Area, shall be subject to a 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 in and to such easements for water lines, sewer and waste water disposal facilities, storm drainage facilities, gas lines, telephone and electric power lines, television antenna lines, and other public utilities as shall be established by the Declarant or its predecessors in title prior to subjecting the Property to this Declaration. The Association shall have the power and authority to grant and to establish in, over, upon and across the streets and Common Area such further easements as are requisite for the convenient use and enjoyment of the Property.

2. Easement For Emergencies. Every Lot, Home and Building 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 in or upon any Common Area, any Lot, any Home or Building on any Lot, or which endangers any Home, Building or portion of the Common Area. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

3. Utility Easements. Utility Easements for installation, repair, maintenance, replacement and removal of utilities, including water meters, water mains and lines, sewer and waste water disposal facilities, stormwater drainage facilities, and other utilities are reserved over an area within a minimum of 10 feet from the rear, front and side Lot lines of each Lot, and also are reserved as may be shown and designated on any recorded plat of the Subdivision.

4. Utility Management. An easement is hereby established over all Lots, streets and Common Area for the benefit of any applicable private company or public governmental agency for the management, inspection and reading of water meters, water mains and lines, sewer and waste water disposal facilities, stormwater drainage facilities, and other utilities, and for the provision of all public services, including fire fighting, law enforcement, garbage collection and delivery of mail.

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

6. Responsibility For Maintenance of Areas Subject to Utility Easements. Neither the Association nor the Declarant shall have responsibility for maintaining the portion of any Lots subject to a Utility Easement. Maintenance of that portion of any Lot subject to said Utility Easement shall be the responsibility of the Owner of the Lot on which said easement is located, its 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 water,

waste water disposal, or drainage facilities, or which may change the direction of flow of drainage in the easements. The easement area of each Lot and all improvements therein shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible.

7. Maintenance of Easements. Utility Easements shall be maintained by the Owner of the Lot subject to said easement as follows.

(a). Grass shall be kept mowed to a height of no more than four (4) inches.

(b) Repair and reseeding of the easement area, and cleaning of any catch basins located within each easement shall be conducted as necessary.

(c) Inspection may be conducted by the Association at least every six (6) months to determine compliance with these standards.

8. Easements for Cross-Drainage. Every Lot and the Common Area shall be burdened with easements for natural drainage of storm water runoff from other portions of the Property; provided, no Person shall alter the natural drainage on any Lot so as to materially increase the drainage of storm water onto adjacent portions of the Property without the consent of the Owner of the affected Property.

ARTICLE IX

LOT MAINTENANCE

1. Lot Maintenance by Owner. If 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 the Lot or any improvements constructed thereon in a state of repair so as not to be unsanitary, unhealthy, unsafe or unsightly, or shall fail to maintain the Utility Easements in accordance with the requirements set out in Article VIII, herein, or shall allow any condition constituting a nuisance on any Lot or any improvement constructed thereon, 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 or debris, 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, any Owner, any aggrieved Owner within the Subdivision on behalf of the Association, or any Owner on behalf of all the 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 this Declaration and the Articles, Bylaws and Rules and Regulations. The prevailing party shall be entitled to collect all costs thereof, including reasonable costs and attorney's fees.

2. Cost Assessment. The Association shall have the right to remedy any violation of this Declaration and assess the costs of remedying same against the responsible 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 responsible Owner's voting rights and the use by such Owner, his agents, employees, licensees 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 each violation of any of the Association's 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, the Declarant or any person or Owner to enforce any restriction contained in these Declaration, 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 judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

2. Amendment. Except as otherwise provided herein, this Declaration may be amended by vote of the Owners of two-thirds (2/3) of the Lots subject to the Declaration, including any Lots within any additional property added to this Subdivision and made a part thereof in the future; provided 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 Declaration 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 Onslow County Registry. All amendments shall become effective upon said recordation.

3. Duration. All covenants, conditions and restrictions contained in this Declaration or in any amendments or supplements to said Declaration 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, the Declaration is revoked or not extended.

4. Conflict. In the event of any irreconcilable conflict between the Declaration and the By-laws of the Association, the provisions of the Declaration shall control. In the event of any irreconcilable conflict between the Declaration 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 Onslow County, and the assignee shall join therein for the purpose of evidencing its acceptance of the same, and such assignee shall thereupon

STATE OF NORTH CAROLINA

NEW HANOVER COUNTY

I, Debra Williamson Peterson, a Notary Public in and for the State and County aforesaid, do certify that ERNEST D. HARRIS, JR., general partners of 1st WILMINGTON PROPERTIES, a North Carolina general partnership, personally appeared before me this day and, on behalf and as the act of said partnership, acknowledged the due execution of the foregoing instrument

WITNESS my hand and official seal this 14th day of March, 2001.

Debra Williamson Peterson
Notary Public

My Commission Expires:

10-14-2001



NORTH CAROLINA

COUNTY OF ONSLOW

The foregoing certificate of _____, a Notary Public of _____ County, North Carolina, is certified to be correct.

This the _____ day of _____, 2001.

_____, REGISTER OF
DEEDS OF ONSLOW COUNTY

BY.

Deputy

CONSENT OF MORTGAGEE

Wachovia Bank, N. A., a National Banking Association, is the holder of that certain Deed of Trust on the property as described in the foregoing Declaration of Covenants, Conditions and Restrictions for Ashcroft At The Commons, Phase I, said Deed of Trust having been recorded in Book 1590, at Page 724 in the Office of the Register of Deeds of Onslow County, North Carolina and as holder of said Deed of Trust does hereby consent to the terms, conditions and covenants in the foregoing Declaration and agrees that the lien of said Deed of Trust is subject to the terms, conditions and covenants contained in said Declaration.

Wachovia Bank, N. A. has requested New Salem, Inc., the Trustee named in said deed of trust, to consent to the terms, conditions and covenants in the foregoing Declaration, and said Trustee has agreed to execute this Consent of Mortgagee to evidence said consent.

In witness whereof, Wachovia Bank, N. A. and New Salem, Inc., Trustee, have each caused this Consent of Mortgagee to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, this the 6th day of March, 2001.

WACHOVIA BANK, N. A.

By: Deborah J. Arrowood
Vice President

NEW SALEM, INC.

By: Deborah J. Arrowood
Vice President

Virginia
STATE OF NORTH CAROLINA
Chesapeake
COUNTY OF NEW HANOVER

2001 APR 20 PM 12: 28

I, Kelli J.R. Craig, Notary Public, certify that
Deborah J. Arrowood, personally came before me this day and acknowledged
that he/she is the Vice President of Wachovia Bank, NA, a
corporation, and that he/she as Vice President, being authorized to do so, executed the
foregoing on behalf of the corporation.

Witness my hand and official seal this the 7th day of March,
2001.

Kelli J.R. Craig
Notary Public

My Commission Expires: 7/31/03

Virginia
STATE OF NORTH CAROLINA
Chesapeake
COUNTY OF NEW HANOVER

I, Kelli J.R. Craig, Notary Public, certify that
Deborah J. Arrowood, personally came before me this day and acknowledged
that he/she is the Vice President of New Salem, Inc., a
corporation, and that he/she as Vice President, being authorized to do so, executed the
foregoing on behalf of the corporation.

Witness my hand and official seal this the 7th day of March,
2001.

Kelli J.R. Craig
Notary Public

My Commission Expires: 7/31/03

NORTH CAROLINA, ONSLOW COUNTY
The foregoing certificate(s) of

DEBRA WILLIAMSON PETERSON & KELLI J. R. CRAIG

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in
Book 1700 Page 941 This 20TH day of APRIL,
2001 A.D., at 12:28 o'clock PM.

Mildred M. Thomas

By

Register of Deeds, Onslow County

Register of Deeds

