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STATE OF NORTH CAROLINA

COUNTY OF CARTERET

**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS  
FOR STELLA FARMS, PHASE I**

This Declaration of Covenants, Restrictions, and Easements is made and entered into this 6th day of March, 2001, by Stella Farms, LLC, with its principal offices in Carteret County, North Carolina, hereinafter called "Declarant".

**WITNESSETH:**

WHEREAS, Declarant is the owner of a certain subdivided tract of land located in White Oak Township, Carteret County, North Carolina, hereinafter known as "Stella Farms, Phase I" or, the "Subdivision"; the same being Lots 1 through 43, and associated roads and recreational spaces as shown on that certain plat prepared by The East Group, dated August 23, 2000, and recorded in Map Book 29, Page 889~~890~~, Carteret County Registry (the "Plat"), which Plat is incorporated herein by reference as if fully set forth; and

WHEREAS, Declarant has caused to be prepared a plan of development wherein the land from which Stella Farms Phase I was subdivided may be developed in six phases over a period of up to ten years. Declarant has reserved the right to make each of the additional five phases of Stella Farms the subject of an additional and separate declaration, or to amend this Declaration merging lots from the additional development to this Phase I, or both, in order to

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provide the covenants, conditions, restrictions and easements the Declarant deems necessary for any of such additional phases as they are developed, and,

WHEREAS, it is the stated intent of these Covenants, Restrictions, and Easements to facilitate certain purposes, namely:

- A. To assure the highest and best land uses, and the most appropriate development and improvements within the Subdivision; and
- B. To protect the Owners of the Subdivision Lots from improper uses of the Subdivision Lots or common areas that might impair or depreciate their value; and
- C. To guard against poorly designed or constructed houses and other structures, and to guard against structures being constructed of unsuitable or inferior building materials; and
- D. To preserve insofar as is feasible, the natural beauty and aesthetic value of the Subdivision; and
- E. To prevent incongruous designs, colors and configurations of houses and structures; and further, to expressly forbid any radical, extremely unusual or garish designs, configurations and color schemes in the Subdivision; and
- F. To require a set of uniform sitings of houses and structures on the Lots, each set to be appropriate to the shapes and locations of particular Lots, with due regard for the streets, septic system requirements, and aesthetics; and

G. To require, and to provide an Association of all Lot owners through which to require, that the owner or owners of each Lot in the Subdivision have one (1) vote in the Association, and that each Lot is proportionally responsible for its share of the costs of maintaining the roads and drainage system and easements within the Subdivision; and

H. In the fulfillment of the foregoing purposes to preserve, and when possible to enhance property values in the Subdivision.

NOW, THEREFORE, for the mutual benefit of all owners and purchasers of Lots within said Subdivision, the Declarant hereby declares that all the Lots shown and designated on the Plat of Stella Farms Phase I, and any lots added to Phase I hereafter by amendment to this Declaration, shall be held, transferred, owned, sold and conveyed subject to the following Restrictive Covenants, Conditions, Restrictions and Easements:

1. DEFINITIONS

(a) "Association" refers to STELLA FARMS OWNERS ASSOCIATION, INC., a North Carolina not-for-profit corporation to be organized as the association of all Lot Owners of the Subdivision.

(b) "Common Area(s)" means all or any part of the subject land other than the Lots, together with all improvements located thereon, which is intended for the use and benefit of the Subdivision, either shown on the Plat or hereafter acquired by the Association.

(c) "Declarant" means STELLA FARMS, L.L.C., a North Carolina limited liability company with its principal offices in Carteret County, North Carolina, and its successors and assigns to whom it makes any specific written assignment of its interests in



the subject land, Lots and rights under this Declaration.

(d) "Lot(s)" refers to one or more of Lots 1 through 43 of the Subdivision, and any lots in a future development phase which are declared to be covered by this Declaration.

(e) "Member" means the Owner(s) of any Lot, regardless of their number.

(f) "Owner" means any person, partnership, corporation, limited liability company, association, trust or other legal entity, that owns a Lot or an interest therein, including the Declarant, but excluding those owning such Lot or an interest therein merely as security for performance of an obligation.

2. STELLA FARMS OWNERS ASSOCIATION, INC. In order to further the interests of the Owners and for the efficient preservation of the land values in the Subdivision, the Declarant will cause a non-profit corporation to be created under the General Statutes of North Carolina.

(a) General Power of the Association. The Association shall have all general authority granted to a non-profit corporation organized under Chapter 55A of the North Carolina General Statutes, as amended.

(b) Specific Powers of the Association. The Association shall, and shall have the commensurate power to:

- (i) maintain and preserve the Common Area;
- (ii) maintain and preserve the streets within the Subdivision;
- (iii) maintain and preserve any walkways, docks and decks are part of the Common Area;
- (iv) to enforce this Declaration of Covenants, Conditions,



Restriction and Easements;

(v) to assess, collect and disburse the assessments and charges necessary and proper to carry out the foregoing duties.

(c) Membership. The Owner(s) of each Lot shall be a Member of the Association and such membership shall be appurtenant to and shall not be separated from the ownership of such Lot.

(d) Voting Rights. The Association shall have two classes of voting membership:

(i) Class A Members shall be the Owners other than the Declarant, and they shall be entitled to one (1) vote for each Lot owned. When more than one person or entity holds an interest in a Lot as an Owner, all such persons shall be Members., but together they shall have but one (1) vote.

(ii) The Class B Member shall be the Declarant who shall be entitled to four (4) votes for each Lot owned. The Class B membership shall cease and be converted into Class A membership upon the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in Class A membership is at least equal to the total votes outstanding in the Class B membership; or

(b) on the last day of March, 2011.

(iii) At such time as the conversion to Class A membership occurs,

Declarant will receive a credit against future assessments in an amount equal to the costs of maintaining the Subdivision that were paid by Declarant from and after the recording date of this Declaration.

3. PROPERTY RIGHTS IN COMMON AREA. The Common Area consists of the roads, easements and recreational spaces designated as such on the Plat, and any real and personal property hereafter acquired by the Association.

(a) Owners' Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, on a non-exclusive basis, which right and easement shall be appurtenant to, and shall pass with the title to every Lot; provided, however, the easements created hereunder shall be subject to the following:

(i) the right of the Association to establish reasonable rules and to charge reasonable fees for the use of the Common Area, any such fees being charged being for the purpose of reimbursing the Association for the cost of maintenance, upkeep, and supervision of said Common Area;

(ii) the right of the Association to suspend the right of any Owner to use the facilities located on the Common Area for any period during which an assessment against such Owner's Lot remains unpaid for more than thirty (30) days from the date when due;

(iii) the right of the Association to suspend the right of any Owner to use the facilities located on the Common Area for a period determined by the Board of Directors as a result of a continued

infraction of the rules and regulations of the Association relating to the use and enjoyment of the Common Area after notice thereof to Owner;

(iv) the right of the Association to mortgage any or all of the Common Area for the purpose of improving or repairing the same;

(v) the right of the Association to dedicate or transfer all of any part of the Common Area to any public agency, authority, or utility for a public purpose.

(vi) the right of each Lot's Owner(s) to delegate in accordance with the By-Laws of the Association such Owner's rights of enjoyment to the Common Area to the members of such Owner's family, guests, invitees, tenants or contract purchasers; subject, however, to the general rules and regulations established from time to time by the Association, which rules may specifically include a limitation on the total number of permitted users relative to any Lot.

(b) Maintenance of Common Area. The maintenance and repairs to the Common Area during the first year after the recording date hereof will be provided by Declarant. Declarant will advance the cost thereof. Declarant may, but need not, extend or shorten the duration of that obligation. Thereafter, all maintenance and repairs to the Common Area, whether located inside or outside of the Lots shall be made by the Board and shall be charged to all Lot Owners as a common expense of the Property unless necessitated by the negligence, misuse or neglect of a Lot owner, his guest, lessees, employees, servants or invitee, in which case such expense shall be charged to such Lot



owner.

(c) Use of Common Area. The Common Area shall be used only for the purposes for which intended; any such use may be regulated by the Board.

(d) Rules of Conduct. Rules and Regulations concerning the use of the Common Area may be promulgated and amended by the Board. Copies of such Rules and Regulations shall be furnished by the Board to each Lot Owner, and all amendments and new Rules and Regulations shall be furnished to Lot Owners prior to the time that the amendment or new rule or regulation becomes effective.

(e) Utility Charges. All charges for utilities used in connection with the maintenance and use of the Common Area shall be a common expense.

(f) Statement of Common Expenses. The Board of Directors shall promptly provide any Lot Owner, its grantee or contract purchaser making written request therefor, a written statement of all unpaid assessments due from such Lot Owner.

4. RESERVATION OF TITLE TO COMMON AREA.

The Declarant will retain the legal title to the Common Area in the Subdivision for whatever period Declarant is providing the maintenance thereof, but will convey the Common Area to the Association at such time prior to March 1, 2011 as, in the opinion of the Declarant, the Association is able to maintain the same.

5. COVENANTS FOR DUES AND ASSESSMENTS. The Lots shall be assessed as follows:

(a) Creation of Lien and Personal Obligation of Assessment. The Declarant, for each Lot within the Subdivision, hereby covenants, and each subsequent purchaser of any Lot by acceptance of a deed therefor, whether or not it shall be so

expressed in such deed, is deemed to covenant and agrees to pay to the Association:

- (i) annual assessments for the daily and routine operations of the Association and the establishment of a reserve account;
- (ii) special assessments for capital improvements and unforeseen expenses;
- (iii) other assessments specifically authorized by this Declaration.

(b) "Assessments". As used in this Declaration, the term "assessment" shall include, as required by context, all annual assessments, special assessments for capital improvements, dues or charges established by the Association. All such dues, assessments or charges will be established and collected as hereinafter provided. The annual assessments, dues or charges, and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lots against which each such assessment is made. Each such assessment, together with 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 when the assessment against the Lot was made. An Owner's personal obligation for delinquent assessments must be paid at the time of any transfer or sale of the Owner's interest in the assessed Lot. In all events, delinquent assessments against a Lot shall continue as a lien until paid.

(c) Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and residents within the Subdivision, and for the improvement and maintenance of the Common Area, and for the operation of the Association.

(d) Maximum Annual Assessment. Annual assessment, dues and charges

shall be as follows:

- (i) The initial maximum annual assessment shall be One Hundred Dollars (\$100.00) per Lot. That amount may be increased thereafter by the Board of Directors without a vote of the membership by an amount not to exceed five (5%) percent above the maximum assessment for the previous year.

Notwithstanding the foregoing limitation, the Association membership may increase or decrease the maximum annual assessment by a two-thirds vote of both classes of membership voting in person or by proxy at a meeting duly called for this purpose upon thirty (30) days written notice.

(e) Special Assessment 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, reconstruction, repair or replacement of a capital improvement upon the Common Area, including without limitation fixtures, equipment and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of the vote or each class of membership voting in person or by proxy at a meeting duly called for this purpose upon thirty (30) days written notice.

(f) Notice and Quorum for Action of the Association. Written notice of any meeting called for the purpose of taking any action authorized pursuant. to this Declaration 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 or of proxies entitled to cast fifty-one (51%) percent of all the votes of each class



of membership shall constitute a quorum. If the required quorum is not present, another meeting shall be called subject a 21-day written notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting and the notice shall so state. No such subsequent meeting shall be held more than sixty 60 days following the preceding meeting.

(g) Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly or other basis as determined by the Board of Directors of the Association.

(h) Date of Commencement of Annual Assessments and Due Dates. The first annual assessment will be assessed by the Board for the year commencing January 1, 2002; provided that the Declarant may extend that date by one year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due date shall be established by the Board of Directors. 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 not been paid and the amount of the arrearage. A properly executed certificate of the Association as to the status of assessments on the Lot is binding upon the Association as of the date of its issuance.

(i) Effect of Non-Payment of Assessments and 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 rate of twelve (12%) percent per annum if lawful, or a lesser lawful rate to be set by the Board. Any assessment not so paid shall be a lien against

the assessed Lot and the Association, as evidence of said lien, may file a claim of lien in the Office of the Clerk of Superior Court of Carteret County, and may thereafter bring an action at law against the Owner personally obligated to pay the same, or to foreclose the lien by action against the property. 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.

(j) Subordination of the Lien to Mortgages. The lien of assessments provided for herein shall be subordinate to the lien of any mortgage or deed of trust in existence when the notice of lien is filed in the office of the Clerk of Superior Court. (Foreclosure under such a mortgage or deed of trust.) Otherwise, except for bankruptcy, the sale or transfer of any Lot shall not affect the assessment of the lien. However, the sale or transfer of any Lot pursuant to foreclosure by a mortgagee or trustee, or any bankruptcy proceeding, shall extinguish the lien of such assessments. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

(k) Declarant's Exemption. Until Declarant has conveyed ninety (90%) percent of the Lots within the Subdivision, the Lots owned by Declarant shall not be subject to assessments, with the following exceptions:

- (i) Should Declarant cause a dwelling to be constructed on any Lot owned by Declarant and thereafter lease the same, said Lot shall be assessed as any other non-Declarant Owner.
- (ii) When Declarant has become a Class A Member of the Association, Declarant's remaining Lots in the Subdivision will be

assessed as any other non-Declarant Lot.

(iii) Declarant will perform or pay the cost of maintenance of the roads and other common areas in the Subdivision for eighteen (18) months after the recordation of this Declaration.

6. ARCHITECTURAL CONTROL. Development and construction within the Subdivision shall be controlled as follows:

(a) The Declarant shall establish an Architectural Control Committee (the "Committee") which shall consist of three (3) Members. The Committee shall, upon recordation of this Declaration be composed of the following Members for a term ending December 31, 2002, or until their earlier resignation: William Holz, Paxon McLean Holz, and Charles Cross. Those three persons may extend the original term through December 31, 2004 and may replace any of their number who ceases to act as a Committee member.

(b) Subject to subsection (a), upon the expiration of the term of each initial Member of the Committee, a successor Member shall be appointed by the Board of Directors of the Association to serve for a two (2) year term and each successor thereafter shall be appointed by the Board of Directors of the Association to serve for a two (2) year term.

(c) During the original term of the Committee, if any member of the Committee ceases to act without being replaced by the other members of the Committee, the Declarant shall have the right to name a successor to fill said unexpired term.

(d) After the original term of the Committee, the Board will have the right to remove, with or without cause, any member of the Committee appointed by the Board. Except as provided above, the Board will also have the right to appoint a successor



member to fill a vacancy on the Committee created by the death, resignation or removal of a member appointed by the Board to serve for the unexpired term of such member.

(e) Purpose. The Committee shall regulate the external design, appearance, landscaping, color, use, location and maintenance of the property subject to this Declaration and of the improvements located thereon in such a manner so as to preserve and enhance property values and to maintain a harmonious relationship among structures, natural vegetation, and topography. In addition, the Committee shall attempt to minimize intrusions on the view and the privacy of other owners, and shall attempt to assure compliance with all conditions of this Declaration, and of all setbacks, easements, and other restrictions as shown on the Plat.

(f) Procedure. A complete set of plans and specifications, including landscaping plans, describing any improvement, alteration, repair, or other item requiring approval of the Committee, shall be submitted to the Committee, at the place or address designated by the Board, at least thirty (30) days prior to application for a building permit, or before construction and excavation is actually scheduled to begin, whichever is the earlier event. The Committee shall either approve or disapprove the proposed work in writing within twenty-one (21) days of the receipt of the plans and specifications. If the Committee disapproves the proposed work, the Committee shall state its reasons for such disapproval in a written notification. In the event the Committee fails to give written notice of its approval or disapproval of any proposed work within said twenty-one (21) day period, approval shall be deemed granted. An applicant shall have the right to appeal a disapproval to the Board by giving notice to the Board within thirty (30) days after the disapproval notice was given. In such appeal, the Board by a two-thirds (2/3) vote may

either affirm the disapproval or send the matter back to the Committee with specific instructions for reconsideration.

(g) Required Approval. No improvements, alterations, repairs, or excavations, nor any maintenance which requires or would result in a change in appearance (such as a change of color), or any other activity which would noticeably and visibly change the exterior appearance of a house or a Lot, or any improvement located thereon, shall be made or done without the prior approval of the Committee. No residence, building, shelter, fence, wall, dock, pier, gazebo, or other structure shall be commenced, erected, maintained, improved, altered or otherwise modified, without the prior approval of the Committee, upon compliance with the procedures set forth herein.

(h) Deposit. A One Thousand and 00/100 (\$1,000.00) Dollar deposit shall be required of an Owner or Owner's agent at the time of submitting plans for approval. The Board may prescribe lesser sums for submissions of minor scope in its discretion. This is a security deposit to cover any damage caused by the Owner or Owner's contractor and/or its subcontractors and agents, and the same shall be refunded upon the total completion of construction as long as the Committee considers there to be no damage to the property.

7. MINIMUM DESIGN REQUIREMENTS.

(a) The following minimum requirements must be met by each dwelling within the Subdivision and may not be varied or waived by the Architectural Control Committee:

(i) All homes within the Subdivision shall be single family residences with a minimum constructed dwelling size of one

thousand four hundred (1,400) square feet of heated space. The Architectural Control Committee may reduce the required square footage by up to sixty (60) feet if it deems the same to be desirable, and fair and reasonable, to accommodate a well designed home. Additionally, the minimum constructed dwelling size does not include any garage, heated or non-heated.

(ii) Setback requirements for the construction of any single family home shall be as shown on the recorded Plat, the Lots thereon having been made subject to this Declaration. In addition, no part of any structure of any kind shall be erected or permitted to remain on any Lot closer to the property line than twenty (20') feet on the front (being any road) side, thirty (30') feet on the back or rear Lot line, and ten (10') feet on either side Lot line, except in corner Lots. For corner Lots, there shall be a fifteen (15') foot setback requirement from any side street. Driveways shall not be included within this setback requirement. Roof overhangs, porches, decks, and other extensions shall be considered a part of the structure for purposes of the setback requirements.

(iii) No structure shall be erected or permitted to remain on any Lot, any part of which (excepting chimneys or flue stacks, vent pipes, or approved antenna) shall exceed Two and one Half (2-1/2) living stories, or thirty-five (35') feet in height measured from the lowest grade level of the building foundation or piers upon which such



structure is erected.

(iv) Each Owner shall be personally liable for any damage to persons or property within the Subdivision caused by such Owner, or such Owner's family members, guests, agents, employees and contractors; such liability to cover, without limitation, any damage to roads or to any other Common Area, or to persons, caused by the passage of vehicles and equipment over the roads in the Subdivision, or by any other activity associated with excavation, repairs or construction on a Lot within the Subdivision. In the event of any such damage to Association property, the Association shall have the authority to repair such damage and after applying the deposit required in Paragraph 6(h) above, assess the remaining cost of such repairs to the owner, which assessment shall become a lien on the property, just as other assessments are a lien, as set out in Paragraph 5.(a) of this Declaration.

(v) The crawl space beneath every house and other structure in the Subdivision shall be completely surrounded by brick veneer except for the gaps provided for ventilation and access to such space.

(vi) All roofs must have a minimum slope of at least six (6') feet of rise for every twelve (12') feet of run.

(b) One attached or detached garage/storage area of at least 200 square feet may be constructed but construction must be in a matching architectural style as the dwelling. The location, configuration and design of such building will be subject to the

approval of the Committee.

8. RESTRICTIONS AS TO USE. All Lots within the Subdivision are subject to the following:

(a) Residential Use. All Lots shall be used, improved and devoted exclusively for single-family residential use. Nothing contained herein, however, shall be deemed to prevent an Owner from leasing a residence to a single family for residential use for a minimum lease period of one (1) month. No rentals of less than thirty (30) days will be allowed.

(b) Prohibited Structures. No mobile homes, recreational vehicles, or other structure of a mobile or temporary nature shall be erected, placed or permitted to remain on any Lot. However, modular homes and double-wide mobile homes that are approved by the Architectural Control Committee, immobilized, and installed on a permanent foundation are permitted. No such pre-manufactured homes will be allowed unless they are qualified as real property subject to Carteret County real property ad valorem taxation. No tent, shack, animal kennel, barn, temporary storage building, or other outbuilding shall be erected or placed on any Lot covered by these covenants. This paragraph shall not preclude permanent garage and/or storage facilities consistent with the restrictions contained in Paragraph 7. This paragraph shall not preclude temporary storage facilities for the sole purpose of protecting materials during construction of a dwelling on a Lot not to exceed nine (9) months; provided, however, that said temporary storage facility shall be removed from the Lot contemporaneously with the completion of construction.

(c) Nuisances. No noxious, illegal, or offensive activities shall be carried on or perpetrated upon any Lot, nor shall anything be done on any Lot that shall be or

become an unreasonable annoyance or nuisance to the Owners.

(d) Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that one or two household pets may be kept provided that they are not a nuisance to other Owners and are not kept for breeding or commercial purposes. Any such household pet shall not be allowed off the Lot of its Owner except under leash and while attended by a person capable of controlling the animal's conduct.

(e) Garbage and Trash Receptacles. No Lot shall be used as a dumping ground for rubbish, trash or garbage. All trash receptacles shall be kept in an enclosed area of the residence, garage and/or storage area except on such day of the week as the garbage is collected. The collection of garbage shall be the responsibility of each individual Lot Owner and not the responsibility of the Association unless the Association elects to assume it.

(f) Exterior Lights. All light bulbs and other lights installed in any fixture located on the exterior of any dwelling, building or other structure located on any Lot shall be clear, white, non-frost lights or bulbs. Each light fixture shall be shielded or pointed to keep the light on the Lot where the fixture is located.

(g) Signs. No sign, billboard, or other advertising of any kind shall be erected or maintained on any Lot, road right-of way or Common Area except for directional signs, street identification signs, and other like signs approved and erected by the Association. It is permissible for an Owner or its agent to erect on any Lot a "For Sale" and/or "Construction" sign (provided the sign is four square feet or less in area) and is immediately removed upon the sale of the residence and/or final completion of such



construction. Final completion shall be deemed the issuance of a certificate of occupancy.

(h) Antenna. There shall be no exterior antenna of any kind receiving and/or sending television, radio or other signals unless the same have first been approved by the Committee.

(i) Driveways. All driveways constructed on any Lot shall be paved with either concrete and/or brick pavers and, to the extent said driveway covers any drainage ditch or easement, the size and composition of the drainage tile under said driveway shall be approved by the Committee.

(j) Vehicles. No stripped, partially wrecked, junked or inoperative motor vehicle, nor any part thereof, shall be permitted to be parked or kept on any street or Lot. No Owner shall cause any vehicle repairs, other than minor repairs which may be accomplished in a single day, to be performed on any portion of the property subject to this Declaration, including any property made subject to this Declaration.

(k) Clotheslines. No drying of laundry or clotheslines for any purpose shall be permitted on any Owner's Lot.

(l) Boats and Campers. All boats, jet skis, campers, trailers, recreational vehicles, or other similar personal property will be allowed to be stored in the backyard, the enclosed garage, and/or storage area and must be out of sight from the street.

(m) [Reserved]

(n) Mailboxes. All mailboxes shall be common in design as designated and determined by the Architectural Control Committee.

(o) Maintenance of Lots. All Lots shall be appropriately groomed and maintained, including both developed and undeveloped Lots. Customary lawn mowing

and tree and shrub maintenance is required. In response to any violation of this requirement the Board may employ a third party to maintain the Lot and the cost thereof will be due and payable by the Lot Owner upon presentation of the invoice or vouchers attesting to the costs. If unpaid within thirty days of notice thereof, such indebtedness will be added to the assessments payable by the subject Lot Owner and carry all the lien and enforcement rights applicable to assessments.

(p) Built Upon Areas. The allowable built-upon area per Lot is as shown on Schedule A attached hereto and incorporated herein by reference. This allotted amount includes any built-upon area constructed within the lot property boundaries, and any portion of the road 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, and coquina, but does not include raised, open wood decking, or the water surface of swimming pools;

(q) Stormwater Restrictions. The covenants pertaining to stormwater regulations may not be changed or deleted without concurrence of the State of North Carolina Department of Environment and Natural Resources Division of Water Quality; Lots within CAMA's Area of Environmental Concern may have the permitted built-upon area reduced due to CAMA jurisdiction within the Area of Environmental Concern. Filling in, piping or altering any designated 5:1 curb outlet swale associated with the development is prohibited by any persons. A thirty (30) foot vegetated buffer must be maintained between all built-upon area and the Mean High Water line of surface waters, if any there be. CAMA regulations may reduce the allowable built-upon area for those lots within the AEC.

(b) The overall tract built-upon area percentage or lot sizes for the project must be maintained at 30%, per the requirements of Section .1005 of the stormwater rules.

(c) Approved plans and specifications for projects covered by this permit are incorporated by reference and are enforceable parts of the permit.

(d) Projects covered by this permit will maintain a minimum 30-foot wide vegetative buffer between all impervious areas and surface waters.

(e) The only runoff conveyance systems allowed will be vegetated conveyances such as swales with minimum side slopes of 3:1 (H:V) as defined in the stormwater rules and approved by the Division.

#### SCHEDULE OF COMPLIANCE.

(a) Swales and other vegetated conveyances shall be constructed in their entirety, vegetated and be operational for their intended use prior to the construction of any built-upon surface.

(b) During construction, erosion shall be kept to a minimum and any eroded areas of the swales or other vegetated conveyances will be repaired immediately.

(c) The permittee shall at all times provide the operation and maintenance necessary to operate the permitted stormwater management systems at optimum efficiency to include:

- (i) Inspections
- (ii) Sediment removal
- (iii) Mowing and revegetating of the side slopes
- (iv) Immediate repair of eroded areas



(v) Maintenance of side slopes in accordance with approved plans and specifications

(d) Deed restrictions are incorporated into this permit by reference and must be recorded with the Office of the Register of Deeds prior to the sale of any lot. Recorded deed restrictions must include, as a minimum, the following statements related to stormwater management

(i) The allowable built-upon area per lot is (see Attachment) square feet. 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 line and the edge of the pavement. Built-upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate and coquina, but does not include raised, open wood decking, or the water surface of swimming pools.

(ii) The covenants pertaining to stormwater regulations may not be changed or deleted without concurrence of the Division of Water Quality.

(iii) Filing in or piping of any vegetative conveyances (ditches, swales, etc.) associated with the development except for average driveway crossings, is strictly prohibited by any persons.

(iv) Lots within CAMA's Area of Environmental Concern may have the permitted built-upon area reduced due to CAMA jurisdiction with the AEC.

(v) Each lot will maintain a 30-foot wide vegetated buffer between all impervious areas and surface waters.

(vi) The foregoing covenants are intended to ensure on-going

compliance with state stormwater management permit number SW8000409 as issued by the Division of Water Quality. These covenants may not be changed or deleted without the consent of the State. Swales shall not be filled in, piped or altered except as necessary to provide driveway crossings. Built-upon area in excess of the permitted amount requires a state stormwater management permit modification prior to construction. All permitted runoff from outparcels or future development shall be directed into the permitted stormwater control system. These connections to the stormwater control system shall be performed in a manner that maintains the integrity and performance of the system as permitted.

9. EASEMENTS AND ASSESSMENTS FOR UTILITIES AND ROADS.

(a) The Declarant reserves the right to grant easements for purposes of installing and maintaining utilities to any or all of the Lots, including but not limited to, electricity, telephone, water, sewer and television. These easements may be either above ground or underground and may be assigned without limit to any proper utility company. Also reserved by Declarant is the right to grant such easements over Common Area. Utility easements shall be ten (10') feet in width over the Lots adjoining the street boundary line and shall be five (5') feet in width over the Lots along every other boundary line. The easements over Common Area shall be located at the discretion of Declarant.

(b) Each owner in the Subdivision, by acceptance of a deed to a Lot, agrees and covenants to pay to Carteret-Craven Electric Membership Corporation, its successors and assigns, a pro-rata portion of the cost of electricity and maintenance of lighting located on the Common Area within the Subdivision at the time the electrical bills

are incurred. The Association may elect to have the electric bills for specific lighting requirements billed to it, with the cost thereof being satisfied from dues and assessments.

(c) The real property in the Subdivision is subject to a contract with Carteret-Craven Electric Membership Corporation for the installation of underground electrical utility which may require an initial contribution and/or the installation of street lighting which will subject the Owners to a continuing monthly payment to Carteret-Craven Electric Membership Corporation.

(d) The Declarant reserves the right to extend utility easements, and all road rights of way, from the roads as shown on the Plat into the land areas designated for Future Development, at Declarant's cost without further consideration to the Association.

10. RESERVATION OF FUTURE DEVELOPMENT RIGHTS.

(a) Declarant intends to develop and subdivide various tracts of land which adjoin the Subdivision at one point or another. Such development may be conducted in one or more phases the last of which will commence within the ten years following the recordation of this Declaration and proceed with reasonable dispatch until completed. Each such development will require access to the roads within the Subdivision and extensions of the utility easements within the Subdivision. Declarant will have the right to amend this Declaration to provide the easements and rights of way to facilitate such road and utility access. When required by applicable law or regulation, Declarant will amend the Plat to reflect the foregoing rights of way and easements.

(b) Declarant may amend this Declaration as needed to provide that the Owners in any such future development will become Class A Members of this Association, or it may provide for a separate association without any such owner participation in this



Association. The Declarant may also require and specify certain working agreements between any or all of such other associations and this Association regarding the use, maintenance and sharing of costs of roads, rights of way, easements and recreational space.

(c) All such amendments of this Declaration will be in the name of the Association, will refer to the authority herein for such amendment, and be effective when signed by Declarant, or its successor or assign, and recorded in the office of the Register of Deeds for Carteret County.

11. GENERAL PROVISIONS. This Declaration is subject to the following:

(a) Enforcement. The Declarant, the Association, or any owner shall have the right to enforce by any proceeding at law or in equity all restrictions, conditions, covenants, reservation, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

(b) 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.

(c) Duration. The covenants, restrictions and easements set forth herein shall run with and bind any property made subject hereto for a term of twenty (20) years from the date of this Declaration, after which time this Declaration shall be automatically extended for successive ten (10) year periods unless either terminated or modified by a majority vote of the then record Owners of all Lots subject to this Declaration.

(d) This Declaration may be amended at any time by the affirmative vote of the voting Members having at least seventy-five (75%) percent of the aggregate voting interest, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws. In addition to the Declarant's right to amend this Declaration to provide for the Future Developments as above described, the Declarant, its successors and assigns, reserves the right to amend this Declaration at any time prior to the sale of any Lot, and thereafter without the vote of the Lot Owners for the sole purpose of correcting any scrivener's errors contained herein. Authorized amendments by the Declarant will be executed by the Declarant, or its successor or assign. All such amendments shall be executed in the name of the Association, contain reference to the authority for the amendment, and be effective when recorded in the office of the Register of Deeds of Carteret County.



(e) Captions. The captions used in this Declaration are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text of this instrument.

(f) Construction. Whenever the context so required, the use herein of any gender shall be deemed to include all genders, and the use herein of the singular shall include the plural and the plural shall include the singular.

DECLARANT:  
Stella Farms, LLC

By: William A. Holz manager

STATE OF NORTH CAROLINA

COUNTY OF Carteret

I, Teresa T. Vaughan, a Notary Public for said State and County, do hereby certify that William H. Holz personally appeared before and acknowledged the execution of the foregoing instrument.

Witness my hand and official seal this 6<sup>th</sup> day of March, 2001.

My Commission Expires: 1/3/05

Teresa T. Vaughan  
Notary Public



NORTH CAROLINA, CARTERET COUNTY  
The foregoing certificate(s) of Notary Public(s) is/are  
certified to be correct. This instrument and this certifi-  
cate are duly registered at the date and time and in  
the Book and Page shown on the first page hereof.

Melanie Arthur, Register of Deeds  
By Cynthia T. Smith  
Deputy, Register of Deeds



**STELLA FARMS SUBDIVISION**  
Carteret County, North Carolina

Lot #	Sq. Footage	Acreage	Allowable Impervious Square Footage (30%)
1	21065	0.49	6320
2	21390	0.50	6417
3	22043	0.52	6613
4	24318	0.57	7295
5	20000	0.47	6000
6	20109	0.47	6033
7	26101	0.61	7830
8	25747	0.60	7724
9	25843	0.61	7753
10	24539	0.58	7362
11	26044	0.61	7813
12	25762	0.61	7729
13	24540	0.58	7362
14	20000	0.47	6000
15	21194	0.50	6358
16	28095	0.66	8429
17	26331	0.62	7899
18	24809	0.58	7443
19	24103	0.57	7231
20	21739	0.51	6522
21	20267	0.48	6080
22	44292	1.04	13288
23	50943	1.20	15283
24	35697	0.84	10709
25	30800	0.72	9240
26	31172	0.73	9352
27	31126	0.73	9338
28	30800	0.72	9240
29	65179	1.53	19554
30	48777	1.15	14633
31	49134	1.15	14740
32	23098	0.54	6929
33	25330	0.60	7599
34	24458	0.57	7337
35	20005	0.47	6002
36	21320	0.50	6396
37	21365	0.50	6410
38	20725	0.49	6218
39	20000	0.47	6000
40	20000	0.47	6000
41	19987	0.47	5996
42	22734	0.53	6820
43	22328	0.52	6698

Total Area in Phase I 40.13 ac.  
Total Area of Roadway 2.65 ac.  
Total Impervious Area in Lots 8.08 ac.  
% Impervious in Phase I 26.74%

BOOK 901 PAGE 660

Melanie Arthur 1P  
 Carteret County Register of Deeds  
 JL Date 09/28/2001 Time 13:09:00  
 GR 919464 Page 1 of 1

FIRST SET OF AMENDMENTS TO DECLARATION OF COVENANTS RESTRICTIONS AND  
 EASEMENTS FOR STELLA FARMS SUBDIVISION

This Declaration is made this 20<sup>th</sup> day of August, 2001 by Stella Farms, LLC, ("Declarant") for the purpose of amending the Declaration of Covenants, Restrictions, and Easements ("Declaration") heretofore filed for Stella Farms Subdivision, Phase I, ("Subdivision"), which Declaration is recorded in Book 901 at Page 660, Carteret County Registry.

WHEREAS Declarant, as the owner and developer of the Subdivision, wishes to modify Section 7 of the Declaration in two respects,

NOW THEREFORE, the Declaration is hereby amended in the following manner, and the same shall be effective and enforceable against all lot owners from the time of recording of this First Set of Amendments.

Amendment One: Section 7(a)(vi), on the subject of minimum slope of roofs, is amended by changing "six (6') feet of rise" to "three feet (3') of rise".

Amendment Two: Section 7(a) is amended by adding the following new Subsection 7(a)(vii).

(vii) Water to air heat pumps other than those employing a closed loop system, are not to be installed or used in the Subdivision.

IN WITNESS WHEREOF, the Declarant, a limited liability company, has caused this instrument to be executed by its Manager and has adopted as its seal the word "SEAL" appearing beside its name, on the date first above written.

STELLA FARMS, LLC (SEAL)

By: William H. Holz (SEAL)  
 William H. Holz, Manager

STATE OF NORTH CAROLINA  
 COUNTY OF CARTERET

I, Teresa T. Vaughan, a notary public for the said state and county do certify that William H. Holz, Manager of Stella Farms, LLC acknowledged the foregoing instrument.

Witness my hand and official seal this 20th day of August, 2001.



Commission Expires: 1/3/05

Teresa T. Vaughan  
 Notary Public  
 NORTH CAROLINA, CARTERET COUNTY

The foregoing certificate(s) of Notary Public(s) is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

BOOK 919 PAGE 464

Melanie Arthur, Register of Deeds  
 By Melanie Arthur



NORTH CAROLINA, CARTERET COUNTY

The foregoing certificate(s) of Notary Public(s) is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

Melanie Arthur, Register of Deeds

By

*Cynthia L. Smith*  
Asst. Deputy Register of Deeds

Melanie Arthur

Carteret County

EP

CS Date 11/11/2002  
GR 962392

Time 16:18:00  
Page 1 of 2

*Done*

SECOND AMENDMENT TO DECLARATION  
OF COVENANTS, RESTRICTIONS AND EASEMENTS  
FOR STELLA FARMS SUBDIVISION, PHASE I

This Declaration is made this 11th day of November, 2002 by Stella Farms, LLC ("Declarant") for the purpose of correcting and amending the Declaration ("Declaration") heretofore filed for Stella Farms Subdivision, Phase I ("Subdivision"), which Declaration is recorded in Book 901 at Page 660, Carteret County Registry.

On pages 21 and 22 of the Declaration, following the designation "(q) Stormwater Restrictions," on page 21, add the designation (i) for the rest of the text in the lower half of page 21, and substitute the designations (ii), (iii), (iv), and (v) for the respective designations (b) through (e) which mark the four subparagraphs in the top half of page 22.

On page 27 of the Declaration add Subsection 11 (g), as follows:

(g) Farming Activity Integral to Community. Any farming activities now or hereafter within the bounds of the Subdivision, and/or on the lands surrounding the Subdivision which are subject to future development by Declarant, are integral to the Stella community and may produce effects in the Subdivision such as noise, dust, chemical odors, and the like which are common to such farming communities. By accepting title to a Lot in the Subdivision the Owner(s) acknowledges and accepts the likelihood that the foregoing effects will be present from time to time, and in some seasons will be more prevalent than in others.

IN WITNESS WHEREOF, this Second Amendment to the aforesaid Declaration is executed by the Declarant on the day and year first above written.

STELLA FARMS, LLC

By:

*William H. Holz*  
William H. Holz, Manager

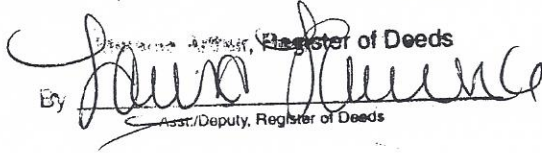
BOOK 962 PAGE 392

(2)



NORTH CAROLINA, CARTERET COUNTY  
The foregoing certificate(s) of Notary Public(s) is/are  
certified to be correct. This instrument and this certificate  
are duly registered at the date and time and in  
the Book and Page shown on the first page hereof.

Melanie Arthur 2P  
CARTERET COUNTY  
LL Date 08/03/2004 Time 15:55:00  
GR 1068192 Page 1 of 2

By  Register of Deeds  
Asst./Deputy, Register of Deeds

Prepared by Stone & Lumsden, 8752 Reed Drive, Emerald Isle, NC 28594  
Return to Stone & Lumsden

### THIRD AMENDMENT TO DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR STELLA FARMS SUBDIVISION, PHASE I

This Amendment to the Declaration of Covenants, Restrictions and Easements for Stella Farms Subdivision, Phase I is made the 30 day of July, 2004 pursuant to paragraph 11 (d) of the Declaration of Covenants, Conditions, Restrictions, and Easements for Stella Farms, Phase I recorded in Book 901, Page 660, Carteret County Registry. The undersigned declarant owning thirty seven (37) of the forty three (43) lots in Phase I and having more than seventy five percent (75%) of the aggregate voting interest in the Stella Farms Owners Association amends the covenants, restrictions and easements as follows:

Section 8(i) is amended to read:

- (i) Driveways. All driveways constructed on any Lot shall be paved with either concrete and/or brick pavers and to the extent said driveway covers any drainage ditch or easement, the size of the tile shall be approved by the Architectural Committee. The tile may be composed of concrete or some other substance approved by the Architectural Committee.

Section 7 is amended to add a new paragraph:

- 7a(vii) Porches facing the front of the property, that portion of the structure facing a street, shall have a minimum of forty-eight (48) square feet and be faced or clad with brick.

In accordance with the By-Laws of Stella Farms Owners Association, Inc. recorded in Book 962, Page 391, Carteret County Registry and the Declaration of Covenants, Conditions, Restrictions, and Easements for Stella Farms, Phase I recorded in Book 901, Page 660, Carteret County Registry and Amendments thereto recorded in Book 919, Page 464 and Book 692, Page

BOOK 1068 PAGE 192

2

392, Carteret County Registry and by action without meeting as permitted in the By-Laws the foregoing amendments were approved.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its President the day and year first above written.

STELLA FARMS OWNERS ASSOCIATION, INC

By:

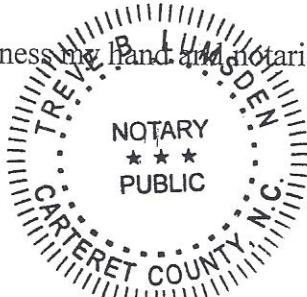
William H. Holz  
William H. Holz, President Stella Farms LLC

State of North Carolina

County of Carteret

I, a Notary Public of the County and State aforesaid, certify that William H. Holz, President of Stella Farms Owners Association, Inc personally appeared before me this day and acknowledged the due execution of the foregoing instrument by authority duly given and on behalf of the corporation.

Witness my hand and notarial stamp or seal this 30<sup>th</sup> day of July, 2004.



[Signature]  
NOTARY PUBLIC

My Commission expires: 10-9-08

STATE OF NORTH CAROLINA,  
COUNTY OF CARTERET.

I, a Notary Public of the County and State aforesaid, certify that William H. Holz, Manager of Stella Farms, LLC personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial stamp or seal this 15th day of November, 2002.



Teresa T. Vaughan  
Teresa T. Vaughan, Notary Public

My commission expires 1/3/05

BOOK 962 PAGE 392