

902269

NORTH CAROLINA
WILSON COUNTY

FILED FOR REGISTRATION

AT 4:30 O'CLOCK P.M. 2 DAY OF
March 2006 AND RECORDED
IN BOOK 2160 PAGE 944Audrey R. Neal
REGISTER OF DEEDSBy Karen L. Webb, Dep

RETURN

TO BunnNORTH CAROLINA
WILSON COUNTY

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS made this 27th day of FEBRUARY, 2006, by **PINECREST DEVELOPMENT COMPANY, LLC**, a North Carolina Limited Liability Company, hereinafter referred to as the "Declarant".

WITNESSETH:

WHEREAS, the Declarant is the owner of the real property described on Exhibit A attached hereto which it intends to develop into approximately 51 single family residential lots, the first phase of which consists of Lots 1 through 10, 29, and 43 through 51, as shown on that map entitled "Final Plat - Section One, Batts Farm, Property of Pinecrest Development Co., LLC" which map is recorded in Plat Book 35, Page 17, Wilson County Registry (hereinafter referred to as "Subdivision"); and

WHEREAS, the Declarant desires to subject the Lots in the Subdivision to the protective covenants, conditions, restrictions, reservations, liens, easements and charges contained herein, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision.

NOW THEREFORE, the Declarant hereby states that said protective covenants, conditions, restrictions, reservations, liens, easements and charges shall run with the Lots in said Subdivision and shall be binding on all parties having or acquiring any right, title or interest in said Lots or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

SECTION 1.1. "Articles" shall mean and refer to the Articles of Incorporation of Batts Farm Owners Association, Inc.

SECTION 1.2. "Association" shall mean and refer to Batts Farm Owners Association, Inc., its successors and assigns.

SECTION 1.3. "Member" shall mean and refer to every person who holds membership in the

Association.

SECTION 1.4. "Single-Family Lot" shall mean and refer to Lots 1 through 10, 29, and 43 through 51, as shown on that certain map entitled "Final Plat - Section One, Batts Farm, Property of Pinecrest Development Co., LLC", which map is recorded in Plat Book 35, Page 17, Wilson County Registry, and to any Lots included in any future phases of Batts Farm as shown on any map duly recorded in the Wilson County Registry.

SECTION 1.5. "Pond Area" shall mean and refer to Lot 52 which is designated as the Retention Pond as shown on the plat of Batts Farm referred to in Section 1.4 above.

SECTION 1.6. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Single-Family Lot which has been made subject to this Declaration, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 1.7. "Declarant" shall mean and refer to PINECREST DEVELOPMENT COMPANY, LLC, and its successors and assigns, if any, whom the rights of Declarant hereunder are expressly transferred hereafter, if in whole or in part, and such assigned rights shall be subject to such terms and conditions as the Declarant may impose.

ARTICLE II

Batts Farm Owners Association, Inc.

SECTION 2.1. The Association. A nonprofit corporation named Batts Farm Owners Association, Inc. has been or will be formed pursuant to the rules and requirements of the Non-Profit Corporation Act (Chapter 55A) of the General Statutes of North Carolina and the Planned Community laws of Chapter 47F of the General Statutes of North Carolina as an association of the Owners of Lots. Its purposes are to collect assessments for the use of, maintenance, repair and replacement of the Pond Area, to enforce the restrictions contained herein.

SECTION 2.2. Members. Each Owner of a Lot shall be a Member of the Association. The Declarant, by this Declaration, and the Owners by their acceptance of individual deeds thereto, covenant and agree with respect to the Association:

- a. That for so long as each is an Owner of a Lot, each will perform all acts necessary to remain in good and current standing as a Member of the Association;
- b. That each shall be subject to the rules and regulations and bylaws of the Association with regards to ownership of a Lot; and
- c. That any unpaid assessment, whether general, specific or special, levied by the Association, in accordance with this Declaration, and the Articles or bylaws thereof, shall be a lien upon the Lot which such assessment was levied, and shall also be the personal obligation of the Owner of the Lot at the time that the assessment falls due.

SECTION 2.3. Unity. Each membership in the Association shall relate to and have a unity of interest with an individual Lot which may not be separated from ownership of said Lot.

SECTION 2.4. Voting. The Association shall have two classes of voting memberships as set forth below and voting by Members shall be in person or by proxy:

Class A: Class A Members shall be all Owners of Lots with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot owned. Where any Lot is owned as a tenancy in common or as a tenancy by the entirety, or another form of multiple ownership, said tenants and Owners shall determine between or among themselves how the vote to which they are entitled shall be cast. However, there shall not be any division of a vote that said Owners would otherwise be entitled to cast if the tenants do not unanimously agree among or between themselves as to how the vote should be cast. Except with regards to the Declarant, in no event shall more than one vote be cast with respect to any Lot. Multiple Owners may designate a single person to act as agent to cast their vote.

Class B: Class B Members shall be the Declarant. Class B Members shall be entitled to 51 votes for each Lot owned. All Class B memberships shall cease and be converted to Class A memberships when the total votes outstanding in the Class A membership exceed the total votes outstanding in the Class B membership or December 31, 2015, whichever shall first occur.

SECTION 2.5. Management and Administration. The Association shall be governed by a board of directors made up of representatives elected by the Members. The number of board members, their selection, qualification and voting power shall be as determined by the bylaws of the Association. The management of the Association shall be carried out in accordance with the terms and conditions of this Declaration, the Articles and the bylaws of the Association, but may be delegated or contracted to managers and management services.

ARTICLE III

PROPERTY RIGHTS IN POND AREA

SECTION 3.1. Members' Easement of Enjoyment. No Owner shall have any right or easement of enjoyment in and to the Pond Area.

SECTION 3.2. Title to the Pond Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Pond Area to the Association free and clear of all encumbrances and liens, except utility, antenna and drainage and sedimentation easements, sanitary sewer easements and easements of governmental authorities.

ARTICLE IV

ASSESSMENTS

SECTION 4.1. Creation of Lien and Personal Obligation of Assessment. Each Owner 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 agree to pay to the Association: (a) such amounts assessed for repair, maintenance, improvements, or replacement and use of the Pond Area (the "General Assessment"), and (b) such other general or special assessments to be established and collected as hereinafter provided (the "Special Assessment"). The General Assessment and the Special Assessments are hereinafter sometimes collectively referred to as the "Assessments". Any Assessments, together with interest, costs, and reasonable attorney fees, shall be a charge on the Lot and

shall be a continuing lien upon the Lot against which each such Assessments is made. All Assessments, together with interest, costs, and reasonable attorney fees, shall also be the personal or corporate obligation of the person(s) or firm(s) or corporation(s) owning such Lot at the time when the Assessments fall due.

SECTION 4.2. Purpose of Assessments.

a. The General Assessment shall be used exclusively to maintain the Pond Area, including but not limited to, the cost of repair, replacement, and additions thereto, the cost of labor, equipment, materials, management, and supervision thereof, and maintenance of insurance thereon, the establishment and maintenance of a reserve fund for the periodic maintenance, repair and replacement of improvements to the Pond Area and for such other funds as required by the Association in carrying out any duty as may be required or delegated to the Association under this Declaration, or its Articles or by-laws.

b. The Special Assessment shall be used to defray, in whole or in part, the cost of any new construction, reconstruction of described capital improvements or unexpected repair or replacement of described capital improvements upon the Pond Area, including the necessary fixtures and personal property related thereto and shall be set in accordance with the requirements set forth in Section 4.6 below.

SECTION 4.3. Reserve Fund. The Association shall establish a Reserve Fund which shall be an operating capital fund and may also be used to accumulate funds necessary to effect repairs and maintenance as is required by this Declaration, including, without limitation, major repairs and capital improvements and additions to the Pond Area as may be required by this Declaration or voted by the Owners.

SECTION 4.4. Uniform Rate of Assessment. All General Assessments shall be fixed at a uniform rate for each Lot. Any General Assessments shall be set on an annual basis by the Association and be collected as set forth in Section 4.7 below. Special Assessments shall be paid as determined by the Members. Collection of all Assessments shall be handled by the Association.

SECTION 4.5. Date of Commencement of Assessments; Due Date; Certificate of Payment. The General Assessments provided for herein shall commence as to each Lot on the day that such Lot is conveyed to an Owner provided such Lot has been annexed into the Property and shall be due and payable as determined by the Board of Directors. The first General Assessments shall be collected at the closing on such Lot and shall be prorated according to the closing date. Special Assessments shall be due and payable as determined by the Members at the meeting specially called to set such Special Assessments.

At least thirty (30) days before January 1 of each year, the board of directors of the Association shall fix the amount of the General Assessments and at least fifteen (15) days before January 1 of each year, shall send written notice of such Assessments to every Owner subject thereto. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid.

SECTION 4.6. Effect of Nonpayment of Assessments; Remedies of the Association. Any Assessments, if not paid within thirty (30) days after the date such Assessments are due, together with interest at the rate of twelve percent (12%) per annum, cost of collection, court costs, and reasonable attorney fees, shall constitute a lien against the Lot upon which Assessments were levied. The Association shall record notice of the same in the Office of the Clerk of Superior Court of Wilson County under the provisions of Chapter 44A of the North

Carolina General Statutes. The lien created herein shall be prior to all other liens except (a) liens for real estate taxes due and unpaid, (b) all sums unpaid on deeds of trust and other encumbrances recorded against the Lot prior to the docketing of the lien, and (c) materialmen's and mechanics' liens.

The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot. Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association, or its agents or assigns, the right and power to bring all actions against such Owner personally liable for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or a deed of trust lien on real property and such Owner expressly grants to the Association a power of sale in connection with foreclosure of said lien. The lien provided for in this action shall be in favor of the Association and shall be for the benefit of all other Lot Owners. The Association may purchase a Lot being foreclosed on behalf of the remaining Lot Owners as a group as instructed by the remaining Lot Owners at a meeting duly called for such purpose, or if less than all of the remaining Lot Owners wish to purchase such unit, then on behalf of and at the cost of any one or more of the remaining Lot Owners. In the event the Association shall purchase a unit offered for sale on behalf of all of the remaining Lot Owners, then the costs thereof shall be shared equally, and any profit or loss realized from the sale by the Association of the unit so acquired shall likewise be shared equally by the remaining Lot Owners. In the event the Association shall purchase the Lot offered for sale on behalf of any one or more but not all of the remaining Lot Owners, then the cost thereof and any profit or loss realized from the resale of said Lot shall be shared by such purchasing Lot Owners in such portions as they shall agree upon.

In the alternative, the board of directors of the Association may maintain a suit against the delinquent Owner of the Lot to recover a money judgment for unpaid Assessments without foreclosing or waiving the lien securing said unpaid Assessments. The personal obligation for delinquent Assessments shall not pass to a successor in title to a Lot unless expressly assumed by said successor.

No Owner may waive or otherwise escape liability for the Assessments provided for herein by nonuse or abandonment of his Lot.

In addition, the Association may impose fines and/or suspend an Owner's voting rights so long as the provisions of Section 47F-3-107.1 of the North Carolina General Statutes pertaining to a right to a hearing are complied with.

SECTION 4.7. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any mortgage, mortgages, deed of trust, or deeds of trust recorded prior to the docketing of such lien. Sale or transfer of any Lot shall not affect the personal obligation of the delinquent Lot Owner for any Assessments due. However, the sale or transfer of any Lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve any such Lot from liability for any Assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust recorded prior to the docketing of such lien.

Section 4.8. Initial Annual General Assessment. Upon the initial sale of each Lot by the Declarant the Association shall be paid from the initial Purchaser thereof the amount of \$100.00, and there

shall be no pro-ration based on the date of sale. So long as the Declarant owns a Lot without a completed residence being located thereon it shall not be required to pay any assessments.

SECTION 4.9. Management of Funds. All funds levied and collected by the Association shall be managed and under the control of the Association. The Association is authorized to employ a professional manager to oversee accounts, manage the payment and collection of funds and perform all tasks incident to operating the Association.

SECTION 4.10. Excess Assessments. Any surplus Assessments remaining after payment of the items for which such Assessments were collected, the funding of a reasonable operating expenses surplus and the prepayment of reserves shall be paid to the applicable Owner in proportion to his liability for the Assessments or shall be credited to such Owner in the same proportion to reduce his future assessments.

ARTICLE V

USE RESTRICTIONS

SECTION 5.1. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon any Single-Family Lot which may be or become a nuisance or annoyance to any lots in the Subdivision. All Owners shall comply with any and all noise ordinances applicable to the Subdivision.

SECTION 5.2. Use Restrictions.

a. Each Single-Family Lot as set forth herein and approved by the appropriate municipal authorities, shall be used for residential purposes only. The lay of the Single-Family Lots as shown on any recorded plat shall be substantially adhered to; provided, however, that with the prior written approval of the Architectural Committee, the size and shape of any Single-Family Lot may be altered so long as no lot or group of Lots are resubdivided so as to produce a greater number of Lots than that allowed by the applicable zoning laws in force at the time of said change. A residence may be constructed on more than one Single-Family Lot provided the location of any structure permitted thereon is approved in writing by the Architectural Committee. Except as otherwise may be permitted herein, no building shall be erected, altered, placed or permitted to remain on any Single-Family Lot other than one detached, single-family dwelling not to exceed three stories in height, a private garage for not more than three cars, and other outbuildings reasonably incidental to normal residential use thereof. No singlewide, doublewide, or other manufactured homes are permitted on any lot. Modular homes, as they have become known in this area at this time, are not permitted on any Single-Family Lot. A residence that is constructed on site using numerous components that are brought in from off site may be allowed on a Single-Family Lot in the sole discretion of the Architectural Committee. All garages and outbuildings must be enclosed with doors. Out buildings are permitted on any Single-Family Lot only with the prior written approval of the Architectural Committee. All structures shall comply with applicable zoning restrictions and regulations of the County and City of Wilson, North Carolina.

b. Each lot in the Subdivision shall contain only one single-family residence of not less than 1150 square feet, exclusive of porches, basements and garages. The first floor of the main living area of a single-family residence containing more than one story shall not be less than 900 square feet. The Architectural Committee may in its sole discretion change any of the above square footage requirements based on its approval of individual plans.

c. The term "Single-Family Lot" as used herein shall refer not only to lots as laid out on any recorded map of the Subdivision, but also to any rearranged lot as provided for hereinabove; and the words "lot line" as used herein shall refer not only to the original lot lines on any recorded map but also to any new lot lines created by rearrangement of existing Single-Family Lots as permitted by the Architectural Committee; said new lot lines shall be deemed to replace the platted lines of said Single-Family Lot in any previously recorded map.

d. No structure of a temporary character, trailer, tent, mobile home, shack, garage, barn, or other out building shall be used on any portion of a Single-Family Lot at any time as a residence, either temporarily or permanently.

e. Each Single-Family Lot shall be conveyed as a separately designated and legally described freehold estate, subject to the terms, conditions, and provisions hereof.

f. Notwithstanding any provision in this Declaration to the contrary, it shall be expressly permissible for the Declarant to maintain during the period of construction and sale of said single family residences, upon such portion of the Subdivision as Declarant deems necessary, such facilities as in the sole opinion of Declarant may be reasonably required, convenient, or incidental to the construction and sale of said singled family residences, including, but without limitation, an office, storage area, construction yard, "For Sale" and "For Rent" signs, and a sales office.

No pet houses, pet pens or pet runs shall be erected, placed, permitted to remain, or allowed on any Single-Family Lot without the location, materials, size and screening of the same being first approved in writing by the architectural committee.

h. Without the prior written consent of the Architectural Committee, no advertising signs, including, but not limited to, "For Sale" signs, shall be erected, placed or permitted to remain on any Single-Family Lot, except as specifically permitted in paragraph (f) above. No billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain any Single-Family Lot. No Single-Family Lot shall be used in any way or for any purpose which may endanger the health of or unreasonably disturb the Owner of any other Single-Family Lot or any resident thereof or any resident of Batts Farm Subdivision. No business activities of any kind whatsoever shall be conducted in any residence or on any portion of any Single-Family Lot; provided, however, a Owner or occupant thereof may use a portion of his residence for his office, provided that the activities are in compliance with all County and City ordinances, do not interfere with the quiet enjoyment or comfort of any other Owner, or that such activity shall not involve the personal services of any Owner or occupant to a customer or other person or client who comes to the Single-Family Lot, and further provided, however, the foregoing covenants shall not apply to the business activities, signs and billboards of the Declarant, its agents or assigns, during the construction and sales period as provided in paragraph (f) above.

i. All equipment, garbage cans, service yards, wood piles, storage piles shall be kept in areas specifically designated in writing by the Architectural Committee or screened by adequate planting or fencing so as to conceal them from view of adjoining residences, which screening, planting, or fencing shall be specifically approved in writing by the Architectural Committee. All garbage, trash, or rubbish shall be regularly removed from each Single-Family Lot and shall not be allowed to accumulate thereon. No clothes lines shall be permitted outside any residence. No drying or airing of any clothing or bedding or other items shall be permitted outside of any residence including on porches, fences, or decks, except in areas specifically designated in writing for this purpose by the Architectural Committee.

j. No masts, towers, poles, or antennas, including, but not limited to antennas, aerials, or disks used for amateur radios, radio reception on any wavelengths or over the air television shall be erected or maintained upon any Single-Family Lot without the prior written consent of the Architectural Committee. Satellite dishes which have a diameter of 16 inches or smaller and are mounted on a residence on a Single-Family Lot shall not be subject to approval by the Architectural Committee. Satellite dishes which have a diameter of greater than 16 inches, whether or not they are mounted on a residence on a Single-Family Lot, shall not be erected or maintained upon such Lot without the prior written consent of the Architectural Committee.

k. No fences, hedges, or walls shall be erected or maintained on a Single-Family Lot except as approved in writing by the Architectural Committee.

l. With respect to all Single-Family Lots, there shall not be any out buildings or fences on any Owner's Single-Family Lot except as approved by the Architectural Committee in writing. All mailboxes, newspaper boxes, and posts for same, shall be the same for each Single-Family Lot in the entire subdivision and shall be of such design, material, and construction as approved by the Architectural Committee in writing.

m. Any lights located on the exterior of a residence or located anywhere else on a Single-Family Lot shall not be directed toward any other residence so that said lights will shine on any adjoining residence. This shall not apply to street or security lights.

n. Each Single-Family Lot shall contain adequate off-street parking. No trucks other than pick-up trucks shall be allowed to be parked on any Single-Family Lot at any time. All campers, boats, trailers, jet skis, trailerized cookers and other vehicles of any kind which are parked on any Single-Family Lot shall be screened from view of the street and any neighboring Single-Family Lots. No motor vehicles may be parked on any grassy areas of Single-Family Lots at any time.

o. No trade materials or inventories may be stored upon any Single-Family Lot except during construction of the residence or outbuilding. All unused materials shall be removed within 30 days from the date a certificate of occupancy is issued for a residence and within 30 days from the substantial completion of an outbuilding.

p. Any outside cooking grills shall be confined to the patio area or deck area located in the rear yard of any Single-Family Lot. No garden or yard ornaments shall be located on any Single-Family Lot without the prior written approval of the Architectural Committee.

q. No vehicles bearing expired license plates or without license plates, vehicle repair work, unsightly objects or nuisances shall be erected, placed, permitted to remain, or allowed any Single-Family Lot, nor shall any Single-Family Lot be used in any way or for any purpose which may endanger the health of or unreasonably disturb the Owner of any lot in the Subdivision or any resident thereof.

r. The minimum front, side and rear setback lines shall be the same as set forth on the map entitled "Final Plat - Section One, Batts Farm, Property of Pinecrest Development Co., LLC" which map is recorded in Plat Book 35, Page 17, Wilson County Registry or any revision thereof containing Single-Family Lots which has been approved by the Declarant.

s. Construction of any improvement on a Single-Family Lot, once begun, must proceed diligently and continuously until completion, and must be completed in accordance with the approved plans and specifications within a reasonable time, but not exceeding twelve (12) months, from the date construction commences, unless

timely completion is rendered impossible as a direct result of strikes, fire, national emergencies, natural calamities or if delay of completion is approved in writing by the Architectural Committee.

In the event that construction of an improvement has not been completed within eighteen (18) months from the date construction commenced, the Declarant shall have the right to purchase the Single-Family Lot upon which the improvement is being constructed, including any improvements located thereon, at the fair market value of the Single-Family Lot and such improvements. Such fair market value shall be determined by two (2) certified real estate appraisers, one to be named by the Declarant and the other to be named by the Owner. In the event that these two (2) real estate appraisers can not agree on the fair market value of the Single-Family Lot and its improvements, such real estate appraisers shall name a third real estate appraiser who shall then determine the fair market value of the Single-Family Lot and its improvements. Any fair market value determined pursuant to this paragraph shall be binding on the Declarant and the Owner. The Declarant shall not be required to exercise this option but shall have the right to do so in its sole discretion.

In addition to the remedies set forth in this section, the Declarant shall have all other remedies available to it at law and in equity to enforce the provisions of this section.

ARTICLE VI

MAINTENANCE

SECTION 6.1. The Owner of a Single-Family Lot shall have the duty and responsibility, at its sole cost and expense, to keep the Single-Family Lot and improvements thereon safe, clean and attractive. This obligation includes, but is not limited to, the following: prompt removal of all litter, trash, refuse, and waste; lawn mowing; tree and shrub pruning; watering; keeping exterior lighting in working order; keeping lawn and garden areas attractive and free of weeds and dead or dying trees, plants and shrubbery; keeping parking areas and driveways in clean and good repair; complying with all government, health and police requirements; repainting of improvements; and, repair of exterior damage to improvements.

SECTION 6.2. If, in the opinion of the Architectural Committee, any Owner or occupant (including lessees) has failed to maintain a Single-Family Lot as required in Section 4.1, and the Owner does not remedy such default within thirty (30) days after written notice thereof from the Architectural Committee or does not within such thirty (30) days commence such act or acts as shall be necessary to remedy such default and shall complete such act or acts promptly, the Architectural Committee shall have the right and power to enter upon the Single-Family Lot and perform such care and maintenance without any liability for damages for wrongful entry, trespass or otherwise. The Owner of the Single-Family Lot shall be liable for the reasonable expenses of such work and shall promptly reimburse the Architectural Committee. If such Owner shall fail to reimburse the Architectural Committee within thirty (30) days after receipt of an invoice, then said indebtedness shall constitute a lien against the Single-Family Lot, which lien shall be subordinate to the lien of any deed of trust on such Lot. The Architectural Committee shall be entitled to foreclose a lien in the manner of a foreclosure pursuant to a Power of Sale in a Deed of Trust against the Single-Family Lot on which it is placed, and the costs of such foreclosure, including reasonable attorney's fees, shall be added to the amount of the lien.

ARTICLE VII

EASEMENTS

All of the Single-Family Lots shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television

antenna or reception lines (including, without limitation, cablevision) and other public utilities as shall be established by the Declarant or by its successors in title, prior to the conveyance of Single-Family Lots to subsequent Owners; and the Declarant shall have the power and authority to grant and establish upon, over, under and across the property constituting Batts Farm Subdivision such further easements as are requisite for the convenient use and enjoyment of the property constituting the Subdivision.

An easement is hereby established over the Single-Family Lots for the benefit of applicable governmental agencies, public utility companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical, telephone, gas and cable antenna lines, fire fighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities.

Each Owner will have an easement in common with the Owners of all other Single-Family Lots to use all pipes, wires, ducts, flues, cables, conduits, public utility lines, and other common elements serving such other Single-Family Lots and located in or on such Single-Family Lot. The Declarant and its authorized agents shall have the right of access to each Single-Family Lot to inspect the same, to remove violations therefrom, and to maintain, repair, or replace the common elements contained therein, if any.

ARTICLE VIII

ARCHITECTURAL CONTROL AND INSPECTION

SECTION 8.1. Architectural Control. No improvement shall be commenced, erected or maintained and there shall be no changes or alterations to the exterior of existing improvements upon any Single-Family Lot, unless all plans and specifications therefor have been submitted to and improved in writing by a majority of the Architectural Committee (as defined in Section 5.2 below). The Architectural Committee shall have exclusive right and authority to approve or disapprove such plans and specifications, in its sole and absolute discretion. In approving the plans and specifications, the Architectural Committee shall consider as a basis of its approval, among other factors:

- a. the structural design;
- b. the conformity and harmony of external design and appearance with the other improvements in the Subdivision, or in the case of additions, with the existing improvement;
- c. the relation of finished grades and elevations to adjoining parcels; and
- d. a conformity to the specific and general intent of this Declaration.

In the event the Architectural Committee does not approve or disapprove the plans and specifications in writing within sixty (60) days from the date they are completely submitted by a particular Owner, approval shall not be required and this restriction shall be deemed completely complied with. If the plans and specifications are not sufficiently complete or otherwise inadequate, the Architectural Committee may reject them as being inadequate or may approve or disapprove part, conditionally or unconditionally, and reject the balance. Proposed plans and specifications shall be deemed to have been received by the Architectural Committee five (5) days after having been deposited in an official depository of the United States Postal Service, postage prepaid, addressed as follows:

Architectural Committee
c/o Gregory A. Turnage
3310 Wetherly Drive
P.O. Box 2342
Wilson, NC 27894

The Architectural Committee shall notify any Owner from time to time of a change in the aforesaid address.

The plans and specifications to be so submitted shall include, to the extent appropriate, the following:

- a. A site plan showing existing contour grades, major trees and the location of all improvements. Existing and finished grades shall be shown at lot corners and at corners of proposed improvements. Site storm drainage retention provisions shall be indicated as well as cuts and fill details if any appreciable change in the lot contours are contemplated.
- b. Exterior elevations.
- c. Exterior material, colors, textures, and shapes.
- d. Structural design.
- e. Landscaping plans, including walkways, fences, and walls, elevation changes, watering systems, vegetation and ground cover.
- f. Parking area and driveway plan.
- g. Screening, including size, location, and type of material, if applicable
- h. Utility connections.
- i. Exterior illumination, including the method contemplated.

If the Architectural Committee approves the plans and specifications, the actual construction in accordance with the plans and specifications shall be the responsibility of the Owner; provided, however, that at any time upon notice to an Owner, the Architectural Committee or its agent or representative may enter upon such Owner's Single-Family Lot and inspect the improvements to determine whether they are being constructed in accordance with the plans and specifications approved by the Architectural Committee and provided, further, that upon the completion of the improvement and prior to occupancy, the Owner shall notify the Architectural Committee in writing of the completion of the improvements and shall certify such construction was performed in accordance with the plans and specifications approved by the Architectural Committee.

The Architectural Committee may waive in writing minor violations and allow minor variances in the plans and specifications which were the result of unintentional actions on the part of any Owner which are not materially harmful to the Subdivision.

The Architectural Committee shall not be liable in damages or otherwise to anyone submitting plans and specifications for approval or to any Owner by reason of mistake of judgement, negligence, or nonfeasance arising out of or in connection with the approval or failure to approve any plans or specifications. No approval granted by the Architectural Committee with respect to construction pursuant to these restrictions shall constitute or be construed as approval by it of the structural stability or design of any improvement, and no liability shall accrue to the Architectural Committee in the event such construction shall subsequently prove to be defective.

SECTION 8.2 Architectural Committee. The Architectural Committee shall initially be composed of the following individuals:

Gregory A Turnage
Turner B. Bunn, IV
Russ Davis

The Declarant shall appoint the members of the Architectural Committee, and it may change them as it deems necessary, until all Single-Family Lots in the Subdivision have either been sold or the ownership transferred to an individual or entity other than the Declarant and/or its assigns. A majority of the Architectural Committee may designate a representative to act for it.

At the time that all Single-Family Lots in the Subdivision have been so sold or transferred, the Association shall thereafter act as the Architectural Committee.

A vacancy occurring in the members of the Architectural Committee may be filled by a majority of the remaining members on the Architectural Committee or by the sole remaining member.

In the event all members resign or are no longer serving as members of the Committee, a majority of the Owners of the lots in such Subdivision shall elect Owners of three separate lots in the Subdivision to serve as members of the Architectural Committee.

ARTICLE IX

GENERAL PROVISIONS

SECTION 9.1. Enforcement. Any Owner and the Declarant shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by any Owner or the Declarant to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

SECTION 9.2. Severability. Invalidation of any 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.

SECTION 9.3. Amendment. The covenants and conditions of this Declaration shall run with the Single-Family Lots and shall inure to the benefit of and be enforceable by any Owner of any Single-Family Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns and the Declarant, for a term of thirty (30) years from the date this Declaration is recorded, after which time, said covenants shall automatically be extended for successive periods of ten (10) years. Except as hereinafter set forth, the covenants and conditions of this Declaration may be amended during the first thirty (30) years by an instrument signed by not less than seventy-five percent (67%) of the Owners of the Single-Family Lots and thereafter by an instrument signed by not

less than seventy-five percent (67%) of the Owners of the Single-Family Lots.

All amendments shall be effective from the date of recordation in the Wilson County Registry.

Notwithstanding anything in this Declaration to the contrary, this Declaration cannot be amended to prevent the development of the Subdivision by the Declarant as it sees fit so long as Declarant complies with the provisions of the regulations and ordinances of the County of Wilson and any other applicable governmental authority.

SECTION 9.4. FHA/VA Approval. Notwithstanding any provision in this instrument to the contrary, the following actions shall require the approval of the Federal Housing Administration or Veterans Administration if the Declarant desires to qualify sections of the Property for the Federal Housing Administration or Veterans Administration approval: (a) annexation of additional properties and dedication of open spaces not covered by this Declaration, (b) amendment of this Declaration, (c) mergers and consolidations, (d) mortgaging of open spaces, and (e) dissolution.

SECTION 9.5. Gender and Grammar. The singular, wherever used herein shall be construed to mean the plural when applicable and the necessary grammatical changes required to make provisions hereby apply to either corporations or individuals, man or wife, and male and female shall in all cases be assumed as though in each case fully expressed.

SECTION 9.6. Governing Law. This Declaration shall be governed by, construed and interpreted in accordance with the laws of the State of North Carolina.

SECTION 9.7. Subordination. The Heritage Bank, Noteholder, and John T. Tilton, Trustee, in that certain Deed of Trust recorded in Book 2100, Page 860 of the Wilson County Registry, join in this Declaration for the sole purpose of subordinating the lien of said Deed of Trust to all of the terms and conditions of these Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed in their names, all as of the day and year first above written.

PINECREST DEVELOPMENT COMPANY, LLC

By: Gregory A. Turnage (SEAL)
Gregory A. Turnage, Member/Manager

By: Turner B. Bunn, IV (SEAL)
Turner B. Bunn, IV, Member/Manager

THE HERITAGE BANK, Noteholder

By: Rebecca J. Dorsey (SEAL)
Vice President

John T. Tilton (SEAL)
John T. Tilton, Trustee

NORTH CAROLINA
Wilson COUNTY

I, Carol B Woodall, a Notary Public, in and for said County and State, do hereby certify that Gregory A. Turnage, Member/Manager of **PINECREST DEVELOPMENT COMPANY, LLC**, a North Carolina limited liability corporation, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes stated therein.
WITNESS my hand and Notarial Seal, this 1st day of March, 2006.

Carol B Woodall
Notary Public

My Commission Expires 5/25/08

NORTH CAROLINA
Wilson COUNTY

I, Carol B Woodall, a Notary Public, in and for said County and State, do hereby certify that Turner B. Bunn, IV, Member/Manager of **PINECREST DEVELOPMENT COMPANY, LLC**, a North Carolina limited liability corporation, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes stated therein.
WITNESS my hand and Notarial Seal, this 1st day of March, 2006.

Carol B Woodall
Notary Public

My Commission Expires 5/25/08

NORTH CAROLINA
WILSON COUNTY

I, Sheila P. Wilson, a Notary Public, certify that Rebecca Dorsey personally came before me this day and acknowledged that he/she is Vice President of **THE HERITAGE BANK**, Noteholder, 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 27th day of February, 2006.

Sheila P. Wilson
Notary Public

My Commission Expires 8, 2007

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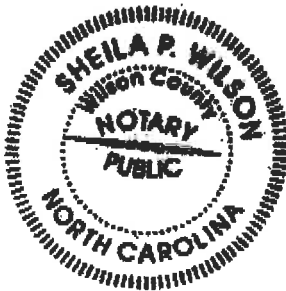
NORTH CAROLINA
WILSON COUNTY

I, Sheila P. Wilson, a Notary Public, in and for said County and State, do hereby certify that **John T. Tilton, Trustee**, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes expressed therein.

WITNESS my hand and Notarial Seal, this 27th day of February, 2006.

Sheila P. Wilson
Notary Public

My Commission Expires: October 8, 2007



See Attached

EXHIBIT A

LYING and being in the City of Wilson, Wilson County, North Carolina, and more particularly described as follows:

BEGINNING at an iron pipe located at the southwesterly corner of the property now or formerly owned by S. B. Haynes (see Deed Book 441, Page 325, Wilson County Registry) and at the northeasterly corner of Lot No. 2 of "Section One, Westmoreland Sub-division" which map is recorded in Plat Book 7, Page 71, Wilson County Registry; runs thence from said point of beginning with and along the northerly property line of Section One, Westmoreland Sub-division and along the centerline of a ditch S. 63 deg. 32' 50" W. 1,026.95 feet to an iron pipe; cornering and running thence with and along the said subdivision northerly property line S. 82 deg. 49' 01" W. 178.00 feet to an iron pipe; thence N. 85 deg. 15' 59" W. 106.44 feet to a point in the westerly right-of-way line of Canal Drive and in the easterly property line of the property now or formerly owned by Hugh Summerlin; corners, runs thence with and along the Summerlin easterly property line N. 02 deg. 39' 01" E. 10.00 feet to an iron pipe; corners, runs thence with and along the Summerlin northerly property line N. 85 deg. 15' 59" W. 178.96 feet to an iron pipe in Hominy Swamp Canal Branch (and also in the easterly property line of Section Two, Merrimont Subdivision as shown on a map recorded in Plat Book 12, Page 160, Wilson County Registry); corners, runs thence with and along the easterly property line of said subdivision N. 01 deg. 32' 24" W. 93.04 feet to an iron pipe; corners, runs thence N. 11 deg. 56 min. 31 sec. E. 118.61 feet to an iron pipe; corners, runs thence N. 36 deg. 11 min. 08 sec. E. 83.85 feet to an iron pipe; corners, runs thence N. 5 deg. 11 min. 08 sec. W. 177.97 feet to an iron pipe in the property formerly owned by Charles Walls (see Deed Book 777, Page 106, Wilson County Registry) and which is now Brandon Run Subdivision; corners, runs thence with and along the southerly property line of said subdivision S. 86 deg. 43 min. 02 sec. E. 112.18 feet to an existing concrete monument; and continues with and along said subdivision N. 64 deg. 35 min. 55 sec. E. 1,079.47 feet to an iron pipe at the northwesterly corner of the property now or formerly owned by H. P. Benton, Jr.; corners, runs thence with and along the westerly property lines of the property now or formerly owned by H. P. Benton, Jr., W. E. Batts, III, W. E. Batts, Jr., P. R. Morgan and S. B. Haynes, S. 27 deg. 04 min. 37 sec. W. 521.58 feet to the point of beginning, said tract being composed of Tract No. 1 containing 16.167 acres and Tract No. 2 containing 1.662 acres to the traverse line of Hominy Swamp Canal Branch, all as shown on a map entitled "Property of Lena B. Pearson" dated July 1982 and prepared by R. R. Herring & Associates.