

File: Horne + Horne

BOOK **1141** PAGE **853**

NORTH CAROLINA
PITT COUNTY

PREPARED BY: HORNE & HORNE, PLLC

DECLARATION OF CONDITIONS, RESTRICTIONS
AND COVENANTS RUNNING WITH THE LAND

THIS DECLARATION, made on the date hereinafter set forth by VANRACK, INC., a North Carolina Corporation, with its principal offices in Greene County, North Carolina, hereinafter referred to as "Declarant" does hereby covenant and agree to and with all other persons, firms or corporations now owning or hereafter acquiring as owners any tract or parcel of land in the area designated.

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Winterville Township, Pitt County, North Carolina, which is more particularly described as follows:

Lying and being in Winterville Township, Pitt County, North Carolina and being all of Manchester, Section 1 as shown on map recorded in Map Book 55, Pages 83 and 83A, Pitt County Registry.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of same, and which shall run with, the real property and be binding on all parties having any right, title, or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

Section 1: "Association" shall mean and refer to Manchester Homeowners Association, Inc. its successors and assigns.

Section 2: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3: "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4: "Common Area" shall mean all real property (including the improvements thereto) owned by the Association to be reserved to the Association at the time of the conveyance of the first lot described as follows:

Tract One: Ten Foot Non-Access Easement as shown running along the northern boundary of lots 1 and 79 through 88 on that map entitled "Manchester, Section 1" as recorded in Map Book 55, Page 83 of the Pitt County Registry.

Tract Two: The landscaped island located at the entrance of Forlines Road and Westminster Drive.

Section 5: "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area, and shall be known when platted as lots 1 through 28 and 69 through 131 .

Section 6: "Declarant" shall mean and refer to Vanrack, Inc., its successors and assigns.

Section 7: "Member" shall mean and refer to every person or entity who holds membership, as a lot Owner, in the Association.

ARTICLE II

Section 1: Owner's Easement of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of each class of members has been recorded.

Section 2: Declaration of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III
MEMBERSHIP AND VOTING RIGHTS

Section 1: Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2: The Association shall have two classes of voting membership.

Class A. Class A membership shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as then determined, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned, and notwithstanding any other provisions herein, shall not be assessed at any rate. Class B membership shall cease and be converted to the Class A membership when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership, and in all events no later than March 1, 2003.

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1: Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessment or charges for maintenance and electricity on all common areas, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual 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 property 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 such property at the time of the assessment. Such assessment shall not pass to his successors in title unless expressly assumed by them.

Section 2: Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the

Common Area, including but not limited to, landscaping maintenance, the cost of repairs, electricity, replacements and additions, the cost of labor, equipment, materials management and supervision, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

Section 3. Basis and Maximum of Annual Assessments. No assessments shall be made on any lot until the platted lot shall have been conveyed by deed. The maximum annual assessment shall be \$90.00 per originally platted lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington D.C.) from the preceding month of July.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment for the next succeeding two (2) years may be increased above that established by the Consumer Price Index formula by a vote of the members, and for each succeeding period of two (2) years thereafter, provided that any such change shall have the assent of two-thirds (2/3rds) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of

Incorporation.

(c) The Board of Directors may fix an annual assessment at an amount not in excess of the maximum.

Section 4: Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year 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 fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3rds) of the votes of each class of members who are voting in person or by proxy at the meeting duly called for this purpose.

Section 5: Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) per cent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6: Uniform Rate of Assessment. Except as provided for Class B members, both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7: Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessments 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 dates 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 been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessment 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 eighteen per cent per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape or deny liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

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

Section 10: Exempt Property. All property dedicated to and accepted by, a local authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina, shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE V COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE VI USE RESTRICTIONS

Section 1: Use. No lot shall be used except for residential purposes. No structure shall be erected, placed or permitted to remain on any plot other than one detached single family dwelling not to exceed two and one-half stories in height and other outbuildings incident to the residential use of the plot.

Section 2: No commercial use. The purpose herein described shall be used for residential purposes only and no business or commercial enterprise may be carried on upon the premises.

Section 3: Plan approval. No building may be constructed on any lot or parcel of land in this subdivision without the prior approval of the building plans and exterior materials by the Declarant or its successors or designees. Any residence constructed on a lot must have a minimum square footage, more specifically described as heated living area, exclusive of one-story open porches, garage and basements, of not less than One Thousand Five Hundred Fifty

(1550) square feet. In the case of a multi-story structure the ground floor shall be no less than Eight Hundred (800) square feet in the case of a two story structure. It is the intent of the parties that all exteriors of the structures shall be harmonious with all of the other structures in Manchester Subdivision, Section 1. Nor shall any structure of any type be started on any of the above-described lots until a plot plan showing the location of such structure have been approved by the Declarant or its successors or designees. Such approval in both events must be in writing. If no approval or rejection has been given for such planned use or for such plans which have been deposited or delivered to the Declarant, its successors or designees within thirty (30) days after written application, the plan shall be deemed to have been approved.

Section 4: Setbacks. No buildings shall be located on any residential building plot nearer to any lot line than as shown on the recorded plat. No building shall be located nearer than 10 feet to any side lot line.

Section 5: Nuisance. No noxious or offensive trade or activity shall be carried on upon any lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

Section 6: Temporary structures. No trailer, basement, tent, shack, garage, barn or other outbuilding erected in the tract shall at any time be used as a residence temporarily or permanently nor shall any structure of a temporary character be used as a residence.

Section 7: No barns, stables, and outbuildings for the purpose of maintaining horses shall be permitted on any lot. No animals, livestock, poultry, or reptiles of any kind shall be raised, bred or kept on any portion of the property, except that no more than two domesticated dogs and cats and small non-offensive and harmless household pets may be kept by the owner of the property, provided that they are not kept or used for breeding or maintained for any

commercial purpose. Pets kept outside must be kept inside a fence and may not be staked out. Any dog pen, barn or any fenced area housing an animal must be closer to the animal owners dwelling than to any adjoining dwelling.

Section 8: Entire agreement. Nothing herein contained shall be construed as imposing any covenants or restrictions on any property of the owners of this tract of land other than those properties to which these Restrictive Covenants specifically apply.

Section 9: Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat as above referred to. The easement area of each tract and all improvements in it shall be maintained continuously by the owner of the tract except for those improvements for which a public authority or utility company is responsible. Furthermore, an easement of five feet in width for the installation and maintenance of underground utilities and drainage is reserved along every front and side lot line and an easement of ten feet in width for the installation and maintenance of underground utilities and drainage is reserved along every rear lot line.

Section 10: Parking. Adequate off-street parking shall be provided by the owners of each building site for the parking of automobiles owned by the said owners, and owners of building sites agree not to park their automobiles on the Common Area streets in the Manchester, Section 1 development. No vehicle required by the State of North Carolina to have a current license may be kept on any property for more than 10 days without a current valid license plate.

Section 11: Clotheslines: No outside clotheslines shall be erected or kept on any lot.

Section 12: Satellite dishes. No satellite dish or comparable communication device having a size larger than eighteen (18) inches in diameter may be located on any lot; further any

such satellite dish or comparable communication device must be located in the back yard of any lot.

Section 13: Fences. No fence may be located on any lot in the front yard and may not be any closer to the front yard than 25 feet from the front wall of the house.

Section 14: Debris. During the construction of any building on a lot in Manchester, Section 1 the owners will insure that all debris is cleaned daily. Declarant reserves the right to assess a \$100.00 cleaning charge to any lot owner for failure to comply with this provision. Declarant shall have the right to file a lien for all sums assessed hereunder in the office of the Clerk of Court of Pitt County and to enforce said lien pursuant to the provisions of N.C.G.S. ~44A.

Section 15: Structure Type: No mobile home, pre-fab, modular home, package home or other pre-built home shall be placed on any lot to be used as a residence. Any residence built on any lot shall be "stick built" except that pre-fabricated roof trusses and pre-fabricated fireplaces and chimneys may be utilized in a residence built on any lot.

ARTICLE VII EASEMENTS

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements.

Declarant shall have a reasonable construction easement across the Common Area for the purpose of constructing improvements on the lots.

ARTICLE VIII
GENERAL PROVISIONS

Section 1: Enforcement. The Association, or any Owner, 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 the Association or by any Owner to enforce any covenant or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2: Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3: Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety (90) per cent of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five (75) percent of the Lot Owners. Any amendment must be recorded.

Section 4: Annexation. Additional residential property and Common Area may be annexed to the Properties within five years from the recordation of this instrument in the Pitt County Registry.

IN WITNESS WHEREOF, Vanrack, Inc, the Declarant has caused this instrument to be executed in their name by corporate authority duly given this the 9th day of May, 2001.

VANRACK, INC.

Charles R. Vandiford
CHARLES R. VANDIFORD, President

ATTEST:

Mary B. Vandiford
MARY B. VANDIFORD, Secretary

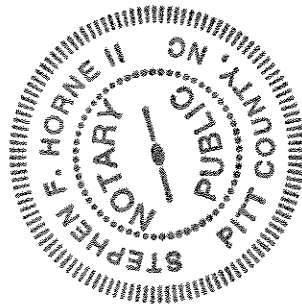
NORTH CAROLINA
COUNTY OF PITT

I, *Stephen F. Horne*, a Notary Public of the aforesaid County and State do hereby certify that Mary B. Vandiford personally appeared before me this day and acknowledged that she is Secretary of VANRACK, INC., a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by herself as its Secretary.

Witness my hand and Notarial Seal this the *9th* day of May, 2001.

Stephen F. Horne
NOTARY PUBLIC

My Commission Expires: *7-4-2004*



JOINDER AND CONSENT OF NOTEHOLDER, TRUSTEE AND BENEFICIARY

KNOW ALL MEN BY THESE PRESENTS: THAT, WHEREAS,

(1) Branch Banking and Trust Company, hereinafter called the "Mortgagee" is the beneficiary under the hereinafter described Deed of Trust which encumbers the property subject to this Declaration and of which this Joinder and Consent is a part.

(2) The said Deed of Trust in which Mortgagee is beneficiary are more fully described and delivered by Vanrack, Inc. to John Charles Thompson, trustee for Branch Banking and Trust Company, dated January 27, 2000 in the original amount of \$4,200,000.00 and recorded in Book 999, Page 104 of the Pitt County Registry.

(3) Mortgagee is requesting that John Charles Thompson join with them in executing this Joinder and Consent in order to subordinate its said Deed of Trust, and the lien thereof, as hereinafter provided.

NOW THEREFORE, FOR AND IN CONSIDERATION of the premises, the submission of the property described herein to this Declaration, and other good and valuable consideration, the receipt and sufficiency of all of which consideration is herewith and hereby acknowledged, the said Mortgagee and their Trustee, John Charles Thompson, hereby consent to the execution, delivery and recordation of the foregoing Declaration and join in the said execution, delivery and recording of said Declaration without representation or warranty of any type as to the matters and things therein contained; AND IN ADDITION THERETO, SAID Mortgagee and their Trustee further subject and subordinate said Deeds of Trust, and the lien and encumbrance thereby created, to said Declaration, BUT TO THE EXTENT ONLY, that said Deeds of Trust recorded in Book 999, Page 104 of the Pitt County Registry shall be inferior and subordinate to said Declaration, IT BEING EXPRESSLY UNDERSTOOD AND AGREED that except for such subordination the Deeds of Trust now owned and held by Mortgagee and all and singular the terms and provisions thereof shall be and remain in full force and effect.

BRANCH BANKING AND TRUST COMPANY

BY John R. Boyce
Vice PRESIDENT

ATTEST:

James Adams
Asst. SECRETARY



John Charles Thompson (SEAL)
JOHN CHARLES THOMPSON, TRUSTEE

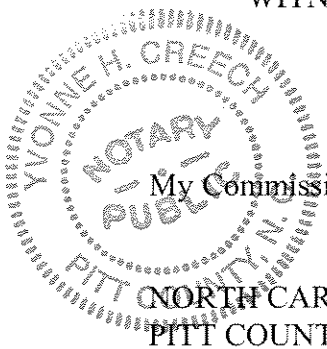
NORTH CAROLINA
PITT COUNTY

I, Yvonne H. Creech, a Notary Public for the County and State aforesaid, certify that Dennis Alexander personally appeared before me this day and acknowledged that he is Asst. Secretary of Branch Banking and Trust Company, a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with the corporate seal and attested by him self as its Asst. Secretary.

WITNESS, my hand and notarial seal this 9th day of May, 2001.

Yvonne H. Creech
Notary Public

My Commission Expires: 11-14-03



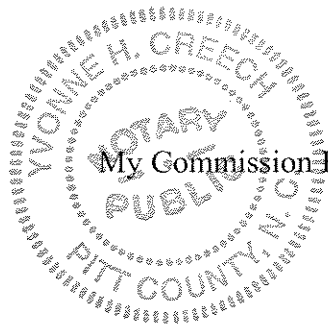
NORTH CAROLINA
PITT COUNTY

I, Yvonne H. Creech, a Notary Public for the County and State aforesaid, certify that John Charles Thompson, Trustee personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS, my hand and notarial seal this 9th day of May, 2001.

Yvonne H. Creech
Notary Public

My Commission Expires: 11-14-03



NORTH CAROLINA: Pitt County

The foregoing certificate(s) of Stephen J. Horne, II + Yvonne H. Creech

Notary(ies) Public is (are) certified to be correct. Filed for registration at 10:40 o'clock A M. this 10 day of May 2001.

JUDY J. TART, Register of Deeds
By Jessica Baungrin
Assistant/Deputy Register of Deeds

FILED
JUDY J. TART
REGISTER OF DEEDS

2004 JUN 24 PM 2: 24

PITT COUNTY, N.C.

Prepared by: HORNE & HORNE, PLLC
Return to: →

AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by VANRACK, INC., hereinafter referred to as "Declarant".

W I T N E S S E T H:

WHEREAS, the declarant is in the process of developing a single family subdivision in the Winterville Township, Pitt County, North Carolina, known as "Manchester Subdivision, Section 1"; and,

WHEREAS, as a part of such development program, Declarant has impressed the lots in said subdivision and the common property with certain Covenants, Conditions and Restrictions bearing date of May 10, 2001, which appear of record in the Pitt County Registry in Book 1141, Page 853; and,

WHEREAS, Declarant is enlarging said subdivision by the addition of adjacent lands, which lands will be identified as "Manchester Subdivision, Section 2", and are more particularly described:

Lying and being in Winterville Township, Pitt County, North Carolina and being more particularly described as follows:

Lying and being in Winterville Township, Pitt County, North Carolina and being all of Manchester, Section 2 as shown on map recorded in Map Book 61, Pages 135 and 135A, Pitt County Registry.

All of the above described lands are a part of the lands described in Deed of record in Deed Book 984, Page 756, of the Pitt County Registry; and,

WHEREAS, the "Common Lands" in "Manchester Subdivision, Section 2" are described as follows:

Lying and being in Winterville Township, Pitt County, North Carolina and being more particularly described as follows:

Ten Foot Non-Access Easement as shown running along the northern boundary of lots 48 through 60 and along the eastern boundary of lots 40 through 48 on that map entitled "Manchester, Section 2" as recorded in Map Book 61, Page 135-A of the Pitt County Registry.

There is further excepted any portion thereof lying within the right-of-way of Manchester Subdivision. The aforesaid property is subject to all easements, setback lines and restrictions as shown on the recorded map above-referenced to.

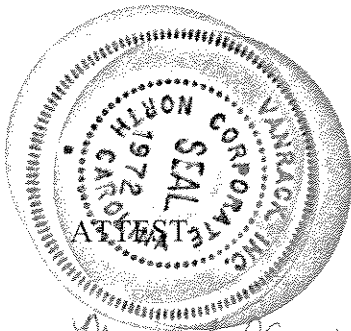
WHEREAS, pursuant to Article VIII, Section 4, the Declarant elects to impress all of the lands hereinabove described to the identical Covenants, Conditions and Restrictions as contained in instrument recorded in Book 1141, Page 853 of the Pitt County Registry;

NOW THEREFORE, pursuant to Article VIII, Section 4, the Declarant hereby impresses all of the lands above described with the identical covenants and provisions as contained in the aforesaid Declaration of Covenants, Conditions and Restrictions recorded in Book 1141, Page 853 of the Pitt County Registry, specifically including Articles I through VIII, inclusive, except for the description of the land and common lands, which lands are set out herein, but made subject to the same Covenants, Conditions and Restrictions for the "Common Lands", as set out in Book 1141, Page 853 of the Pitt County Registry.

IN WITNESS WHEREOF, VANRACK, INC. has caused this instrument to be executed in its name by its duly authorized officers, and its corporate seal affixed hereto, all by authority duly given, this the _____ day of June, 2004.

VANRACK, INC.

By: [Signature]
President

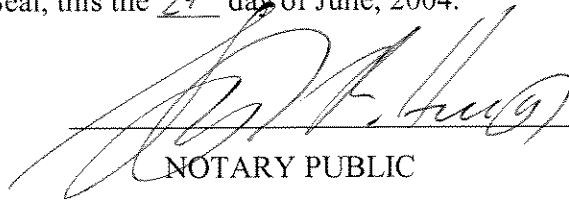


[Signature]
Secretary

NORTH CAROLINA
COUNTY OF PITT

I, Stephen F. Horne, III, a Notary Public of the aforesaid County and State do hereby certify that MARY B. VANDIFORD personally appeared before me this day and acknowledged that she is Secretary of VANRACK, INC. a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by herself as its Secretary.

Witness my hand and Notarial Seal, this the 24 day of June, 2004.



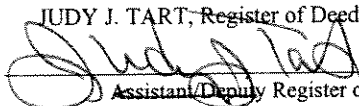
NOTARY PUBLIC

My Commission Expires: 4-4-05

STEPHEN F. HORNE, III
NOTARY PUBLIC-PITT COUNTY, NC
MY COMMISSION EXPIRES:

NORTH CAROLINA: Pitt County
The foregoing certificate(s) of Stephen F. Horne III

Notary(ies) Public is (are) certified to be correct. Filed for registration at 2:24 o'clock P M. this 24
day of June 20 04.

JUDY J. TART, Register of Deeds
By 
Assistant/Deputy Register of Deeds