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STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

DECLARATION OF PROTECTIVE COVENANTS
OF
MEADOW RIDGE COMMERCIAL PARK

THESE PROTECTIVE COVENANTS, made and entered into this the 1st day of April, 2006, by and between MEADOW RIDGE, LLC a North Carolina limited liability company, party of the first part (hereinafter referred to as "DEVELOPER"); and purchasers of lots in MEADOW RIDGE COMMERCIAL PARK, parties of the second part (hereinafter referred to as "Owners");

WITNESSETH:

WHEREAS, DEVELOPER is the owner of a certain tract of real property located in Brunswick County, North Carolina and said tract consisting of the lots shown and designated on that certain plat map recorded in Map Cabinet 35, Page 353, in the Office of the Register of Deed of Brunswick County, reference to said plat being hereby specifically made; and

WHEREAS, DEVELOPER proposes to develop, sell and convey the above-described lots for commercial use and to develop said lots, and any additional property which may be acquired by DEVELOPER and incorporated into this planned community and subjected to these protective covenants; and

WHEREAS, DEVELOPER, prior to selling and conveying the aforesaid lots, desires to impose upon such lots certain mutual and beneficial restrictions, covenants and conditions and charges (hereinafter collectively referred to as "Restrictions") for the benefit and complement of all of the lots in the development in order to promote the best interests and protect the investments of DEVELOPER and Owners;

NOW, THEREFORE, DEVELOPER hereby declares that all lots described in those maps recorded in Map Cabinet 35, Page 353 in the office of the Register of Deeds of Brunswick County, North Carolina, and any additional property as may by subsequent amendment be added to and subjected to these Protective Covenants, are held and shall be held, conveyed, encumbered, leased, rented, used, occupied and improved subject to these Protective Covenants and to the following Restrictions. These Protective Covenants and the Restrictions shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in and to the real property or any part or parts thereof subject to these Protective Covenants.

ARTICLE 1

DEFINITIONS

As used herein,

- A. "Articles" means the Articles of Incorporation of Meadow Ridge Property Owners Association, Inc.
- B. "By-laws" means the By-laws of the Meadow Ridge Property Owners Association, Inc.
- C. "Common Area" or "Common Areas" means all the real and personal property, owned by the

Corporation for the common enjoyment of the members of the Corporation.

- D. "Common Expenses" means and includes actual and estimated expenses of maintaining and operating the Common Area and/or Common Areas and operating the Corporation for general purposes, including any reasonable reserve and specifically including expenses associated with maintenance of the private roadway(s) and stormwater and sewer systems in the Development, and as may be found to be necessary and appropriate by the Board of Directors pursuant to these Protective Covenants, the By-laws and the Articles of Incorporation of the Corporation and as more specifically defined in Article 5 herein.
- E. "Corporation" or "Association" means Meadow Ridge Property Owners Association, Inc., a North Carolina nonprofit corporation. The "Board of Directors" or "Board" shall be the body governing the Corporation and managing the affairs of the Corporation.
- F. "DEVELOPER" means Meadow Ridge, LLC, a North Carolina limited liability company and its successors or assigns.
- G. "Development" means those tracts of land described in those certain maps recorded in Map Cabinet 35, Page 253, of the Brunswick County Registry and also being referred to as Meadow Ridge.
- H. "Lot" means Lots 1, 2, 3, 4, 5, 6, and 7, described on the map recorded in Map Cabinet 35, Page 253, of the Brunswick County Registry and any separately numbered tract or section of land lying within the Development which may be conveyed by the DEVELOPER and owned in fee simple by the Grantee thereof, and held for such uses as are consistent with these Protective Covenants and the Restrictions covering the area wherein the tract is located. Notwithstanding the foregoing, any portion of the property developed as a condominium shall be treated as and deemed a single Lot (notwithstanding the fact that individual units within such condominium may be individually owned and conveyed) for all purposes of this Declaration, including membership and voting rights and assessments, all of which such rights and obligations shall be held by, and/or be the responsibility of, the applicable owner's association for such condominium, and which such association shall be treated as a single Member/Owner for all purposes hereunder.
- I. "Member" shall mean and refer to each Owner of a Lot that has been subjected to these Restrictions.
- J. "Owner" shall mean or refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot or other real property within the Development, but such term shall not include a Mortgagee.

ARTICLE 2

APPLICABILITY

These Restrictions shall apply to all of the Lots and property in those maps recorded in Map Cabinet 35, Page 153, of the Brunswick County Registry and to any Lots, parcels, or tracts of land subdivided out of the aforesaid Lots.

ARTICLE 3

CORPORATION

(PROPERTY OWNERS ASSOCIATION)

- A. A Corporation named Meadow Ridge Property Owners Association, Inc., has been or will be formed pursuant to the rules and requirements of the Nonprofit Corporation Act (Chapter 55A) of the General Statutes of North Carolina as an association of the Owners of Lots. Its purposes are to own, manage, maintain, and operate the Common Areas and facilities located upon the Common Areas; to enforce the restrictions contained herein; and to make and enforce rules and regulations



governing the Owners' use and occupation of Lots; and to maintain the private roadway(s) and stormwater systems located within the Development.

B. The Owner of each Lot within the Development shall be a member of the Corporation. Membership shall be appurtenant to and not separated from ownership of any Lot. The DEVELOPER, by these Protective Covenants, and the Owners of individual Lots by their acceptance of individual deeds thereto, covenant and agree as follows:

1. That for so long as each is an Owner of a Lot within the Development, each will perform all acts necessary to remain in good and current standing as a member of the Corporation;
2. That each Lot Owner shall be subject to the rules and regulations of the Corporation with regard to ownership of a Lot within the Development; and
3. That any unpaid assessment, whether general, special or individual levied by the Corporation in accordance with these Protective Covenants, the Articles or the By-laws shall be a lien upon the Lot on which such assessment was levied, and shall be the personal obligation of the Owner of the Lot from the time such assessment was due.

C. Each Lot Owner shall become a Member of the Corporation upon his acquisition of an ownership interest in a Lot, and such membership interest shall terminate automatically upon such Lot Owner being divested of his ownership interest.

D. The Corporation shall have two classes of voting members who shall be owners of Lots within the Development:

1. Class "A". Class "A" members shall be all Lot Owners with the exception of the DEVELOPER or Class "B" members as hereinafter defined. Each Lot Owner within Class "A" shall be entitled to one vote.
2. Class "B". Class "B" member shall be the DEVELOPER. The Class "B" member shall be entitled to five (5) times the votes of the Class "A" members. Class "B" membership shall cease and be converted to Class "A" membership upon the earlier of the following events:
 - a. On December 31, 2016, or
 - b. When the DEVELOPER voluntarily terminates its Class "B" membership or conversion to Class "A" membership, if not sooner converted.

The voting rights of the membership shall be appurtenant to the ownership of any Lot.

E. The affairs of the Association shall be managed by the Board of Directors, the number, qualifications, term and method of election of which shall be as provided from time to time by the By-laws of the Corporation; and provided, further that the number of members of the first Board of Directors shall be three (3), and thereafter be five (5); and provided, finally, that, notwithstanding any of the foregoing, so long as the DEVELOPER owns any of the Lots in the Development, but in any event, not longer than December 31, 2016, the DEVELOPER shall have the right to designate and select the persons who shall serve as members of each Board of Directors of the Corporation who need not meet the qualifications for directors as provided by said By-laws or herein.

ARTICLE 4

MANAGEMENT AND ADMINISTRATION

The management and administration of the affairs of the Corporation shall be the sole right and responsibility of the Corporation. The management shall be carried out in accordance with the terms and

conditions of these Restrictions, the Articles and the By-law of the Corporation, but may be delegated or contracted to managers or management services.

ARTICLE 5

COMMON EXPENSES

The Common Expenses of the Development include:

- A. All amounts expended by the Corporation in operating, administering, maintaining, managing, repairing, replacing, and improving the Common Areas of the Development; all amounts expended by the Corporation in insuring the Common Areas in the Development; all amounts expended by the Corporation in legal, engineering, or architectural fees; all similar fees which may be incurred by the Corporation from time to time in performing the functions delegated to the Corporation by these Protective Covenants; all amounts for a reasonable reserve; and all amounts expended in any form by the Corporation in enforcing these Protective Covenants, the Articles or the By-laws. Common Expenses shall specifically include, but not be limited to, all expenses associated with the maintenance of Meadow Summit Drive and stormwater and sewer systems within the Development, and the entrance signage located adjacent to the right-of-way of North Carolina Highway 904 and any common landscaping in the median and along the right-of-way of Meadow Summit Drive.
- B. All amounts expended by the Corporation in carrying out any duty or discretion as may be required or allowed by these Protective Covenants, the Articles or the By-laws of the Corporation.
- C. All amounts declared to be Common Expenses in the By-laws or in these Protective Covenants.
- D. All taxes and special assessments which may be levied from time to time by any governmental authority upon the Common Areas in the Development.

ARTICLE 6

GENERAL ASSESSMENT

- A. Subject to the provisions of Section F of this Article, The DEVELOPER for each Lot owned and platted as part of the Development, hereby covenants and each Owner of any Lot by acceptance of a deed for same (whether or not it shall be so-expressed in such deed) is deemed to covenant and agree to pay to the Corporation general assessments and such additional assessments and charges as hereinafter provided. General assessments are assessments for the Common Expenses of the Corporation. The general assessments, together with interest, costs, late fees and reasonable attorneys' fees, shall be a charge and lien on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Furthermore, each such assessment, together with interest, costs, late fees and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of the Lot at the time when the assessment was due. The personal obligation for delinquent assessment shall not pass to a successor in title to a Lot unless expressly assumed by them but, subject to the provisions of these Protective Covenants, delinquent assessments shall continue to be a lien upon such Lot. The general assessment of each Lot shall be calculated in accordance with the Prorata Shares of each Lot as initially set forth on Exhibit "A" attached hereto, in aggregate amounts reasonably expected to produce income equaling the total general assessment and any other assessments and charges provided for herein.
- B. The general assessment may be increased no more than ten percent (10%) per year until December 31, 2008, unless additional properties are annexed to and made a part of this Development, in which instance, the general assessment may be increased to meet the common expenses for the additional properties and shall thereafter be increased by no more than ten percent (10%) per year until December 31, 2008. Thereafter, the general assessment shall be fixed by the Board of Directors in an amount sufficient to cover the anticipated Common Expenses. Within thirty (30) days of the establishment of the general assessment, it shall be given to all members. After the initial notice of assessment, the assessment shall become due and payable within 30 days or as otherwise provided

*In s. for
Board members.*

The general assessments levied by the Corporation shall be used exclusively to improve, maintain, insure and repair the Common Areas, to pay the expenses of the Corporation, to pay the cost of any insurance the Corporation determines to purchase and to promote the recreation, health, safety and welfare of the members, to pay taxes levied upon the Common Areas and for the purpose set forth in Article 5 herein.

- D. The Corporation shall, upon demand, and for reasonable charge, furnish a certificate signed by the officer of the Corporation setting forth whether the assessments on a specific Lot have been paid. A property executed certificate of the Corporation as to the status of assessments on a Lot or Unit is binding upon the Corporation as of the date of its issuance.
- E. 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 foreclosure of a first mortgage, 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.

F. DEVELOPER shall be exempt from the payment of the general assessment fee for any unsold Lot(s) which are platted of record in the Office of the Register of Deeds of Brunswick County, until December 31, 2016

*Cap. Fund
Contribution*

G. At the time title is conveyed to an Owner by DEVELOPER, each Owner shall contribute to the Corporation as working capital an amount equal to twelve (12) months of the current general assessment. Such funds shall be used for initial operating and capital expenses of the Corporation, such as prepaid insurance, supplies, and the Common Areas and facilities, furnishing, and equipment, etc. Amounts paid into the working capital fund are not to be considered as advance payment of general assessments. All working capital funds shall become part of the general operating and reserve funds of the Corporation.

H. The general assessments provided for herein shall commence on the date of conveyance of each Lot to an Owner other than DEVELOPER, the first general 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 general assessment against each Lot at least thirty (30) days in advance of each general assessment period. Written notice of each assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Board of Directors shall require the general assessments to be paid at least annually, but may require the general assessments to be paid more often. 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 has been paid.

ARTICLE 7

SPECIAL ASSESSMENTS

Special assessments may be levied against Lots or other real property for such reasons as are provided in these Protective Covenants, the Articles or the By-laws and on such terms as provided by the Board of Directors or the members. The DEVELOPER for each Lot owned and platted as part of the Development, hereby covenants and each Owner of any Lot by acceptance of deed for same (whether or not it shall be so expressed in such deed) is deemed to covenant and agrees to pay to the Corporation special assessments or charges as herein authorized. The special assessments, together with interest, costs, late fees and reasonable attorneys' fees, shall be a charge and lien against the land and shall be a continuing lien upon the Lot(s) against which each assessment is made. Furthermore, each such assessment, together with interest, costs, late fees and reasonable attorneys' fee, shall also be the personal obligation of the person who was the owner of the Lot at the time when the assessment was due. the personal obligation for delinquent assessments shall not pass to a successor in title to a Lot unless expressly assumed by them but, subject to the provisions of these Protective Covenants, delinquent assessments shall continue to be a lien upon such Lot. The Association may levy Special

ARTICLE 8

INDIVIDUAL ASSESSMENTS

Individual assessments may be assessed against specific Lot(s). In the event an Owner fails to comply with the provisions of these Restrictions, the Articles, By-laws or Rules and Regulations of the Corporation, the Corporation, through its Board of Directors, may perform such required tasks or remedy such matter, or assess a fine for such failure to comply and may levy the cost of such performance against the Owner(s) and the Owner's property as an individual assessment. The individual assessments, together with interest, costs, late fees and reasonable attorneys' fees shall be a charge and lien against the land and shall be a continuing lien upon the Lot(s) against which each assessment is made. Furthermore, each such assessment, together with interest, costs, late fees and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of the Lot at the time when the assessment was due. The personal obligation for delinquent assessments shall not pass to a successor in title to a Lot or other real property unless expressly assumed by them but, subject to the provisions of these Protective Covenants, delinquent assessments shall continue to be a lien upon such Lot.

ARTICLE 9

LIEN FOR ASSESSMENTS

Any general, special or individual assessment, if not paid within thirty (30) days after the date such assessment is due, together with interest at the maximum rate allowed by law, costs of collection, court cost, late fees and reasonable attorneys' fees shall constitute a lien against the Lot upon which such assessment is levied. The Corporation may record notice of the same in the Office of the Clerk of Superior Court of Brunswick County or file a suit to collect such delinquent assessments and charges. The Corporation may file Notice of Lis Pendens, bring an action at law against the Owner personally obligated to pay the same, bring an action to foreclose the lien against the Property, and/or seek any further right or remedy provided by law. No Owner may waive or otherwise escape liability for the assessments provided for herein.

ARTICLE 10

COMPLIANCE WITH THESE PROTECTIVE COVENANTS, THE ARTICLES AND THE BY-LAWS OF THE CORPORATION

In the case of failure of a Owner or his agents, lessees, employees, licensees, invitees, to comply with the terms and provisions contained in these Restrictions, the Articles, By-laws or the Rules or Regulations of the Corporation, the following relief shall be available:

- A. The DEVELOPER, its successors and assigns, the Corporation, and aggrieved Owner or Owners within the Development on behalf of the Corporation, or any Owner on behalf of all the Owners within the Development shall have the right to enforce by any proceeding at law or in equity, all of the conditions, covenants and restrictions of these Restrictions and the Articles, By-laws and Rules and Regulations of the Corporation and bring an action and recover sums due, damages, injunctive relief, and/or such other and further relief as may be just and appropriate. The Corporation shall be entitled to recover all costs, including attorneys' fees if it is the prevailing party.
- B. The Corporation shall have the right to remedy any violation of these Restrictions, the Articles, or Bylaws of the Corporation and assess the cost of remedying same against the offending Owner as an individual assessment.
- C. If the violation is the nonpayment of any general, or special or individual assessment, or failure to comply with these Restrictions, the Articles, or By-laws, the Corporation shall have the right to suspend the offending Owner's voting rights and the use by such Owner, his agents, lessees, employees, licensees and invitees of the Common Areas in the Development for any period during



suspend the offending Owner's voting rights and the use by such Owner, his agents, lessees, employees, licensees and invitees of the Common Areas in the Development for any period during which an assessment against the Lot remains unpaid. If the violation is the infraction of the Corporation's published Rules and Regulations, the Corporation shall have the right to suspend the offending Owner's voting rights or the use by such Owner, his agents, lessees, employees, licensees and invitees of the Common Areas of the Development for a period not to exceed sixty (60) days.

- D. The Corporation may establish a schedule of penalties and fines for the violation of these Protective Covenants, the Articles, By-laws and Regulations. If the Owner does not pay the fine within fifteen (15) days the fine shall be an individual assessment against Owner's Lot(s) and may be enforced by the Corporation in accordance with Article 8 herein.
- E. The remedies provided by the Article are cumulative, and are in addition to any other remedies provided by law.
- F. The failure of the Corporation or any person to enforce any restriction contained in these Restrictions, the Articles or the By-laws shall not be deemed to waive the right to enforce such restrictions thereafter as to the same violation of similar character.

ARTICLE 11

PROPERTY RIGHTS OF LOT OWNER, CROSS-EASEMENT, AND EXCEPTIONS AND RESERVATIONS BY DEVELOPER

- A. Every Owner of a Lot within the Development, as an appurtenance to such Lot, shall have a perpetual easement over and upon the Common Areas within the Development for each and every purpose or use to which such Common Areas were intended as determined by their type, or for which such Common Areas generally are used. Such easements shall be appurtenant to shall pass with the title to every Lot located within the Development, whether or not specifically included in a deed thereto subject to following provisions:
 - 1. The Corporation shall have the right to suspend the voting rights of an Owner, his agents, lessees, employees, licensees and invitees of the Common Areas within the Development for any period during which any assessment against such owner's property remains unpaid or such Owner, his agents, lessees, employees, licensees, and invitees fail to comply with these Protective Covenants, the Articles, or By-laws of the Corporation. The Corporation shall also have the right to suspend the voting rights of an Owner, his agents, lessees, employees, licensees, and invites of the Common Areas for a period not to exceed sixty (60) days for any infraction of the Corporation's Rules and Regulation by such Owner, his agents, lessees, employees, licensees and invites.
 - 2. The right of the Corporation to dedicate or transfer all or part of the Common Areas to any public agency, authority, or utility for such purpose and subject to such conditions as may be agreed by the Corporation.
 - 3. The right of the Corporation to formulate, publish and enforce rules and regulations for the use and enjoyment of the Common Areas and improvements thereon, which regulations may further restrict the use of the Common Area and the right of the Corporation to establish penalties and fines for any infractions thereof.
 - 4. The right of the Corporation, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the common area and facilities and carrying out its maintenance responsibilities and in aid thereof to mortgage said property, and the rights of such mortgagees in said properties shall be subordinate to the rights of the Owners hereunder.
- B. The Corporation hereinafter may grant easements for utility and other proper purposes for the benefit of the Development and the property now or hereinafter located thereon, over, under, along



material adverse effect on the use, enjoyment or value of any Lot.

- C. DEVELOPER shall have the right, at its election, without the consent of any Owner or Owners, to bring within the coverage and operation of these Protective Covenants property adjacent to and contiguous with the Development. The addition of property authorized hereby shall be made by filing of record in the Office of the Register of Deeds of Brunswick County, North Carolina, a Supplemental Declaration of Protective Covenants with respect to the additional property which shall extend the operation and effect of these restrictions to such additional property. The DEVELOPER, following any supplemental additions, shall have the right to modify the covenants and restrictions contained in these Restrictions as may be necessary or appropriate in the sole judgment of the DEVELOPER to reflect the different character, if any, of the property added and as are not inconsistent with the plan, intent and spirit of these Restrictions. Such Supplemental Declaration, as applied to any property added, may include such additional covenants, conditions, restrictions, easements, guidelines, controls, charges, and fees as may be set forth in such Supplemental Declaration.
- D. The rights reserved by DEVELOPER herein and all annexed Sections include the right to change, alter or designate roads, utility and drainage facilities and easements, and to change, alter or redesignate such other present and proposed amenities or facilities as may in the sole judgment of the DEVELOPER, be necessary or desirable, except that the DEVELOPER shall have no right to change, alter or redesignate the character of the use of the Lots within the Development.
- E. Easements and right-of-ways upon the rear, front and side ten (10') feet of each Lot for drainage or the installation and maintenance of utility services or other proper purposes shall be reserved exclusively to DEVELOPER for such purposes as DEVELOPER may deem incident and appropriate to its overall development plan, such easements and rights of way are reserved in the deed for each particular Lot or section affected by such easements or described in the plat of the particular Lot or section. The easements and right of way areas reserved by DEVELOPER pursuant hereto shall be maintained continuously by the owner but no structures, plantings or other material shall be placed or permitted to remain upon such areas or other activities undertaken thereon which may damage or interfere with the installation or maintenance of utilities or other services, or which may retard, obstruct or reverse the flow of water or which may damage or interfere with established slope ratios or create erosion problems without the approval of the Developer. Improvements within these areas also shall be maintained by the respective Owner except those for which a public authority or utility company is responsible. The DEVELOPER shall have no maintenance responsibilities for such easement areas.
- F. An easement is hereby granted to all police, fire protection, ambulance, and all similar persons, companies or agencies performing emergency services to enter upon the Lots and Common Area in the performance of their duties.
- G. The real property in this Development is subject to a contract with Brunswick Electric Membership Company for the installation of underground electrical utilities which may require an initial contribution and/or the installation of street lighting. The Corporation shall be responsible for any installation fees or costs associated with or arising from said contract and all monthly payments to Brunswick Electric Membership Company.
- H. An easement is hereby established over all Lots and Common Areas for the benefit of applicable governmental agencies for the setting, removing and reading of water meters, maintaining and replacing water, sanitary sewer, drainage and drainage facilities, fire fighting, law enforcement, garbage collection and the delivering of mail.
- I. An exclusive and perpetual easement and right-of-way is hereby established in favor of DEVELOPER over all Common Areas for access to adjacent properties for the purpose of future development and the installation of street and public utilities.
- J. All easements and rights described herein are easements appurtenant, running with the land and shall inure to the benefit of and be binding on all undersigned, its successors and assigns and any Owner, Purchaser, Mortgagee, and other person having an interest in said land, or any part or portion

thereof, regardless of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the benefit of and be binding on the undersigned, its successors and assigns, and any Owner, Purchaser, Mortgagee and other person having an interest in said land, or any part or portion thereof, regardless of whether or not reference to said easement is made in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements rights described in these Protective Covenants.

ARTICLE 12

ARCHITECTURAL STANDARDS

The architectural control of construction within the Development is vested in the DEVELOPER, until such time as the DEVELOPER no longer owns any portion of the property within the Development, or when assigned to Corporation by DEVELOPER, at which time architectural control will be placed in the hands of the Board of Directors which shall assume the role of the DEVELOPER as set forth in this Article.

- A. No construction, which term shall include within its definition clearing, excavation, grading or other site work, shall take place except in strict compliance with this Article, until the requirements thereof have been fully met, and until the approval of the DEVELOPER has been obtained.
- B. The DEVELOPER shall have exclusive jurisdiction over all original construction on any Lot and later changes and additions after initial approval thereof together with any modifications, additions or alterations subsequently to be constructed on any Lot or made to any improvements initially approved.
- C. No structures, buildings, or improvements shall be commenced, erected, or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made, including change of color, until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing by the DEVELOPER so as to ensure harmony of external design and location in relation to surrounding structures and topography by DEVELOPER, or by an architectural committee composed of three (3) or more representatives appointed by the DEVELOPER. Structures, buildings and improvements shall include, but not limited to any dwelling, garage, fence, wall, sidewalk, hedge, mass planting, change in grade or slope, drainage pipe, drainage canal, ditch, swale, catch basin, sign, flag pole, exterior illumination, monument or marker, outdoor statuary, exterior lights, security lights, storm door, well or well related structure, mailbox, screening for outdoor trash cans or other purposes, sprinkler system, driveway, outdoor decorative objects, shrubbery or landscaping.
- D. The DEVELOPER shall have the absolute and exclusive right to disapprove any plans, specifications or details submitted to it in the event the same are not in accordance with any of the provisions of these Protective Covenants and the architectural guidelines; if the design, color scheme or location upon the Lot or Lots of the proposed improvements are not in harmony with the general surroundings or adjacent structures; if the plans or specifications submitted are incomplete; or in the event the DEVELOPER deems the plans, specifications or detail, or any part thereof, to be contrary to the best interest, welfare or rights of all or any part of the real property, or the Owners thereof, subject to these Protective Covenants.
- E. The DEVELOPER shall approve or disapprove plans specifications and details submitted in accordance with its procedures and architectural guidelines and the decisions of the DEVELOPER shall be final and not subject to appeal or review; however, plans, specifications and details revised with the DEVELOPER'S recommendations may be resubmitted for determination by the DEVELOPER.
- F. The DEVELOPER, or its agent, shall have the right to inspect all construction to ensure that it is performed in strict accordance with the approved plans, specifications and details.
- G. Nothing contained herein shall be construed to limit the right of the owner to remodel the interior of



his building or permitted pertinent structures, or to paint the interior of the same any color desired.

- H. Neither the DEVELOPER nor the Board of Directors or any agent thereof shall be responsible in any way for any defects in plans, specifications or details, revised or approved in accordance with the provisions contained herein or in the guidelines, nor for any structural or other defect in any construction.
- I. Owner shall be responsible to ensure that all constructions and structures are built in accordance with all applicable federal, state and local statutes, ordinances, regulations and rules.

ARTICLE 13

LAND USE

Use of the Development property and all improvements thereon shall be restricted exclusively to the uses set forth below and shall be subject to all applicable ordinances, including zoning and land use ordinances and regulations and, where applicable, the requirements for the issuance of a Special Use Permit and requirements for the State Highway Overlay District. Without limiting the generality of the foregoing, the following use restrictions shall be maintained and enforced with respect to the Development and all parcels or Lots therein:

A. Permitted Uses:

The Lots may be used for all Permitted Uses allowed by the applicable Brunswick County Zoning Ordinance in effect on the date of the execution of these protective covenants except the following uses are expressly prohibited: agricultural uses, kennels, commercial marinas, sanitary services, fruit and vegetable stands, drive in theaters, funeral homes, stables, churches, fraternities and sororities, circuses and carnivals, fairs and sideshows, demolition-landscape landfill, dwelling units contained within the principal use of the structure excluding security personnel, all recycling facilities, outdoor bazaars, Christmas tree sales, pumpkin sales, evangelistic and religious assemblies not conducted at a church.

B. Building Requirements:

1. All buildings and structures must meet the requirements of the respective governmental building codes applicable thereto.
2. Since the establishment of the standard inflexible building setback lines in location of buildings on Lots tends to force construction of overlays directly to the side of other buildings with detrimental effects on privacy, view, preservation of important trees and other vegetation, ecological and related concerns, no specific setback lines are established by these Protective Covenants. In order to assure, however, that the forgoing considerations are given maximum effect, the DEVELOPER reserves the right to select the precise site location of each building or other structure on each Lot in its sole discretion and to arrange the same in such manner and for such reasons as the DEVELOPER deems sufficient, provided, however, the DEVELOPER shall make such determination so as to insure that the development of the Lots subject to these Restrictions is consistent with the provisions set forth herein.
3. All buildings shall be constructed to have a minimum set back of fifteen (15) feet from any property line (other than a street right of way) to the face of the building.
4. Once construction of a building or other improvements are started on any Lot, the improvements must be substantially completed in accordance with the approved plans and specifications within twelve (12) months from the date of commencement unless DEVELOPER otherwise approves in writing.
5. During construction of improvements on any Lot, adequate portable sanitary toilets must be provided for the construction crew.

6. Construction activity on a Lot shall be confined within the boundaries of said Lot. Each owner shall have the obligation to collect and dispose of all rubbish and trash resulting from construction on his Lot.
7. The Board of Directors may fix, assess, and collect from Lot owners an impact fee. The amount of such fee shall be fixed by the Board of Directors of the Corporation. The impact fee shall be paid by all Owners at the time any plans, specifications or details are submitted to the DEVELOPER or the Board of Directors for approval in accordance with the provisions of Article 12 herein. Such impact fee shall be held in escrow by the Corporation and shall be used to pay any penalty, fine, or individual assessments, including the costs of restoring any damaged property restored to its original condition. Any unused portions of the impact shall be returned to each Owner upon completion of work commenced in compliance with Article 12 herein.

C. Parking Areas, Driveways and Loading Areas:

1. All parking areas, driveways and roads must meet the requirements of the respective governmental rules and regulation applicable thereto.
2. All parking areas shall be constructed to have minimum setback of five (5) feet from any street right of way, unless the DEVELOPER otherwise approves.
3. All parking areas and driveways shall be constructed to have minimum setback of five (5) feet from any property line other than a street right of way, unless the DEVELOPER otherwise approves.
4. Loading areas shall not encroach into setback areas and shall be set back and screened to minimize the effect of their appearance from neighboring property and the street.

D. Subdivision of Lots:

Lots may be combined and Lot lines altered with written approval from DEVELOPER, but no Lots may be subdivided in order to create additional Lots. Lots may also be subdivided with approval from DEVELOPER, subject to all applicable zoning and land use regulations. Notwithstanding the foregoing, the DEVELOPER or its assigns may combine Lots, alter Lot lines or create additional Lots.

E. Temporary Buildings:

No outbuildings of temporary or permanent character shall be built or allowed to remain on any Lot unless specifically approved by the DEVELOPER.

F. Service Screening, Storage Areas:

Garbage and refuse containers shall be concealed within the buildings or shall be concealed by means of a screening wall constructed of material similar to and compatible with that of the building. These elements shall be integral with the concept of the building plan, be designed so as not to attract attention, and shall be located in the most inconspicuous manner possible. Unless specifically approved by the DEVELOPER, no materials, supplies or equipment shall be stored on the Property except inside a closed building. Exterior air-conditioning units and rooftop mechanical units shall be screened to minimize the effect of their appearance from neighboring property and the street. No outside storage or displays shall be allowed on any Lot(s) unless specifically approved in writing by DEVELOPER. Storage of nonbusiness related property, including, but not limited to, campers, boats, vessels or other types of recreational vehicles is strictly prohibited.

G. Power and Communication Lines:

All secondary power lines and communication lines on any site shall be placed underground and no portion of any line shall be situated so as to be in public view unless specifically approved by the

H. Antennas:

No mast, tower or antenna, whether transmitting, receiving, or satellite disc or dish, shall be placed on any site or building unless specifically approved in writing by the DEVELOPER. In no event shall an antenna have a wooden mast or tower.

 I. Storage Tanks:

No storage tanks, including but not limited to those used for storage of water or propane gas, shall be permitted on any Lot except as specifically approved in writing by the DEVELOPER.

 J. Mailboxes:

No mailboxes shall be permitted on any Lot except as specifically approved by the DEVELOPER.

 K. Lighting:

All street lighting shall be approved by the DEVELOPER. The Corporation will be obligated for monthly light and maintenance bills for any street lights on its land or adjacent street right-of-way prior to the time of municipal annexation and the assumption of these charges by any Municipality.

 L. Parking, Loading and Unloading:

No damaged vehicles shall be parked or stored in open areas of the Property. Delivery vehicles (trucks, trailers, and/or vans) shall not be allowed to remain in the parking area located in front of any building for extended periods of time. No on-street parking shall be allowed by any firm or business.

 M. Landscaping:

All property shall be landscaped according to the plans approved by the DEVELOPER, and Brunswick County. All shrubs, trees, grass and planting of every kind shall be kept neatly trimmed, properly cultivated and free of trash and other unsightly material. Appropriate provisions shall be provided by Owner for watering and other maintenance of the grounds.

 N. Hobbies:

Hobbies or activities that tend to detract from the aesthetic character of the Development and improvements used in connection with such hobbies or activities shall not be permitted in open areas unless carried out or constructed as directed by DEVELOPER. This paragraph is intended to include, but not limited to, such activities as automotive repair, boat repair, and sports equipment placed on any Lot.

 O. Advertising:

All signs for advertising or otherwise to be located on any Lot subject to these restrictions must be approved in writing by the DEVELOPER, and Brunswick County.

 P. Limited Use:

No improvement on any Lot shall be used for a shopping center and/or retail food sales without the written approval of the DEVELOPER.

 Q. Mineral Exploration:

Lot(s) shall not be used in any manner to explore for or to use any oil, or other hydrocarbons,

minerals of any kind, gravel, earth or any earth substance or other mineral of any kind.

R. Undeveloped Property.

The DEVELOPER shall maintain all undeveloped property in the Development in a neat and attractive condition.

S. Destruction.

Any building, structure or improvement which is destroyed in whole or part by fire or other casualty shall earlier be rebuilt or torn down, and all debris removed. The Lot shall be restored to a visually acceptable condition with reasonable promptness; however, in no event shall such debris remain on such Lot longer than three (3) months. A temporary privacy wall or fence must be built to screen the property from view within seven (7) days and such fence or wall must be approved in writing in advance of construction by the DEVELOPER.

T. Municipal Water, Sewer Service and Utilities.

Municipal sewer service shall be provided by Brunswick County. Water service for the Development shall be provided by Brunswick County. No private well shall be permitted.

U. Maintenance.

1. All buildings will be permanently maintained in a neat, orderly, and presentable fashion. Owner shall be responsible for the maintenance of right-of-ways affronting its property and the area between the Lot line and NC904 and the Lot line and/or Meadow Ridge Drive. If, in the opinion of the Corporation or the DEVELOPER, any Owner shall fail to maintain any Lot owned by him in a manner which is reasonably neat and orderly or shall fail to keep improvements constructed thereon in a state of repair so as not to be unsightly, all in the sole opinion of the Corporation or the DEVELOPER, the Corporation in its discretion, by the affirmative vote of a majority of the members of the Board of Directors, or the DEVELOPER, in its discretion, following ten (10) days written notice to Owner, may enter upon and make or cause to be made repairs to such improvements and perform such maintenance on Lot as the removal of trash, cutting of grass, pruning of shrubbery, weeding and items of erosion control. The Corporation shall have an easement for the purpose of accomplishing the foregoing. The reasonable cost incurred by the Corporation in rendering all such services, plus a service charge of fifteen percent (15%) of such cost, shall be added to and become an individual assessment to which such Lot is subject as provided in Article 8 herein.
2. The Owner of each Lot shall keep the Lot mowed regularly and clear of any unsightly objects, including that area from the Lot line to the edge of the paved street and from the Lot line NC904 and in the event that the Owner of any Lot within the said Development breaches this restriction, the DEVELOPER and Corporation reserve the right to enter upon the Lot and mow grass, clean up the Lot and remove unsightly structures and objects at property Owner's expense as provided in Paragraph 1 above. Where Lots border on or contain ditches, drainage canals or swales, the Owner of each Lot shall keep that area, including the slopes, down to the edge of the water, mowed and maintained regularly. Washouts or erosions on the Lots adjoining ditch banks and swales to pavement shall be properly tended to by the respective Lot Owner. This obligation and right may be enforced by the Corporation or any Owner as provided in Article 10 herein.

V. Residential Buffer Areas. Owner(s) of Lot(s) in which a Residential Buffer Area is located shall construct and maintain a fence (if required by Brunswick County) on such Lot(s), which location and appearance shall be approved in writing by the DEVELOPER. The Corporation shall be responsible to maintain the area between the fence and the Lot line in a neat and orderly condition and appearance.

ARTICLE 14

AMENITIES AND FACILITIES

Every dedicated access and any other amenity appurtenant to the Development, whether or not shown and delineated on any recorded plat of the Development, shall be considered private and for the sole and exclusive use of the DEVELOPER and Owners of Lots within the Development. Neither DEVELOPER'S execution nor the recording of any plat nor any other act of the DEVELOPER with respect to such areas is, or is intended to be, or shall be construed as a dedication to the public of any such areas, facilities or amenities.

ARTICLE 15

WAIVER

No provision contained in these Protective Covenants, the Articles or the By-laws, shall be deemed to have waived, abandoned, or abrogated by reason of failure to enforce them on the part of any person as to the same or similar future violations, no matter how often the failure to enforce is repeated.

ARTICLE 16

VARIANCES

The DEVELOPER and the Board of Directors in its discretion may allow reasonable various and adjustments of these Protective Covenants in order to alleviate practical difficulties and hardship in their environment and operation. Any such various shall not violate the spirit or the intent of this document to create Development of Lots owned in fee by various people with each Owner having an easement upon areas owned by the Corporation.

ARTICLE 17

DURATION, AMENDMENT AND TERMINATION

A. Lots, Persons and Entities Subject to these Protective Covenants. All present and future Owners, tenants, and occupants of Lots and their guests or invitees, licensees, employees or agents, shall be subject to, and shall comply with the covenants, restrictions and affirmative obligations set forth in these Restrictions existing at this time or which may be amended from time to time. The acceptance of a deed of conveyance or the entering into occupancy of any Lot shall constitute an agreement that the provisions of these Protective Covenants are accepted and ratified by such Owner, tenant or occupant and that they will fully comply with the terms and conditions of said Declaration. The covenants, conditions, restrictions, and affirmative obligations of these Protective Covenants shall inure to the benefit of and be enforceable by the Corporation, or the Owner of any Lot, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date these Protective Covenants are recorded in the Brunswick County Register of Deeds, after which date these Protective Covenants shall be extended for successive periods of twenty (20) years, unless a majority of the then Owners agree to revoke the same, and the covenants, restrictions, conditions and affirmative obligations of these Protective Covenants shall run with and bind the land and shall bind any person having at any time any interest or estate in any Lot as though such provision were made a part of each and every deed of conveyance or lease.

B. Amendment. At any time prior to December 31, 2016 or until all Lots are sold by the DEVELOPER, these Protective Covenants may be amended by the DEVELOPER in its discretion. Retention of this right by the DEVELOPER is not intended to affect the general or common scheme of development for the property herein described but to correct and/or modify situations or circumstances which may arise during the course of development. Thereafter, these Protective Covenants may be amended by vote of not less than sixty percent (60%) of the Owners and an instrument explaining such amendment must be recorded at the Brunswick County Registry for such an amendment to be effective. In no event may these Protective Covenants be amended so as to alter any obligation to pay ad valorem



taxes or assessments for public improvements, as herein provided, or affect any lien for the payment thereof established herein, or so as to deprive DEVELOPER, its designee or successors and assigns of any rights herein granted or reserved unto DEVELOPER. In addition, the DEVELOPER may amend these Protective Covenants to annex additional property and make it subject to the terms, conditions, restrictions, obligations and covenants of these Protective Covenants as provided in Article 11 herein.

C. Invalidation of any one of these covenants or Protective Covenants by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

ARTICLE 18

CAPTIONS

The capitals preceding the various Articles of these Protective Covenants are for the convenience of reference only, and shall not be used as an aid in interpretation or construction of these Protective Covenants. As used herein, the singular includes the plural and where there is more than one Owner of a Lot, said Owners are jointly and severally liable for the obligations herein imposed. Throughout these Protective Covenants, references to the masculine shall be deemed to include the feminine, the feminine to include the masculine and the neuter to include the masculine and feminine.

ARTICLE 19

LIBERAL CONSTRUCTION

The provisions of these Protective Covenants shall be constructed liberally to effectuate its purpose of creating a Development of fee simple ownership of Lots and building governed and controlled by rules, regulations, restrictions, covenants, conditions, reservations and easements administered by an Owners' association with each Owner entitled to and burdened with rights and easements equivalent to those of other Owners.

ARTICLE 20

WAIVER

No provision contained in these Protective Covenants, the Articles of Incorporation, the By-laws or the Rules and Regulations of the Corporation shall be deemed to have waived, abandoned, or abrogated by reason of failure to enforce them on the part of any person as to the same or similar future violations, no matter how often the failure to enforce is repeated.

ARTICLE 21

CONFLICT

In the event of any irreconcilable conflict between these Protective Covenants and the By-laws of the Corporation, the provisions of these Protective Covenants shall control. In the event of any irreconcilable conflict between these Protective Covenants or the By-laws and the Articles, the provisions of the Articles shall control.

ARTICLE 22

SEVERABILITY

Invalidation of any one of these Covenants or Restrictions by judgment or any court, agency or legislative order shall in no way affect any other provision, covenants, conditions or restrictions contained in these Protective Covenants.

ARTICLE 23

ASSIGNABILITY OF RIGHTS AND LIABILITIES

The DEVELOPER shall have the right to sell, lease, transfer, assign, license and in any manner alienate or dispose of any rights, interests and liabilities retained, accruing and reserved to it by these Protective Covenants. Following any such disposition, the DEVELOPER in no way shall be liable or responsible to any party with regard to any such claim or claims arising out of same in any manner.

ARTICLE 24

STORMWATER RESTRICTIONS ON IMPERVIOUS SURFACES

In accordance with Title 15 NCAC 2H.1000, the Coastal Stormwater Management Regulations, deed restriction and protective covenants are required for High Density Commercial Subdivisions where lots will be subdivided and sold. Deed restrictions and protective covenants are necessary to ensure that the development maintains a "built-upon" area consistent with the design criteria used to size the stormwater control facility. The following deed restrictions and covenants must be recorded prior to the sale of any lot:

1. The following covenants are intended to ensure ongoing compliance with State Stormwater Management Permit Number SW8 060101, dated January 31, 2006, as issued by the Division of Water Quality under NCAC 2A. 1000, and as subsequently properly amended.
2. The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the Stormwater management permit.
3. These covenants are to run with the land and be binding on all persons and parties claiming under them.
4. The covenants pertaining to Stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality.
5. Alteration of the drainage as shown on the approved plan may not take place without the written concurrence of the Developer and the Division of Water Quality.
6. The maximum allowable built-upon are in square feet per lot is as follows:

Lot 1	51,078 sq. ft.	
Lot 2	50,364 sq. ft.	
Lot 3	51,161 sq. ft.	
Lot 4	213,444 sq. ft.	Phase I
Lot 5	223,215 sq. ft.	Phase II
Lot 6	85,190 sq. ft.	} Joyner
Lot 7	79,366 sq. ft.	

7. All runoff from the built-upon areas must drain into the permitted system. This may be accomplished through a variety of means including:

- (a) a piped collection system, which ultimately discharges into the Stormwater

facility;

- (b) appropriate grading of the Lot such that the built-upon surfaces drain into the Stormwater facility in the same manner and location as approved under the permit;
- (c) or graded swales which collect runoff and direct it into the Stormwater facility in the same location as permitted.

Each Lot, whose ownership is not retained by the permittee, is required to submit a separate Stormwater permit application.

IN TESTIMONY WHEREOF, Meadow Ridge, LLC the DEVELOPER has caused this instrument to be executed under seal this ____ day of 2006.

Meadow Ridge, LLC

BY: [Signature] (SEAL)

STATE OF NORTH CAROLINA COUNTY OF BRUNSWICK

I, the undersigned Notary Public of the County and State aforesaid, certify that Jay Houston personally came before me this day and acknowledged

that he is ~~the~~ a Member/Manager of

MEADOW RIDGE, LLC, a North Carolina ~~of~~

_____ limited liability company, and that by authority duly given and

as the act of such entity, he signed the foregoing instrument in its name on its behalf as its act and deed.

Witness my hand and Notarial stamp or seal this 4th day of August, 2006. I further confirm

I have personal knowledge of the identity of Jay Houston.

(stamp or seal)

<p>DIANE M DOWNER NOTARY PUBLIC BRUNSWICK COUNTY, NC</p>
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[Signature]
DIANE M. DOWNER, NOTARY PUBLIC
My Commission expires: 2-28-2011



EXHIBIT "A"

MEADOW RIDGE COMMERCIAL PARK
INITIAL POA ASSESSMENT CALCULATION

<u>LOT</u>	<u>PERCENTAGE OF ASSESSMENT</u>
1	14.285714
2	14.285714
3	14.285714
4	14.285714
5	14.285714
6	14.285714
7	14.285714

Capital Contribution \$5000
Lot - 495 \$ 4000
lot 627 \$4000 -