

EXHIBIT A

DECLARATION OF PROTECTIVE COVENANTS FOR CAROLINA COLOURS

SIENNA WOODS PHASE 1 LOTS 1-56

Being all of that property shown on the Final Plan for Carolina Colours-Sienna Woods, Phase 1 as shown on that plat recorded in Plat Cabinet H, Slides 10-B, 10-C and 10-D, Craven County Registry (the "Plat"). Nothing contained in the Protective Covenants shall in any way restrict the use of those public rights of way shown on said plat by the City of New Bern.

EXHIBIT B

DECLARATION OF PROTECTIVE COVENANTS FOR CAROLINA COLOURS

SIENNA WOODS PHASE 1 LOTS 1-56

The Lots and properties described in Exhibit A shall be subject to the following restrictions, in addition to those set out in the Protective Covenants. To the extent there is any conflict between the restrictions contained in this Exhibit B and those contained in the Protective Covenants, those restrictions contained in this Exhibit B shall control.

1. Minimum Building Requirements: No primary residential Structure shall contain less than 2000 heated square feet. If any primary residential Structure contains more than one living floor, there must be a minimum of 1700 square feet of heated space on the first living floor. Heated space shall only include fully enclosed space heated by the primary central heating system utilized for the primary residential Structure.

2. Set-backs: The minimum building set-backs shall be the greater of the set-backs shown on the Plat, or the following:

- | | |
|---------------------------------------|---------|
| a) Front (street) set-back: | 40 feet |
| b) Side set-back: | 15 feet |
| c) Rear set-back, Lots 1-10 and 24-56 | 30 feet |
| d) Rear set-back, Lots 11-23 | 40 feet |

On Lots 11-23, the 30 feet of the rear set-back nearest Waterscape Way shall remain as a vegetated buffer. No tree with a diameter of two inches or more shall be removed from said 30 feet. Underbrush may be cleared from said area, and grass or plantings may be installed with the vegetated buffer. It shall be the responsibility of the Lot Owner to maintain the area in a slightly condition. No Structures shall be erected or installed within said vegetative buffer.

3. Impervious Surface Limitations: No more than 6,500 square feet of any Lot shall be covered by structures or impervious materials. Impervious materials include asphalt, gravel, concrete, brick, stone, slate or similar material but do not include wood decking or the water surface of swimming pools. Swales shall not be filled in, piped, or altered except as necessary to provide driveway crossings. This covenant is intended to insure ongoing compliance with North Carolina State management permits as issued by the Division of Water Quality and can not be modified or deleted without the consent of the State of North Carolina by issuance of a permit amendment. The State of North Carolina and the City of New Bern are specifically given the right, by specific performance, to enforce the limitations and restrictions contained in this paragraph 3 of Exhibit B.

The Association is specifically required to maintain any storm water collection, distribution or holding facilities constructed in accordance with ordinances or, or permits issued by, the City of New Bern as relates to storm water management and discharge, and as relates to nitrogen reduction; whether or not said facilities are located on Common Elements or on Lots. The Association is also specifically authorized to pay any inspection fees charged by the City of New Bern for inspection of such facilities and improvements.

4. Riparian Buffer Lots: Lots 23, 24, 25, 37, 38, 47, 48, 49, 50, 51 and 52 are subject to buffer rules imposed by the State of North Carolina, in areas shown on the Plat. The State of North Carolina has the right and authority to enforce these rules, which rules strictly limit the right to remove vegetation or construct structures within the area subject to buffer rules.

5. Flood Zone: By law, the nine foot contour line is the determining point for the boundary between the X and the AE flood zone lines, as established by the Federal Emergency Management Agency (FEMA). The location of said lines as shown on the Plat is as reflected on the maps published by FEMA. In field surveys have determined the location of said line as shown on the Plat to be in error, with the area of unrestricted building greater than as shown on said Plat. Amendments to the flood zone map have been requested by Declarant, and it is expected that such amendments will accepted by FEMA. These changes may effect the flood zone location on Lots 37, 38, 48, 49, 50, 51 and 52. Declarant. Upon issuance of such amendments, said relocated line shall be valid, in lieu of the line as shown on the Plat. Declarant reserves the right to amend the Plat to properly show the correct flood zone lines, if and when FEMA approves map amendments.

6. Rental Limitations: No rental of any home shall be allowed that is for a term of less than six months.

7. Other Restrictions: Drainage Easements as shown on the Plat, other than the typical drainage easements described in paragraph 9.4 of the Protective Covenants, have been established in order to comply with certain restrictions regarding nitrogen reduction imposed by the City of New Bern and/or the State of North Carolina. Should such easements be utilized for drainage purposes, with or without drainage structures contained therein, no Lot Owner shall interfere in any way with such easements or structures. Maintenance of such easements and structures shall be the responsibility of the Association. Declarant reserves the right to abandon such easements if their use is not required to comply with governmental requirements. No private use of said easements for drainage or other purposes may be made without consent of the Association.

7. Common Element Dedication: There is denoted on the Plat "Common Element 1" and "Common Element 2." Both of these Common Elements shall be conveyed to the Association, and the Association shall maintain these Common Elements as a vegetative buffer, in accordance with buffer standards adopted from time to time by the Association.

8. Telecommunications Services and Rates: The following are the minimum, basic services that will be provided, and the initial payment that will be made to the Association by each improved Lot Owner therefore. Prices and services are subject to change upon approval of the Association.

DATA SERVICE: (Fiber based internet service)

1. Downstream speed of 3Mbps
2. Upload speed of 1Mbps
3. Simultaneous access from multiple computers
4. 1 email account with 10MB web space
5. Toll free customer support
6. Fiber based intranet (35Mbps)
7. Wireless access from primary Carolina Colours amenities

VIDEO SERVICE

At least 65 cable channels, local channels, HBO Multi-Channel Package.

Enhanced High Definition capability with fiber system delivery.

Data Service and Video Service are "Bundled Services." Bundled Services are provided by the service provider through agreement with the Association, and payment for the basic services provided shall be by payment to the Association. (See paragraph 11 of the Covenants for more detail). As of the time of recording of this instrument, the monthly cost for the Bundled Services is \$81.50. Additional services will be made available to each Owner by these service providers; if such additional services are elected, payment by the Owner shall be made directly to the service provider for only those elective additional services.

Voice Services and Security Services are not Bundled Services. The Association shall designate the exclusive provider of these services. Only that provider may utilize the fiber system that is being installed. The Voice Service provider has contracted with the Association agreeing that its charges for basic services shall be at all times at least 10% lower than the cost of comparable services provided by the incumbent provider of such services. The provider of Security Services has contracted with the Association to provide monitored service without charge for

12 months following home construction; thereafter, it is elective with the Owner as to whether or not to continue such services.

Payment for Voice Services and Security Services shall be made directly by the Owner to the provider of such services.

EXHIBIT C

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TELECOMMUNICATIONS EASEMENT

In addition to the easements referenced in the Protective Covenants, the Property is further encumbered by an Easement and Modification Agreement recorded in book 2264, page 6, Craven County Registry.