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STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

DECLARATION OF PROTECTIVE COVENANTS
OF
CREEKS EDGE SUBDIVISION
SECTIONS I AND II

THIS DECLARATION OF PROTECTIVE COVENANTS, made and entered into this the 25th day of March, 2003, by P & P HOLDINGS, L.L.C., a North Carolina Limited Liability Company (hereinafter referred to as "Developer").

WITNESSETH THAT:

WHEREAS, Developer is the owner of all those certain tracts or parcels of land known as Creeks Edge Subdivision, Sections I and II in Onslow County, North Carolina, which are more particularly shown and described on those maps recorded in the Onslow County Registry, in Map Book 43, Page 2, Slide K-1429 and Map Book 44, Page 76, Slide K-1743, respectively; and,

WHEREAS, Developer retains ownership of certain adjoining real property more particularly described in a deed recorded in Book 1584 at Page 218 of the Onslow County Registry; and,

WHEREAS, it is the desire of Developer to insure the use of the property depicted on those maps described above for attractive residential purposes only, to prevent the impairment of the attractiveness of the property, to maintain the desired tone of the community, and thereby to secure to each lot owner the full benefit and enjoyment of each lot owner's home with no greater restriction upon the free and undisturbed use of each lot than is necessary to insure the same advantages to the other lot owners; and,

WHEREAS, it is the desire of Developer to reserve the right but not the obligation to submit all or any portion of the property conveyed in that deed set forth above to all or a portion of the Protective Covenants contained herein in Developer's sole discretion.

NOW, THEREFORE, in accordance with the provisions of Chapter 47F of the General Statutes of the State of North Carolina, the undersigned does hereby covenant, agree and declare to and with all persons, firms or corporations now owning or hereafter acquiring any property in Creeks Edge Sections I and II as described above, that all of the lots in said subdivision as shown on the map referenced above are hereby made subject to the following protective covenants (hereinafter "Protective Covenants"). These Protective Covenants 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 this Declaration of Protective Covenants.

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ARTICLE 1
DEFINITIONS

As used herein,

A. "Articles" means the Articles of the Incorporation of Creeks Edge Property Owners' Association, Inc., which are attached hereto as Exhibit A and incorporated herein by reference.

B. "Association" means and refers to the Creeks Edge Property Owners' Association, Inc., a nonprofit North Carolina Corporation.

C. The "Board of Directors" or "Board" shall be the elected board governing the Association and managing the affairs of the Association.

D. "By-laws" means the By-laws of Creeks Edge Property Owners' Association, Inc.

E. "Community Use Areas" means all real and personal property, together with those areas within dedicated portions of the Subdivision, which may be deeded to or acquired by the Association or not, for the common use and enjoyment of the members of the Association or in which the owners have a partial or common right or privilege to use and enjoy as provided by these Protective Covenants as well as amendments hereto. Community Use Areas specifically include, but are not limited to the streets and roads within the Subdivision.

F. "Common Expenses" means and includes actual and estimated expenses of maintaining and operating the Community Use Areas and operating the Association for general purposes, including any reasonable reserve, as may be found necessary and appropriate by the Board of Directors pursuant to these Protective Covenants, the By-laws and the Articles of the Association.

G. "Developer" means P & P Holdings, L.L.C., its successors and assigns or any legal entity acquiring ownership of portions of the Development Area heretofore not dedicated with the intent and for the purpose of further developments.

H. "Development Area" shall mean that property described in that deed to Developer recorded in Book 1584, Page 218 in the Office of the Register of Deeds of Onslow County, North Carolina.

I. "Lot" shall mean and refer to any one of those parcels of real property which have been subdivided from the hereinabove described Development Area and which are intended as set forth below and which are designated on the maps of Creeks Edge hereinabove referenced by the numbers 2, 5, 8, 33, 39, 40, 45, 82, 87, 98, 101 and 120 in Section I and Lot 110 in Section II. "Lot" shall also apply to any platted or replatted division of parcels of real property shown on any map or maps subsequently recorded by Developer.

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J. "Member" shall mean and refer to each and every person and entity who or which owns a lot in Creeks Edge.

K. "Owner" shall mean and refer to the owner or holder (by purchase, devise, inheritance, decree or otherwise) whether one or more persons or entities, of a fee simple title to or interest in any Lot(s), including Developer, and contract sellers, but excluding those having such interest merely as security for the performance of an obligation or the payment of an indebtedness.

L. "Subdivision" means all of that real property known collectively as shown on those maps of Section I and Section II referenced above as well as any other sections which may subsequently be submitted to this Declaration by the Developer.

M. "Committee" shall mean an Architectural Control Committee for the purpose of reviewing and approving any and all proposed structures, buildings and improvements as set forth in Article 10 hereunder.

ARTICLE 2
APPLICABILITY

These Protective Covenants shall apply to all subdivided numbered lots and other real property shown on the aforesaid plat or map, which lots and property are for residential purposes only, except as otherwise provided herein.

ARTICLE 3
RESTRICTIONS ON USE AND OCCUPANCY

A. No Lot shall be used except for single family residential purposes. No structure shall be erected, placed or permitted to remain on any lot other than one (1) detached, single family residence dwelling not to exceed two and one-half stories, no more than 35 feet in height above floor or piling level and such outbuildings as are usually accessory to a single family residence dwelling, including a private enclosed garage. However, the Developer shall have the right to place a Model Home and/or a Temporary Sales Office on the property. The Temporary Sales Office will be removed when all lots owned by the Developer are sold and closed.

B. Any dwelling constructed on a lot subject to these Protective Covenants shall contain not less than 1,400 square feet of fully enclosed and heated floor all devoted to living purposes (exclusive of roofed or unroofed porches, breezeways, terraces, garages and any outbuildings), nor less than 1,000 square feet on the first level of structures in excess of one story. All houses shall have attached garages.

C. No structure of any kind whatsoever (including dwellings, fences, walls, docks and gazebos) may be constructed or placed on any lot unless and until adequate plans for said improvement have been submitted to Developer or its designee for approval and have in fact been

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approved by Developer or its designee. Developer shall establish basic construction guidelines for approval but may amend or modify said guidelines in its sole discretion.

D. No Lot or Lots shall be subdivided except to enlarge an adjoining Lot, but any Lot so enlarged cannot be improved with more than one single family dwelling. Developer, its assigns or designees shall have the unlimited right to resubdivide and plat Lot or Lots in its sole discretion.

E. All plumbing fixtures and sources of sewerage located on a lot shall be connected to a private or public utility water or sewer system, if available, or to an individual septic tank located upon such lot which shall first be approved by the appropriate governmental authorities and the Developer. Any approved individual septic tank or sewer system shall be maintained in good and proper working order and condition by the Owner in accordance with the requirements of governmental authorities having jurisdiction. No outside toilet shall be constructed or permitted on any lot except during construction as herein expressly provided.

F. The Owner or Owners of property on which bulkheads, jetties, or other artificial stabilization devices are to be constructed must, prior to construction, obtain written approval from the appropriate Federal, State, County and local authorities, and the Developer or its duly designated representative.

Piers and docks may be constructed on the property or within riparian areas appurtenant thereto, provided that prior to construction, written approval has been obtained from the appropriate Federal, State, County and local authorities, and the Developer, its duly designated representative or the Committee.

G. Construction activity on a lot shall be confined within the boundaries of said Lot. Each Lot Owner shall have the obligation to collect and dispose of all rubbish and trash resulting from construction on his Lot.

H. All Lots shall be well maintained and no accumulation of rubbish or debris shall be permitted.

I. Owners shall be responsible for any damage done to any streets, roadways, accessways, Community Use Areas or property of other owners within the Subdivision which may be caused by any owner, his agents, employees, guests, licensees or invitees except for damage caused by normal and ordinary use of said areas. The Association shall have the authority to assess any owner for the cost of repairing such damage and such charge shall be a special assessment against the Owner and his Lot(s) and may be enforced in accordance with the provisions of Article 7 herein.

J. The following general prohibitions and requirements shall apply and control the improvements, maintenance and use of all Lots:

1. No mobile home, trailer, tent or temporary house, temporary garage or other temporary outbuildings shall be placed or erected on any lot, provided, however, that the Developer,

its duly designated representative or the Committee may grant permission for temporary structures for storage of materials during construction. Developer may approve the construction of prefabricated or modular homes so long as they are attached to the Lot in a permanent manner.

2. Once construction of a dwelling 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 commencement. Developer may extend this period of time if delay is caused by hardship or natural disaster.

3. During construction of improvements on any Lot, adequate portable sanitary toilets must be provided for the construction crew and the Lot must be cleaned of excess debris at least once each week.

4. All dwellings and permitted structures erected or placed on any Lot shall be constructed of material of good grade, quality and appearance, and all construction shall be performed in good workmanship manner and quality. The covering for all roofs shall be shingles or materials approved by the Committee. Materials and colors for the exterior of all dwellings and permitted structures must be approved by the Committee. No used structures shall be relocated or placed on any Lot and no structures shall have an exterior constructed of concrete blocks, asbestos, or asphalt siding. Any permitted outbuilding shall be of the same material, quality, general appearance and workmanship as the dwelling on the Lot.

5. No structure erected upon any Lot may be used as a model exhibit or house unless prior written permission to do so shall have been obtained from the Developer. Developer is exempt from this requirement.

6. In the event any dwelling or improvement on any Lot that is destroyed in whole or in part by fire or other casualty, all debris must be removed and the Lot restored to a slightly condition with reasonable promptness, provided, however, that in no event shall such debris remain on such Lot longer than three months.

7. No stripped, partially wrecked, inoperable or junk motor vehicle, or part thereof, shall be permitted to be parked or kept on any Lot. All motor vehicles must have current registrations and inspections.

8. No vehicle of any type shall be parked on any street in the Subdivision. No truck nor other vehicle in excess of a one-ton load capacity nor any mobile home, trailer or similar vehicle shall be parked or kept overnight or longer, on any Lot, in such a manner as to be visible to the occupants of other Lots or the users of a street or recreation area. Recreational vehicles and campers are allowed to be located on the Lot, so long as they are operable.

9. Boats kept for personal use of the Lot owner may be kept on the Lot provided that no boats shall be kept in such a manner as to be visible from the street or any recreation area.

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10. All outdoor poles, clotheslines and similar equipment shall be screened or so placed as not to be visible by the occupants of other Lots or the users of any street or recreation area.

11. No mail or paper box or other receptacle of any kind for use in the delivery of mail, newspapers, magazines or similar materials shall be erected or located upon any Lot except such receptacle of standard design as shall have been approved by the Developer or its duly designated representative.

12. No advertising signs or billboards or other advertising structure(s) of any kind shall be erected on any Lot or displayed to the public on any Lot subject to these restrictions except that one sign of not more than four square feet in area may be used to advertise a completed dwelling for sale or rent. No "For Sale" signs are allowed on any vacant lots until after December 31, 2010 without approval by Developer. This covenant shall not apply to signs erected by the Developer used to identify and advertise the Subdivision as a whole, or construction identification signs approved by the Committee showing Lot numbers and name of builder, or by a homeowner for the purpose of identifying the homeowner as the resident on said Lot. Said identification sign shall not exceed in size a total of two square feet.

13. The design and location of satellite dishes and antennas must be approved by the Developer, its assigns or its duly designated representative.

14. All dwelling connections for all utilities, including, but not limited to, water, sewer, electricity, gas, telephone, and television shall be run underground from the proper connecting points to the dwelling structure in such manner as may be acceptable to the appropriate utility authority. The cost for such underground service shall be shared by the owner and utility company in conformity with existing utility company policy, if any. In no event shall Developer be responsible for such costs. Developer may, however, in its sole discretion, waive the provisions of this paragraph if, in the opinion of Developer, Federal flood insurance regulations or the ordinance regulations of Onslow County make the underground service impractical.

15. No animals shall be permitted to remain on any lot other than dogs, cats, or other small household pets, always in reasonable numbers and subject to reasonable rules and regulations as may be promulgated from time to time by the Developer, its agents or its duly designated representative. Animals shall not be allowed to run free without owner supervision and must be properly maintained. If animals are seen to harass wildlife, Association has the right to restrict such pets to owner's property.

16. No fence shall be constructed without the approval of the Developer, its agent, or its duly designated representative. Notwithstanding the foregoing, no fence shall be approved which is greater than six (6) feet in height. All fences must be made of pressure treated wood, vinyl, brick or insect-resistant materials such as cypress or cedar. No fence may be constructed nearer the front street line than the rear corners of the house or dwelling located on the Lot. The Developer reserves the right to approve chain link fences used in connection with the housing and containment of pets allowed under Paragraph 15 above.

17. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereof tending to cause embarrassment, discomfort, annoyance or nuisance to the Developer or any owners. There shall not be maintained any plants or animals, or device or anything of any sort whose normal activities or existence are in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the owners thereof.

18. To the extent piers or docks are constructed on any lot in the Subdivision, said piers and docks may not be used for commercial purposes. Furthermore, no boats or other vessels may be used as a residence for more than forty-eight (48) hours. The use of piers and docks is limited to owners and their guests; but no guest may make use of any dock or pier for more than one week in any calendar month.

19. In order to maintain the rural, wooded character of the Subdivision and maintain wildlife and plant populations, the following restrictions on the cutting and removal of trees shall apply to all lots:

(a) Fallen trees, dead trees and live trees less than six inches in diameter may be removed from any Lot at any time without the written approval of the Developer or its duly designated representative.

(b) All trees exceeding six inches in diameter may only be removed from any Lot with the written approval of the Developer, said approval being based upon a site plan, landscaping plan, or planting plan submitted to the Developer or its duly designated representative by the Owner or his agent.

(c) Wetlands should be left pristine to allow them to perform their function. No grass may be planted in wetland areas or within seventy-five feet of water bodies unless approved by the Developer. Trees may be trimmed but not cut so as to improve view lines.

(d) Trees may be removed without written approval of the Developer, its duly designated representative, or the Committee within the area of proposed construction for any dwelling and the surrounding fifteen feet but only after approval of building plans and specifications by Developer.

20. Burning as a means of clearing brush shall not be permitted. Burning may be allowed under appropriate circumstances if approved by the Developer, its duly designated representative, or the Committee and the Owner has obtained all necessary government permits.

21. All driveways extending over ditches or drainage facilities must be constructed with concrete pipe and must be designed and installed with sufficient gradient to accommodate Developer's plans for drainage as may be amended from time to time.

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Notwithstanding the forgoing, Developer retains the right to approve the location and construction of all driveways located upon Lots.

K. This Article and these Protective Covenants shall not apply to any sales office which may be maintained by the Developer within the Subdivision.

ARTICLE 4 ASSOCIATION

A. An Association named Creeks Edge Property Owners' Association, Inc. has been or will be formed pursuant to the rules and requirements of the Nonprofit Corporation Act (Chapter 55A) and the North Carolina Planned Community Act (Chapter 47F) 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 Community Use Areas and facilities located upon the Community Use Areas; to enforce the restrictions contained herein; and to make and enforce rules and regulations governing the owners use and occupation of Lots.

B. Each owner of each Lot within the Subdivision shall be a member of the Association. The Developer, by the Declaration, and the owners of the individual Lots by their acceptance of individual deeds thereto, and by the recording of these Protective Covenants, covenant and agree with respect to the Association:

1. That for so long as each is an owner of a Lot within the Subdivision, each will perform all acts necessary to remain in good and current standing as a Member of the Association;

2. That each shall be subject to the rules and regulations of the Association with regard to ownership of a Lot; and

3. That any unpaid assessment, whether general or special, levied by the Association in accordance with these Protective Covenants, the Articles or the By-laws shall be a lien upon the Lot upon which such assessment was levied, and shall be the personal obligation of the owner of the Lot at the time the assessment fell due.

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

D. The qualifications for membership in the Association, the manner of admission to membership in the Association, the manner of termination of such membership, and the voting rights of the members of the Association shall be as set forth in the Articles of Incorporation of the Association, the provisions of such Article being incorporated herein by reference.

E. The affairs of the Association shall be managed by a 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 Association; and provided, further that the number of members of the first Board of

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Directors shall be three (3); and, provided, finally, that, notwithstanding any of the foregoing, so long as the Developer owns ten percent (10%) or more of the residential lots in the development, but in any event, not longer than December 31, 2020, said Developer shall have the right to designate and select all of the persons who shall serve as members of each Board of Directors of the Association who need not met the qualifications for directors as provided by said By-laws or herein.

F. After the Developer has relinquished control of the Association as set forth in Paragraph E above, there shall be a special meeting of the membership for the purpose of electing a Board of Directors to serve until the next annual meeting and until new directors are elected and qualified.

ARTICLE 5 MANAGEMENT AND ADMINISTRATION

The management and administration of the affairs of the Community Use Areas of the Subdivision shall be the sole right and responsibility of the Association. The management shall be carried out in accordance with the terms and conditions of these Protective Covenants, the Articles and By-laws of the Association, but may be delegated or contracted to managers or a management service.

ARTICLE 6 COMMON EXPENSES

The Common Expenses of the Subdivision include all amounts expended by the Association operating, administering, managing, maintaining, repairing, replacing and improving the Community Use Areas of the Subdivision; and amounts expended by the Association in insuring the Community Use Areas in the Subdivision; all amounts expended by the Association in legal, engineering, or architectural fees; and similar fees which may be incurred by the Association from time to time in performing the functions delegated to the Association by these Protective Covenants, Articles or By-laws; and all amounts expended in any form by the Association in enforcing these Protective Covenants, the Articles and the By-laws.

ARTICLE 7 ASSESSMENTS, LIABILITY, LIEN AND ENFORCEMENT

A. The Association has heretofore been given the authority to administer the operating and management of the Community Use Areas of the property. To properly administer the operating and management of the Community Use Areas, the Association will incur, for the mutual benefit of all the owners of lots, costs and expenses sometimes herein referred to as "Common Expenses". In furtherance of the grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation of, the management of, and for capital improvements to the Community Use Areas, the following shall be operative and binding upon the owners of all Lots.

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B. Creation of the Lien and Personal Obligation of Assessments: The Developer for each Lot owned within the Development Area and each owner for any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed and by the recording of these Protective Covenants is deemed to covenant and agree to pay the Association:

1. Annual assessments or charges, and
2. Special assessments for capital improvements or special assessments as established by the Board of Directors of the Association, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with the interest, costs and reasonable attorney's fees, if any, shall be a charge on the Lots and shall be a continue lien upon each Lot against which they are levied. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person or entity who is the owner of such Lot at the time when the assessment falls due. The personal obligation for delinquent assessments shall not pass to any successor in title unless expressly assumed by him. All such assessments shall be payable in such periodic increments as is established by the Board of Directors.

PROVIDED, the Developer shall be exempt from the payment of the yearly assessment fee for any unsold Lots which are platted of record in the Office of the Register of Deeds of Onslow County, during the period ten years after the date that such Lots are platted of record as Lots in Creeks Edge. This exemption shall apply to Developer or any other entity purchasing the unsold Lots in the subdivision to whom Developer transfers or assigns Developer's rights.

C. 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 Subdivision and in particular for the improvements, maintenance of all roads and streets of the property, as have been mapped or constructed within the overall tract of Creeks Edge, until such time as they are taken over by the State of North Carolina, as well as the acquisition and maintenance of any and all other Community Use Areas of the Subdivision, including but not limited to, the cost of repairs, repaving, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payments of taxes assessed against the easement areas and Community Use Areas, utility services and the procurement and maintenance of insurance as may be deemed necessary by the Board of Directors.

D. Initial and Maximum Annual Assessment: The initial assessment, payable to the Association shall be prorated and paid at the time of closing of the purchase of a Lot, so that all payments thereafter shall be due on January 1 of that year. The initial assessment payable to Creeks Edge Property Owners' Association is to be \$250.00 per annum, and the maximum annual assessment for each calendar year thereafter shall be established by the Board of Directors of the Association and may be increased by the Board of Directors for any calendar year without approval by the membership by an amount not to exceed ten percent (10%) of the maximum annual assessment of the previous year.

The maximum annual assessment for any calendar year may be increased without limit by a vote of two-thirds of the Members who are voting in person or by proxy at a meeting called for this purpose.

Excess amounts collected through assessments for any particular calendar year shall be carried over to the next budget year, and said sums carried over shall be considered by the Board of Directors of the Association in formulating the budget for the approaching year and arriving at the assessments required of the Lot owners for the approaching year.

Notwithstanding the foregoing, at the time of sale of a Lot by Developer, the purchaser shall pay an initial setup fee equal to two months' assessments, which shall be deposited in the bank account of the Association and shall be used to pay initial and general obligations of the Association.

E. Vacant Lot Assessment: In addition to the Annual Assessments set forth above, each owner of an unimproved Lot for which a valid building permit has not been issued on January 1 of each calendar year shall pay an additional assessment of \$100.00 per year which shall be used by the Association for bushhogging and other maintenance of vacant lots within the subdivision and for such other related uses which are permitted under subparagraph C above. The Vacant Lot Assessment shall be combined with the general funds of the Association, need not be segregated and need not be accounted for as a separate expense item for the Association.

F. Special Assessments for Capital Improvement: In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part, the costs of any construction, reconstruction, repair, replacement or repaving of a capital improvement to the roads and streets of the property, the easement areas described above, or any other Community Use Areas of the property, including fixtures and personal property related thereto, provided that any such assessments shall have the assent of two-thirds of the vote of the Members who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed to the uniform rate for all lots and may be collected on a schedule determined by the vote of the Members at said meeting.

G. Date and Commencement of Annual Assessments; Due Dates: The annual assessment provided for herein shall be collected on an annual basis and shall commence as to all Lots other than those Lots owned by the Developer on the first day of April, 2003, and thereafter as to owners other than Developer, on the first day of each calendar year following conveyance of a Lot to any such owner. At least thirty days in advance of each annual assessment, the Board of Directors shall fix the amount of the annual assessment to every owner subject thereto.

H. Effect of Nonpayment of Assessments; Remedies of the Association: Any general or specific assessment, if not paid within thirty days after the date of such assessment is due, together with interest at the rate of twelve percent (12%) per annum, costs of collection, court costs, and reasonable attorney's fees shall constitute a lien against the Lot upon which such assessments are

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levied. The Association may record notice of the same in the Office of the Clerk of Superior Court of Onslow County or file a suit to collect such delinquent assessments and charges. The Association may file Notice of *Lis Pendens*, bring an action at law against the owner personally obligated to pay the same and/or bring an action to foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessment provided herein.

I. Sale or Transfer of Property: The sale or transfer of any Lot shall not affect the assessment lien or liens provided for in the preceding sections. However, the sale or transfer of any Lot which is subject to any mortgage or deed of trust pursuant to a foreclosure thereof, shall extinguish the lien of such assessment as to the payment thereof which become due prior to such sale or transfer. No such sale or transfer shall release such Lot from liability for any assessment thereafter becoming due or from the lien thereof.

ARTICLE 8
COMPLIANCE WITH THIS DECLARATION, THE ARTICLES
AND THE BY-LAWS OF THE CORPORATION

In the case of failure of an owner to comply with the terms and provisions contained in this Declaration, the Articles, the By-laws or Rules and Regulations of the Association, the following relief shall be available.

A. The Association, the Developer and any owner, an aggrieved owner within the Subdivision on behalf of the Association or any owner on behalf of all the owners within the Subdivision shall have the right to enforce by any proceeding at law or in equity, all of the conditions, covenants and restrictions of these Protective Covenants and the Articles, By-laws and Rules and Regulations of the Association and any and all laws hereinafter imposed pursuant to the terms of these Protective Covenants. The prevailing party shall be entitled to collect all costs thereof, including reasonable attorney's fees.

B. The Association shall have the right to remedy the violation and assess the costs of remedying same against the offending owner as a special assessment as provided in Article 6 herein.

C. For any violation by an owner, including, but not limited to, the nonpayment of any general or special assessment, the Association shall have the right to suspend the offending owner's voting rights and the use by such owner, his agents, employees, licenses and invitees of the Community Use Areas in the Subdivision for any period during which a violation continues except that such penalties may not be for more than sixty days for violation of any of the Association's published Rules and Regulations.

D. The remedies provided by this Article are cumulative, and are in addition to any other remedies provided by law.

E. The failure of the Association or any person or owner to enforce any restriction contained in these Protective Covenants, the Articles, the By-laws or the Rules and Regulations shall not be deemed a waiver of the right to do so thereafter.

ARTICLE 9
PROPERTY RIGHTS OF LOT OWNER, CROSS-EASEMENTS,
AND EASEMENTS AND RESERVATIONS BY DEVELOPER

A. Every owner of a Lot within the Subdivision, as an appurtenance to such Lot, shall have a perpetual easement over and upon the Community Use Areas within the Subdivision for each and every purpose or use to which such Community Use Areas were intended as determined by their type, or for which such Community Use Areas generally are used, including, but not limited to, easement of access, maintenance, repair or replacement of the Community Use Areas. Such easements shall be appurtenant to and shall pass with the title to every Lot located within the Subdivision, whether or not specifically included in a deed thereto, subject to the following provisions:

1. The Association shall have the right to make reasonable Rules and Regulations respecting the use of same.

B. The Association hereinafter may grant easement for utility purposes for the benefit of the Subdivision and the Lots now or hereafter located thereon, over, under, along and through the Community Use Areas. Provided, however, that no such grant of easement shall have a material adverse effect on the use, enjoyment or value of any Lot.

C. Any owner may delegate, in accordance with the By-laws, his right of enjoyment to the Community Use Areas, and facilities to the Members of his family, his tenants, and contract purchasers who reside on the property.

D. Easements and rights of way over and upon each Lot for drainage and the installation and maintenance of utilities and services are reserved to Developer and its successors and assigns for such purposes as Developer may deem incident and appropriate to its overall development plan, such easements and rights of way being shown or noted on the aforesaid recorded plat of the Subdivision. The easements and rights of way being shown or noted on the aforesaid recorded plat of the Subdivision. The easements and rights of way areas reserved by Developer on each Lot pursuant hereto shall be maintained continuously by the owner but no structures or plantings or other material shall be placed or permitted or main 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. Improvements within such areas also shall be maintained by the respective owner except those for which a public authority or utility company is responsible. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary in the opinion of the Developer to provide an economical and safe installation.

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E. The Developer and the owners, by these presents, hereby establishes, grants, gives and conveys to each and every owner or future owner of a Lot in Creeks Edge a non-exclusive easement of ingress, egress and regress over and across all of the roads and streets of Creeks Edge as shown on maps thereof. It is the intent of the Developer that this grant of easement be deemed hereinafter as an appurtenance to each and every Lot within Creeks Edge, and any conveyance or transfer of the title to any Lot in Creeks Edge shall be deemed to include this easement, whether expressly stated therein or not.

F. Every owner shall have a right and easement of enjoyment in and to any and all other Community Use Areas which are owned or leased by the Association for the enjoyment of the owners; this right and easement of enjoyment shall be appurtenant to and shall pass with the title to every Lot.

G. There is granted to Jones-Onslow Electric Membership Corporation, its successors and assigns, a blanket easement to go upon the property that is the subject of these Protective Covenants for the purpose of installing and maintaining the appropriate electrical transmission wires and equipment; provided, however, this easement is subordinate to and is expressly subject to any and all existing structures, including sewer and water lines located on the property at the time Jones-Onslow Electric Membership Corporation, its successors and assigns, seeks to place electrical transmission wires and equipment on the property.

These Protective Covenants further subject the real property in this Subdivision to a contract with Jones-Onslow Electric Membership Corporation for the installation of underground electrical utilities which may require an initial contribution and/or the installation of street lighting, which will subject each Lot owner to a continuing monthly payment to Jones-Onslow Electric Membership Corporation.

ARTICLE 10
ARCHITECTURAL CONTROL COMMITTEE
AND PROCEDURES

A. 1. At such time as the Developer has conveyed all Lots within the subdivision (except for a sale of multiple Lots and the transfer of Developer's rights), the Association shall create and establish an Architectural Control Committee (hereinafter referred to as the "Committee") for the purpose of reviewing and approving any and all proposed structures, buildings and improvements as to conformity and harmony of external design and consistency with plans of existing residences or other buildings and site locations.

2. In addition to its duties of review and approval of external harmony and design, the Committee shall monitor the compliance with all use restrictions, design and architectural control provisions and conditions and other restrictions. The Committee shall report such violations as may come to its attention to the Developer or the Association for appropriate actions of enforcement.

3. The Committee shall be composed of a minimum of three members of the Association. Until such time as the Committee has been established, the Developer shall perform the functions as outlined above and elsewhere herein. Where the term "the Developer" or "the Committee" have been used, this term shall be construed to mean that only one of the two entities will perform the duties and function, and when the Committee is established, that Committee will perform the duties and functions as outlined above. Upon the appointment and organization of the Committee, the Committee shall adopt such administrative procedures as will insure the submission, review and approval of any and all buildings and/or improvements constructed.

B. No construction, which term shall include within its definition clearing, excavation, grading and other site work, shall take place except in strict compliance with this Article, and until the approval of the Committee or Developer has been obtained.

C. The Committee shall have jurisdiction over all original construction on any Lot and later changes or 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.

D. The Committee shall have the right to disapprove any plans, specifications and details submitted to it in the event the same are not in accordance with any of the provisions of these Protective Covenants and the guidelines.

Disapproval of plans, location, specifications or details may be based upon any grounds, including purely aesthetic considerations which the Committee, in its sole and uncontrolled discretion, shall deem sufficient, however, approval of plans shall not be unreasonably withheld.

An owner shall have the right to appeal disapproval of plans, location, specifications and details to the Board of Directors. The decision by the Board of Directors shall be final and not subject to appeal or review.

E. The Committee shall approve or disapprove plans, specifications and details submitted in accordance with its procedures within thirty (30) days from the receipt thereof. In the event that the Committee fails to approve or disapprove plans, specifications and details within thirty days after submission of the same to the Committee, approval, for the purposes of this Article, shall be deemed to have been given by the Committee.

F. The Committee, 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 an owner to remodel the interior or any residence or permitted pertinent structures, or to paint the interior of the same any color desired.

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H. Neither the Developer nor the Committee nor the Board of Directors or any architectural agent thereof shall be responsible in any way for any defects in plans, specifications or details submitted, revised or approved in accordance with the provisions contained herein or in the guidelines, nor for any structural or other defect in any construction.

ARTICLE 11
AMENITIES AND FACILITIES

Every park, recreation area, recreation facility, dedicated access and other amenities appurtenant to the Subdivision, whether or not shown and delineated on any recorded plat of the Subdivision shall be considered private and for the sole and exclusive use of the owners of Lots within the Subdivision. Neither Developer's execution nor the recording of any plat nor any other act of 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. The roads as shown on the maps of Creeks Edge shall be maintained by the Association until such time as they are accepted by the State of North Carolina.

ARTICLE 12
STORMWATER MANAGEMENT RESTRICTIONS

The following restrictions, as required by North Carolina State Stormwater Management Systems Permit No. SW8 0000407, are hereby incorporated into these restrictive covenants:

A. The allowable built-upon area per lot is 7,496 square feet. This allotted amount includes any built-upon area constructed within the lot property boundaries and that portion of the right-of-way between the front lot line and the edge of the pavement. Built-upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate and coquina, but does not include raised, open wood decking, or the water surface of swimming pools.

B. The covenants pertaining to this Article 12 may not be changed or deleted without the concurrence of the North Carolina Division of Water Quality.

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

D. Lots within CAMA's Area of Environmental Concern may have the permitted built-upon area reduced due to CAMA jurisdiction within the Area of Environmental Concern.

E. Each lot will maintain a 30 foot wide vegetative buffer between all impervious areas and surface waters.

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ARTICLE 13
WAIVER

No provision contained in these Protective Covenants, the Articles or the By-laws, shall be deemed to have been 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 14
VARIANCES

The Developer, in its discretion, may allow reasonable variances and adjustments of these Protective Covenants in order to alleviate practical difficulties and hardship in their enforcement and operation. Any such variances shall not violate the spirit or the intent of this document to create a Subdivision of lots owned in fee by various persons with each such owner having an easement upon areas owned by the Association.

ARTICLE 15
SPECIAL DEVELOPERS RIGHTS

Without in any fashion limiting those rights set forth in this Declaration, Developer specifically retains the following rights:

A. Developer retains a non-exclusive easement over all Community Use Areas, common areas, streets, roads, drainage and utility easements as shown on the maps of the Subdivision as referenced herein and any and all maps subsequently recorded by Developer.

B. Developer retains a right and easement to go upon Lots, Community Use Areas and common areas for the purpose of installing and repairing drainage and utility facilities.

C. Developer shall have the right to replat any and all Lots and Common Use Areas; provided, however, such replatting shall not operate to reduce or increase the size of any Lot theretofore conveyed except to the extent necessary to correct surveying errors and shall not unreasonably alter any owner's right of ingress and egress to his Lot.

D. Developer retains the right to select and appoint members of the Board of Directors of the Association as set forth in Article 4 of this Declaration.

E. Developer reserves the right to approve or disapprove, in its sole discretion, any and all plans submitted to it for the construction of improvements on any Lot.

F. Developer retains the right to amend this Declaration as provided in Article 14 of this Declaration.

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G. Developer reserves the right, but not the obligation, to submit and/or annex additional properties to the terms of this Declaration and the right to cause owners of such properties so submitted or annexed to become members of the Association.

H. Developer reserves all "special Declarant rights" set forth in G.S. 47F-1-103(28).

I. Developer may transfer and/or assign any and all rights and obligations contained herein. Such transfer shall be evidenced by a written transfer or assignment recorded in the Office of the Register of Deeds of Onslow County.

ARTICLE 16
DURATION, AMENDMENT AND TERMINATION

A. All covenants, conditions, restrictions and affirmative obligations set forth in these Protective Covenants shall run with the property and Developer Area and all portions thereof, and be binding on all parties having any right, title or interest in the property and Development Area, or any portion thereof, their heirs, devisees, successors and assigns, and shall inure to the benefit of the same. These Articles may be amended at any time by a vote of not less than sixty-seven percent (67%) of the owners and an instrument must be recorded in the Onslow County Registry for such an amendment to be effective. Provided, however, until such time as the Developer shall have sold eighty percent (80%) or more of the residential lots in the Development, such amendment(s) shall not be effective without the express written consent of the Developer, which consent may not be unreasonably withheld.

B. Invalidation of any one of the covenants, conditions or restrictions contained in these Protective Covenants by any court, agency or legislative order shall in no way affect any other covenants, conditions or restrictions contained in these Protective Covenants which shall remain in full force and effect.

C. Developer, its successors and assigns retain the right to amend these Protective Covenants as it, in its sole discretion, desires; provided, however, this right shall expire on December 31, 2020.

D. Termination shall occur in compliance with the provisions of G.S. 47F-2-118 entitled "Termination of Planned Community" as modified or amended from time to time.

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ARTICLE 17
CAPTIONS

The captions 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 this Declaration, 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 18
LIBERAL CONSTRUCTION

The provisions of this Declaration shall be construed liberally to effectuate its purpose of creating a Subdivision of fee simple ownership of lots and buildings 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 the rights and easements equivalent to those of other owners.

IN TESTIMONY WHEREOF, the Developer has caused this instrument to be executed and the undersigned owners have put their hands and seals as of the day and year first above written.

P & P HOLDINGS, L.L.C.

By: Pete B. Watkins (SEAL)
Member Manager

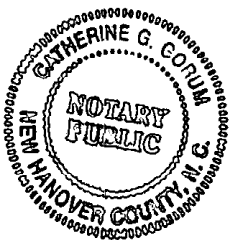
By: Peter B. Watkins (SEAL)
Member Manager

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I, CATHERINE B. COLEMAN, a Notary Public for the State of North Carolina, County of NEW HANOVER, do hereby certify that PETER B. WATKINS, a Member Manager of P&P Holdings, L.L.C., a North Carolina Limited Liability Company, personally appeared before me this day and acknowledged the execution and sealing of the foregoing instrument as Member Manager on behalf of and as the act of the company referred to in this acknowledgment.

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WITNESS my hand and official seal this the 28th day of March, 2003.

[Seal]

Catherine G. Gorum
Notary Public

My Commission Expires: 2/24/07STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

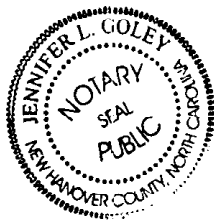
I, Jennifer L. Goley, a Notary Public for the State of North Carolina, County of New Hanover, do hereby certify that Pam W. Watkins, a Member Manager of P&P Holdings, L.L.C., a North Carolina Limited Liability Company, personally appeared before me this day and acknowledged the execution and sealing of the foregoing instrument as Member Manager on behalf of and as the act of the company referred to in this acknowledgment.

WITNESS my hand and official seal this the 28th day of March, 2003.

Jennifer L. Goley
Notary Public


My Commission Expires: 2/20/06

[Seal]



NORTH CAROLINA, ONSLOW COUNTY Catherine G. Gorum & Jennifer L. Goley
The foregoing certificate(s) of _____

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in
Book 1996 Page 61 This 28th day of March
2003 A.D. at 4:09 o'clock P M.
Michael M. Thomas By _____
Register of Deeds, Onslow County Register of Deeds


Doc ID: 007357280005 Type: CRP
Recorded: 06/17/2009 at 12:53:41 PM
Fee Amt: \$26.00 Page 1 of 5
Onslow County, NC
Rebecca L. Pollard Reg. of Deeds
BK 3246 PG 578-582

Prepared By and Return To:
McGuireWoods LLP (PJM)
300 North Third Street, Suite 400
Wilmington, North Carolina 28401

STATE OF NORTH CAROLINA

COUNTY OF ONSLOW

**FIRST AMENDMENT TO DECLARATION
OF PROTECTIVE COVENANTS OF
CREEKS EDGE SUBDIVISION**

This **FIRST AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS OR CREEKS EDGE SUBDIVISION** (this "First Amendment") is made and executed effective as of the 8th day of June, 2009, by **P&P HOLDINGS, L.L.C.**, a North Carolina limited liability company ("Developer").

WITNESSETH:

WHEREAS, Developer executed the Declaration of Protective Covenants of Creeks Edge Subdivision Sections I and II recorded in Book 1996, Page 61, Onslow County Registry (the "Declaration"), by which Sections I and II of Creeks Edge Subdivision ("Sections I and II") were subjected to the Declaration; and,

WHEREAS, the Declaration authorizes Developer to annex "Additional Property" as set forth in Article 15 of the Declaration; and,

WHEREAS, Developer executes this First Amendment for the purpose of confirming that all those certain lots included within the maps recorded in Map Book 44 at Page 172, Map Book 45 at Page 72, Map Book 46 at Page 20, Map Book 46 at Page 125, Map Book 46 at Page 185, Map Book 47 at Page 61, Map Book 47 at Page 178, Map Book 47 at Page 215, Map Book 48 at

Page 35, Map Book 48 at Page 110, Map Book 48 at Page 225, Map Book 49 at Page 78, Map Book 49 at Page 156, Map Book 50 at Page 39, Map Book 50 at Page 162, Map Book 50 at Page 219 and Map Book 55 at Page 124 (all such property and Lots collectively and individually referred to herein as the "Additional Phases") have been, by reference, and are hereby pursuant to this First Amendment, annexed and are within Creeks Edge Subdivision as Additional Property.

NOW, THEREFORE, Developer hereby declares that the Additional Phases are annexed to the Development as Additional Property and shall be held, sold and conveyed subject to the covenants, conditions, restrictions and easements contained in the Declaration, as amended by this First Amendment, all of which shall run with the land and be binding upon all parties having any right, title or interest therein, along with their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

1. Definitions. As applied herein, as well as capitalized terms, unless otherwise defined herein, shall have the meanings ascribed to them in the Declaration.

2. Amendments. The Declaration is hereby amended as follows:

(a) Article 1(I) of the Declaration is hereby deleted in its entirety and the following is substituted in its place and stead:

"(I) "Lot" shall mean and refer to any one of those parcels of real property which have been subdivided from the hereinabove described Development Area and which are intended as set forth below and which are designated on the maps of Creeks Edge hereinabove referenced by the numbers 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134 and 135. "Lot" shall also apply to any plotted or replatted division

of parcels of real property shown on any map or maps subsequently recorded by Developer.”

(b) Article 1(L) of the Declaration is hereby deleted in its entirety and in its place and stead is substituted the following:

“(L) “Subdivision” means all of that real property known collectively as Creeks Edge Subdivisions and as shown on those maps of Sections I, II, III, IV, V, VI, VII, VIII, IX, X, XI, XII, XIII, XIV, XV, XVI, XVII and XVIII, recorded in Map Book 43 at Page 2, Map Book 44 at Page 76, Map Book 44 at Page 172, Map Book 45 at Page 72, Map Book 46 at Page 20, Map Book 46 at Page 125, Map Book 46 at Page 185, Map Book 47 at Page 61, Map Book 47 at Page 178, Map Book 47 at Page 215, Map Book 48 at Page 35, Map Book 48 at Page 110, Map Book 48 at Page 225, Map Book 49 at Page 78, Map Book 49 at Page 156, Map Book 50 at Page 39, Map Book 50 at Page 162, Map Book 50 at Page 219 and Map Book 55 at Page 124 referenced above as well as any other sections or additional property which may subsequently be submitted to this Declaration by Developer.”

3. Incorporation of Recitals. The above recitals are incorporated herein by this reference, and this First Amendment shall be construed in light thereof.

4. Ratification. All of the terms of the Declaration, whether or not expressly modified hereby, shall be construed so as to give effect to the modifications contained herein, and any such modifications shall supersede any conflicting terms in the Declaration. The Declaration, as modified by this First Amendment, is hereby ratified, confirmed and reaffirmed by the Developer.

5. Governing Law. This First Amendment shall be governed by and construed in accordance with the laws of North Carolina.

6. Successors and Assigns. This First Amendment shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors, assigns and legal representatives.

IN WITNESS WHEREOF, the Developer has caused this instrument to be executed effective as of the date first above written.

P&P HOLDINGS, L.L.C. (SEAL)

By: Pam W. Watkins
Pam W. Watkins, Member

STATE OF NORTH CAROLINA

COUNTY OF Forsyth

I, Kimberly Brinkley, a Notary Public of the County of Stokes, State of North Carolina, certify that Pam W. Watkins personally appeared before me this day and acknowledged that she is a Member of P&P Holdings, L.L.C., a North Carolina limited liability company, and that she, as Member, being authorized to do so, voluntarily executed the foregoing instrument on behalf of said company for the purposes stated therein.

WITNESS my hand and official seal this 8 day of June, 2009.

Kimberly Brinkley
Notary Public Kimberly Brinkley
(type or print name)

My commission expires: 6/19/2013

(SEAL)

