

Sept 24.00

Prepared by Lanier & Fountain/lmr BOOK 1222 PAGE 974

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MASTER

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

KINGSBRIDGE II

THIS DECLARATION, made on the date hereinafter set forth by Robert and Jeanette Youngblood, a citizen and resident of the State of North Carolina and Kingsbridge Properties II, a North Carolina general partnership, hereinafter collectively referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Swansboro Township, County of Onslow, State of North Carolina, which is more particularly described as:

Being all of Lots 8 through 14, 20 and 21, and 28 through 32, Section I, Kingsbridge as shown on map recorded in Map Book 31, Page 183, Slide H-176, Onslow County Registry.

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

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to KINGSBRIDGE II HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

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

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

Section 4. "Eligible First Mortgage Holder" shall mean any holder of a first mortgage, who files with the secretary of the association, notice, that they are holding a mortgage on the lot.

Section 5. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

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Section 7. "Declarant" shall mean and refer to KINGSBRIDGE II, its successors and assigns if such successors or assigns should acquire more than five undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II

PROPERTY RIGHTS

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

- a. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- b. The right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;
- c. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members.

No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of each class of members and 51% of the mortgage holders has been recorded.

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

Section 3. Common Control Areas. The Association shall govern any and all repairs, replacements, maintenance and painting of the Common Control Areas.

Section 4. Filling of Lots. No lot shall be increased in size by filling in the waters or march on which it abuts without the prior written approval of the Architectural Committee and the appropriate State and Federal Agency.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

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

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

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

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Annual assessments or charges, and (2) Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment to made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of any Common Area; and for the improvement and maintenance of any Common Control Area and of the homes situated on the properties. In addition, sums shall be collected and amassed to establish a capital account for capital improvements and repairs to the properties.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly assessment shall be \$10.00 per month and may be paid monthly, quarterly or semi-annually in advance as determined by the association.

a. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than ten (10%) percent above the maximum assessment for the previous year without a vote of the membership.

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b. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above ten (10%) percent by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

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

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

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

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and shall be collected on a monthly basis. However, notwithstanding this section or any other section contained herein, Declarant shall be obligated to pay only one-fourth (1/4th) of the Uniform Assessment provided the lot is unoccupied and has not been deeded by Declarant if improvements have been placed on the lot. Prior to the placement of improvements on the Lot, Declarant shall not be required to pay any assessment.

Section 7. Date of Commencement of Annual Assessments: Due Date. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board

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of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve (12%) percent per annum or such other rate as the Association may determine. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

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

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after such plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI

EASEMENTS

Section 1. Utility and Drainage. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of drainage, or which may obstruct or retard the flow of water.

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Section 2. Emergency Repairs. The Association is hereby granted a permanent easement to enter any properties, including any individually owned Lot, for the sole purpose of effectuating emergency repairs.

Section 3. Ingress and Egress. Each Lot owner shall have an unrestricted right of ingress and egress to their Lot. This right shall benefit and inure to the benefit of all future Lot owners.

Section 4. Common Area. Easements are also reserved over those portions of the Common Area that may be necessary or required to accommodate overhanging eaves or other cantilevered construction which may encroach upon the Common Area on the air and light space above such Common Area.

Section 5. Encroachment. Any and all encroachments and violations of less than one foot shall be deemed a minor violation and each owner or the Association shall be deemed to have granted an easement appurtenant to the violating lot for said encroachment.

ARTICLE VII

INSURANCE AND BONDS

Section 1. Hazard Insurance. The Association shall obtain and maintain a policy of property insurance in a sufficient amount to cover One Hundred (100%) percent of the replacement costs of all the common areas, except for those that are normally excluded from coverage, such as land, excavation, etc., with the premiums of said insurance being paid as a common expense. All Lot owners are required to maintain insurance policies on their individual Lots and all insurance policies shall be of a sufficient amount to cover One Hundred (100%) percent of the current replacement cost of all improvements that may be located on the Lot. The Association shall be furnished with a copy of the current insurance policies.

Section 2. Liability Insurance. The Association shall obtain and maintain a Comprehensive General Liability Insurance policy covering all common areas, public ways and other areas that are under its supervision. The policy shall provide coverage of at least \$500,000.00 for bodily injury and property damage for any single occurrence. The premium for said policy shall be paid by the Association.

Section 3. Flood Insurance. The Association shall obtain and maintain a Flood Insurance policy to cover any common area buildings or any other common area property which shall lie in a Special Flood Hazard area as defined by the Federal Emergency Management Agency. The amount of insurance should be at least the lesser of one Hundred (100%) percent of the current replacement cost of all buildings and other insurable property located in the flood hazard area or the maximum coverage available for the property under the National Flood Insurance Program. The premium for said insurance shall be paid as a common expense. In addition, Flood Insurance shall be obtained and maintained by any Lot Owner in an amount at least the lesser of One Hundred (100%) percent of the current replacement cost of all improvements and other insurable property totaled in the flood hazard area or the maximum coverage available for the property under the National Flood Insurance Program.

Section 4. Fidelity Bond. The Association shall have Fidelity Bonds for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. A management agent that handles funds for the Association shall be covered by its own Fidelity Bond. Except for Fidelity Bonds that a management agent obtains for its personnel, all other bonds shall name the Association as an obligee and their premiums shall be paid by the Association as a common expense. The Fidelity Bonds shall be in a sufficient amount to cover the aggregate of the following:

- (a) the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in force,
- (b) the sum of three (3) months assessments on all amounts in the projects, and
- (c) All reserve funds of the Association.

Section 5. Notice of Association and Mortgages. All insurance policies and bonds must include a provision that calls for ten (10) days written notice to the Association and each holder of a first mortgage before the bond or insurance can be cancelled or substantially modified for any reason.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Document Availability. The Association shall have current copies of the Declarations, By-Laws, and other rules concerning the project as well as its own books, records and financial statements available for inspection by Lot owners or by holders, insurers and guarantors of first mortgages that are secured by Lots and improvements within the development. These documents shall be available during normal business hours and under other reasonable circumstances. There shall be an annual audited statement prepared each year with copies made available to the Lot owner, and any holder, insurer or guarantor of any first Mortgage that is secured by a Lot within the development.

Section 4. Condemnation, Destruction or Liquidation. The Association will be deemed to represent the owners in any losses or proceeds from condemnation, destruction or liquidation of all or a part of the common areas and shall have the authority to negotiate, settle, and otherwise make agreements on behalf of all Lot owners and any and all sums payable shall be distributed to the Lot owners and their mortgage holders. Any and all funds shall be distributed to each of the Lot owners in equal shares. However, all first mortgage holders shall be given 10 days notice prior to any disbursements to the Lot owners.

Section 5. Limitation on Ability to Sell and Lease. No Lot owners right to sell, convey, transfer or mortgage his Lot shall be restricted.

Section 6. Annexation. Additional residential property, Common Area and Common Control Area may be annexed to the Properties with the consent of two-third (2/3) of each class of members. Additional land within the area described in Map Book 25, Page 224 and Deed Book 1209, Page 323, of the land records of Onslow County may be annexed by the Declarant without the consent of members.

Section 7. Mortgagee Approval. The following actions will require the prior written approval of at least fifty one (51%) percent of the eligible mortgage holders: Annexation of additional properties, other than contained herein, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 8. Modification. These restrictions are subject to being altered, modified, cancelled or changed at any time as to said subdivision as a whole or as to any subdivided lot or part thereof by written document executed by the Declarants or their successors in title and by the owner of not less than sixty (60%) percent of the subdivided lots or parts of said subdivision to which these restrictions apply, and recorded in the Office of the Register of Deeds of Onslow County, North Carolina. If the Declarants own sixty (60%) percent or more of the subdivided lots, the Declarant may alter or amend these covenants without consent of anyone.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, have hereunto set their hands and seals this the 19 day of January, 1995.

BY: Robert Youngblood (SEAL)
Robert Youngblood

BY: Jeanette Youngblood (SEAL)
Jeanette Youngblood

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KINGSBRIDGE PROPERTIES II, a North Carolina Partnership
by Prime Properties, Inc., its Managing Partner

Robert Youngblood (SEAL)
Robert Youngblood, President

ATTEST:

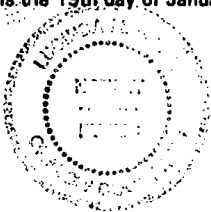
Jeanette Youngblood (SEAL)
Jeanette Youngblood, Secretary
(Corporate Seal)

NORTH CAROLINA
ONSLow COUNTY

I, a Notary Public of said County and State, do hereby certify that ROBERT YOUNGBLOOD and JEANETTE YOUNGBLOOD personally came before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal, this the 19th day of January, 1995.

Lucinda M. Rowe
Notary Public
My commission expires: 1-17-2000



NORTH CAROLINA
ONSLow COUNTY

I, a Notary Public of the County and State aforesaid, certify that Robert Youngblood, who being by me duly sworn, says that he is the President of Prime Properties, Inc., a North Carolina Corporation, which is the Managing Partner of Kingsbridge Properties II, a North Carolina partnership, and that the seal affixed to the foregoing instrument in writing is the corporate seal of the corporation, and that said writing was signed and sealed by him on behalf of said corporation, by its authority duly given. And the President acknowledged the said writing to be the act and deed of said corporation.

WITNESS my hand and official stamp or seal, this 19th day of January, 1995.

Lucinda M. Rowe
Notary Public
My commission expires: 1-17-2000



NORTH CAROLINA, ONSLOW COUNTY
The foregoing certificate(s) of

Lucinda M. Rowe

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in
Book 1222 Page 974 This 19th day of January
19 95 at 2:24 of the P. M.
Michael M. Thomas By _____
Register of Deeds, Onslow County Register of Deeds

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Prepared by: LANIER & FOUNTAIN/gic
114 Old Bridge Street
Jacksonville, NC 28540

JAN 25 1995

STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

**DECLARATION OF RESTRICTIVE
COVENANTS FOR KINGSBRIDGE II**

THIS DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS, made this the 25 day of January, 1995, by Kingsbridge Properties II, a North Carolina General Partnership, hereinafter called "Declarant".

WITNESSETH:

THAT WHEREAS, the Declarant is the owner of the Real Property described in Article I of this Declaration and is desirous of subjecting said real property to the protective covenants hereinafter set forth, each and all of which is and are for the benefit of such property and for each owner thereof, and shall inure to the benefit of and pass and run with said property, and each and every lot or parcel thereof, and shall apply to and bind the successors in interest and any owner thereof.

NOW, THEREFORE, the Declarant hereby declares that the real property in and referred to in Article I hereof is and shall be held, transferred, sold and conveyed subject to the protective covenants set forth below:

ARTICLE I

SUBJECT PROPERTY: The real property which is, and shall be held, transferred, sold and conveyed subject to the protective covenants set forth in the Articles of this Declaration is located in the County of Onslow, State of North Carolina, and is more particularly described as follows:

BEING all of that property as shown on plat entitled "FINAL PLAT SURVEY FOR KINGSBRIDGE II, SECTION 1, SWANSBORO TOWNSHIP, ONSLOW COUNTY, N.C." prepared by Pate Phillips and Associates, Inc., and recorded in Map Book 31, Page 188, Slide H-176, Onslow County Registry.

ARTICLE II

PURPOSES: No lot or lots shall be put to any use other than for residential purposes, except that any lot which is owned by Declarant may be used by the Declarant for a street or roadway.

ARTICLE III

LAND USE AND BUILDING TYPE: No building shall be used except for residential purposes. No structure shall be erected, placed, altered, or permitted to remain on any such lot other than Single family dwelling not to exceed two and one-half stories in height, a private garage which may contain living quarters for occupancy by domestic servants of the lot occupant only, and such other outbuildings as may be reasonably appurtenant to the dwelling, provided that the same are constructed in line with general architectural design and construction standards used as the dwelling itself. This covenant shall not be construed as prohibiting the use of a new single family dwelling as a model home for sales purposes.

ARTICLE V

DWELLING QUALITY AND SIZE: The ground floor area of the main structure, exclusive of one-story porches and garages, shall be not less than 1,650 square feet for a lot abutting to Queens Creek and 1,300 square feet for all other lots.

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ARTICLE VI

BUILDING LOCATION: No building shall be located on any corner lot nearer to the front line or any side street line than as shown on the recorded plat. No building shall be located with respect to interior side lot lines so as to be nearer than 8 feet to either such line. No dwelling shall be located on any interior lot nearer to the front lot line than as shown on the recorded plat nor nearer than 10 feet to the rear lot line, and no garage or other permitted access or building shall be located nearer than 10 feet to the rear lot line. For the purposes of this covenant, eaves, and steps shall not be considered as part of a building provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot. An error of not more than 10 percent in the location of a building on the lot with respect to the minimum set back lines shall not be considered a violation of this covenant.

ARTICLE VII

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

ARTICLE VIII

EASEMENTS: Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat and over the front ten feet of each lot. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible.

The Grantees reserve for themselves, their successors and assigns, an easement and right at any time in the future to grant a right of way under, over and along the side, rear and front property lines of each and every lot in the subdivision described herein, for the installation and maintenance of poles, lines, conduits, pipes, and other equipment necessary to or useful for furnishing electric power, gas, telephone service, drainage or other utilities including water and sewer services.

ARTICLE IX

LIVESTOCK AND POULTRY: No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for commercial purposes. Any and all pets shall not be allowed on the premises unless same are under the direct control of the owner at all times and are not creating a nuisance to the other owners within the property.

ARTICLE X

BUILDING PLANS AND SPECIFICATIONS: No dwelling or other building shall be erected upon any lot unless the plans and specification thereof meet or exceed the requirements of "minimum property standards for one and two living units". (FHA. No. 300), Federal Housing Administration.

ARTICLE XI

ERECTION OF FENCES: No fences over four (4) feet in height shall be constructed between the front building line and the back lot line nearer than ten (10) feet to any lot line. No fence shall be erected between the front building line and the street right of way unless such fence shall be of an ornamental nature. Brick and split-rail shall be deemed to meet the requirements of this restriction. No fences shall be allowed on any lot adjacent to Queens Creek without the prior written approval of Declarant.

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ARTICLE XII

GARBAGE AND REFUSE DISPOSAL: No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

ARTICLE XIII

SIGHT DISTANCE AT INTERSECTIONS: No fences, wall, hedge or shrub planting which obstructs sight lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply upon any lot within 10 feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

ARTICLE XIV

TEMPORARY STRUCTURES: No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding temporarily or permanently. No trailer, mobile home, camper or line vehicle shall be parked on any lot at any time for any purpose nor shall any vehicle be allowed to remain on any lot at any time for any purposes unless it is parked behind the lot at any time for any purposes unless it is parked behind the main dwelling structure or placed inside the carport or garage.

ARTICLE XV

DRAINAGE: All driveways shall have drainage tile in the street ditches installed and sized in accordance with the N.C. State Highway recommendations.

ARTICLE XVI

TERM: These Covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five (25) years from the date these Covenants are recorded, after which such time such Covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said Covenants in whole or in part with the exception of Article XX.

ARTICLE XVII

ENFORCEMENT: Enforcement shall be by proceedings at law or in equity against any person or person violating or attempting to violate any covenant, either to restrain violations or to recover damages.

ARTICLE XVIII

MODIFICATION: These restrictions are subject to being altered, modified, cancelled or changed at any time as to said subdivision as a whole or as to any subdivided lot or part thereof by written document executed by the Declarants or their successors in title and by the owner of not less than sixty percent (60%) of the subdivided lots or parts of said subdivision to which these restrictions apply, and recorded in the Office of the Register of Deeds of Onslow County, North Carolina. If the Declarants own sixty (60%) percent or more of the subdivided lots, the Declarants may alter or amend these covenants without consent of anyone.

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ARTICLE XIX

SEVERABILITY: Invalidation of any one of these covenants by judgment or Court Order shall in no way affect any of the other provisions which shall remain in full force and effect.

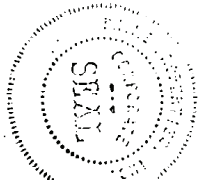
ARTICLE XX

STORM WATER RUNOFF: No more than 2,500 square feet to any lot shall be covered by structures, inclusive of rights of way, and/or paved surfaces, including walkways or patios of brick, stone, slate or similar materials. This covenant is intended to insure continued compliance with storm water runoff rules by the State of North Carolina and therefore benefits may be enforced by the State of North Carolina.

IN WITNESS WHEREOF, Kingsbridge II have caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, as of the day and year first above written.

KINGSBRIDGE PROPERTIES II, a North Carolina Partnership
by Prime Properties, Inc., its Managing Partner

Robert Youngblood (Seal)
Robert Youngblood, President



ATTEST:

Jeanette Youngblood (Seal)
Jeanette Youngblood, Secretary

North Carolina, Onslow County.

I, a Notary Public of the County and State aforesaid, certify that Robert Youngblood, who being by me duly sworn, says that he is the President of Prime Properties, Inc., a North Carolina Corporation, which is the Managing Partner of Kingsbridge Properties II, a North Carolina partnership, and that the seal affixed to the foregoing instrument in writing is the corporate seal of the corporation, and that said writing was signed and sealed by him on behalf of said corporation, by its authority duly given. And the President acknowledged the said writing to be the act and deed of said corporation. WITNESS my hand and official stamp or seal, this 25 day of January, 1995.

Lucinda M. Rowe

Notary Public

My commission expires 1-17-2000



NORTH CAROLINA, ONSLOW COUNTY
The foregoing certificate(s) of

Lucinda M. Rowe

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 1223 Page 665 This 25th day of January

19 95 A.D., 2:17 o'clock P. M.
M. Howard By _____
Register of Deeds, Onslow County Register of Deeds

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AMENDMENT OF THE DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS

KINGSBRIDGE II

THIS AMENDMENT made and entered this the date hereinafter set forth by YOUNGBLOOD CONSTRUCTION, INC., a North Carolina corporation with its principal place of business in Carteret County, North Carolina, who is the successor Declarant in said subdivision.

WITNESSETH:

WHEREAS, the undersigned is the successor Declarant pursuant to the "DEFINITIONS" as contained in the MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF KINGSBRIDGE II; and

WHEREAS, the need and desire has been expressed to amend said Master Declaration; and

WHEREAS, the party hereto has agreed to amend said Declaration.

NOW THEREFORE, in consideration of the mutual covenants contained herein, ONE DOLLAR (\$1.00) and other good and valuable consideration, the undersigned hereby amends the Declaration as it relates to Article 5 and places it instead the following language:

ARTICLE V

Section 1. Plans. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after such plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

Section 2. Signs. Signs cannot be placed on the property without the prior written consent of the architectural control committee. However, this provision shall in no way be interpreted in preventing the Declarant or his successors or assigns from placing "for sale" signs, "for rent" signs, or other such signs not exceeding 18 inches x 24 inches in diameter. This provision will not be applicable to the Declarant as he is allowed until such time as all lots within the subdivision are sold to place such "information" signs, "for sale" signs and other signs as it deems in its sole discretion as required.

Section 3. Street and Clean Up Deposit. That the architectural control committee shall have the right to require a deposit from any builder at the time of the plans being approved by the architectural control

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committee of up to \$500.00 per lot with a maximum amount of \$1,500.00 per builder. This fee shall be a deposit to ensure that damage does not incur to the streets and common areas during construction and to insure all debris is removed on any lot and upon completion of the construction and upon the issuance of a "Certificate of Occupancy" for the property, the money shall be refunded as long as no visible damage is done to the street and common areas that is directly contributable to the construction of the home or the delivery of materials to the construction site and all debris is removed from the site.

Except as modified herein,

All provisions of the original Declaration is amended herein shall remain in full force and effect by virtue of this document, and the original Declaration is hereby ratified and incorporated by reference.

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be executed by the appropriate officer this the 30 day of April, 1995.



YOUNGBLOOD CONSTRUCTION, INC. a North Carolina Corporation

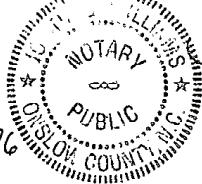
Robert Youngblood (SEAL)
Robert Youngblood, President

Jeanette Youngblood (SEAL)
Secretary
(Corporate Seal)

STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

I, a Notary Public for said County and State, certify that JEANETTE YOUNGBLOOD, personally came before me this day and acknowledged that she is Secretary of Youngblood Construction, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by herself as its Secretary.

Witness my hand and official seal or stamp, this the 30th day of April, 1995.



Jo Ann G. Williams
Notary Public

My Commission Expires: 6/9/96

NORTH CAROLINA, ONSLOW COUNTY
The foregoing certificate(s) of Jo Ann G. Williams

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 1240 Page 562. This 25th day of May 19 95 A.D., at 2:30 o'clock P. M.
Michael M. Akonad By _____
Register of Deeds, Onslow County Register of Deeds

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Prepared by: LANIER & FOUNTAIN/lmr
114 Old Bridge Street
Jacksonville, NC 28540

1995 NOV 22 PM 4: 21

STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

**DECLARATION OF RESTRICTIVE
COVENANTS FOR KINGSBRIDGE II**

THIS DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS, made this the 22 day of November, 1995, by Robert F. Youngblood Construction Company, a North Carolina corporation, hereinafter called "Declarant".

WITNESSETH:

THAT WHEREAS, the Declarant is the owner of the Real Property described in Article I of this Declaration and is desirous of subjecting said real property to the protective covenants hereinafter set forth, each and all of which is and are for the benefit of such property and for each owner thereof, and shall inure to the benefit of and pass and run with said property, and each and every lot or parcel thereof, and shall apply to and bind the successors in interest and any owner thereof.

NOW, THEREFORE, the Declarant hereby declares that the real property in and referred to in Article I hereof is and shall be held, transferred, sold and conveyed subject to the protective covenants set forth below:

ARTICLE I

SUBJECT PROPERTY: The real property which is, and shall be held, transferred, sold and conveyed subject to the protective covenants set forth in the Articles of this Declaration is located in the County of Onslow, State of North Carolina, and is more particularly described as follows:

BEING all of the numbered lots as shown on plat entitled "FINAL PLAT SURVEY FOR KINGSBRIDGE II, SECTION 2, SWANSBORO TOWNSHIP; ONSLOW COUNTY, N.C." prepared by Pate Phillips and Associates, Inc., and recorded in Map Book 32, Page 203, Slide I-191, Onslow County Registry.

ARTICLE II

PURPOSES: No lot or lots shall be put to any use other than for residential purposes, except that any lot which is owned by Declarant may be used by the Declarant for a street or roadway.

ARTICLE III

LAND USE AND BUILDING TYPE: No building shall be used except for residential purposes. No structure shall be erected, placed, altered, or permitted to remain on any such lot other than Single family dwelling not to exceed two and one-half stories in height, a private garage which may contain living quarters for occupancy by domestic servants of the lot occupant only, and such other outbuildings as may be reasonably appurtenant to the dwelling, provided that the same are constructed in line with general architectural design and construction standards used as the dwelling itself. This covenant shall not be construed as prohibiting the use of a new single family dwelling as a model home for sales purposes.

ARTICLE V

DWELLING QUALITY AND SIZE: The ground floor area of the main structure, exclusive of one-story porches and garages, shall be not less than 1,650 square feet for a lot abutting to Queens Creek and 1,300 square feet for all other lots.

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ARTICLE VI

BUILDING LOCATION: No building shall be located on any corner lot nearer to the front line or any side street line than as shown on the recorded plat. No building shall be located with respect to interior side lot lines so as to be nearer than 8 feet to either such line. No dwelling shall be located on any interior lot nearer to the front lot line than as shown on the recorded plat nor nearer than 10 feet to the rear lot line, and no garage or other permitted access or building shall be located nearer than 10 feet to the rear lot line. For the purposes of this covenant, eaves, and steps shall not be considered as part of a building provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot. An error of not more than 10 percent in the location of a building on the lot with respect to the minimum set back lines shall not be considered a violation of this covenant.

ARTICLE VII

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

ARTICLE VIII

EASEMENTS: Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat and over the front ten feet of each lot. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible.

The Grantees reserve for themselves, their successors and assigns, an easement and right at any time in the future to grant a right of way under, over and along the side, rear and front property lines of each and every lot in the subdivision described herein, for the installation and maintenance of poles, lines, conduits, pipes, and other equipment necessary to or useful for furnishing electric power, gas, telephone service, drainage or other utilities including water and sewer services.

ARTICLE IX

LIVESTOCK AND POULTRY: No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for commercial purposes. Any and all pets shall not be allowed on the premises unless same are under the direct control of the owner at all times and are not creating a nuisance to the other owners within the property.

ARTICLE X

BUILDING PLANS AND SPECIFICATIONS: No dwelling or other building shall be erected upon any lot unless the plans and specification thereof meet or exceed the requirements of "minimum property standards for one and two living units". (FHA. No. 300), Federal Housing Administration.

ARTICLE XI

ERECTION OF FENCES: No fences over four (4) feet in height shall be erected forward of the rear of the primary residential structure to be built on any lot. That portion of a residence fronting on the roadway shall be deemed the front of a dwelling for purposes of this restriction. No fences shall be allowed on any lot adjacent to Queens Creek without the prior written approval of Declarant.

ARTICLE XII

ARTICLE XII

GARBAGE AND REFUSE DISPOSAL: No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

ARTICLE XIII

SIGHT DISTANCE AT INTERSECTIONS: No fences, wall, hedge or shrub planting which obstructs sight lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply upon any lot within 10 feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

ARTICLE XIV

TEMPORARY STRUCTURES: No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding temporarily or permanently. No trailer, mobile home, camper or line vehicle shall be parked on any lot at any time for any purpose nor shall any vehicle be allowed to remain on any lot at any time for any purposes unless it is parked behind the lot at any time for any purposes unless it is parked behind the main dwelling structure or placed inside the carport or garage.

ARTICLE XV

DRAINAGE: All driveways shall have drainage tile in the street ditches installed and sized in accordance with the N.C. State Highway recommendations.

ARTICLE XVI

TERM: These Covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five (25) years from the date these Covenants are recorded, after which such time such Covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said Covenants in whole or in part with the exception of Article XX.

ARTICLE XVII

ENFORCEMENT: Enforcement shall be by proceedings at law or in equity against any person or person violating or attempting to violate any covenant, either to restrain violations or to recover damages.

ARTICLE XVIII

MODIFICATION: These restrictions are subject to being altered, modified, cancelled or changed at any time as to said subdivision as a whole or as to any subdivided lot or part thereof by written document executed by the Declarants or their successors in title and by the owner of not less than sixty percent (60%) of the subdivided lots or parts of said subdivision to which these restrictions apply, and recorded in the Office of the Register of Deeds of Onslow County, North Carolina. If the Declarants own sixty (60%) percent or more of the subdivided lots, the Declarants may alter or amend these covenants without consent of anyone.

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ARTICLE XIX

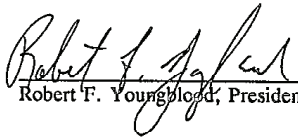
SEVERABILITY: Invalidation of any one of these covenants by judgment or Court Order shall in no way affect any of the other provisions which shall remain in full force and effect.

ARTICLE XX

STORM WATER RUNOFF: No more than 2,500 square feet to any lot shall be covered by structures, inclusive of rights of way, and/or paved surfaces, including walkways or patios of brick, stone, slate or similar materials. This covenant is intended to insure continued compliance with storm water runoff rules by the State of North Carolina and therefore benefits may be enforced by the State of North Carolina.

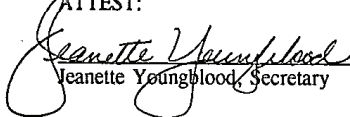
IN WITNESS WHEREOF, Kingsbridge II have caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, as of the day and year first above written.

ROBERT F. YOUNGBLOOD CONSTRUCTION COMPANY
A North Carolina corporation

 (Seal)
Robert F. Youngblood, President



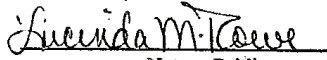
ATTEST:

 (Seal)
Jeanette Youngblood, Secretary

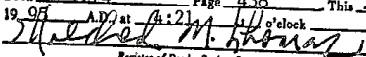
STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

I, a Notary Public of the County and State aforesaid, certify that Jeanette A. Youngblood, personally came before me this day and acknowledged that he is Secretary of ROBERT F. YOUNGBLOOD CONSTRUCTION COMPANY, a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.

WITNESS my hand and official seal, this 22nd day of November, 1995.


Notary Public

My commission expires 1-17-2000

NORTH CAROLINA, Onslow County
The foregoing certificate(s) of Lucinda M. Rowe
Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in
Book 1274 Page 438 This 22nd day of November
19 95 at 8:21 o'clock P. M.
 By _____
Register of Deeds, Onslow County Register of Deeds

\$24
Prepared by Lanier & Fountain/lmr

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1995 NOV 22 PM 4: 21

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

KINGSBRIDGE II

THIS DECLARATION, made on the date hereinafter set forth by Robert F. Youngblood Construction Company, a North Carolina corporation, hereinafter collectively referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Swansboro Township, County of Onslow, State of North Carolina, which is more particularly described as:

Being all of Lot 24, Section 2, Kingsbridge II as shown on map recorded in Map Book 32, Page 203, Slide I-191, Onslow County Registry.

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

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to KINGSBRIDGE II HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

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

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

Section 4. "Eligible First Mortgage Holder" shall mean any holder of a first mortgage, who files with the secretary of the association, notice, that they are holding a mortgage on the lot.

Section 5. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 7. "Declarant" shall mean and refer to KINGSBRIDGE II, its successors and assigns if such successors or assigns should acquire more than five undeveloped Lot from the Declarant for the purpose of

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development.

Section 8. "Sign" shall mean and refer to a board, poster or placard displayed to convey information or a direction.

ARTICLE II

PROPERTY RIGHTS

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

a. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

b. The right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

c. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members.

No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of each class of members and 51% of the mortgage holders has been recorded.

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

Section 3. Common Control Areas. The Association shall govern any and all repairs, replacements, maintenance and painting of the Common Control Areas.

Section 4. Filling of Lots. No lot shall be increased in size by filling in the waters or march on which it abuts without the prior written approval of the Architectural Committee and the appropriate State and Federal Agency.

Section 5. Signs. A lot can have a sign that does not exceed the 18" x 24" for such things as yard sale, for sale or for rent. Should a developer need to place a sign on a lot, there is no restriction for him. The developer may have any sign he desires.

Section 6. Street Deposit. Upon construction, the builder or lot owner shall pay a street deposit of \$500.00 per lot to the Homeowner's Association. Upon a Certificate of Occupancy, the \$500.00 will be refunded to the builder or owner as long as there is no damage done to the street. If a builder or developer is working on three or more lots at one time, there will be a maximum deposit of \$1,500.00.

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ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

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

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

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

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Annual assessments or charges, and (2) Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment to made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of any Common Area; and for the improvement and maintenance of any Common Control Area and of the homes situated on the properties. In addition, sums shall be collected and amassed to establish a capital account for capital improvements and repairs to the properties.

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Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly assessment shall be \$10.00 per month and may be paid monthly, quarterly or semi-annually in advance as determined by the association.

a. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than ten (10%) percent above the maximum assessment for the previous year without a vote of the membership.

b. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above ten (10%) percent by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

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

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

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

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and shall be collected on a monthly basis. However, notwithstanding this section or any other section contained herein, Declarant shall be obligated to pay only one-fourth (1/4th) of the Uniform Assessment provided the lot is unoccupied and has not been deeded by Declarant if improvements have been placed on the lot. Prior to the placement of improvements on the Lot, Declarant shall not be required to pay any assessment.

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Section 7. Date of Commencement of Annual Assessments: Due Date. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve (12%) percent per annum or such other rate as the Association may determine. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

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

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after such plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI

EASEMENTS

Section 1. Utility and Drainage. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of drainage, or which may obstruct or retard the flow of water.

Section 2. Emergency Repairs. The Association is hereby granted a permanent easement to enter any properties, including any individually owned Lot, for the sole purpose of effectuating emergency repairs.

Section 3. Ingress and Egress. Each Lot owner shall have an unrestricted right of ingress and egress to their Lot. This right shall benefit and inure to the benefit of all future Lot owners.

Section 4. Common Area. Easements are also reserved over those portions of the Common Area that may be necessary or required to accommodate overhanging eaves or other cantilevered construction which may encroach upon the Common Area on the air and light space above such Common Area.

Section 5. Encroachment. Any and all encroachments and violations of less than one foot shall be deemed a minor violation and each owner or the Association shall be deemed to have granted an easement appurtenant to the violating lot for said encroachment.

ARTICLE VII

INSURANCE AND BONDS

Section 1. Hazard Insurance. The Association shall obtain and maintain a policy of property insurance in a sufficient amount to cover One Hundred (100%) percent of the replacement costs of all the common areas, except for those that are normally excluded from coverage, such as land, excavation, etc., with the premiums of said insurance being paid as a common expense. All Lot owners are required to maintain insurance policies on their individual Lots and all insurance policies shall be of a sufficient amount to cover One Hundred (100%) percent of the current replacement cost of all improvements that may be located on the Lot. The Association shall be furnished with a copy of the current insurance policies.

Section 2. Liability Insurance. The Association shall obtain and maintain a Comprehensive General Liability Insurance policy covering all common areas, public ways and other areas that are under its supervision. The policy shall provide coverage of at least \$500,000.00 for bodily injury and property damage for any single occurrence. The premium for said policy shall be paid by the Association.

Section 3. Flood Insurance. The Association shall obtain and maintain a Flood Insurance policy to cover any common area buildings or any other common area property which shall lie in a Special Flood Hazard area as defined by the Federal Emergency Management Agency. The amount of insurance should be at least the lesser of one Hundred (100%) percent of the current replacement cost of all buildings and

other insurable property located in the flood hazard area or the maximum coverage available for the property under the National Flood Insurance Program. The premium for said insurance shall be paid as a common expense. In addition, Flood Insurance shall be obtained and maintained by any Lot Owner in an amount at least the lesser of One Hundred (100%) percent of the current replacement cost of all improvements and other insurable property totaled in the flood hazard area or the maximum coverage available for the property under the National Flood insurance Program.

Section 4. Fidelity Bond. The Association shall have Fidelity Bonds for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. A management agent that handles funds for the Association shall be covered by its own Fidelity Bond. Except for Fidelity Bonds that a management agent obtains for its personnel, all other bonds shall name the Association as an obligee and their premiums shall be paid by the Association as a common expense. The Fidelity Bonds shall be in a sufficient amount to cover the aggregate of the following:

- (a) the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in force,
- (b) the sum of three (3) months assessments on all amounts in the projects, and
- (c) All reserve funds of the Association.

Section 5. Notice of Association and Mortgages. All insurance policies and bonds must include a provision that calls for ten (10) days written notice to the Association and each holder of a first mortgage before the bond or insurance can be cancelled or substantially modified for any reason.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Document Availability. The Association shall have current copies of the Declarations, By-Laws, and other rules concerning the project as well as its own books, records and financial statements available for inspection by Lot owners or by holders, insurers and guarantors of first mortgages that are secured by Lots and improvements within the development. These documents shall be available during

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normal business hours and under other reasonable circumstances. There shall be an annual audited statement prepared each year with copies made available to the Lot owner, and any holder, insurer or guarantor of any first Mortgage that is secured by a Lot within the development.

Section 4. Condemnation, Destruction or Liquidation. The Association will be deemed to represent the owners in any losses or proceeds from condemnation, destruction or liquidation of all or a part of the common areas and shall have the authority to negotiate, settle, and otherwise make agreements on behalf of all Lot owners and any and all sums payable shall be distributed to the Lot owners and their mortgage holders. Any and all funds shall be distributed to each of the Lot owners in equal shares. However, all first mortgage holders shall be given 10 days notice prior to any disbursements to the Lot owners.

Section 5. Limitation on Ability to Sell and Lease. No Lot owners right to sell, convey, transfer or mortgage his Lot shall be restricted.

Section 6. Annexation. Additional residential property, Common Area and Common Control Area may be annexed to the Properties with the consent of two-third (2/3) of each class of members. Additional land within the area described in Map Book 25, Page 224 and Deed Book 1209, Page 323, of the land records of Onslow County may be annexed by the Declarant without the consent of members.

Section 7. Mortgagee Approval. The following actions will require the prior written approval of at least fifty one (51%) percent of the eligible mortgage holders: Annexation of additional properties, other than contained herein, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 8. Modification. These restrictions are subject to being altered, modified, cancelled or changed at any time as to said subdivision as a whole or as to any subdivided lot or part thereof by written document executed by the Declarants or their successors in title and by the owner of not less than sixty (60%) percent of the subdivided lots or parts of said subdivision to which these restrictions apply, and recorded in the Office of the Register of Deeds of Onslow County, North Carolina. If the Declarants own sixty (60%) percent or more of the subdivided lots, the Declarant may alter or amend these covenants without consent of anyone.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, have hereunto set their hands and seals this the 23rd day of November, 1995.

ROBERT F. YOUNGBLOOD CONSTRUCTION COMPANY,
a North Carolina corporation

By: *Robert F. Youngblood*
Robert F. Youngblood, President

ATTEST:
Jeanette A. Youngblood
Jeanette A. Youngblood, Secretary
(CORPORATE SEAL)

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STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

I, a Notary Public of the County and State aforesaid, certify that Jeanette A. Youngblood, personally came before me this day and acknowledged that she is Secretary of ROBERT F. YOUNGBLOOD CONSTRUCTION COMPANY, a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.

WITNESS my hand and official seal, this 22nd day of November, 1995.

My commission expires:
01/17/2000

Lucinda M. Rowe
Notary Public



NORTH CAROLINA, ONSLOW COUNTY
The foregoing certificate(s) of Lucinda M. Rowe

Notary(es) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 1274 Page 442 This 22nd day of November 19 95 A.D. at 4:21 o'clock P. M.
Mildred M. Thomas Register of Deeds, Onslow County By James B. Scott Register of Deeds