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Onslow County, NC
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BK 3492 Pg 869-886

STATE OF NORTH CAROLINA

COUNTY OF ONSLOW

MASTER COMMUNITY COVENANT FOR SOUTHBRIDGE

THIS MASTER COMMUNITY COVENANT FOR SOUTHBRIDGE ("Covenant") is made as of the 20th day of October, 2010, by and among RTSFR & D, LLC, a North Carolina limited liability company, BC&RT, LLC, a North Carolina limited liability company, RTSFRV, LLC, a North Carolina limited liability company and Raiford G. Trask, Jr. as Trustee under the Raiford G. Trask, Jr. Revocable Trust, dated May 23, 2006 and any amendments thereto (collectively, the "Founder").

"Southbridge" is a master planned community in Onslow County, North Carolina. The general plan for Southbridge contemplates various land uses, including residential neighborhoods (single and multi-family), commercial parcels, and open space. The Founder is the developer of Southbridge.

Certain single-family residential lots within Southbridge ("Single Family Lots") have been or shall be made subject to that certain Declaration of Covenants, Conditions and Restrictions for Peggy's Cove at Southbridge, recorded or to be recorded in the official public records of Onslow County, North Carolina (as may be amended and supplemented from time to time, the "Single Family Charter"). All property now or hereafter made subject to the Single Family Charter ("Single Family Community") also shall be subject to this Covenant. Peggy's Cove Homeowners Association, Inc. ("Single Family Association"), a mandatory membership owners association, has been or will be formed to administer and enforce the terms of the Single Family Charter. Each owner of a Single Family Lot ("Lot Owner") shall be a member of the Single Family Association, as described in the Single Family Charter. In accordance with the Single Family Charter, the Founder may create a Southbridge-wide entity or organization to perform maintenance on property benefiting both the Single Family Community and the "Non-Single Family Properties" (as defined below) and to perform other services and have other authority with respect to the Southbridge community as a whole.

Non-single family residential property within Southbridge ("Non-Single Family Properties") also shall be subject to this Covenant and may be subject to separate covenants, conditions, restrictions, and easements, but shall not be subject to the Single Family Charter. Each subdivided parcel or lot or condominium unit within the Non-Single Family Properties which may be independently owned and conveyed is referred to in this Covenant as a "Non-Single Family Parcel." Each owner of a Non-Single Family Parcel is referred to as a "Non-Single Family Owner." Non-Single Family Owners are not members of the Single Family Association. As of the date of this Covenant, the Founder is the owner of

the Non-Single Family Properties. The Single Family Owners and the Non-Single Family Owners are referred to collectively as "Owners."

By this Covenant, the Founder desires to provide for the maintenance of certain property which benefits the Single Family Community and the Non-Single Family Properties (any such area shall be known as "Community Shared Area"), for an equitable allocation of the cost of such maintenance between and among the various uses within Southbridge, and for easements relating to maintenance and use of, and access to, such Community Shared Area.

NOW, THEREFORE, the Founder hereby declares that any and all property described on Exhibit "A" of this Covenant, all property now or hereafter subjected to the Single Family Charter, and any other property subjected to this Covenant in the future shall be held, sold, and conveyed subject to the covenants and conditions contained herein, which are made for the express benefit of the Founder, the Single Family Association and its members, and the Non-Single Family Owners. The covenants and conditions contained herein shall run with the title to all property now or hereafter submitted to this Covenant and shall be binding upon all parties having any right, title, or interest therein, their heirs, successors, successors-in-title, and assigns.

Article 1

Community Shared Area

1.1. Southbridge Master Association, Inc.

Southbridge Master Association, Inc., a North Carolina nonprofit corporation ("Master Organization") has been formed to oversee the maintenance of the Community Shared Area within Southbridge. The Master Organization's board of directors ("Master Board") shall act on behalf of the Master Organization unless otherwise provided in this Covenant.

The Founder shall appoint the initial members of the Master Board. Following the period during which the Founder appoints the members of the Master Board, the Master Board shall be comprised of representatives from both the Single Family Property and the Non-Single Family Properties, as more particularly described in the By-Laws of Southbridge Master Association, Inc. (as may be amended from time to time, the "Master By-Laws").

1.2. Community Shared Area

The Master Organization may own and/or maintain the Community Shared Area subject to this Covenant, the Master By-Laws, the Master Organization's Articles of Incorporation, and any terms, conditions, covenants, or restrictions set forth in the instrument conveying such property to the Master Organization.

The Master Organization may enact reasonable rules and regulations governing access, use, and enjoyment of the Community Shared Area. Every Owner and the Single Family Association shall comply with such rules and regulations. In addition, the Founder or the Master Organization may grant exclusive and/or non-exclusive easements over that portion of the Community Shared Areas that it owns to nonprofit organizations, the operation of which confers some benefit on Southbridge and the surrounding community.

The Community Shared Area includes, without limitation, real and personal property designated by the Founder and located within or adjacent to Southbridge as described below. The Community Share Area may include, without limitation, community entry features, including associated signage,

landscaping, and irrigation at the main access point(s) into Southbridge; common drainage and water retention facilities and equipment; community-wide location and directional signage; streetlights; roadways and associated landscaping and irrigation; common pathways, trails, and sidewalks; and common open space or greenspace. In addition, so long as the Founder shall own any property within Southbridge, including any expansions of Southbridge pursuant to Section 5.8 below, the Founder may designate additional properties or facilities as Community Shared Area and may record a Supplement to this Covenant which more particularly describes such areas.

The benefits and burdens of this Covenant shall apply to the owners of all or any portion of the Community Shared Area. The rights and obligations of the Master Organization with respect to the Community Shared Area shall be binding upon the Master Organization without regard to ownership of the Community Shared Area. Notwithstanding anything to the contrary contained herein, the Master Organization may convey all or portions of the Community Shared Area to the Single Family Association and/or any other association established for the benefit of the Non-Single Family Properties.

1.3. Conveyance of Property by the Founder

At any time the Founder or any affiliate of the Founder owns property within or which may be made a part of Southbridge, the Founder may convey to the Master Organization, or assign the Master Organization maintenance responsibility for, improved or unimproved real estate located within Southbridge, personal property, and leasehold or other property interests. The Master Organization shall accept and maintain, operate, and manage such property as part of the Community Shared Area. The Master Organization also shall perform, as a Community Expense, such obligations and responsibilities with respect to such property as the Founder may assign in writing.

In recognition of the fact that the Founder conveys real property to the Master Organization at no cost to the Master Organization, if conveyed in error or needed to make minor adjustments in property lines, the Founder may unilaterally amend this Covenant to withdraw property from its coverage and may require the Master Organization to reconvey real property to the Founder or to other persons.

1.4. Conveyance of Property from Other Persons

Under negotiated terms, the Master Organization may acquire and maintain improved or unimproved real estate, personal property, easements, and leasehold or other property interests from other persons.

1.5. Dedication of Property

Subject to the approval of and acceptance by such entity, the Master Organization may dedicate, lease, grant easements in, or convey portions of any real property it owns to any local, state, or federal governmental or quasi-governmental entity, provided the Master Board has determined, in the directors' reasonable discretion, that such entity has the funding source and commitment properly to maintain the dedicated property.

1.6. Facilities and Services Open to the Public

Certain facilities and areas within Southbridge which the Master Organization owns or for which it has responsibility may be made available for use and enjoyment of the public. Such facilities and areas may include, by way of example: trails and paths; greenbelts; parks and other spots conducive to gathering and interaction; roads; sidewalks; and medians. The Founder may designate such facilities and areas as open to the public at the time the Founder makes such facilities and areas a part of the Community Shared Area or the Master Board may do so thereafter.

1.7. Community Design - Standards and Review

The Master Organization shall be subject to "Community Guidelines" for design, construction, and appearance. The Community Guidelines shall contain standards applicable to all of Southbridge and may include provisions applicable only to particular areas within Southbridge. The Community Guidelines may vary within Southbridge.

For so long as the Founder or any affiliate of the Founder owns property within Southbridge or which may be made a part of Southbridge, the Founder may amend the Community Guidelines. Thereafter, or upon assignment from the Founder, the Master Board may amend the Community Guidelines. The Master Board may directly administer and enforce the Community Guidelines or, in the case of property subject to the Single Family Charter, shall assign its rights to the "Reviewer" under the Single Family Charter, subject to the Master Board's oversight and veto authority.

In addition, the Master Board shall have the power to review design standards and guidelines, and any changes thereto, proposed by the Single Family Association. The Master Board may veto any such standards or guidelines which it reasonably determines to be objectionable, inconsistent with the established standards for Southbridge, or in conflict with the Community Guidelines. However, nothing herein shall prohibit the Single Family Association from adopting and enforcing design standards or guidelines which are consistent with, but more stringent than, the Community Guidelines.

Article 2

Easements

2.1. Easements over Community Shared Area

The Founder hereby reserves to itself and grants to the Non-Single Family Owners and other occupants of the Non-Single Family Parcels, the Master Organization, the Single Family Association and its members and the occupants of "Lots" (as defined in the Single Family Charter) within the Single Family Community, and their respective guests and invitees, a perpetual, non-exclusive blanket easement over those portions of the Community Shared Area which are intended for use and access by the members of the Southbridge community, including, without limitation, an easement for vehicular access, ingress, and egress over and across all roads which are a part of the Community Shared Area and through any gates or guard houses restricting access into Southbridge, and an easement of pedestrian access, ingress, and egress over and across common pathways, trails, and sidewalks. The rights conferred by this easement are subject to the payment of the Maintenance Fees and other charges described in Article 3 below, and shall not be subject to additional user or access fees.

The rights and easements granted and reserved under this Section 2.1 shall be subject to the following:

(a) The Master Organization's right to adopt, enforce, and amend, from time to time, reasonable rules and regulations pertaining to the use of the Community Shared Area, provided such rules shall not materially adversely impact any of the benefited parties as a group or class of user (*i.e.*, owners and authorized users of the Single Family Community; and owners and authorized users of the Non-Single Family Properties, etc.) to any greater extent than the other benefited parties and shall not effectively prohibit an otherwise approved use of any portion of Southbridge;

(b) the Founder's and the Master Organization's right to permit concurrent use of the Community Shared Area by such persons as they deem appropriate, in their discretion;

(c) the respective rights of the owners of the Community Shared Area to transfer, encumber, lease, and grant easements over those portions of the Community Shared Area which they own for such purposes reasonably deemed appropriate, provided any such action may not materially adversely impact the rights of any of the benefited parties under this Covenant;

(d) the Master Organization's right to temporarily close all or portions of the Community Shared Area in order to perform maintenance, make repairs, resurface paved areas, or perform other actions necessary or appropriate with respect to the Community Shared Area;

(e) the Founder's and Master Organization's right to declare portions of the Community Shared Area closed to access by persons other than maintenance or other personnel related to the operation of such areas; and

(f) all other easements and restrictions of record.

2.2. Easements for the Master Organization

The Founder hereby reserves to itself and grants to the Master Organization, its agents and assigns, a perpetual, non-exclusive blanket easement over, under, and across Southbridge for the purpose of access, ingress, egress, use, maintenance, and repair to the extent reasonably necessary for the Master Organization to perform maintenance on the Community Shared Area.

All work associated with the exercise of this easement shall be performed in such a manner as to avoid or, if such interference cannot reasonably be avoided, to minimize interference with the use and enjoyment of the burdened property. Upon completion of the work, the person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work.

2.3. Limits on Easement Rights

This Article 2 shall not be construed to grant an easement or right to any person to use any property within Southbridge which is not included within the Community Shared Area. Rights to use any property which is not included within the Community Shared Area, and the terms and conditions of such use, are determined only by the owner(s) of such property and any other applicable restrictive covenants or governmental regulations.

Article 3

Obligation to Maintain

3.1. Obligation to Maintain

The Master Organization shall maintain and operate the Community Shared Area (regardless of ownership), and all landscaping and improvements thereon and related thereto, in a manner consistent with a first class, high quality, commercial and residential development, and, at a minimum, such areas shall be kept in good condition and repair and free of potholes, weeds, and trash (collectively, the "Community-Wide Standard").

Maintenance, as referred to in this Covenant, shall include responsibility for insurance, utilities, repair, and replacement, as necessary to maintain the property to a level consistent with the Community-Wide Standard.

3.2. Limitation of Liability

Notwithstanding anything contained herein to the contrary, the Master Organization shall not be liable for property damage or personal injury occurring on, or arising out of the condition of, property which it does not own.

Article 4

Obligation to Share Costs

4.1. Responsibility and Obligation for Maintenance Fee

As consideration for the access and use rights over the Community Shared Area and the benefits derived from Master Organization's performance of its responsibilities under this Covenant, the Single Family Association, on behalf of each Single Family Owner, and each Non-Single Family Owner shall pay the Master Organization an annual "Maintenance Fee" to cover an equitable portion of Master Organization's expenses relating to maintaining, operating, and insuring the Community Shared Area ("Community Expenses").

The obligation to pay the Maintenance Fee shall be mandatory and shall be a separate and independent covenant on the part of the Single Family Association and each Owner. No diminution or abatement of the Maintenance Fee or setoff shall be claimed or allowed by reason of any alleged failure of the Master Organization to perform its maintenance responsibilities or any alleged failure to meet the Community-Wide Standard.

4.2. Commencement of Obligation to Pay Maintenance Fee

The obligation to pay the Maintenance Fee shall commence as to a Single Family Lot and a Non-Single Family Parcel upon conveyance of such Single Family Lot or Non-Single Family Parcels to a person other than the Founder; provided, no Maintenance Fee shall be due prior to the time that the Master Board first determines a budget and levies the Maintenance Fee.

During any period in which the Founder owns property within Southbridge and is entitled to appoint all members of the Master Board, the Founder may, but shall not be obligated to, reduce the Maintenance Fee, or fund any budget deficit for any fiscal year, by payment of a subsidy, which may be treated as either a contribution, an advance against future Maintenance Fees due from the Founder, or a loan, in Founder's discretion. Any such subsidy shall be conspicuously disclosed as a line item in the budget and the treatment of such subsidy shall be made known to the Owners. The payment of such subsidy in any year shall under no circumstances obligate the Founder to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Master Organization and the Founder.

Notwithstanding the above, any property dedicated or conveyed to and accepted by any governmental authority or public or private utility, and any property exempt from the payment of assessments under the Single Family Charter, shall be exempt from payment of the Maintenance Fee hereunder. In addition, the Founder and/or the Master Organization may grant exemptions for transfers of Single Family Lots or Non-Single Family Parcels to entities qualifying for tax-exempt status under Section 501(c) of the Internal Revenue Code provided that for a period of at least two years from the date of such transfer the property is used for exempt purposes listed in Section 501(c).

4.3. Computation of Maintenance Fee

(a) *Preparation of Budget.* Prior to the beginning of each fiscal year, the Master Board shall prepare a budget of the estimated Community Expenses for the coming year. The estimated expenses in each budget may include, in addition to any operating reserves, a reasonable contribution to a reserve fund for repair and replacement of any capital items to be maintained as a Community Expense. In determining the amount of such reserve contribution, the Board shall take into account the number and nature of replaceable assets, the expected useful life of each, the expected repair or replacement cost, and the contribution required to fund the projected needs by annual contributions over the useful life of the asset. So long as the Board exercises business judgment, which may include relying in good faith on the advice of its accountants or other professional advisers in determining the amount or necessity of the reserve fund, the amount shall be considered adequate.

Each budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than Maintenance Fees, and the amount to be generated through the levy of Maintenance Fees.

(b) *Calculation of Maintenance Fees.* The total budgeted Community Expenses, less any surplus in the Community Expense budget from prior years and any income anticipated from sources other than Maintenance Fees, shall be allocated among the Single Family Association and all Non-Single Family Owners in accordance with the allocation formula set out in Exhibit "C" to this Covenant.

4.4. Payment of Maintenance Fee

The Master Organization shall send an annual notice of the Maintenance Fee to each Non-Single Family Owner and to the Single Family Association. Within 30 days of receipt of written notice of the Maintenance Fee, the Single Family Association shall pay to the Master Organization the amounts due relating to the Single Family Community, and each Non-Single Family Owner shall pay to the Master Organization the entire amount due relating to its Non-Single Family Parcel; provided, the Master Organization may, in its discretion, permit the Maintenance Fee to be paid in quarterly or other installments. Any Maintenance Fee or installment thereof due and owing which remains delinquent for a period of more than 30 days shall incur interest at a rate of eighteen percent (18%) per annum (or, if lower, the highest rate allowed by North Carolina law) on the principal amount due and shall include all costs of collection (including attorneys fees), and any other amounts provided or permitted by law.

The Single Family Association is responsible for collecting and paying to the Master Organization the Maintenance Fees levied against the Single Family Community. The Single Family Association shall provide for such collection and payment by including such amounts in its community expense budget to be assessed against all owners subject to its jurisdiction.

The Master Organization may enforce the Single Family Association's obligation to collect assessments and may bring suit against the Single Family Association to collect delinquent assessments. The Master Organization's rights against the Single Family Association shall not prejudice its right to collect the Maintenance Fees from individual owners of Single Family Lots under this section, provided, each Single Family Owner shall be liable only for the payment of that Owner's prorated share of the Master Organization's Expenses together with costs incurred by the Master Organization in collecting such amounts (including, but not limited to, attorneys fees), and interest thereon.

The Master Organization shall have a lien against each Non-Single Family Parcel to secure payment of Maintenance Fees, as well as interest, late charges, and costs of collection (including attorneys fees and expenses). In the event that any portion of the Maintenance Fee remains unpaid after 90 days, the Master

Organization may institute suit to collect a money judgment for such amounts, and/or enforce its lien entered against the delinquent Non-Single Family Parcels. The Master Organization's lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any recorded mortgage made in good faith and for value having first priority over any other mortgages on such Non-Single Family Parcel. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or non-judicial foreclosure. Although no further action is required to create or perfect the lien, the Master Organization may, as further evidence and notice of the lien, execute and record a document setting forth as to any Non-Single Family Parcel the amount due to the Master Organization at the time such document is executed and the fact that a lien exists to secure the repayment thereof. However, the failure of the Master Organization to execute and record any such document shall not affect the validity, enforceability, or priority of the lien. All payments shall be applied first to costs and attorneys fees, then to interest, and then to delinquent Maintenance Fees.

4.5. Recordkeeping

The Master Organization shall maintain or cause to be maintained full and accurate books of account with respect to the performance of its responsibilities hereunder, and shall retain copies of such books of account for a minimum period of seven years. The Master Organization shall make books, records, and related financial statements available for inspection and copying during normal business hours. Any party requesting copies shall pay copying charges when requesting copies. If the Single Family Association or a Non-Single Family Owner desires to have the records audited, it may do so at its expense, and the Master Organization shall cooperate by making available to the auditors the records, including all supporting material (e.g., check copies, invoices, etc.), for the year in question.

If the amount of actual expenses for the year is disputed after the audit, the parties shall cause a second audit to be performed by a mutually acceptable auditor, and the decision of the second auditor shall be binding. If the amount as determined by the second auditor varies from the amount asserted by the Master Organization by 5% or more, the Master Organization shall pay the entire cost of the second auditor. If the amount as determined by the second auditor varies from the amount asserted by the Master Organization by 2% or less, the party requesting the audit shall pay the entire cost of the second auditor. Otherwise, the parties shall share equally the cost of the second auditor. Variances shall be taken into account in the following year's Budget as provided in Section 4.3.

Article 5

General Provisions

5.1. Notice

Any notice provided for in this Covenant shall be served personally or shall be mailed by registered or certified mail. Notices to the Single Family Association shall be sent to the president or secretary of the Single Family Association at the Single Family Association's principal office or such other address as it designates in writing to the other party. Notices to any Non-Single Family Owner shall be delivered or mailed to such address of such Owner's Non-Single Family Parcel, or at such other address as it designates in writing to the other parties. All such notices shall, for all purposes, be deemed delivered (a) upon personal delivery to the party at the address specified above or (b) on the third day after mailing when mailed by registered, certified, or first class mail, postage prepaid, and properly addressed.

5.2. Enforcement

The obligations created hereunder shall inure to the benefit of, and may be enforceable by, the Founder, the Master Organization, the Single Family Association, and each Non-Single Family Owner. To the extent specifically provided herein, rights and obligations under this Covenant also inure to the benefit of, and may be enforceable by, other benefited parties hereunder.

5.3. Amendment

This Covenant may be amended unilaterally at any time by the Founder, its successors or assigns, if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on any portion of the property subject to this Covenant; (c) to permit any institutional or governmental lender, purchaser, guarantor, or insurer of mortgage loans to make, purchase, guarantee, or insure mortgage loans; or (d) to satisfy the requirements of any local, state, or federal governmental agency.

Further, for a period of 20 years after this Covenant is recorded, if the Founder or any affiliate of the Founder owns any property within or which may be made a part of Southbridge, the Founder may unilaterally amend this Covenant for any other purpose, provided such amendment has no material adverse effect upon the title to real property subject to this Covenant without the consent of the affected owner(s); and has no material adverse effect upon any right, privilege, or protection specifically granted to owners hereunder without the consent of the affected owner(s).

This Covenant also may be amended at any time by a recorded instrument approved by the Single Family Association's board of directors and Non-Single Family Owners representing at least a majority of Non-Single Family Parcels. The Founder's consent also is required to amend this Covenant for so long as the Founder or any affiliate of the Founder owns property within or which may become a part of Southbridge. Any such instrument shall set forth the intent to amend this Covenant.

Amendments to this Covenant are effective upon recordation unless a later effective date is specified. Any procedural challenge to an amendment must be made within six months of its recordation. In no event shall a change of conditions or circumstances operate to amend any provision of this Covenant.

5.4. Duration

Unless terminated in a recorded instrument approved by the Single Family Association's board of directors and Non-Single Family Owners representing at least 80% of the Non-Single Family Parcels, this Covenant shall have perpetual duration. If North Carolina law limits the period during which covenants may run with the land, then to the extent consistent with such law, this Covenant shall automatically be extended at the expiration of such period for successive 10-year periods, unless terminated as provided above.

The Founder's consent also is required to terminate this Covenant for so long as the Founder or any affiliate of the Founder owns any property within or which may be made a part of Southbridge.

5.5. Interpretation

This Covenant shall be governed by and construed under North Carolina law.

5.6. Waiver

No failure of any party to exercise any power under this Covenant or insist upon strict compliance with this Covenant and no custom or practice at variance with the terms of this Covenant shall constitute a waiver of the right to demand exact compliance with the terms of this Covenant.

5.7. Severability

Invalidation of any provision of this Covenant, in whole or in part, or any application of a provision of this Covenant by judgment or court order shall in no way affect other provisions or applications.

5.8. Expansion of Southbridge

In addition to expansion by submission of property to the Single Family Charter, as described above, from time to time, the Founder may submit to the terms of this Covenant all or any portion of the property described in Exhibit "B" by recording a Supplement describing the additional property to be submitted. The Founder may record such a Supplement without the consent of any person except the owner of such property, if not the Founder.

The Founder's right to expand Southbridge under this section expires when all property described in Exhibit "B" has been subjected to this Covenant or 25 years after this Covenant is recorded, whichever is earlier. Until then, the Founder may transfer or assign this right to the Master Organization or to any third party who is the developer of a portion of the real property intended to be included within Southbridge. Any such transfer shall be memorialized in a recorded instrument executed by the Founder.

Nothing in this Covenant shall require the Founder or any successor to subject additional property to this Covenant or to develop any of the property described in Exhibit "B" in any manner whatsoever.

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IN WITNESS WHEREOF, the undersigned Founder has executed this Covenant this 20th day of October, 2010.

FOUNDER:

RTSFR & D, LLC, a North Carolina limited liability company

By: [Signature]
Name: Ralford Trout Jr.
Its: Manager

STATE OF NORTH CAROLINA, Pender COUNTY

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: Masth Community Covenant for Smithbridge

Today's Date: October 20, 2010

[Signature]
[Notary's signature as name appears on seal]

Erica Julien
[Notary's printed name as name appears on seal]

My commission expires: 7-26, 2012

[Affix Notary Seal in Space Above]



BC&RT, LLC, a North Carolina limited liability company

By: [Signature]
Name: Railford Trask Jr
Its: Manager

STATE OF NORTH CAROLINA, Pender COUNTY

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: ~~Master Community Covenant At Southbridge~~ RAILFORD G. TRASK, JR.

Today's Date: October 20, 2010

Erica Julian
[Notary's signature as name appears on seal]

Erica Julian
[Notary's printed name as name appears on seal]

My commission expires: 7-26, 2012



[Use Notary Seal in Space Above]

RTSFRV, LLC, a North Carolina limited liability company

By: [Signature]
Name: Raford Brock, Jr.
Its: Manager

STATE OF NORTH CAROLINA, Pender COUNTY

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: Master Community Covenant for Southbridge
Alfred G. Threlkeld

Today's Date: October 20, 2010

[Signature]
[Notary's signature as name appears on seal]

Erica Julien
[Notary's printed name as name appears on seal]

My commission expires: 7-26, 2012




[Notary Seal in Space Above]


Raiford G. Trask, Jr., as Trustee under the Raiford G. Trask, Jr. Revocable Trust, dated May 23, 2006 and any amendments thereto

STATE OF NORTH CAROLINA, Pender COUNTY

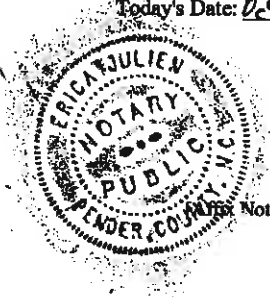
I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document: Raiford G. Trask, Jr.

Today's Date: October 20, 2010


[Notary's signature as name appears on seal]

Erica Julien
[Notary's printed name as name appears on seal]

My commission expires: 7-26, 2012



[Notary Seal in Space Above]

EXHIBIT "A"

**Legal Description
Prepared for
Southbridge Subdivision
Onslow County, NC
184.94 Acres +/-**

Beginning at an existing iron rebar located in the northeastern line of the now or formerly Yopps Tire and Garage Company as recorded at Book 2381 Page 798, Onslow County Registry at its intersection with the northwestern R/W line of N.C. Highway 172 (100' Public R/W); said point also being the easternmost corner of the now or formerly Yopps Tire and Garage Company; thence from said **Point of Beginning** along and with the northeastern line of the now or formerly Yopps Tire and Garage Company and the northeastern line of the now or formerly Edens Tract as recorded at Book 2365 Page 939 North 63 degrees 51 minutes 11 seconds West a distance of 1,007.83 feet to a point located in the eastern line of the now or formerly Barry Yopp Tract (No survey reference); thence along and with the eastern line of the now or formerly Barry Yopp Tract the following courses and distances: North 00 degrees 56 minutes 35 seconds West a distance of 1,458.78 feet to a point; thence South 89 degrees 03 minutes 25 seconds West a distance of 69.80 feet to a point; thence North 01 degrees 10 minutes 39 seconds West a distance of 2,441.00 feet to a point located in the Everett's Creek; thence along and with Everett's Creek North 50 degrees 49 minutes 56 seconds East a distance of 413.74 feet to a point; thence leaving Everett's Creek South 00 degrees 34 minutes 52 seconds West a distance of 188.81 feet to a point; thence South 42 degrees 51 minutes 57 seconds East a distance of 230.21 feet to a point; thence South 81 degrees 48 minutes 47 seconds East a distance of 468.30 feet to a point; thence South 22 degrees 07 minutes 54 seconds East a distance of 293.66 feet to a point; thence South 22 degrees 11 minutes 14 seconds East a distance of 229.04 feet to a point; thence South 44 degrees 13 minutes 40 seconds East a distance of 255.25 feet to a point; thence South 52 degrees 19 minutes 50 seconds East a distance of 287.84 feet to a point; thence South 67 degrees 25 minutes 05 seconds East a distance of 196.77 feet to a point; thence South 03 degrees 58 minutes 17 seconds East a distance of 109.10 feet to a point; thence South 43 degrees 48 minutes 04 seconds East a distance of 212.41 feet to a point; thence South 73 degrees 29 minutes 52 seconds East a distance of 289.35 feet to a point; thence South 41 degrees 24 minutes 12 seconds East a distance of 277.02 feet to a point; thence South 20 degrees 15 minutes 52 seconds East a distance of 112.43 feet to a point; thence South 59 degrees 50 minutes 22 seconds East a distance of 248.22 feet to a point; thence South 35 degrees 46 minutes 07 seconds East a distance of 127.88 feet to a point; thence South 57 degrees 33 minutes 31 seconds East a distance of 189.21 feet to a point; thence South 18 degrees 05 minutes 17 seconds East a distance of 136.56 feet to a point; thence South 25 degrees 55 minutes 27 seconds East a distance of 148.99 feet to a point located in the northwestern R/W line of N.C. Highway 172 (100' Public R/W); thence along and with the northwestern R/W line of N.C. Highway 172 (100' Public R/W) following a curve to the right ($R=2,825.00$; $Arc=1,143.92$) and having a chord which bears South 27 degrees 59 minutes 34 seconds West a distance of 1,136.12 feet to a point located in the eastern line of the now or formerly Friends of Yopp Meeting House, Inc. tract as recorded at Book 1414 Page 430, Onslow County Registry; thence along and with the eastern line of the now or formerly Friends of Yopp Meeting House, Inc. tract North 20 degrees 31 minutes 26 seconds West a distance of 289.01 feet to a point; thence North 69 degrees 36 minutes 26 seconds West a distance of 150.18 feet to a point; thence North 25 degrees 41 minutes 25 seconds West a distance of 91.00 feet to a point; thence North 88 degrees 31 minutes 25 seconds West a distance of 219.00 feet to a point; thence along and with the western line of the now or formerly Friends of Yopp Meeting House, Inc. tract South 00 degrees 41 minutes 53 seconds East a distance of 180.25 feet to a point; thence South 39 degrees 54 minutes 45 seconds East a distance of 529.76 feet to a point located in the northwestern R/W line of N.C. Highway 172 (100' Public R/W); thence along and with the northwestern R/W line of N.C. Highway 172 (100' Public R/W) the following course and distances: following a curve to the right ($R=2,825.26$, $Arc=705.33$) having a chord which bears South

51 degrees 32 minutes 52 seconds West a distance of 703.50 feet to a point; thence South 58 degrees 35 minutes 41 seconds West a distance of 753.62 feet to the, **Point of Beginning**, containing 184.94 Acres, more or less.

A portion of this property is shown on that certain plat entitled "Peggy's Cove at Southbridge, Phase One", recorded in the Office of the Register of Deeds of Onslow County, North Carolina, in Map Book 60, Pages 214 - 214C and that certain plat entitled "Peggy's Cove at Southbridge Phase One, Common Areas", recorded in the Office of the Register of Deeds of Onslow County, North Carolina in Map Book 60, Pages 215 - 215F, to which reference is made for a more particular description.

EXHIBIT "B"

Additional Property

Any and all property lying and being in Onslow County, North Carolina, that is within 10 miles of any boundary of the property comprising the Single Family Community at any time.

Note to clerk and title examiners:

This Covenant is not intended to create an encumbrance on title to the property described on this Exhibit "B."