

Prepared by: ROBERT E. LOCK, ATTORNEY

THIS PRESENTED TO TAX OFFICE
DATE 8-29 1990
CRAWFORD COLLINS

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STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

DEED OF CORRECTION

EDE

THIS DEED, made and entered into this 23rd day of August, 1990 by and between COLUMBUS HANCOCK, JR., and wife, PEGGY HANCOCK, parties of the first part; and WILLIAMS FARM ASSOCIATES, A Joint Venture composed of: PEELE PARTNERSHIP, A North Carolina General Partnership (composed of Olivia E. Peele, Julian T. Peele and Christopher B. Peele, General Partners), and JERRY S. STEVENSON, Joint Venture, part of the second part; all of Onslow County, North Carolina;

WITNESSETH:

THAT WHEREAS, said parties of the first part heretofore executed to party of the second part a certain deed dated April 12th, 1990, and recorded in Book 960, Page 810 in the office of the Register of Deeds of Onslow County; and

WHEREAS, by mutual mistake said Deed contained several errors in the description of the land thereby intended to be conveyed in that the land was described as follows:

COMMENCING at a point where the centerline of Northwoods Drive as shown in Map Book 10, Page 60, Onslow County Registry intersects the centerline of Northwoods Drive Extension (70 foot Right of way); thence leaving said centerline and running North 31 degrees 17 minutes 00 seconds West 35.0 feet to an Iron Stake located on the Northern Right of way of Northwoods Drive Extension; thence continuing along said Right of Way and along a curve to the left having a radius of 210.79 feet and a chord bearing and distance South 50 degrees 01 minutes 33 seconds West 63.70 feet to a Iron Stake, and an additional cord distance of South 44 degrees 33 minutes 24 seconds West 22.69 feet to an iron stake, said Iron Stake being THE TRUE POINT OF BEGINNING; thence leaving said Right of Way and running South 16 degrees 58 minutes 12 seconds East 25.54 feet to an Iron Stake; thence South 37 degrees 36 minutes 00 seconds West 221.54 feet to a point located on the Northern Right of Way of Northwoods Drive Extension; thence Northwardly along said Right of Way and along a curve to the right having a radius of 687.32 feet and a chord bearing and distance North 33 degrees 33 minutes 54 seconds East 85.47 feet to a point; thence continuing along said Right of Way North 30 degrees 00 minutes 00 seconds 100.63 feet to a point; thence continuing along said Right of Way and along a curve to the right having a radius of 210.79 and a chord bearing and distance North 35 degrees 40 minutes 03 seconds East 41.63 feet to a point, said point being the place of beginning, containing 0.05 acres,

and; WHEREAS, the correct description intended to be inserted in said former deed is that hereinafter set out; and

WHEREAS said party of the second part has requested said parties of the first part to correct said errors and said parties of the first part have agreed so to do;

NOW, THEREFORE, said parties of the first part, for the purpose of correcting said errors and in consideration of the sum of TEN (\$10.00) DOLLARS, to them in hand paid, have bargained and sold and by these presents do bargain, sell, and convey unto said party of the second and its heirs, successors and assigns a certain tract or parcel of land lying and being in Jacksonville Township, Onslow County, North Carolina, more particularly described as follows:

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DEED OF CORRECTION

Commencing at a point where the centerline terminus of Northwoods Drive as shown in Map Book 10, Page 60, Onslow County Registry intersects the centerline of Northwoods Drive Extension (70 foot right of way); thence leaving said centerline and running North 31 degrees 17 minutes 00 seconds West 35.00 feet to an iron stake located on the Northern right of way of Northwoods Drive Extension; thence continuing along said right of way and along a curve to the left having a radius of 210.79 feet and a chord bearing and distance of South 50 degrees 01 minutes 33 seconds West 63.70 feet to an iron stake, said iron stake being THE TRUE POINT OF BEGINNING; thence leaving the said right of way and running South 16 degrees 58 minutes 12 seconds East 25.54 feet to an iron stake; thence South 37 degrees 36 minutes 00 seconds West 221.54 feet to a point located on the Northern right of way of Northwoods Drive Extension; thence North 37 degrees 07 minutes 47 seconds East 9.72 feet to a point of curvature; thence Northwardly along said right of way and along a curve to the left having a radius of 687.32 feet and a chord bearing and distance of North 33 degrees 33 minutes 54 seconds East 85.47 feet to a point; thence continuing along said right of way North 30 degrees 00 minutes 00 seconds East 100.63 feet to a point; thence continuing along said right of way and along a curve to the right having a radius of 210.79 feet and a chord bearing and distance of North 35 degrees 40 minutes 03 seconds East 41.63 feet to a point, said point being the place of beginning, containing 0.05 acres.

TO HAVE AND TO HOLD said land, together with all privileges and appurtenances thereunto belonging to it the said party of the second part its heirs, successors, and assigns in fee simple forever.

And said parties of the first part covenant that they are seized of said land in fee and have the right to convey the same in fee simple; that the same is free and clear of all encumbrances up to the date of recordation of the deed being corrected and that they will warrant and defend the title herein conveyed against the lawful claims of all persons whomsoever, up to said date.

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DEED OF CORRECTION

IN TESTIMONY WHEREOF, said parties of the first part have hereunto set their hands and seals and said party of the second part has caused this instrument to be signed in its name, the day and year first above written, to evidence its consent hereto.

Columbus Hancock, Jr. (SEAL)
COLUMBUS HANCOCK, JR.

Peggy Hancock (SEAL)
PEGGY HANCOCK
Peggy Hancock

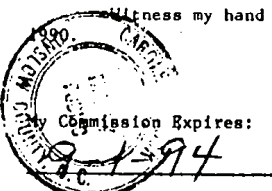
WILLIAMS FARM ASSOCIATES, A Joint Venture
BY: PEELE PARTNERSHIP, A North Carolina
General Partnership, Joint Venturer

Julian T. Peele (SEAL)
JULIAN T. PEELE, General Partner

Jerry S. Stevenson (SEAL)
JERRY S. STEVENSON, Joint Venturer

NORTH CAROLINA
ONSLOW COUNTY

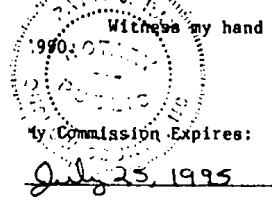
I, a Notary Public of the County and State aforesaid, certify that COLUMBUS HANCOCK, JR. and wife, PEGGY HANCOCK, personally appeared before me this day and acknowledged the execution of the foregoing instrument.



Witness my hand and official stamp or seal, this 29th day of August
Carole M. Lock
Notary Public

STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

I, a Notary Public of the County and State aforesaid, certify that Julian T. Peele, General Partner of Peele Partnership, a North Carolina General Partnership and Jerry S. Stevenson, Joint Venturers of Williams Farm Associates, A Joint Venture, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.



Witness my hand and notarial seal, this the 27 day of August
Patti J. Ray
Notary Public

NORTH CAROLINA, ONSLOW COUNTY
The foregoing certificate(s) of Carole M. Lock and Patti J. Ray
Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in
Book 973 Page 97 This 29 day of August
19 90 A.D. at 2:22 o'clock P. M.
Michael M. Thomas
Register of Deeds, ONSLOW COUNTY

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LAW OFFICES
OF
FRANK W. ERWIN

Prepared by: FRANK W. ERWIN, ATTORNEY
P.O. Box 7206
Jacksonville, NC 28540

100 OCT 7 10 23

Suite 115 Old Branch Square
829 Old Branch Place
P. O. Box 7206
Jacksonville, N. C. 28540

NORTH CAROLINA
ONSLow COUNTY

MASTER DECLARATION OF
COVENANTS AND RESTRICTIONS
(SF/CSA/FNMA/VA)

THIS DECLARATION is made this 13 day of OCTOBER, 1992, by WILLIAMS FARM ASSOCIATES, a North Carolina Joint Venture, COMPOSED OF JERRY S. STEVENSON (FIRST JOINT VENTURER) and JULIAN T. PEELE and OLIVIA E. PEELE (SECOND JOINT VENTURER), ("Declarant"), of Onslow County, North Carolina.

WHEREAS, Declarant is the owner of or may acquire a certain tract of land located in Onslow County, North Carolina, (hereinafter referred to as "Development Area") and being more particularly described on Exhibit A:

AND WHEREAS, Declarant is constructing on a portion of the development area a private community which may include streets and roads, community pavilion, swimming pool and other community facilities for the benefit of the community, and in particular to assure development of the property in a manner such as to preserve the value of the investment of owners therein, and further so as to protect the land and its vegetation from damage which would detract from its beauty and reduce the privacy afforded individual home owners (hereinafter referred to as "Project");

AND WHEREAS, Declarant desires to provide for the preservation and enhancement of the property values and amenities within said community and to provide for the maintenance of common areas, properties and improvements located thereon, and to this end desires to subject Project property to the covenants, restrictions, easements, charges and liens as are hereinafter set forth, each and all of which are for the benefit of said real property and each present and future owner thereof;

AND WHEREAS, the Declarant also desires to provide and allow for the submission of additional "sections" to the Project as said phases are developed and completed, and to provide for equality of rights, privileges and obligations of all lot owners in all phases of the Project by adding additional phases by amendment to this Declaration by the recording of an Amendment hereto;

For Amendment refer to Book 1206 Pg. 698-7794

JACKSONVILLE 919-346-9671
EMERALD ISLE 919-354-3242
SWANSDORO 919-326-4008
FACSIMILE 919-346-5863

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NOW THEREFORE, it is hereby declared that the Project property described herein is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth; said property being more particularly described as follows:

BEING all of that property as shown on Exhibit A-1, attached hereto and incorporated herein by reference as if fully set forth.

1. Definitions:

a. "Association" shall mean and refer to WILLIAMS FARM COMMUNITY SERVICES ASSOCIATION, INC., a North Carolina non profit corporation, its successors and assigns.

b. "Common Area" shall mean all real property owned by the Association, if any, for the common use and enjoyment of the Owners.

c. "Declarant" shall mean and refer to WILLIAMS FARM ASSOCIATES, a North Carolina Joint Venture, COMPOSED OF JERRY S. STEVENSON (FIRST JOINT VENTURER) and JULIAN T. PEELE and OLIVIA E. PEELE (SECOND JOINT VENTURER), its successors and assigns.

d. "Declaration" shall mean and refer to this instrument, as may from time to time be amended.

e. "Living Unit" or "Unit" shall mean and refer to any portion of a structure situated upon the Properties designed and intended for use and occupancy as a residence by a single family.

f. "Property" or "Properties" shall mean and refer to any of the real property which is or may be subject to this Declaration or Supplemental Declaration.

g. "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, and includes any improvements thereon, if any.

h. "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.

i. "Parcel" shall mean and refer to a portion or part of real property, together with the improvements located thereon, which becomes subject to this Declaration. This term shall include any additions to the existing Properties as herein provided.

j. "Supplemental Declaration" shall mean and refer to any declaration of covenants, restrictions, easements, charges and liens recorded by the Declarant, or its successors and assigns, which applies to a specific Parcel within the Properties.

k. "Project Property or Area" shall mean the total of the real property incorporated herein and described hereinabove in Exhibit A-1, together with all structures and other improvements thereon, together with such other portions of the Development Area as may from time to time be added to and incorporated in the Project Area by amendment of this Declaration.

l. "Development Area" shall include that property described in Exhibit A, all or part of which may from time to time be submitted to and made subject to the terms of this Declaration.

m. "Architectural Committee" shall mean the Williams Farm Architectural Control Committee, Post Office Box 1276, Jacksonville, NC 28541, as established pursuant to this declaration.

2. Expansion of Properties into Development Area:

The Declarant, for itself and its successors and assigns, hereby expressly reserves the right, but shall in no way be obligated, to expand the properties which are subject to this Declaration without the consent or joinder of the Owners of Lots or persons or entities having a lien or security interest in such Lots by adding from time to time all or any portion of the tract of land known as the Development Area and being more particularly described as follows:

BEING all of that property as shown on Exhibit A, attached hereto and incorporated herein by reference as if fully set forth.

An amendment to this Declaration shall be made and recorded in the Office of the Register of Deeds of Onslow County, North Carolina, to include each portion of the real property which is to be included within this Declaration, and each such portion of the real

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property shall constitute an addition to the Properties. The right of the Declarant, or its successors and assigns, to expand the Properties as herein provided shall expire fifteen (15) years from the recording of this instrument or upon the sale of all of the properties described in Exhibit A-1 or Exhibit A.

3. Supplemental Declarations:

Declarant shall have the right, from time to time, to record Supplemental Declarations for portions ("Parcels") of the Properties which may designate specific use and other restrictions within said Parcel, may create Common Areas within such Parcel for the use only of Owners of Lots in said Parcel, and may create an internal owners association within said Parcel; provided, however, no Supplemental Declaration shall avoid membership in the Association by Owners of Lots in said Parcel, nor shall any Supplemental Declaration modify or amend the terms of this Declaration or of any prior Supplemental Declaration for another Parcel.

4. Common Areas:

a. Dedication: The Common Areas, if any, in each Parcel shall be dedicated as such by the Declarant, or its successors and assigns, before the first Lot in each Parcel is conveyed to an Owner.

b. Maintenance: The Association shall be responsible for the exclusive management and control of the Common Areas and all improvements located thereon (including recreational facilities, landscaping, streets, fixtures and equipment related thereto), except as otherwise may be provided for in a Supplemental Declaration. This paragraph specifically empowers, but does not limit other powers, the Association to control and regulate the hours and periods of operation of all recreational facilities in the development area, and all maintenance of landscaping in the Development area, even if in areas subject to a Sub-association created by amendment to this Declaration or the recording of a Supplemental Declaration.

c. Owner's Easement of Enjoyment: Section 1. 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 provisions:

(1) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(2) the right of the Association to limit the number of guests of members;

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(3) the right of the Association to suspend the right to use 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;

(4) 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 subject to such conditions as may be agreed to by the Association.

(5) the right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area.

Section 2. 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. Recreational facilities, if any, situated upon the Properties may be utilized by guests of Owners or tenants subject to the rules and regulations of the Association governing said use and as established by its Board of Directors. Provided, however, that this Section shall not give any owner or guest the right to use any golf course facilities or marina located within the Property, if any shall be constructed.

d. Restriction on Alienation: Notwithstanding anything contained herein to the contrary, the Association shall not alienate in any way or transfer all or any part of the Common Areas without the prior approval of all holders of outstanding first priority mortgages against any of the Properties that are subject to this Declaration; provided, however, this restriction shall not be applicable to grants of easements for utilities, storm sewer, sanitary sewer, road right of ways and other conveyances for dedication to the public.

5. Association: Membership and Voting Rights:

a. Every Owner of a Lot 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.

b. The Association shall have two classes of voting membership:

Class I: Class I 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 among themselves determine, but in no event shall more than one (1) vote be cast with

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respect to any Lot.

Class II: The Class II member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. For purposes of membership and voting rights under this paragraph, Declarant shall be deemed to own three (3) Lots for each undeveloped acre of land set out in Exhibit A. The Class II membership shall cease and be converted to Class I membership on the happening of either of the following events, whichever occurs earlier:

- (1) when the total votes outstanding in Class I membership equals the total votes outstanding in the Class II membership or
- (2) on that date which is fifteen (15) years from the date of the recording of this document.
- (3) at the discretion of Declarant.

6. Architectural Review:

Except for original and initial construction and subsequent modification of improvements by the Declarant on any Lot or upon any other area of the Properties, which such construction is and shall be exempt from the provisions of this provision, no building, wall, fence, landscaping, berm or hedge which act as a fence or privacy inducing structure, pier, dock, ornamentation, or other structure or improvements of any nature shall be erected, placed or altered on any Lot until: 1) the construction plans and specifications and a plan showing the location of the structure and landscaping as may be required by the Architectural Committee have been approved in writing by the Architectural Committee; and 2) The owner of said Lot shall have deposited or caused to be deposited with the Association a deposit to defray the cost of repair of any common facilities damaged by the proposed construction in the minimum amount of \$1,000.00 for home construction and \$250.00 for any other improvements or such higher amount as the Association may set. The deposit requirement shall not be waivable. Each building, wall, fence or other structure or improvements of any nature, together with any ornamentation or landscaping, shall be erected, placed or altered upon the premises only in accordance with the plans and specifications and plot plan so approved. Refusal of approval of plans, specifications and plot plans, or any of them, may be based on any grounds, including purely aesthetic grounds, which in the sole and uncontrolled discretion of said Architectural Committee deem sufficient. Any change in the appearance of any building, wall, fence or other structure or improvements and any change in the appearance of the landscaping (excepting the planting of flowers and shrubs indigenous to the area), shall be deemed an alteration requiring approval. The Architectural Committee shall have the power

to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this paragraph. The Architectural Committee shall be appointed by the Class II member of the Association or the Declarant itself may serve as the Architectural Committee. At such time as the Class II membership expires, the Architectural Committee shall be appointed by the Board of Directors of the Association. Members need not be owners while under Class II control.

A majority of the Architectural Committee may take any action said Board is empowered to take, may designate a representative to act for the Architectural Committee, and may employ personnel and consultants to act for it. In the event of death, disability or resignation of any member of the Architectural Committee, the remaining members shall have full authority to designate a successor. The members of the Architectural Committee shall not be entitled to any compensation for services performed pursuant to this covenant. The Architectural Committee shall act on submissions to it within thirty (30) days after receipt of same, or else the request shall be deemed approved. Requests and submissions shall, however, be in such form and contain such information as the Architectural Committee may require prior to its being required to act.

The Architectural Committee may establish a fee to cover the expense of reviewing plans and related data at the time plans are submitted for review in order to compensate any consulting architects, landscape architects, urban designers or attorneys.

Any Owner may appeal the decision of the Architectural Committee provided that all parties involved comply with the decision of the Architectural Committee until such time, if any, as the Board of Directors amends, or reverses the Architectural Committee's decision. Appeals petitions must be legibly written, state the grounds for appeal and be submitted to the Board of Directors within ten (10) days of the decision of the Architectural Committee. The Board of Directors shall act upon the appeal by amending, reversing or confirming the decision of the Architectural Committee within twenty (20) days of receipt of the petition. The Board of Directors' decision shall be by majority vote. Any owner must exhaust this avenue of appeal prior to resorting to a court of law or equity for relief.

The paint, coating, stain and other exterior finishing colors on all buildings may be maintained as that originally installed, without prior approval of the Architectural Committee, but prior approval by the Architectural Committee shall be necessary before any such exterior finishing color is changed.

7. Assessments:

Section 1. Purpose of Assessments:

The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the owners in the Properties and for capital improvements and maintenance of the Common Area and any improvements thereon.

Section 2. Creation of the Lien and Personal Obligations of Assessment: 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;
- (2) special assessments for insurance or capital improvements, such assessments to be established and collected as hereinafter provided;
- (3) to the appropriate governmental taxing authority, a pro rata share of ad valorem taxes levied against the Common Area if the Association shall default in the payment therefor for a period of six (6) months, all as hereinafter provided.

The annual and special assessments, together with interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest and costs, and reasonable attorneys' fees (as provided in North Carolina General Statutes Section 6-21.2) incurred by the Association in collecting delinquent assessments shall also be the personal obligation of the person or entity who was the Owner at the time when the assessment became due. The obligation of an Owner for delinquent assessments shall not pass to his successors or assigns in title.

Section 3. Minimum Annual Assessment: The initial annual assessment shall be \$480.00. There shall be no assessments against any Lot owner until such time as the paving, water and electrical services are extended to the owner's Lot.

The owner of each Lot upon which there has been completed a structure shall be obligated to pay the full amount of the assessment. For the purposes of this paragraph, "completed" structures shall mean a structure which has actually tapped into any water or wastewater treatment system or has had provided to it either such service by private means.

The owner of a Lot upon which construction is not complete shall pay only one-half (1/2) the annual assessment but shall be fully obligated to pay in full any other assessments or taxes levied against the Lot. The determination of "completion" shall be made by the Association on the first day of January and the first day of July of each year and shall be binding for the remainder of the six (6) month period as to that Lot.

Assessments shall commence beginning the first day of the month following the extension for said services and completion of the paving to the lot. Declarant shall pay no dues or assessments but in lieu thereof the Declarant covenants and agrees to defray such deficit as may be required for maintenance up to the amount of the current operating budget.

Section 4. Collection of Assessments:

(a) The first pro rata payment of the balance of the current year assessment shall be due and payable beginning the first day of the month following conveyance of the common area to the Homeowner's Association.

(b) At closing, the Declarant shall cause to be collected from the purchaser, an amount equal to the Purchaser's pro-rata share of the next due annual insurance premium payable by the Association.

(c) At closing, the Declarant shall cause to be collected from the purchaser, an amount equal to two-twelfths of the then current full minimum annual assessment for said lot (the assessment amount which would be applicable if there were a completed structure on the Lot, whether or not same actually exists). This shall be used for the sole purpose use as a working capital fund.

(d) The Board of Directors shall fix the amount of the assessment against each lot at least thirty days in advance of the 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 of the Association and the Board of Directors shall have the authority to require the assessment to be paid in pro-rata monthly installments, quarterly and semi-annually as well as annually. 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.

(e) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum assessment may be increased each year not more than fifteen (15%) percent above the maximum assessment for the previous year without a vote of

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the membership. Except, however, increases attributable solely to the addition of new amenities, new Common Areas or police and security purposes, or insurance expenses not already budgeted shall not be subject to this limitation.

(f) 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 fifteen (15%) by a vote of two-thirds (2/3) of members of each class who are voting in person or by proxy, at a meeting duly called for this purpose. Except, however, increases attributable solely to the annexation of new areas, including new Common Areas, or police and security purposes or insurance expenses not already budgeted shall not be subject to this limitation.

(g) If an additional property owner's association(s) is established on any property which is or may become subject to this declaration by a supplemental declaration hereto, then, notwithstanding anything contained therein to the contrary, all assessments made by and for any such association shall be paid to the WILLIAMS FARM COMMUNITY SERVICES ASSOCIATION, INC., for bookkeeping and record keeping purposes, and shall then be transferred as necessary to the appropriate association. The WILLIAMS FARM COMMUNITY SERVICES ASSOCIATION, INC. may charge a reasonable fee for its record keeping services and deduct same from assessments collected.

Section 5. 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 the members of each class who are voting in person or by proxy at a meeting duly called for this purpose.

Section 6. Remedies for Non-Payment of Assessments: Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the maximum rate allowed by law, together with such late fees as may be set by the Board. The Association may bring an action at law against the Owner personally obligated to pay any assessments and interest or foreclose the lien created herein in the same manner as prescribed by the laws of the State of North Carolina for the foreclosure of Deeds of Trust. Costs and reasonable attorneys' fees (as set forth in Section 2 above), of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by the non-use of the Common Area or abandonment of his dwelling unit or site.

In the event of such action at law and in the further event that such action results in a judgment being entered against the Owner and in favor of the Association, then, and in that event, judgment in such manner and to the extent provided and permitted by the laws of the State of North Carolina.

Section 7. Effect of Default in Payment of Ad Valorem Taxes of Assessments for Public Improvement by Association: Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or assessments for public improvements to the Common Area, which default shall continue for a period of six (6) months, each owner of a Lot in the development shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by dividing the total taxes and/or assessments due the governmental authority by the total number of Lots in the development. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien subject to the lien of the governmental authority levying said ad valorem taxes on the Lot of the then owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the owner.

Section 8. Subordination of the Lien to Mortgages: The lien of the assessments provided for herein shall be subordinate to the lien of any 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 assessment as to payments which become 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.

8. General Restrictions:

a. Residential Use: No structure shall be erected, altered, placed or permitted to remain on any Lot other than a single, one family dwelling not to exceed three stories in height, a private garage which may contain living quarters for occupancy by domestic servants of the lot occupant only, and an appurtenant storage building or structure, provided that the same are constructed in line with general architectural design and construction standards used as the dwelling itself. Said single-family dwelling shall be built upon a raised foundation (not to exceed three (3) feet in height without specific Architectural Committee approval). Each dwelling shall contain a minimum of 2500 heated square feet, and if two-story, the first floor shall contain a minimum of 1250 square feet. This covenant shall not be construed as prohibiting the use of a new dwelling as a model home for sales/rental purposes.

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Notwithstanding the above, any additions to the Project property in the Development Area may be used for other such purposes as may be set out and/or limited in a Supplemental Declaration.

b. **Prohibited Structure:** No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence either temporary or permanently. No trailer, mobile home, camper or like vehicle shall be allowed on the property at any time, or any other structure which is finished or partially finished at a manufacturing unit or plant and transported for quick assembly or which is designed to be disassembled and relocated shall be allowed. It is specifically the intention and purpose of this covenant to prohibit the location of mobile homes, trailers, modular houses, relocatable houses, or similar type structures on the property. This covenant shall not be construed as prohibiting the use of such a structure as a sales office or construction site facility.

c. **Nuisances:** No noxious, offensive, or illegal activity shall be carried on or conducted upon any Lot nor shall anything be done on any Lot that shall be or become an unreasonable annoyance or nuisance to the neighborhood. All Lots, whether occupied or unoccupied, shall be well maintained and no unattractive growth or accumulation of rubbish or debris shall be permitted to remain on a Lot. No automobile, other vehicle(s), motorcycle(s) or other similar items shall be repaired or placed "on blocks" or stands except in an enclosed garage. Declarant, or Association, its successors or assigns, reserves the right to enter upon and cut grass, weeds, or undergrowth on any lot or easement, but shall be under no obligation to do so. The Declarant or Association may contract for, and assess to owner, any maintenance necessary to enforce his covenant.

d. **Animals:** No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that household pets may be kept provided that said pets are not kept for breeding or commercial purposes. Any such household pet shall not be allowed off the Lot of the Owner of said pet unless said pet is attended and on a leash. Owners shall be solely and absolutely liable for the acts of any pet kept on their Lot.

e. **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 burned or disposed of on any Lot and shall be kept except in sanitary containers approved by the Architectural Committee. All equipment for the storage prior to disposal of such material shall be kept in a clean and sanitary condition. The placement of containers shall be approved by the Architectural Committee and, in any event, shall be kept in an enclosed area not subject to view from any person, from any direction. The Declarant and Association reserves the right for itself, its successors and assigns, to contract for garbage collection services for each lot in the subdivision

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and the lot owner shall be responsible for the payment of such garbage services to the company providing the same, or the Association may make such a common expense or expense to a particular owner.

f. **Exterior Lights:** All light bulbs or other lights installed in any fixture located on the exterior of any dwelling, building or other structure located on any Lot shall be clear or white lights or bulbs. No mercury vapor or similar wide area lighting similar to street lights shall be allowed without prior Architectural Committee approval.

g. **Sight Distance at Intersections:** No fence, 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 on any lot within ten (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 distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

h. **Mailboxes:** All mailboxes shall retain the same style, design, color and location of the mailbox as originally provided at construction of any residence. The Architectural Committee reserves the right to approve the style, design, color and location prior to any original installation or replacement. Application shall be made to the Architectural Committee prior to installation or replacement. By accepting a deed to any subject property, owner gives the Architectural Committee the right to remove any nonapproved mailbox in a reasonable manner; all costs for same shall be paid by owner, and all damages against the Architectural Committee are waived.

i. **Signs:** 1) No sign, billboard, or other advertising of any kind, including without limitation "professionally prepared "for sale" and "for rent" signs, shall be placed or erected on any Lot, right of way or Common Area save and except a professionally prepared "for sale" or "for rent" sign not to exceed four (4) square feet in size. Although approval by the Architectural Committee is not required prior to the display of such signs, the Architectural Committee may itself remove, have removed, or require the removal of any such sign which in its opinion would not otherwise be allowed under paragraph 6 of this Declaration. A valid easement shall exist on any Lot for such removal by the Architectural Committee or its agents.

2) "Construction" signs designating the job site and builder which may be placed upon a Lot during the period of the construction of a residential dwelling on the Lot but

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must be immediately removed upon final completion of such construction. All such signs must be approved in advance by the Architectural Control Committee.

3) Notwithstanding the above, any additions to the Project Property in the Development area may be further limited in regard to signs, billboards or advertising as set out in any Supplemental Declaration. Nothing herein shall prohibit any sign erected by the Declarant or its assigns.

j. Antennas: There shall be no exterior antennas of any kind for receiving and/or sending of T.V., radio or other signals unless same have first been approved by the Architectural Committee. In any event, it shall not be viewable from any other Lot.

k. Driveways/Parking: All driveways constructed on any Lot shall be constructed with material approved by the Architectural Control Committee. An Owner shall provide a minimum of two (2) paved off-street parking spaces, excluding garage space(s) and shall provide at least one per automobile or other vehicle owned and regularly used at the Lot. On street parking is prohibited except for temporary, short gatherings.

l. Vehicles, Boats, Storage, Travel Trailers, etc.: No vehicle without current inspection sticker, vehicle over 5000 pounds empty weight, horse or animal trailer or empty boat trailer, utility trailer, or any other trailer or similar item, or bus shall be parked overnight on any lot except in an enclosed garage unless same shall not be visible from the street or any other home wherever constructed; provided, however, guests of an owner may so park such vehicle for a period not to exceed seven (7) days each calendar year. A pleasure boat on its trailer may be parked and raw firewood, bicycles, motorcycles, or other items may be stored only on that part of any lot away from the street lying behind the front line of the house so that it is not viewable from any street. No automobile, other vehicle(s), motorcycle(s) or other similar items shall be repaired or placed "on blocks" or stands except in an enclosed garage.

Recreational vehicles may be parked in driveways away from the street behind the back line of the house so that it is not viewable from the street.

m. Window Appearance: All draperies or other window dressings in each dwelling unit shall be white or off white or in lieu thereof shall have a white lining.

n. Trees: Except as to development or construction by Declarant, or as may be approved by the Architectural Committee, no tree four (4") inches in diameter at any location on said tree or ten (10') feet in height shall be cut, removed or intentionally damaged on any Lot unless first approved by Architectural Committee.

o. Swimming pools: Outdoor swimming pools, hot tubs, jacuzzis, and other similar facilities may be located on a lot only after the Architectural Committee approval, and shall

facilities may be located on a lot only after the Architectural Committee approval, and shall be screened and fenced. All such improvements shall be subject to approval of and compliance with all governmental laws and regulations.

p. Clotheslines: Clotheslines shall be of a type and installed as approved by the Architectural Control Committee and, in any event, shall not be viewable by any person from any direction.

q. Fence Minimum Requirements: No fences over six (6) feet in height shall be constructed on any lot. No fence shall be erected between any building and the street right of way unless such fence shall be of an ornamental nature. Brick and split-rail fences shall be deemed to meet the requirements of this restriction. Any portion of any fence which can be viewed from the street right of way shall be of an ornamental nature. The term fence shall include but not be limited to, a wall, fence, landscaping, berm, or hedge which act as a fence or privacy or security inducing structure. Architectural review requirements must be met prior to construction of any fence.

8.1 Special Restrictions Affecting Lots Near Water or Marshlands:

a. Restricted Zone Established. In order to preserve the natural beauty of the Property and to provide a "cover" for animals which habitually move along the marsh edges, there is hereby established a construction and clearing restricted zone on all Lots fronting on water, marsh or wetlands. That portion of any Lot located within twenty (20) feet of the average high water mark shall be preserved substantially in its present natural state except for moderate clearing for view and breeze. Construction of improvements and major clearing of trees and underbrush is hereby restricted. This paragraph shall apply to any Lot fronting on the marsh, river, creek or wetlands. Notwithstanding the foregoing, the Developer hereby reserves the right to exempt Lots or portions of Lots or tracts from said construction and clearing restrictions in those cases where it, in its uncontrolled discretion, determines that such exemption will not materially lessen the natural appearance and beauty of the Property or is determined to be necessary to protect the shoreline from erosion.

b. Conditions of Limited Dock Construction. These provisions shall not prohibit the construction of docks and decks. All dock permits must first receive approval from the Architectural Committee prior to any required submission to any governmental authority. However, in order to avoid an unsightly proliferation of docks, the general rule is established that Owners of Lots fronting on those water bodies may erect docks within the Property with permission for such construction being first obtained from the Architectural Committee which approval may be not denied so long as the construction shall be conditioned upon compliance

with the following requirements:

(1) Complete plans and specifications include site, materials, color and finish must be submitted to the Architectural Committee in writing;

(2) Written approval of the Architectural Committee to such plans and specifications must be secured, the Architectural Committee reserving the right in its uncontrolled discretion to disapprove such plans and specifications on any grounds, including purely aesthetic reasons;

(3) Written approval of any local, state or federal governmental departments or agencies which have jurisdiction over construction in or near marshlands or wetlands must be secured.

Any alterations of the plans and specifications or of the completed structure must also be submitted to the Architectural Committee in writing and the Architectural Committee's approval in writing must be similarly secured prior to construction, the Architectural Committee reserving the same rights to disapprove alterations as it retains for disapproving the original structures.

c. Maintenance of Dock. All Owners who obtain permission and construct docks, must maintain said structures in good repair and keep the same safe, clean and orderly in appearance at all times, and further agree to paint or otherwise treat with preservatives all wood or metal located above the high water mark, exclusive of pilings and to maintain such paint or preservatives in an attractive manner. The Architectural Committee shall be the judge as to whether the docks and/or boathouses are safe, clean, orderly in appearance and properly painted or preserved in accordance with reasonable standards; and, where the Architectural Committee notifies the particular Owner in writing that said dock and/or boathouse fails to meet acceptable standards, said Owner shall thereupon remedy such condition within thirty (30) days to the satisfaction of the Architectural Committee, and that failing to so remedy such condition, the Owners hereby covenant and agree that the Association, upon the recommendation of the Architectural Committee, may make the necessary repairs, but is not obligated to make such repairs or take such actions as will bring the said dock and/or boathouse up to acceptable standards, all such repairs and actions to be at the expense, solely, of the Owner in question.

d. Entry not Trespass. Whenever the Architectural Committee is permitted by the Covenants to correct, repair, clean, preserve, clear out or do any action on the property of any Owner, or on the easement areas adjacent thereto entering the property and taking such action

shall not be deemed a trespass by the Association or its agents.

9. Street Lighting Agreement: The Declarant and Association reserves the right to subject the real property to a contract with an electric utility company for the installation of underground electric cables and/or the installation of street lighting, either or both which may require an initial payment and/or a continuing monthly payment to an electric utility company or Association by the owner of Lot.

10. Restriction on Further Subdivision:

No Lot which has been designated as such by Declarant by either recorded plat or by Supplemental Declaration shall be further subdivided or separated into smaller Lots, without the prior written consent of the Association. This restriction shall not apply, however, to Declarant.

11. Easements:

a. Utility Easements: There is hereby reserved by the Declarant, its successors and assigns, the utility easements as shown on the recorded plats of the Parcels or included within the Supplemental Declarations pertaining to the Parcels. Said easements may be used for the purpose of installing, maintaining, repairing and replacing all utility service lines and systems including, but in no way limited to, those for water, sewer, gas, telephone, electricity and cable television.

b. Easement to Correct Drainage: For a period of two (2) years from the date of conveyance of the first Lot in a Parcel, the Declarant reserves a blanket easement and right of way on, over and under the ground within a Parcel to maintain and correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary. Following such action the Declarant shall restore the affected property to its original condition as near as practical. The Declarant shall give reasonable notice of its intent to take such action to all affected Owners, unless in the opinion of the Declarant an emergency exists which precludes such notice. At the expiration of such two year period, said easement to correct drainage shall automatically be held by the Association.

c. Association Maintenance: The Board of Directors of the Association and the Architectural Board, acting through the Association, its officers, agents, servants and/or employees shall have the right of unobstructed access at all reasonable times to all properties as may be reasonably be necessary for maintenance.

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d. Grant to Others: The Declarant or Association may grant permits, licenses, and easements over any common area or utility easement reserved elsewhere for utilities, roads or other purposes reasonably necessary or useful for the Project maintenance or operation of the Project.

12. Variances:

The Association may allow reasonable variances and adjustments of the restrictions set forth in this Declaration in order to overcome practical difficulties and prevent unnecessary hardships in the application of the provisions contained herein; provided, however, that any such variance granted must be done in conformity with the intent and purposes of the general development scheme and provided also that in every instance such variance or adjustment shall not materially be detrimental or injurious to other property or improvements within the Properties.

12.1 VA or FHA Approvals: So long as there exists a Class II membership, the following actions will require the prior approval of the VA or FHA: Annexation of additional properties, (other than set out in Exhibit A or A-1) dedication of common areas, amendment to the Declaration.

13. Remedies:

In the event of a violation or breach of any of these restrictions, covenants, agreements and conditions by any person or concern claiming by, through or under the undersigned, or by virtue of any judicial proceedings, the Association, its successors and assigns and the owners of the numbered lots in the subdivision, or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel compliance with the terms thereof or to prevent the violation or breach of any of them. The failure to enforce any right, reservation, restriction or condition contained herein, however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement.

13.1 Remedies Extended to the State of North Carolina: To ensure that this subdivision is maintained consistent with the laws of the State of North Carolina, the State of North Carolina is specifically empowered to take such acts necessary by and through its officers to enforce any of these covenants against an owner or the Association. The State of North Carolina is specifically made a beneficiary of these covenants.

13.2 Remedies Extended to the City of Jacksonville. In addition to the remedies set out else

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where herein, The City of Jacksonville may enforce the lien for assessments as to the Common Areas set forth in this declaration against the Homeowners Association upon the following conditions:

a) Upon the failure of the Homeowners Association, or its designee, to maintain the Open Spaces, as defined herein in accordance with these covenants, applicable City ordinances or State laws.

b) To enforce this section, the City of Jacksonville must first give the Homeowners Association fifteen (15) days written notice of those areas which require maintenance or corrective action. Further notice is expressly waived herein. In the event corrective action is not completed by the Homeowners Association, or its designee, within thirty (30) days from and after the receipt of such notice, the City, at its option, may take the necessary corrective action and the cost of the same shall be and become a continuing lien and charge against the land of the Association, together with interest, costs and reasonable attorney fees.

14. Rights of Mortgagees: (a) Notice of action: A holder or insurer of a mortgage, upon written request to the Association (such request to state the name and address of such holder or insurer and the description of secured properties) will be entitled to timely written notice of:

1. Any condemnation or casualty loss that affects either a material portion of the project or the Lot securing its mortgage.

2. Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Lot upon which it holds a mortgage.

3. A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

4. Any proposed amendment to the project instruments effecting a change in the boundaries of any Lot, ownership of Common Elements, if any, the number of votes in the Association pertaining to any Lot or any proposed change in the restrictions on the properties.

15. Insurance: Section I: The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk insurance, for all insurable improvements on the Common Area. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred (100%) percent of the replacement cost of any repair or reconstruction in the event of damage or destruction from

any insured hazard.

The Board shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its members or agents. The public liability policy shall have at least a One Million and no/100 (\$1,000,000.00) Dollar single person limit as respects bodily injury and property damage, a Three Million and no/100 (\$3,000,000.00) Dollar limit per occurrence, and a Five Hundred Thousand and no/100 (\$500,000.00) Dollar minimum property damage limit.

Premiums for all insurance on the Common Area shall be common expenses of the Association. This policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be responsible for the repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

Cost of insurance coverage obtained by the Association for the Common Area shall be included in the regular assessment.

All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as Trustee for the respective benefitted parties, as further identified in (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company licensed to do business in North Carolina which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

(b) All policies on the Common Area shall be for the benefit of Owners and their Mortgagees as their interests may appear.

(c) Exclusive authority to adjust losses under policies in force on the Properties obtained by the Association shall be vested in the Association's Board of Directors' provided, however, no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees.

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(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the area.

(f) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners, and their respective tenants, servants, agents, and guests;

(ii) a waiver by the insurer of its rights to repair, and reconstruct, instead of paying cash;

(iii) that no policy may be cancelled, invalidated or suspended on account of anyone or more individual Owner;

(iv) that no policy may be cancelled, invalidated, or suspended on account of the conduct of any Director, officer or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or mortgagee.

(v) That any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(vi) that no policy may be cancelled or substantially modified without at least thirty (30) days' prior written notice to the Association.

In addition to the other insurance required by this Section, the Board shall obtain, as a common expense, worker's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the directors' best business judgment but may not be less than three (3) months' assessments, plus reserves on hand reviewed and adjusted annually, with minimum of \$25,000.00. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to the Association.

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The Association shall purchase officers and directors liability insurance, and every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer of the Association, whether or not he is a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, that in the event of any claim for reimbursement of indemnification hereunder based upon a settlement by the Director or Officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

Section 2. Individual Insurance. By virtue of taking title to a Lot subject to the terms of this Declaration, each owner covenants and agrees with all other Owners and with the Association that each Owner shall carry a homeowners or fire insurance policy which shall include public liability and blanket all-risk casualty insurance on his Lot(s) and structures constructed thereon. Owner shall provide a copy of the Declaration page of the policy to Association at such time(s) as the Association may direct. Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction of structures comprising his Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction. In the event that the structure is totally destroyed, Owner shall elect whether to rebuild within sixty (60) days of the loss. If Owner determines not to rebuild or to reconstruct, the Owner shall clear the Lot of all debris within ninety (90) days of loss and return it to substantially the natural state in which it existed prior to the beginning of construction. If Owner fails to so clear the Lot within ninety (90) days of the loss, the Declarant or Association may do so and the cost shall be assessed against the Owner of the Lot.

Section 3. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Area or, in the event no repair or reconstruction is made, after making such settlement as is necessary and appropriate with the affected Owner or Owners and their mortgagee(s) as their interest

may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

(b) If it is determined, as provided for in Section 4 of this Article, that the damage or destruction to the Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner provided for excess proceeds in Section 3(a) above.

Section 4. Damage and Destruction.

(a) Immediately after the damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty.

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless the Voting Members representing at least seventy-five (75%) percent of the total vote of the Association whose common property is damaged, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available, provided, however, such extension shall not exceed sixty (60) additional days. No mortgagee shall have the right to participate in the determination of whether the Common Area damaged or destroyed shall be repaired or reconstructed.

(c) In the event that it should be determined in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Properties shall be restored to its natural state and maintained by the Association in a neat and attractive condition.

Section 5. Repair and Reconstruction. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not

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sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the members of each class, levy a special assessment against all Owners in proportion to the number of Lots owned, provided, if the damage or destruction involves a Lot or Lots only Owners of the affected Lots shall be subject to such assessment. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

16. Amendment:

(a) 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 during the first twenty (20) year period by written document executed by the Declarants or their successors in title and by the owner of not less than ninety percent (90%) 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 the County in which this Declaration is recorded. After the expiration of the initial twenty (20) year period, 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 not less than seventy-five percent (75%) of the Lot Owners, and recorded in the office of the Register of Deeds of the County in which this Declaration is recorded.

(b) Notwithstanding the above, Declarant may amend this Declaration in accordance with Paragraph 3 above to add additional property to this Declaration.

(c) The Declarant, without the consent or approval of any other Owner, shall have the right to amend this Declaration to conform to the requirements of any law or governmental agency having legal jurisdiction over the Property or to qualify the Property or any Lots and improvements thereon for mortgage or improvement loans made by, guaranteed by, sponsored by or insured by a governmental or quasi-governmental agency or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by or under the substantial control of, the United States Government or the State of North Carolina, regarding purchase or sale in such lots and improvements, or mortgage interests therein, as well as any other law or regulation relating to the control of the Property, including, without limitation, ecological controls, construction standards, aesthetics and matters affecting the public health, safety and general welfare. A letter from an official of any such corporation or agency, including, without limitation, the Veterans Administration (VA), U. S. Department of Housing and Urban Development (HUD), the Federal Home Loan Mortgage Corporation, or the Federal National Mortgage Association, requiring an amendment as a condition of approval, or suggesting an amendment, shall be sufficient evidence of the approval of such

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amendment of VA, HUD and/or such corporation or agency and permit Declarant to amend to accord with such letter. No amendment made pursuant to this Section shall be effective until duly recorded in the Office of the Court for Onslow County, North Carolina.

17. Declarant's Rights:

Any or all of the special rights and obligations of the Declarant may be transferred to other persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the county in which this Declaration is recorded. Nothing in this Declaration shall be construed to require Declarant or any successor to develop any of the property set forth in Exhibit A in any manner whatsoever.

Notwithstanding any provisions contained in the Declaration to the contrary, it shall be expressly permissible for Declarant to maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of Declarant, successors and assigns, may be reasonably required, convenient, or incidental to the sale, re-sale, or rental of such Lots, including, but not limited to, business offices, signs, model units, and sales/rental offices. The Declarant shall have an easement for access to such facilities and activities shall include specifically the right to use residences owned by the Declarant, if any, and any which may be owned by the Association.

The Declarant shall have the rights (i) to use or grant the use of a portion of the Common Area for the purpose of aiding in the sale, or rental, or management of Lots; (ii) to use portions of the Property for parking for prospective purchasers or lessees of Lots and such other parties as the Declarant determines; (iii) to erect and display signs, billboards and placards and store and keep the same on the property; (iv) to distribute audio and visual promotional material upon the Common Area; and (v) to use or permit to be used any Lot which it owns or leases as a sales and/or rental office, management office or laundry and maintenance facility.

So long as Declarant continues to have rights under this paragraph, no person or entity shall record any declaration of restrictions and protective covenants or similar instrument affecting any portion of the Properties without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of restrictions and protective covenants or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

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This provision may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this provision shall terminate upon the earlier of (a) fifteen (15) years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

18. General Provisions:

1. Duration: The covenants and restrictions set forth herein shall run with and bind the Properties for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall automatically be extended for successive ten (10) year periods unless otherwise terminated by a vote of seventy-five percent (75%) of the then record Owners of all Lots within the Properties.

2. Severability: Invalidation of any one of the covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

3. Captions: The captions used in this Declaration are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text of this Declaration.

4. Construction: Whenever the context so requires, the use herein of any gender shall be deemed to include the plural and the plural shall include the singular.

5. Litigation: No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five (75%) percent of the membership and a majority of the Board of Directors. This Section shall not apply, however to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of personal assessments, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the Declarant or is approved by the percentage votes and pursuant to the same procedures necessary to institute proceedings as provided above.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, or if corporate, have caused this instrument to be signed in its corporate name by its duly

BOOK 1073 PAGE 913

authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, this the day and year first above written.

WILLIAMS FARM ASSOCIATES, a
North Carolina Joint Venture
Declarant

FIRST JOINT VENTURER



(SEAL)
JERRY S. STEVENSON

SECOND JOINT VENTURER



(SEAL)
JULIAN T. PEELE



(SEAL)
OLIVIA E. PEELE

NORTH CAROLINA
COUNTY OF Dare

I, a Notary Public, do hereby certify that JERRY S. STEVENSON, Joint Venturer, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the 6th day of October, 1992.



NOTARY PUBLIC

DEBORAH J. HEMBY
NOTARY PUBLIC
ONSLow COUNTY, N.C.
MY COMM. EXPIRES 9-16-95

My commission expires: 9-16-95

NORTH CAROLINA
COUNTY OF Cox

I, a Notary Public, do hereby certify that JULIAN T. PEELE AND OLIVIA E. PEELE, Joint Venturers, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the 6th day of October, 1992.



NOTARY PUBLIC

DEBORAH J. HEMBY
NOTARY PUBLIC
ONSLow COUNTY, N.C.
MY COMM. EXPIRES 9-16-95

My commission expires: 9-16-95
TEMPWMSFARMS.PUD(100592)R-5574

-27-

NORTH CAROLINA, ONSLOW COUNTY.

The foregoing certificate of Deborah J. Hemby
is / are certified to be correct. This instrument was presented for registration
and recorded in this office in Book: 1073, Page: 887.
This 7 day of October, 1992 at 10:23 o'clock A.M.



Mildred M. Thomas, Register of Deeds.

EXHIBIT A (DEVELOPMENT AREA)

EXHIBIT A - PAGE 1
BOOK 1073 PAGE 914

TRACT I:

BEING all of that tract consisting of 135 acres, and 141.96 acres, totaling 276.96 acres as shown on plat entitled, "Survey Map Showing Property of M. C. Williams Estate, Jacksonville Township, Onslow County, North Carolina, prepared by Radden Lanier, and Associates, dated January 3, 1985, recorded in Map Book 24, Page 186, Slide D-134, Onslow County Registry, reference to said Map being hereby made and the data therein set out herein included as though fully herein set out.

TRACT II:

COMMENCING at a point located where the Southwestern right of way of Sioux Drive intersects with the Northwestern right of way of Northwoods Drive, formerly recorded as Western Boulevard (80 foot right of way), said point also being the most Northeastern corner of Lot 4 as shown on a Map entitled, "Northwoods Park Subdivision Map 11" and recorded in Map Book 10, Page 60, of the Onslow County Registry; thence along the Northwestern right of way of Northwoods Drive as measured in a general Southwestern direction 427.43 feet to an existing iron stake, said iron stake being the most Southwestern corner of Lot 1, Block 17 as shown on the aforementioned Map; thence South 31 degrees 17 minutes 00 seconds East 40.00 feet to an iron stake; thence leaving the Northwoods Park Subdivision line and turning along the centerline of a 30 foot ingress and egress easement South 57 degrees 37 minutes 50 seconds West 69.46 feet to an existing iron stake, said iron stake being Columbus Hancock, Jr. most Southeastern corner as shown in Deed Book 597, Page 270, of the Onslow County Registry; thence along the said Hancock line and along the Northwestern margin of a 30' ingress and egress easement South 37 degrees 56 minutes 00 seconds West 101.10 feet to an existing iron stake, said iron stake being the most Southeastern corner of Columbus Hancock, Jr. property as described in Deed Book 415, Page 376, of the Onslow County Registry; thence continuing along the said Hancock line and along the Northwestern margin of a 30' ingress and egress easement South 36 degrees 53 minutes 30 seconds West 120.40 feet to an existing iron stake; thence continuing along the Northwest Margin of a 30' ingress and egress easement South 36 degrees 53 minutes 30 seconds West 151.03 feet to an iron stake; thence cornering and running along the Southwest margin of a 30' ingress and egress easement South 30 degrees 24 minutes 30 seconds East 174.46 feet to an iron stake, said iron stake being the terminus of this 30' ingress and egress easement, said iron stake also being THE TRUE POINT OF BEGINNING; thence running along the Northwestern line of a tract described in a deed to Joyce Teeler, South 40 degrees 05 minutes 30 seconds West 200.71 feet to an iron stake and the new line of William C. Williams property; thence along Williams' new line North 30 degrees 24 minutes 30 seconds West 212.90 feet to an iron stake; thence continuing along Williams' new line North 40 degrees 05 minutes 30 seconds East 200.71 feet to an iron stake; thence South 38 degrees 24 minutes 30 seconds East 212.97 feet to the point and place of beginning, containing 1.0 acres and being a portion of the property as described in Deed Book 270, Page 357, of the Onslow County Registry. The bearings contained within are correct in angular relationship and are reference to Magnetic North as per Map Book 10, Page 60, of the Onslow County Registry, as surveyed by John L. Pierce, R.L.S., L-2596, December 0, 1907.

ALSO INCLUDED HEREWITH for purposes of ingress, egress and egress is joint usage over an easement the Northwestern line and Southwestern line of which is the line used as a tie down line in the above description to the true point of beginning in said description, reference to said data being hereby had and herein included in this description of easement as though fully herein set out, said easement lying adjacent to and immediately Southeast of the Northwestern line of said easement and adjacent to and immediately Northeast of the Southwestern line of said easement and extending for a width of 30 feet from said lines, said easement to run with the land hereinabove described and to be used together with other adjoining land along said easement or beyond said easement, all as surveyed by John L. Pierce, R.L.S., L-2596, December 0, 1907.

BOOK 1073 PAGE 915

EXHIBIT A - PAGE 2

THAT PORTION of the above described tract and access easement above described that is included in the 60 foot ingress and egress easement described as follows:

COMMON EASEMENT for ingress, egress and regress in joint usage with others adjacent thereto for purposes of ingress, egress and regress over a 60 foot easement to be used for such purposes and should said Easement ever be taken into a municipality for such purposes as the municipality is allowed by law to use its streets, the Northwestern line of which is described as follows: BEGINNING at a point in the Southwestern terminus of the present Northwoods Drive as shown on Map of Northwoods Park Subdivision Map No. 12, Map Book 10, Page 39, and Subdivision Map No. 13 of the Northwoods Park as shown on Map Book 10, Page 60, Onslow County Registry, said point in said terminus lying North 31 degrees 17 minutes 00 seconds West 25.04 feet from the centerline of said terminus of said Northwoods Drive and running thence from said beginning point South 37 degrees 56 minutes 00 seconds West across a part of the property of the M. C. Williams' Estate and along the Southeastern line of the Columbus Hancock, Jr. property, 175.30 feet to a stake, thence continuing along the line of the said Columbus Hancock, Jr. and beyond, South 36 degrees 53 minutes 30 seconds West 535.40 feet to a point, the terminus of this 60 foot Easement, is subject to said 60 foot Easement.

EXCEPT from the above described tract, described also in book 640, Page 800, Onslow County Registry, is that portion of said Tract that is within the description of a 2.74 acre tract conveyed to Columbus Hancock, Jr and wife, Peggy W. Hancock, and described in the Order and Partial Judgment filed in this Proceeding on January 12, 1988, and filed in the Onslow County Registry, on January 13, 1988, in Book 863, Page 41.

EXCEPT from the above described tracts the following described Exhibit A conveyed to ROSSIE HANCOCK by the Order and Partial Judgment filed in the Office of the Clerk of Superior Court January 12, 1988, and recorded in the Office of the Register of Deeds on January 13, 1988, in Book 863, Page 41, in said Book 863, at Page 47:

a tract or parcel of land in the County of Onslow, State of

North Carolina, in Jacksonville Township, and bounded as follows:

TO LOCATE THE BEGINNING POINT, start at a point in the Southwestern terminus of the present Northwoods Drive, as shown on Map of Northwoods Park Subdivision Map No. 12, Map Book 10, Page 39, and Subdivision Map No. 13 of Northwoods Park as shown on Map Book 10, Page 60, Onslow County Registry, said point in said terminus lying North 31 degrees 17 minutes 00 seconds West 25.04 feet from the centerline of said terminus of said Northwoods Drive and running thence from said beginning point along the Northwestern right of way line of a 60 foot ingress and egress easement, the following call and distances, South 37 degrees 56 minutes 00 seconds West across a part of the property of the M. C. Williams' Estate and along the Southeastern line of the Columbus Hancock, Jr. property, 175.30 feet to a stake, thence continuing along the line of the said Columbus Hancock, Jr. and beyond, South 36 degrees 53 minutes 30 seconds West 535.40 feet to a point, the terminus of said 60 foot ingress and egress easement, and the point of beginning, of the following described tract, thence from said point of beginning, North 53 degrees 06 minutes 30 seconds West 200 feet to a net iron stake, thence North 36 degrees 53 minutes 30 seconds East 225 feet to a net iron stake, thence South 53 degrees 06 minutes 30 seconds East 200 feet to a net iron stake in the Northwestern right of way line of a 60 foot ingress and egress easement, thence South 36 degrees 53 minutes 30 seconds West along the Northwestern line of said Easement 225 feet to the point and place of beginning, containing 1.07 acres, as surveyed by Harden Lanier and Associates, September 2, 1987.

BOOK 1073 PAGE 916

EXHIBIT A - PAGE 3

ALSO INCLUDED HEREWITH is access in common with others adjacent thereto for purposes of ingress, egress and regress over a 60 foot easement to be used for such purpose and should said Easement ever be taken into a municipality for such purposes as the municipality is allowed by law to use its streets, the Northwestern line of which is described as follows: BEGINNING at a point in the Southwestern terminus of the present Northwoods Drive as shown on Map of Northwoods Park Subdivision Map No. 12, Map Book 10, Page 60, Onslow County Registry, said point in said terminus lying North 31 degrees 17 minutes 00 seconds West 25.04 feet from the centerline of said terminus of said Northwoods Drive and running thence from said beginning point South 37 degrees 56 minutes 00 seconds West across a part of the property of the H. C. Williams' Estate and along the Southeastern line of the Columbus Hancock, Jr. property, 175.30 feet to a stake, thence continuing along the line of the said Columbus Hancock, Jr., and beyond South 36 degrees 53 minutes 10 seconds West 535.40 feet to a point, the terminus of this 60 foot Easement.

EXCEPT from the above described tracts the following described Exhibit B conveyed to COLUMBUS HANCOCK, JR. et ux by the Order and Partial Judgment filed in the Office of the Clerk of Superior Court January 12, 1988, and recorded in the Office of the Register of Deeds on January 13, 1988, in Book 863, Page 41, in said Book 863, at Page 48:

a tract or parcel of land in the County of Onslow, State of North Carolina, Jacksonville Township, and bounded as follows:

BEGINNING at an iron stake, a corner of the Columbus Hancock, Jr. property, said iron stake lying North 34 degrees 00 minutes 25 seconds West 135.70 feet from a point in said Columbus Hancock, Jr. property line, which lies North 39 degrees 21 minutes 00 seconds West 40.75 feet from a point in said Columbus Hancock, Jr.'s property line, which lies North 17 degrees 11 minutes 41 seconds West 25.71 feet from a corner of Columbus Hancock, Jr. which last mentioned point lies South 57 degrees 37 minutes 50 seconds West 69.46 feet from a point in the centerline of the Southern Terminus of Northwoods Drive, as shown on Maps of Northwoods Park, Subdivision Map No. 12, Map Book 10, Page 59, Onslow County Registry, and Map of Northwoods Park Subdivision, Map No. 13, Map Book 10, Page 60, Onslow County Registry, and running thence from said beginning, with the line of Columbus Hancock, Jr. South 42 degrees 54 minutes 20 seconds West 119.59 feet to a point, thence North 10 degrees 59 minutes 30 seconds West 0.26 feet to a point, thence South 44 degrees 37 minutes 00 seconds West 130.09 feet to a point, thence South 44 degrees 00 minutes 00 seconds West 243.55 feet to a point in the Northwestern right of way line of a 30 foot ingress and egress easement, said line being the Northwestern right of way line of a 60 foot ingress and egress easement running Southwesterly from the present Southwestern Terminus of Northwoods Drive and running thence with the Northwestern line of said 30 foot ingress and egress easement and the Northwestern right of way line of the 60 foot ingress and egress easement, South 36 degrees 53 minutes 30 seconds West 190.00 feet to a point, a corner of a lot proposed to be traded to Rossie Hancock, thence with the Rossie Hancock line and beyond, North 54 degrees 06 minutes 30 seconds West 354 feet, plus or minus, to a point that lies South 35 degrees 27 minutes 17 seconds West 543 feet, plus or minus from a point that lies North 34 degrees 00 minutes 25 seconds West 190 feet from the point of beginning, thence North 35 degrees 27 minutes 17 seconds East 543 feet, plus or minus, to a point that lies North 34 degrees 00 minutes 25 seconds West 190 feet from the point of beginning, thence South 34 degrees 00 minutes 25 seconds East 190 feet to the point of beginning, containing 2.74 acres, more or less.

ALSO INCLUDED HEREWITH is access in common with others adjacent thereto for purposes of ingress, egress and regress over a 60 foot easement to be used for such purpose and should said Easement ever be taken into a municipality for such purposes as the municipality is allowed by law to use its streets, the Northwestern line of which

BOOK 1073 PAGE 917

EXHIBIT A - PAGE 4

In described as follows: BEGINNING at a point in the Southwestern terminus of the present Northwoods Drive as shown on Map of Northwoods Park Subdivision Map No. 12, Map Book 10, Page 39, and Subdivision Map No. 13 of Northwoods Park as shown on Map Book 10, Page 60, Onslow County Registry, said point in said terminus lying North 31 degrees 17 minutes 00 seconds West 25.04 feet from the centerline of said terminus of said Northwoods Drive and running thence from said beginning point South 37 degrees 56 minutes 00 seconds West across a part of the property of the M. C. Williams' Estate and along the Southern line of the property of Columbus Hancock, Jr. property, 175.38 feet to a stake, thence continuing along the line of the said Columbus Hancock, Jr. and beyond, South 36 degrees 53 minutes 00 seconds West 535.40 feet to a point, the terminus of this 60 foot Easement.

The above described property hereby sold, subject to 1988 Ad Valorem Taxes and all matters of record in any way affecting said property.

TRACT III: (Warren Tract)

Beginning at an iron stake located South 58° 43' West 12.0 feet, North 31° 17' West 195.29 feet from the Southwestmost corner of Lot 1, Block 14, Northwoods Park Subdivision as shown on a map recorded in Map Book 10, page 39, Onslow County Registry; thence from said point of beginning South 58° 43' West 181.15 feet to an iron stake in an old fence line; thence with said fence North 24° 00' West 99.32 feet to an iron stake; thence North 58° 43' East 171.16 feet to an iron stake in the Western margin of a 12-foot access easement; thence with the margin of said easement South 31° 17' East 98.52 feet to the point of beginning. Containing 0.400 acres, more or less.

TRACT IV: (Warren Tract)

A permanent right of way or easement for the purpose of ingress and egress in, over, and through that 12-foot wide roadway described as follows: Beginning at the Southwestmost corner of the aforesaid Lot 1, Block 14, thence North 31° 17' West 293.81 feet to a point; thence South 58° 43' West 12.0 feet to a point; thence South 31° 17' East 337.50 feet to a point; thence North 58° 43' East 12.0 feet to a point; thence South 31° 17' East 43.75 feet to the point of beginning.

TRACT V: (Davis Tract)

Beginning at an iron stake located South 43 degrees 43 minutes West 12.0 feet, North 31 degrees 17 minutes West 101.61 feet from the Southwestmost corner of Lot 1, Block 14, Northwoods Park Subdivision as shown on a map recorded in Map Book 10, Page 39, Onslow County Registry; thence from said point of beginning South 50 degrees 41 minutes West, 194.73 feet to an iron stake in an old fence line; thence with said fence North 24 degrees 0 minutes West, 91.29 feet to an iron stake; thence North 50 degrees 41 minutes East, 181.15 feet to an iron stake in the Western margin of a 12-foot access easement; thence with the margin of said easement South 31 degrees 17 minutes East, 90.65 feet to the point of beginning. Containing 0.393 acres, more or less.

TRACT VI: (Davis Tract)

That permanent easement or right-of-way for the purpose of ingress and egress over the following described 12-foot wide road: beginning at the Southwestmost corner of the aforesaid Lot 1, Block 14; thence North 31 degrees 17 minutes West, 195.29 feet to a point; thence South 58 degrees 43 minutes West, 12.0 feet to a point; thence South 31 degrees 17 minutes East, 239.04 feet to a point; thence North 58 degrees 43 minutes East, 12.0 feet to a point; thence 531 degrees 17 minutes East, 43.75 feet to the point of beginning.

BOOK 1073 PAGE 918

EXHIBIT A-1 (PROJECT AREA)

BEING all of the property as shown on that plat entitled "WILLIAMS FARM, SECTION 1A," Map Book 28, Page 61 and 61A, Slide F169, Onslow County Registry.

BOOK 1120 PAGE 587

LAW OFFICES
OF
FRANK W. ERWIN

SUITE 115 GUN BRANCH SQUARE
825 GUN BRANCH ROAD
P.O. BOX 7206
JACKSONVILLE NC 28540

Prepared by: FRANK W. ERWIN, ATTORNEY

P.O. Box 7206
Jacksonville, N.C. 28540

1993 JUL -9 PM 1:12

NORTH CAROLINA

AMENDMENT TO MASTER DECLARATION
OF RESTRICTIVE COVENANTS OF
WILLIAMS FARM SUBDIVISION

ONSLOW COUNTY

THIS AMENDMENT TO MASTER DECLARATION OF RESTRICTIVE COVENANTS OF WILLIAMS FARM SUBDIVISION, made this the 8TH day of JUNE 1993 by WILLIAMS FARM ASSOCIATES, a North Carolina Joint Venture, COMPOSED OF JERRY S. STEVENSON (FIRST JOINT VENTURER) and JULIAN T. PEELE and OLIVIA E. PEELE (SECOND JOINT VENTURER), hereinafter referred to as "Declarant";

Whereas, the Declarant has heretofore caused to be recorded a Master Declaration of Restrictive Covenants in Book 1073, Page 887; and

WHEREAS, the Master Declaration as above recorded and originally published expressly allowed additional tracts or parcels of land to be made subject to the terms and conditions of said Master Declaration; and

WHEREAS, the Declarant has now completed certain improvements on that certain tract of land designated as Section I-B of WILLIAMS FARM SUBDIVISION; and

WHEREAS, the Declarant is the owner of that certain tract or parcel of land designated as Section WILLIAMS FARM SUBDIVISION as hereinafter described; and

WHEREAS, the Declarant will convey the property described in Section I-B WILLIAMS FARM SUBDIVISION, as hereinafter described subject to all those conditions, restrictions, reservations, liens and charges set forth in the Master Declaration, all of which is hereby incorporated by reference:

NOW THEREFORE, the Declarant does hereby publish and declare all of the property described below shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to all the terms and conditions set forth in said Master Declaration; which is declared and agreed to in furtherance of the plan for the improvements of said property in the division thereof and shall be deemed to run with the land and shall be a burden and a

JACKSONVILLE
919-346-9671
EMERALD ISLE
919-354-3242
SPANGBORO
919-326-4008
FACSIMILE
919-346-5883

BOOK 1120 PAGE 588

benefit to Declarant, its successors and assigns, and any person acquiring or owning any interest in the real property improvements, their Grantees, successors, heirs, executors, administrators, devisees and assigns.

1. DESCRIPTION OF PROPERTY: Being all of that property as described as follows:

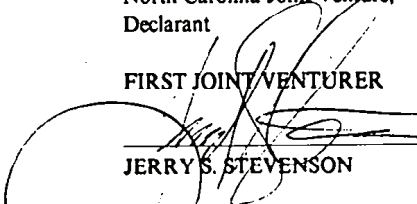
Being all of those lots shown on that plat entitled "Williams Farm, Section I-B" and recorded in Map Book 29, page 144, Onslow County Registry.

2. INCORPORATION BY REFERENCE: All of the terms, conditions, provisions and rights reserved by the Declarant as set forth in the Master Declaration as recorded in Book 1073, Page 887, Onslow County Registry. By the submission of Section I-B of the property to the terms and conditions of this Declaration, the Declarant expressly reserves all those rights and privileges as set forth in the Master Declaration as above referred to.

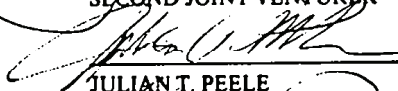
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, or if corporate, have caused this instrument to be signed in its corporate name by its duly authorized officers and its seal the foregoing to be executed in its corporate name by its duly authorized officers and its corporate seal to be hereto affixed, all by authority of its Board of Directors, first duly given,

WILLIAMS FARM ASSOCIATES, a
North Carolina Joint Venture,
Declarant

FIRST JOINT VENTURER

 (SEAL)
JERRY S. STEVENSON

SECOND JOINT VENTURER

 (SEAL)
JULIAN T. PEELE

 (SEAL)
OLIVIA E. PEELE

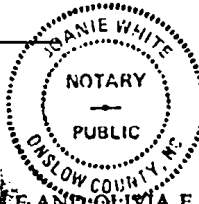
BOOK 1120 PAGE 589

NORTH CAROLINA
COUNTY OF Onslow

I, a Notary Public, do hereby certify that JERRY S. STEVENSON, Joint Venturer, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the 30 day of June, 1993.

Joanie White
NOTARY PUBLIC



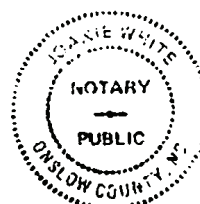
My commission expires: 5-24-98

NORTH CAROLINA
COUNTY OF Onslow

I, a Notary Public, do hereby certify that JULIAN T. PEELE AND OLIVIA E. PEELE, Joint Venturers, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the 30 day of June, 1993.

Joanie White
NOTARY PUBLIC



My commission expires: 5-24-98

TEMPWMSFRM.AMD(060793)
R-5574

NORTH CAROLINA, Onslow County
The foregoing certificate(s) of Joanie White

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 1120 Page 587 This 9th day of July 19 93 A.D. at 11:12 AM o'clock P. M. By Medred M. Thomas Register of Deeds, Onslow County

BOOK 1200 PAGE 69

Prepared by: FRANK W. ERWIN, ATTORNEY
P.O. Box 7206
Jacksonville, N.C. 28540

RECEIVED 17 JUL 10 42

NORTH CAROLINA

AMENDMENT TO MASTER DECLARATION
OF RESTRICTIVE COVENANTS OF
WILLIAMS FARM SUBDIVISION

ONslow COUNTY

THIS AMENDMENT TO MASTER DECLARATION OF RESTRICTIVE COVENANTS OF WILLIAMS FARM SUBDIVISION, made this the 15TH day of AUGUST 1994 by WILLIAMS FARM ASSOCIATES, a North Carolina Joint Venture, Composed of Jerry S. Stevenson (First Joint Venturer) and Julian T. Peele and Olivia E. Peele (Second Joint Venturer); and RONALD C. CHOATE AND WIFE JANE T. CHOATE, hereinafter collectively referred to as "Declarant";

Whereas, the Declarant has heretofore caused to be recorded a Master Declaration of Restrictive Covenants in Book 1073, Page 887 and amended thereafter in Book 1120, page 587; and

WHEREAS, the Master Declaration as above recorded and originally published expressly allowed additional tracts or parcels of land to be made subject to the terms and conditions of said Master Declaration; and

WHEREAS, the Declarant has now completed certain improvements on that certain tract of land designated as Section II of WILLIAMS FARM SUBDIVISION; and

WHEREAS, the Declarant is the owner of that certain tract or parcel of land designated as Section II WILLIAMS FARM SUBDIVISION as hereinafter described; and

WHEREAS, the Declarant will convey the property described in Section II WILLIAMS FARM SUBDIVISION, as hereinafter described subject to all those conditions, restrictions, reservations, liens and charges set forth in the Master Declaration, all of which is hereby incorporated by reference:

NOW THEREFORE, the Declarant does hereby publish and declare all of the property described below shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to all the terms and conditions set forth in said Master Declaration; which

BOOK 1200 PAGE 70

is declared and agreed to in furtherance of the plan for the improvements of said property in the division thereof and shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns, and any person acquiring or owning any interest in the real property improvements, their Grantees, successors, heirs, executors, administrators, devisees and assigns.

1. **DESCRIPTION OF PROPERTY:** Being all of that property as described as follows:

Being all of those lots shown on that plat entitled "Williams Farm, Section II" and recorded in Map Book 31, page 47, and that plat entitled "Recombination Survey Lots 4 and 5, Williams Farm, Section II, and recorded in Map Book 31, page 93, Onslow County Registry.

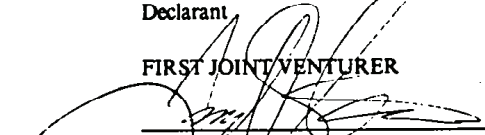
2. **INCORPORATION BY REFERENCE:** All of the terms, conditions, provisions and rights reserved by the Declarant as set forth in the Master Declaration as recorded in Book 1073, Page 887, and amended in Book 1120, page 587, Onslow County Registry. By the submission of Section II of the property to the terms and conditions of this Declaration, the Declarant expressly reserves all those rights and privileges as set forth in the Master Declaration as above referred to.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, or if corporate, have caused this instrument to be signed in its corporate name by its duly authorized officers and its seal the foregoing to be executed in its corporate name by its duly authorized officers and its corporate seal to be hereto affixed, all by authority of its Board of Directors, first duly given.

BOOK 1200 PAGE 71

WILLIAMS FARM ASSOCIATES, a
North Carolina Joint Venture
Declarant

FIRST JOINT VENTURER

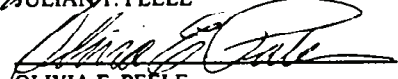


JERRY S. STEVENSON

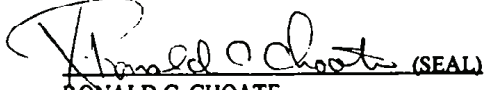
SECOND JOINT VENTURER



JULIAN T. PEELE



OLIVIA E. PEELE



RONALD C. CHOATE



JANE T. CHOATE

NORTH CAROLINA
COUNTY OF Onslow

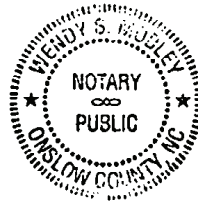
I, a Notary Public, do hereby certify that JERRY S. STEVENSON, Joint Venturer,
personally appeared before me this day and acknowledged the due execution of the foregoing
instrument.

Witness my hand and official seal, this the 16th day of August, 1994.



NOTARY PUBLIC

My commission expires: 12-16-96



BOOK 1200 PAGE 72

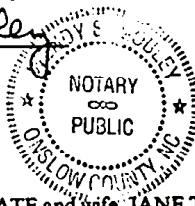
NORTH CAROLINA
COUNTY OF Onslow

I, a Notary Public, do hereby certify that JULIAN T. PEELE AND OLIVIA E. PEELE, Joint Venturers, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the 16th day of August, 1994.

Wendy S. Mobley
NOTARY PUBLIC

My commission expires: 12-16-96



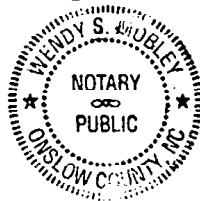
NORTH CAROLINA
COUNTY OF Onslow

I, a Notary Public, do hereby certify that RONALD C. CHOATE and wife, JANE T. CHOATE, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the 16th day of August, 1994.

Wendy S. Mobley
NOTARY PUBLIC

My commission expires: 12-16-96



RESCOWPUDAMDMT.FRM(082092) rp ps
TEMPWMSFRMII.AMD(060793) rev 081594 rp

NORTH CAROLINA, Onslow County WENDY S. MOBLEY
The foregoing certificate(s) of _____

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in
Book 1200 Page 69 This 17th day of August
19 94 A.D. at 10:42 o'clock A. M.
Michael M. Roman By _____
Register of Deeds, Onslow County Register of Deeds

16
Frank

BOOK 1632 PAGE 347

Prepared by: FRANK W. ERWIN, ATTORNEY
Erwin, Simpson & Stroud, Attorneys, P.L.L.C.
Emerald Isle-Jacksonville-Swansboro

200 JUN -6 PM 12: 58

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- Williams Farm Subdivision
- Williams Farm Associates, A NC Joint Venture
- Williams Farm Architectural Control Committee
- Williams Farm Community Services Association, Inc.

NORTH CAROLINA
ONSLow COUNTY

AMENDMENT TO MASTER
DECLARATION OF
RESTRICTIVE COVENANTS
OF WILLIAMS FARM
SUBDIVISION (Section III-A)

THIS AMENDMENT TO MASTER DECLARATION OF RESTRICTIVE COVENANTS OF WILLIAMS FARM SUBDIVISION, made this the 5th day of June, 2000 by WILLIAMS FARM ASSOCIATES, a North Carolina Joint Venture, Composed of Jerry S. Stevenson (First Joint Venturer) and Christine W. Stevenson (Second Joint Venturer); hereinafter collectively referred to as "Declarant";

BACKGROUND STATEMENT

Whereas, the Declarant has heretofore caused to be recorded a Master Declaration of Restrictive Covenants in Book 1073, Page 887 and amended thereafter in Book 1120, Page 587 and Book 1200, Page 69, Onslow County Registry; and

WHEREAS, the Master Declaration as above recorded and originally published expressly provided that the Declarant shall have the right, from time to time, to record Supplemental Declarations for portions ("Parcels") of the Properties which may designate specific use and other restrictions within said Parcel; and

WHEREAS, the Declarant has now completed certain improvements on that certain tract of land designated as Section III-A of WILLIAMS FARM SUBDIVISION; and