Hunters Ridge of New Bern Homeowners Association, Inc
P.O. Box 15074
New Bern, NC 28561

August 14, 2007

Data Sheet:

Background

- May 1995: Hunters Ridge Homeowners Association, Inc formed by Developer Gerald Anderson.
- June 1995: Name of Association amended to Hunters Ridge, of New Bern, Homeowners Association, Inc.

  Note: From its original inception Gerald Anderson controlled the HOA and no dues were assessed or collected by him. Over the years he did attempt to enforce the Restrictive and Protective Covenants, but after he experienced financial problems at Hunters Ridge his involvement decreased significantly.
- Nov 2001: When most of the lots in the first four phases were sold, Chuck Tyson attempted to get the homeowners to assume control of the association. A meeting was called and Gerald Anderson stated at that meeting that he was not ready to turn it over until he delivered on all his promises for a clubhouse, pool, etc. As we are all aware none of that happened and Gerald Anderson continued to control the association.
- The period from Nov 2001 through Sept 2006 saw a great deal of change to Hunters Ridge and all of the undeveloped lots in Phases I through IV. Gene Dunn bought these lots and different developers built home on them.
- Additionally all the lots in Phases V and VI were purchased by Gene Dunn and he is developing Phases V through VI. There may even be future phases planned by Gene Dunn who has established his own Homeowners Association with different covenants and dues and the Hunters Ridge Homeowners Association of New Bern, Inc in not involved with that activity.

Change of Control

- Sept 2006: It was determined that Gerald Anderson was ready to turn over control to the Homeowners of Hunters Ridge and with the help of Attorney Brian Taylor, a meeting of all homeowners was called and overwhelmingly approved assuming control. A preliminary budget was presented and approved and three Board members were appointed by the membership.
  - Board Members – Leo Minervini, Janet Johnson and Marilyn Philippart
- Dec 2006: Gerald Anderson resigned as Registered Agent for Hunters Ridge Homeowners Association of New Bern, Inc and the then sitting president (Stephan Fell) was appointed as Registered Agent.

Activities Dec 2006 to Present

- The Board appointed Officers
  - President Stephan Fell
  - Vice President Janet Johnson
  - Treasurer Avis Nash
  - Secretary Mary Ellen Crisp
- Dues were approved by the Board to cover approved budget
  - $180/year was assessed and can be paid all at once or in two payments of $90/6 months
- Committees formed, staffed, and working to improve the community
  - Welcome
  - Finance
  - Covenants
  - Safety
  - Architectural Control
  - Maintenance
  - Gov't Liaison
- President Stephan Fell resigned and the Board appointed Leo Minervini as President for the remaining term of Mr Fell.
- Monthly meeting of Board and Officers are conducted
- Currently developing a Web Site to aid communications with all Homeowners and Others
  - Web Address: huntersridgeofnewbernhoa.org is currently under construction.

What we ask of You

Please be aware that Hunters Ridge Homeowners Association of New Bern, Inc has been in effect since 1995 and that it includes Phases I through IV of Hunters Ridge **only.** As of the beginning of 2007 the control of the association has become the responsibility of the Board and Officers elected by the residents of Hunters Ridge. Ensure that perspective buyers know that there are restrictive and protective covenants when buying in this neighborhood and that there are dues associated with purchasing properties or homes here.

- Dues cover the maintenance of common areas, lighting of the common areas, required insurances for liability and indemnification of officers, as well as any operating expenses for the association.

What do we anticipate in the future?

Although it is difficult to be sure of what the future holds for any Homeowners Association, we anticipate the following, at a minimum.

- Establish an active adjudicatory committee to deal with variances of covenants
- Establish a fund for major improvements to common areas, etc.
- Work with the homeowners in the additional phases controlled by Gene Dunn to determine if we need one overall Homeowners Association with separate areas, as Taberna HOA is structured today.

STATE OF NORTH CAROLINA.

COUNTY OF CRAVEN

DECLARATIONS OF RESTRICTIONS, CONDITIONS AND EASEMENTS OF HUNTERS RIDGE

THESE DECLARATIONS, made and entered into this the 9th day of May, 1995, by and between GERALD L. ANDERSON, L.L.C. (hereinafter called "Developer"); and ALL PROSPECTIVE PURCHASERS of Lots 1 through 43 in Hunters Ridge Subdivision, Phase I, a map of which is recorded in Plat Cabinet F, Slides 184B, C and D, in the office of the Register of Deeds of Craven County (the "Subdivision"), reference to said map being hereby made for a more perfect description of said lots;

WITNESSETH:

WHEREAS, Developer has acquired title to those Lots described above (hereafter from time to time referred to individually as a "Lot" or collectively as the "Lots"), and intends to convey said Lots by deeds, Deeds of Trust, mortgages and other instruments to various persons, firms and corporations subject to certain restrictive and protective covenants and conditions which are deemed to make said Lots more desirable to the end that the restrictive and protective covenants and conditions herein set out shall inure to the benefit of each person, firm or corporation which may acquire title to any or all of said Lots and which shall be binding upon each such person, firm or corporation to whom or to which Developer hereafter may convey any of said numbered Lots by deed, mortgage, deed of trust or other instrument.

WHEREAS, the restrictive and protective covenants herein are imposed on the Lots for the purpose of enhancing and protecting the value, desirability and attractiveness of said real property and every part thereof, and all of which are to be construed as restrictive covenants running with the title to the Lots;

NOW, THEREFORE, in consideration of the premises herein, Developer hereby covenants and agrees with said Prospective Purchasers that each of the above-mentioned numbered lots shall be held, sold and conveyed subject to the restrictive and protective covenants and conditions herein set forth and said restrictive and protective covenants and conditions shall become a part of each instrument conveying any of the Lots, as fully and to the same extent as if set forth therein. As a condition of the sale or conveyance of any of the Lots, the purchasers agree and covenant to abide by and conform with said restrictive and protective covenants and conditions. Developer reserves the easements herein specified.

THE RESTRICTIVE AND PROTECTIVE COVENANTS AND CONDITIONS AND EASEMENTS ARE AS FOLLOWS:

1. LOTS. The owner(s) of a numbered parcel constituting one of the Lots herein may combine with such numbered parcel, parts or portions of another numbered parcel or parcels and the aggregate shall be considered as one Lot for the purposes of these Declarations. No property other than the Lots is encumbered by these restrictive and protective covenants. Variations in lot lines are permitted so long as the number of Lots is not increased.

2. ARCHITECTURAL CONTROL.

A. All plans and specifications for any structure or improvement whatsoever to be erected on any Lot, and the proposed location and orientation in relation to streets, Lot, or Lots, the construction material, the roofs and exterior color schemes, shall require prior written approval of Developer. Further, any later additions after initial approval thereof, and any exterior remodeling, reconstruction, or alterations thereto on any Lot shall also be subject to, and shall require the prior written approval of Developer.

B. There shall be submitted to Developer two (2) complete sets of the final plans and specifications for any and all proposed improvements, the erection or alteration of which is desired. No structures or improvements of any kind shall be erected, altered, placed or maintained upon any Lot unless and until the final plans, elevations, and specifications thereof have received written approval as herein provided. Such plans shall include plot plans showing the location on the Lot of the building, wall, fence or other structure or improvement to be constructed, altered, placed or maintained thereon, together with a description of the proposed construction material, color schemes, roof design and material, and landscape design. Developer shall reserve the right to require a filing fee of no more than fifty and 00/100 dollars ($50.00) to accompany the submission of such plans.

C. Developer shall approve or disapprove plans, specifications and details within thirty (30) days from the receipt thereof. One (1) set of said plans and specifications and details with the approval or disapproval endorsed thereon shall be returned to the person submitting them, and the other copy thereof shall be retained by Developer for its permanent files.

D. Developer shall have the right to disapprove any plans, specifications or details submitted to it in the event the same are (1) not in accordance with any of the provisions of these Restrictions; (2) if the design or color scheme of the proposed building or other structure is not in harmony with the general surroundings of such Lot or with the adjacent buildings or structures; (3) if the plans and specifications submitted are incomplete; (4) if plans and specifications do not conform to building standards established for the subject area; (5) or in the event Developer deems the plans, specifications or details, or any

part thereof, to be contrary to the interests, welfare or rights of all or any part of the real property subject hereto, or the owners thereof. The decisions of the Developer shall be final and not subject to appeal or review.

E. Neither the Developer nor any agent thereof shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications.

F. Developer or its agents shall have the right to inspect all construction to insure that the structure is in accordance with the approved plans, specifications and details. If the finished building or other structure does not comply with the submitted plans and specifications, Developer retains the right to make the necessary changes at owner's expense, and the further right to file under the North Carolina lien laws notice of liens for any costs incurred. Any lien obtained will be subordinate to any first deed of trust on the property. No structure or improvement shall be made unless it substantially conforms with the approved plans, specifications and details.

G. Developer, at its option, may appoint an Architectural Control Committee to oversee property control functions as outlined herein, and the Committee will have the same power and authority as the Declarant. Such Committee, if formed, will be known as the Hunters Ridge Property Control Committee ("Committee"), and shall consist of three individuals to be appointed, to be replaced, to possess the qualifications, and to possess the powers as specified herein. Each member shall serve until he/she dies, resigns or is replaced as herein provided. Each member of the Committee shall be an owner of an interest in a Lot, an officer of a corporate owner of a Lot, a partner in a partnership owner of a Lot, or a member in a limited liability company owner of a Lot. A member of the Committee may resign by written notice to the remaining members of the Committee. A member may be removed by the remaining members of the Committee, if the member being removed has become unqualified because of failure to meet the criteria stated above. A member of the Committee may be removed with or without cause by a writing signed by a majority of the owners of the Lots which writing specifies the Lots owned by the voters and names a replacement for the member so removed. Such writing shall be delivered to each of the members of the Committee and shall be effective from the time of such delivery. The remaining members of the Committee shall replace any member who has resigned, sold his Lot or has died. So long as the Developer owns any of the Lots, it may remove any member of the Committee and replace the member so removed. A written record shall be kept of all actions of the Committee. The members of the Committee shall serve without compensation or reimbursement. Any member of the Committee may call a meeting upon two days' notice to the other members of the Committee. Such

notice shall state the time, place and purpose of such meeting. At least two (2) members of the Committee must be present at a meeting in order for any action of the Committee to be taken at that meeting. A written decision signed by two members of the Committee shall be the decision of the Committee.

3. LAND USE AND BUILDING TYPE. No structure shall be erected, altered, placed or permitted to remain on any Lot other than for use as a single-family residential dwelling, and only one single-family residential dwelling may be erected or permitted to remain upon any Lot. No mobile or modular home may be erected or permitted to remain upon any Lot. No outbuilding shall be erected upon a Lot unless said outbuilding is incidental to the residential use of said Lot. It is provided, however, that Developer and its designers, during the development stage, may maintain a dwelling for use as a model home to aid sales in the development. After development has been completed, no such model home may be maintained in the development.

4. DWELLING SIZE. A. Each dwelling erected upon each of Lots 1 through 23, and 35 through 43 shall contain not less than 2,000 square feet, based on the outside measurement of enclosed, floor, heated area, exclusive of open porches and garages. It is provided however, that in the sole discretion of the Developer (or the Committee, if one has been appointed), and with its written approval, there may be a credit towards the square footage requirement in the following amount for the following improvements:

(i) one-third (1/3) the square foot floor area of any covered porch may be counted towards the square footage requirement;

(ii) one-half (1/2) the square foot floor area of any enclosed garage may be counted towards the square footage requirement; and

(iii) after all credits are applied there shall be not less than 1,800 square feet of heated area.

B. Each dwelling erected upon each of Lots 24 through 34 shall contain not less than 2500 square feet, based on the outside measurement of enclosed, floor, heated area, exclusive of open porches and garages.

5. QUALITY OF IMPROVEMENTS AND SETBACKS. No building shall be erected or permitted to remain nearer to any front lot line in the development than the 45 feet as shown on the recorded map, with the exception of buildings on Lots 13, 14, 15 and 16 which each have a 40' front setback requirement as shown on the recorded map. It is provided, however, that eaves, steps, stoops and fireplace chaises shall not be considered as a part of the building for the purposes of interpreting this Paragraph of these Declarations.

Moreover, the location of structures on Lots shall be approved by the Developer (or the Committee, if one has been appointed). The provisions of this Paragraph shall supercede any notes on the aforesaid map. An error in the placement of structures in an amount less than ten percent (10%) of the front setback requirement in question is not a violation of these Declarations or of the provisions of the recorded map. No building shall be located nearer to any side Lot line than ten (10) feet on an interior Lot, nearer to any side Lot line than twenty (20) feet along a street, or nearer to any rear Lot line than fifteen (15) feet.

A. The dwelling and any and all outbuildings on any Lot shall be constructed of substantially new materials of good grade, quality and appearance, and all construction shall be performed in a good and workmanlike manner. No used structures shall be relocated or placed on any Lot. The exterior construction of any dwelling shall not be of asbestos shingle siding, imitation brick or stone roll siding, or of concrete blocks. No metal storage shed or barn shall be located on any Lot. All decks and porches shall have the underneath portion screened or enclosed. Any outbuildings shall be of the same design and color scheme as the residence.

B. Once construction has started on any Lot, the improvements must be substantially completed in accordance with plans and specifications, as approved, within nine (9) months from commencement, with extensions, as approved by the Developer (or Committee, if one has been appointed).

C. Fences may be erected along any side lot line or rear lot line. No fence shall be erected nearer to any street than the front face of the dwelling located on the Lot. No fence shall be higher than five (5) feet from the ground level. The location of all fences shall be approved by the Committee. No chain link fence, metal pipe fence or any fence constructed primarily of metal shall be erected or permitted to remain on any Lot.

D. The size, design, materials and location of all dog pens and dog runs shall be approved by the Developer (or the Committee, if one has been appointed).

E. All mailboxes shall be of a type approved by the Developer (or the Committee, if one has been appointed).

F. No television satellite dish shall be placed, erected or permitted to remain upon any Lot unless the same shall be approved as to size, materials and location by the Developer (or the Committee, if one has been appointed). The Developer (or the Committee, as the case may be) may refuse to allow the placement of such satellite dishes altogether.

G. All residences are required to have concrete driveways. Brick columns or like structures at the end of driveways are prohibited.

H. Any dwelling or outbuilding on any Lot which is destroyed in whole or in part by fire, windstorm or for any other cause or act of God, must be rebuilt or all debris removed and the lot restored to a sightly condition with reasonable promptness; provided, however, that in no event shall such debris remain longer than sixty (60) days.

I. All plumbing fixtures, dishwashers, toilets or sewage disposal systems shall be connected to a septic tank or other sewage system constructed by the Lot owner(s) and approved by the appropriate governmental authority and Developer (or the Committee, if one has been appointed).

J. All front yards must be sodded with grass prior to occupancy, other than approved driveways and landscaped areas.

6. **NUISANCES AND RESTRICTIONS.** No noxious, illegal or offensive trade or activity shall be carried on upon any Lot nor shall any thing be done thereon which may be or become a nuisance or annoyance to the neighborhood. Except during the construction of a residence, no truck or commercial vehicle in excess of 3/4 ton load capacity shall be parked or permitted to remain on any Lot. No vehicle shall be parked on any street in the Subdivision. No wrecked or junked motor vehicle or vehicle without current license plates and registration shall be permitted to remain upon any Lot. Any pleasure boat parked on a Lot shall be shielded from view from any street or any adjacent Lot. Any clothesline or trash container located on any Lot shall be shielded from view from any Lot, and any street. No trailer, utility trailer, motor home, or habitable motor vehicle of any type shall be kept or stored on any Lot. No elevated tanks of any kind shall be erected or permitted to remain upon any Lot.

7. **RESERVATIONS BY DEVELOPER.** Developer reserves the drainage and utility easements as shown on the recorded map of Hunters Ridge Subdivision, as well as a drainage and utility easement ten (10) feet in width centered on each side lot line, ten (10) feet in width along each front lot line, and ten (10) feet in width along each rear lot line. It is provided, however, that in the event Lots are combined, side lot line easements shall be terminated and a new easement along the outside lot lines of the combined lot automatically shall be created. Developer reserves a right of way and easement for the purposes of ingress, egress, regress, and access to Developer's adjacent properties for the installation and maintenance of utilities, and further subdivision over the streets in the subdivision as shown on the recorded map. Said easements are appurtenant to the remaining property of Developer.

8. **UNDERGROUND ELECTRICAL DISTRIBUTION CONTRACT.** Developer reserves the right to subject the real property in this development to a contract with an electric utility for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or a continuing monthly payment to the electric utility by the owner(s) of each Lot.

9. **ANIMALS.** No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except that two (2) dogs, cats or other household pets may be kept provided they are not kept, bred or maintained for commercial purposes. All animals must be confined to their owner's Lot(s) at all times.

10. **SIGNS.** No sign of any type shall be erected, placed or permitted to remain upon any Lot except average-sized realtor and builder signs advertising the property for sale (no more than two per Lot at any one time), and signs by the Developer or its designees during the development period advertising the development and the sale of Lots and/or houses therein. A sign or signs announcing the name of the development may be maintained in common areas, or on a brick wall(s) along Brices Creek Road or Huntington Drive.

11. **OCCUPANCY.** No dwelling erected upon any Lot shall be occupied as a residence while original construction is in progress nor at any time prior to its being fully completed. No temporary house, temporary dwelling, temporary garage, temporary outbuilding, trailer home or other temporary structure shall be placed or permitted to remain upon any Lot except for storage of materials and other use by the contractor erecting a dwelling on said Lot. Landscaping on the Lot shall be complete prior to occupancy of the dwelling.

12. **HUNTERS RIDGE HOMEOWNERS' ASSOCIATION, INC.** A corporation named Hunters Ridge Homeowners' Association, Inc. (the "Corporation") has been or will be formed under the direction of Developer pursuant to the rules and requirements of the Nonprofit Corporation Act (Chapter 55A) of the General Statutes of North Carolina as an association of the owners of Lots. Its purposes are as set forth in its Articles of Incorporation and Bylaws, and to manage, maintain, and operate the common areas designated on the plat of the Subdivision recorded at Plat Cabinet F, Slides 184B, C and D, Craven County Registry, and any entrance signs and/or lights at the entrances to the Subdivision (the "Common Areas").

A. Each Owner of a fee or undivided fee interest in a Lot within the Subdivision shall be a member of the Corporation. Developer, by these Declarations, and the owners of individual Lots by their acceptance of individual deeds thereto, covenant and agree with respect to the Corporation:

(i) That for so long as each member is an owner of a Lot within the Subdivision, each will perform all acts necessary to remain in good and current standing as a member of the Corporation; and

(ii) That each shall be subject to the rules and regulations of the Corporation with regard to ownership of a Lot; and

(iii) That any unpaid assessment, whether general or special, levied by the Corporation in accordance with these Restrictions, or the Articles or the Bylaws of the Corporation, shall be a lien upon the Lot upon which such assessment was levied and shall be the personal obligation of the person or entity who or which was the owner of the Lot at the time the assessment fell due.

(iv) Each membership in the Corporation shall relate to and have a unity of interest with an individual Lot which may not be separated from ownership of said Lot. The books and all supporting documentation, the Declarations, the Articles, the Bylaws and all amendments thereto shall be available for examination by all Lot owners, and their Lenders or their Lenders' Agents during normal business hours at the principal office of the Corporation.

(v) The Corporation shall have one class of members, namely Class A members. Class A members shall be all owners. They shall be entitled to one vote for each Lot owned; provided, however, when more than one person or entity holds an interest in any Lot, all such owners shall hold the membership with regard to such Lot in undivided interests. The vote of such multiple owners of a Lot shall be exercised as they, among themselves, shall determine, but in no event shall any fractional vote be counted or more than one vote be cast with respect to any one Lot. In the event additional Lots are annexed into the Subdivision by Developer, the owner of each such Lot shall become a Class A member.

B. The management and administration of the affairs of the Common Areas of the Subdivision shall be the sole right and responsibility of the Corporation upon the conveyance of such Common Areas to the Corporation by the Developer. The management shall be carried out in accordance with the terms of these Restrictions, and the Articles and Bylaws of the Corporation, but may be delegated or contracted to managers or management services. The Common Areas, once owned by the Corporation, cannot be mortgaged or conveyed by the Corporation without the consent of two-thirds (2/3) of the owners of the Lots, excluding Developer. Such mortgage or conveyance, if any, must be subject to any easements of ingress or egress to any Lot owners.

C. The following expenses shall be considered the community expenses of the Subdivision (the "Community Expenses") and shall

include:

(i) All amounts expended by the Corporation in operating, administering, managing, repairing, replacing and improving the Common Areas of the Subdivision; all amounts expended by the Corporation in insuring the Common Areas; all amounts expended in maintaining the entrance signs, planting islands and the landscape buffer areas and lights; all amounts expended by the Corporation in legal, engineering, or architectural fees; all similar fees which may be incurred by the Corporation from time to time in performing the functions delegated to the Corporation by these Restrictions; and all amounts expended in any form by the Corporation in enforcing the Restrictions, the Articles and Bylaws.

(ii) All amounts expended by the Corporation in carrying out any duty or discretion as may be required or allowed by these Restrictions, the Articles or the Bylaws.

(iii) All amounts declared to be Community Expenses in the Bylaws or in these Restrictions.

(iv) All taxes and special assessments which may be levied from time to time by any governmental authority upon the Common Areas owned by the Corporation.

D. (i) Each owner of a Lot or Lots, other than the Developer, hereby covenants, by acceptance of a deed for same (whether or not it shall be so expressed in such deed) to pay to the Corporation monthly general assessments or charges as hereinafter provided. The monthly general assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge and lien on the Lot and, subject to the provisions of subparagraph 12.F., shall be a continuing lien upon the Lot against which each such assessment is made. Furthermore, each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of the Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to a successor in title to a Lot unless expressly assumed by them but, subject to the provisions of these Declarations, delinquent assessments shall continue to be a lien upon such Lot.

(ii) Until January 1, 1996, the monthly general assessment shall be Ten and 00/100 Dollars ($10.00) per Lot.

(a) From and after January 1, 1996 the monthly general assessment may be increased each year not more than ten percent (10%) above the assessment for the previous year without any vote of the membership.

(b) From and after January 1, 1996 the monthly general assessment may be increased by an amount greater then ten

percent (10%) of the assessment for the previous year provided the proposed increase is approved by a vote of two-thirds (2/3) of the members who are voting in person or by a proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the monthly general assessments which come due after January 1, 1996, at an amount not in excess of the ceiling established herein.

(d) Once the monthly general assessment has been set, notice of the monthly general assessment shall be given to all owners by hand delivery or by placing written notice in the United States Postal Service with postage prepaid to the last address shown on the Corporation's records. After the initial notice of the assessment, no bills for such assessment will be forwarded to any owner but such assessment thereafter shall become due and payable as provided by the Board of Directors.

(e) As provided in the Bylaws and subject to the restrictions and limitations provided herein, the Board of Directors shall establish an Annual Budget in advance for each fiscal year. Such budget shall project all expenses for the forthcoming fiscal year which may be required for the proper operation, management and maintenance of the Corporation and the Common Areas, including a reasonable allowance for contingencies and reserves. The budget shall take into account any projected or anticipated income. The Board of Directors shall keep separate, in accordance with Paragraph D.(ii)(g) hereof, items relating to the daily operation, management and maintenance of the Corporation and Common Areas from items relating to capital improvements. Upon adoption of such Annual Budget by the Board of Directors, copies of said Annual Budget shall be delivered to each owner and the assessment for said year shall be established, subject to the restrictions and limitations provided herein, based upon such budget; however, the non-delivery of a copy of said Budget to each owner shall not affect the liability of any owner for such assessment. The Annual Budget shall be divided by the number of Lots subject to the monthly general assessments at the time of the annual meeting of the members and the quotient shall be the annual general assessment per Lot for the succeeding fiscal year. The annual general assessment per Lot shall then be divided by twelve (12) to determine the monthly general assessment per Lot, subject to such limitations and restrictions, set forth herein.

(f) The Board of Directors, in establishing the Annual Budget for operation, management and maintenance of the Corporation and Common Areas, shall designate therein a sum to be collected and maintained as a reserve fund for the periodic maintenance, repair and replacement of capital improvements to the Common Areas (the "Capital Improvement Fund"), which Capital Improvement Fund shall be for the purpose of enabling the Corporation to maintain, repair or replace structural elements and

mechanical equipment constituting a part of the Common Areas, as well as the replacement of personal property which may constitute a portion of the Common Areas held for the joint use and benefit of the owners. The amount to be allocated to the Capital Improvement Fund may be established by said Board of Directors so as to collect and maintain a sum reasonably necessary to anticipate the need for repair, maintenance and replacement of capital improvements to the Common Areas. The amount collected for the Capital Improvement Fund shall be maintained in a separate account by the Corporation and such monies shall be used only for periodic maintenance, repair and replacement of capital improvements to the Common Areas. The Capital Improvement Fund shall be maintained out of the monthly general assessments. Any interest earned on monies in the Capital Improvement Fund may, in the discretion of the Board of Directors, be expended for daily operation, management and maintenance of the Corporation and Common Areas.

(g) All monies collected by the Corporation shall be treated as the separate property of the Corporation and such monies may be applied by the Corporation to the payment of any expense of operating and managing the Corporation, or the proper undertaking of all acts and duties imposed upon it by virtue of these Declarations, the Articles and the Bylaws, except that monies placed in the Capital Improvement Fund shall be used only for the specified purposes of said fund. As monies for any assessment are paid into the Corporation by any owner, the same may be commingled with monies paid to the Corporation by the other owners. Although all funds, including other assets of the Corporation, and any increments thereto or profits derived therefrom or from the leasing or use of Common Areas, shall be held for the benefit of the members of the Corporation, no member of the Corporation shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his Lot. When the owner of a Lot shall cease to be a member of the Corporation by reason of his divestment of ownership of such Lot, by whatever means, the Corporation shall not be required to account to such owner for any share of the fund or assets of the Corporation, including any monies which owner may have paid to the Corporation, as all monies which any owner has paid to the Corporation shall be and constitute an asset of the Corporation which may be used in the operation and management of the Corporation.

(iii) Written notice of any meeting called for the purpose of taking any action authorized under Paragraph D.(ii)(b.) of this Article shall be sent to all members not less than thirty (30) days, nor more than sixty (60) days, in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent

meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

(iv) Monthly general and special assessments shall, except as otherwise provided herein, be fixed at a uniform rate for all Lots.

(v) The monthly general assessments provided for herein shall commence as to all Lots on the first day of the month following the recordation of this document. The monthly general assessments shall be payable monthly, on or prior to the first day of each month. The payment of any assessment or installment thereof shall be in default, if such assessment or installment is not paid to the Corporation within thirty (30) days of the due date for such payment. When in default, the delinquent assessment shall bear interest at the rate of the lesser of ten percent (10%) per annum or the maximum rate permitted by law until such delinquent assessment and all interest due thereon has been paid in full.

(vi) The monthly general assessments levied by the Corporation shall be used exclusively to improve, maintain and repair the Common Areas, to pay the expenses of the Corporation, to pay the cost of the entrance lights, to pay the cost of maintaining the Common Areas and to pay the cost of any insurance the Corporation determines to purchase. Taxes, hazard insurance, and maintenance on dwellings and Lots shall not be a purpose of said assessments (other than as set forth in paragraph 13. herein); but rather shall be an individual cost to be borne by each owner.

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

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

E. Special assessments may be levied against Lots for such reasons as are provided in these Restrictions, the Articles or the Bylaws, and on such terms as provided by the directors and the members. Upon a two-thirds (2/3) vote of the members of the Board of Directors and a two-thirds (2/3) vote of members who are voting in person or by proxy at a meeting duly called for this purpose,

the Corporation may levy and impose special assessments. The purpose for which special assessments are levied include, but are not limited to, providing funds to pay Community Expenses which exceed the general assessment fund then on hand to pay same (specifically including the cost of any construction, reconstruction or repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto) and providing a contingency fund for capital improvements and extraordinary expenses. Special Assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge and lien on the Lot and, subject to the provisions of Subparagraph 12. F., shall be a continuing lien on the Lot against which each such assessment is made. Furthermore, each such assessment, together with interest, cost, and reasonable attorneys' fees, shall be the personal obligation of the person who was the owner of the Lot at the time when the assessment fell due. The personal obligation for delinquent special assessments shall not pass to a successor in title to a Lot unless expressly assumed by them but, subject to the provisions of these Declarations, delinquent assessments shall continue to be a lien upon such Lot.

Written notice of any meeting of the members called for the purpose of levying and imposing special assessments shall be sent to all members not less than thirty (30) days, nor more than sixty (60) days, in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

F. Any monthly general or special assessment, if not paid within thirty (30) days after the date such assessment is due, together with interest at the rate of the lesser of ten percent (10%) per annum or the maximum rate permitted by law, costs of collection, court costs, and reasonable attorneys' fees shall constitute a lien against the Lot upon which such assessment is levied. The Corporation may record notice of the same in the Office of the Clerk of Superior Court of Craven County or file a suit to collect such delinquent assessments and charges. The Corporation may file Notice of Lis Pendens, bring an action at law against the Owner personally obligated to pay the same and/or bring an action to foreclose the lien against the Lot. No owner may waive or otherwise escape liability for the assessments provided for herein.

13. MAINTENANCE. All Lots, whether occupied or unoccupied, shall be well maintained and mowed, and no unattractive growth or accumulation of rubbish or debris shall be permitted. In the event

an owner of any Lot shall fail to maintain the premises and/or the improvements situated thereon in a manner in keeping with other property in the neighborhood or the community, the Developer and/or the Corporation, shall have the right, through their agents and employees, to enter upon said Lot and clear, clean, repair, maintain and restore the Lot and the exterior of any building and any other improvements erected thereon. The cost of such maintenance shall be considered a legal obligation of the Lot owner for which the Developer may maintain an action in a Court having jurisdiction, but shall not constitute a lien on said Lot until a final judgment of such Court shall be entered. Any lien obtained will be subordinate to any first Deed of Trust on the Lot.

14. **WATERWAYS.** No owner, whether or not said owner's Lot(s) is bounded by the waters of a lake, pond, stream or creek, whether natural or manmade, shall by virtue of such ownership acquire any right, title or interest in or to the lakes, ponds, streams or creeks within said owner's Lot(s) or the beds, waters or surfaces thereof. No docks, floats, boathouses, bulkheads, dams or other structures shall be built in such lakes, ponds, streams or creeks. Notwithstanding the foregoing, the Developer or the Corporation may (but are not obligated to) construct such structures for the use and benefit of all of the owners in the Subdivision. Swimming is not allowed in any lake or pond.

15. **COMPLIANCE AND ENFORCEMENT.** In the case of failure of an owner to comply with the terms and provisions contained in these Restrictions or the Articles or the Bylaws of the Corporation, the following relief shall be available:

A. The Corporation, an aggrieved owner or owners within the Subdivision on behalf of the Corporation, or any owner on behalf of all the owners within the Subdivision shall have the right to bring an action and recover sums due, damages, injunctive relief, and/or such other and further relief as may be just and appropriate.

B. If the violation is the nonpayment of any monthly general or special assessment, the Corporation shall have the right to suspend the offending owner's voting rights for any period during which an assessment against the Lot remains unpaid.

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

D. The failure of the Corporation or any person to enforce any restriction contained in these Restrictions, the Articles or the Bylaws shall not be deemed to waive the right to enforce such restrictions thereafter as to the same violation or subsequent violation of similar character.

16. **VARIANCES.** Developer (or the Committee, if one has been appointed) may allow reasonable variances and adjustments of these

Restrictions in order to overcome practical difficulties and prevent unnecessary hardships in the application of the provisions contained herein; provided however, that such is done in conformity with the intent and purpose of the general development scheme and provided also that in every instance such variance or adjustment will not be materially detrimental or injurious to other property or improvements in the neighborhood or the Subdivision. Any such variance shall be approved by the Developer (or the Committee, as the case may be) in writing and delivered to the Lot owner(s).

17. **WAIVER.** No provision contained in these Restrictions, the Articles or the Bylaws, shall be deemed to have been waived, abandoned, or abrogated by reason of failure to enforce them on the part of any person or entity as to the same or similar future violaitons, no matter how often the failure to enforce is repeated.

18. **DURATION.** These Restrictions and Covenants and Conditions shall run with the land and shall be binding on all persons acquiring title to any of the Lots up to and including December 31, 2005, at which time said Restrictions and Covenants shall be extended automatically for successive periods of ten (10) years. At any time, by written instrument executed by the then owners of a majority of said Lots and duly recorded in the office of the Register of Deeds of Craven County, these restrictions may be amended in whole or in part. No such amendment shall affect the easements and rights reserved by Developer unless Developer shall consent to such amendment.

19. **ANNEXATION.** Developer reserves the right, but does not have the obligation, to subject the remaining property owned by Developer adjacent to the Lots, or on which Developer currently has an option to purchase which is adjacent to the Lots and Common Areas, to the provisions of these restrictions. In the event said property, or any portion thereof, is subjected to these restrictions, the parties owning such Lots shall have rights identical to the rights of the owners of the above-described Lots. At the present time, no property other than the Lots numbered 1 through 43 as shown on the above map are subject to these restrictions.

20. **CAPTIONS.** The captions preceding the various Paragraphs of these Restrictions are for the covenience of reference only, and shall not be used as an aid in interpretation or construction of these Restrictions. As used herein, the singular includes the plural and where there is more than one owner of a Lot, said owners are jointly and severally liable for the obligations herein imposed. Throughout this Declaration, references to the masculine shall be deemed to include the feminine, the feminine to include the masculine and the neuter to include the masculine and feminine.

21. **NOTICE.** All notices provided for or permitted pursuant to these Restrictions shall be in writing and, except as is herein

expressly otherwise provided, notice shall be deemed sufficient and service thereof completed upon hand-delivery or receipt, refusal or nondelivery of same when mailed postage prepaid to the party to or upon whom notice is being given or served at the address of such party last reflected on the records of the Corporation.

IN TESTIMONY WHEREOF, Gerald L. Anderson, L.L.C., has caused this instrument to be executed in its name by its Managers, this the 9 day of May, 1995.

State of North Carolina, Craven County
The foregoing certificate(s) of [illegible]
is (are) certified to be correct. This instrument was presented for registration this day and hour and duly recorded in the office of the Register of Deeds of Craven County, NC in Book [illegible] Page [illegible]
This [illegible] day of [illegible] A.D., 19[illegible] at [illegible] o'clock [illegible]
Register of Deeds Asst./Deputy Register of Deeds

GERALD L. ANDERSON, L.L.C. (SEAL)

BY: [signature] (SEAL)
GERALD L. ANDERSON, Manager

BY: Gerald L. Anderson Logging Company, Inc., Manager

By: [signature]
Gerald L. Anderson, President

Attest: [signature]
Jeannette Boyd, Secretary

(SEAL)

NORTH CAROLINA
COUNTY OF CRAVEN

I, Arnold F. Edenbeck, a Notary Public for said County and State, do hereby certify that GERALD L. ANDERSON and GERALD L. ANDERSON LOGGING COMPANY, INC. by Gerald L. Anderson, President, managers of GERALD L. ANDERSON, L.L.C., a limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and notary seal, this 9 day of May, 1995.

[signature]
NOTARY PUBLIC

ARNOLD L. EDENBECK NOTARY PUBLIC CRAVEN COUNTY, NC

My commission expires:

6-25-96