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Prepared by and return to: L. Robert Coxe, III, Attorney at Law, 825 Gum Branch Square II, Suite 107-108, Jacksonville, NC 28540

NORTH CAROLINA

RESTRICTIVE COVENANTS
Section I, Regency Park of
Williamsburg Plantation

ONSLow COUNTY

KNOW ALL MEN BY THESE PRESENTS, that

WHEREAS, JOHN KOENIG, INC., herein sometimes called "Owner" or "Developer", is the owner of all that land designated and known as Section I, Regency Park of Williamsburg Plantation, as shown on that certain plat recorded in Book 41, Page 157, in the Office of the Register of Deeds of Onslow County, North Carolina; and

WHEREAS, Owner desires to provide the stability and appeal in the development of said land;

NOW THEREFORE, Owner hereby covenants and agrees to and with all person, firms and corporations now owning or hereafter acquiring any of the numbered lots included on said plat, that all of said numbered lots shall be and same now are, to the extent hereinafter defined and described, subject to the following restrictions as to the use thereof, running with the said land by whomsoever owned, to-wit:

1. LAND USE AND BUILDING TYPE: No numbered lot shall be used except for residential purposes. No structure shall be erected, placed, altered or permitted to remain on any such lot other than one detached single-family dwelling not to exceed two and one-half stories in height, a private garage for not more than three (3) cars, with a minimum of one (1) car garage with a parking apron, which garage may contain living quarters for occupancy by domestic servants of the lot owner only and such other outbuildings as may be reasonably appurtenant to the dwelling provided that the same are constructed in line with the general architectural design and construction standards used in the dwelling itself.

2. DWELLING COST, QUALITY AND SIZE: No single-family attached or detached dwelling unit shall be permitted on any such lot or lots which shall give to the improved lot or lots on which the said single-family attached or detached dwelling unit is constructed an appraised valuation of less than One Hundred Twenty Thousand and No/100 (\$120,000.00) Dollars; such valuation to be based upon cost levels prevailing at the date these covenants are recorded; it being the intention and purpose of this covenant to provide that all dwellings shall be of quality and workmanship substantially the same or better than that which can be produced on the date these covenants are recorded for the minimum value herein stated for the minimum permitted dwelling size.

No single-story residence or dwelling unit shall be constructed which shall have a heated area living space of less than 1500 square feet. No two-story residence or dwelling unit shall be constructed which shall have heated area living space of less than 1500 square feet of which a minimum of 800 square feet shall be for the first floor of said two-story dwelling. Heated area living space shall mean the ordinary living space in a house which is designed and constructed to be capable of being heated for regular living use in cold weather. In the computation of floor space, furnace room and exterior storage areas, garage and porches shall not be counted. No residence may be constructed without a garage. Any plan for construction of a detached garage must have the prior approval of the Developer, as set out in Paragraph 21 of these restrictive covenants.

3. BUILDING LOCATION: The building line of any dwelling house of the buildings appurtenant thereto shall not be less than 35 feet from the lot line which the dwelling house fronts. Interior lot line and side yard set-back requirements shall be as provided in the City of Jacksonville and/or Onslow County Subdivision Regulations governing residential developments. In the event that the regulatory boards for the City of Jacksonville and/or Onslow

County Commissioners at a later time adopt a "zero lot line" set back for the development then that ordinance shall apply to this development. Where a garage or other permitted accessory building is located within 30 feet of the rear property line, then there shall be a 3 foot side yard requirement for the rear 30 feet of the lot. A rear yard set-back requirement of 35 feet shall be maintained for those lots abutting other properties outside this subdivision.

With respect to corner lots, the building line of any dwelling house or unit of the building appurtenant thereto shall not be less than 35 feet from the street on which the dwelling house or unit fronts. The provisions of the City of Jacksonville and/or Onslow County Subdivision Regulations governing residential developments shall be complied with in determining the set back from the side street property line and the required rear yard, if any.

For the purpose of these covenants, eaves and steps shall not be considered as a part of a building; provided however, that this shall not be construed to permit any portion of a building to encroach upon another lot. Open fire escapes, outside stairways, the ordinary projections of chimneys and flues, swimming pools, flag poles, decorative fountains and other similar items are not subject to the building lines so long as they do not obstruct light and ventilation necessary for the structure on the adjoining lot. A variance no more than 10% of the set-back requirements of this covenant shall be deemed to be in compliance with the requirements stated herein.

The following covenants are intended to ensure ongoing compliance with State Stormwater Management Permit Number 001114, as issued by the Division of Water Quality under NCAC 2H.1000.

The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the stormwater management permit.

These covenants are to run with the land and be binding on all persons and parties claiming under them.

The covenants pertaining to stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality.

Alteration of the drainage as shown on the approved plan may not take place without the concurrence of the State.

The maximum allowable built-upon area per lot is 3,000 square feet. This allotted amount includes any built-upon area constructed within the lot property boundaries, and that portion of the right-of-way between the front lot line and the edge of the pavement. Built upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, coquina and parking areas, but does not include raised, open wood decking, or the water surface of swimming pools.

All runoff from the built-upon areas on the lot must drain into the permitted system. This may be accomplished through providing roof drain gutters which drain to the street, grading the lot to drain toward the street, or grading perimeter swales and directing them into the pond or street. Lots that will naturally drain into the system are not required to provide these measures.

4. **ERECTION OF FENCES AND SIGNS:** No fence shall be erected on any lot closer to the front of the lot than the house's rear corner. No fence shall be built within the easement for utilities as set forth in Paragraph 5(a) of these covenants. A minimum three-foot wide gate must be constructed if the fencing is across the "maintenance area" described in Paragraph 5(b) hereof. Fencing traversing a lot shall be parallel with the front lot line. Provided however, that with respect to corner lots, no fencing shall be erected or maintained any closer than forty-five (45) feet from the front property line, not to exceed a ten-foot extension from the back corner of the house (extended from the back line of the house); and in the event a house has already been established on the lot adjacent to the corner lot, no fencing shall be erected on the corner lot any closer to the front of the lot than the distance the front corner of the adjacent structure is from its front property line; in any event, fencing shall be no closer than

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the house's rear corner. Solid privacy fences over three (3) feet in height shall not be built within twenty-five (25) feet of a public right-of-way. Chain link fences of any type are not permitted.

No fences, including decorative split-rail fences, are permitted in the front yard of a lot.

5. EASEMENTS:

(a) For Utilities and Drainage: Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage, or which may obstruct or retard the flow of water. All areas indicated as streets and easements on the recorded plat are hereby dedicated to public use for such uses forever;

(b) For Repairs and Maintenance: The lot owner having an abutting wall or a wall within five (5) feet of his lot line shall have a five-foot easement along said lot line on adjacent lot owner's property for the purpose of repairs and maintenance of said abutting wall or wall within five feet of the lot line where such repairs and maintenance cannot be accomplished otherwise.

(c) For overhangs, extensions and projections: As to lot owners of adjacent lots which have an abutting wall, easements are reserved over those portions of the adjacent lot owner's property that may be necessary or required to accommodate drainage and utilities and overhanging eaves or other cantilevered construction which may encroach upon the adjacent lot owner's property or the air and light space above such other lot owner's property.

(d) For underground cables and/or installation of street lighting: The Developer or their Assigns reserves the right to subject the real property in this subdivision to a contract with Carolina Power & Light Company or any other utility company 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 continuing monthly payment to Carolina Power & Light Company or any other utility company by the owner of each building. Also the County of Onslow may levy special tax assessments against each lot to install street lighting.

6. ILLEGAL ACTIVITY: No illegal, noxious or offensive activity shall be permitted or carried on any part of said land, neither shall anything be permitted or done which is or may become a nuisance or a source of embarrassment, discomfort or annoyance to the neighborhood. No trash, garbage, rubbish, debris, waste material or other refuse shall be deposited or allowed to accumulate or remain on any part of said land, or upon any land or lands contiguous thereto. No fires or burning of trash, leaves, clippings or other debris or refuse shall be permitted on any part of said land without the required permits issued by the appropriate authority.

7. ARTESIAN WELLS: No artesian wells may be drilled or maintained on any building lot without first obtaining the consent of the Developer. The central water supply system provided for the service of said land shall be used as the sole source of water for all water spigots and outlets located within all buildings and improvements located on each building lot. No individual water supply system or well shall be permitted on the building lot except to supply water for air-conditioning or heating installation, irrigation purposes, swimming pools or other exterior use. All lots shall be subject to service charges and fees and any and all assessments levied in connection with the central water supply system service to the respective subject lots.

8. ANIMALS AND LIVESTOCK: No animals, livestock or poultry of any kind shall be raised, bred or kept, on the property, except cats, dogs and other common household pets and they shall not exceed three (3) of each, provided that they are not kept, bred or maintained for any commercial purposes. Household pets shall not roam freely; they must remain in the yard or, if not in the yard, on a leash.

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9. **AUTOMOBILES, ETC.:** No automobiles, boats, campers or any motor vehicle may be dismantled on said property. No mechanically defective automobile or currently unlicensed automobile shall be placed or allowed to remain on said property over ten (10) days. No junked cars shall be placed or allowed to remain on the property. No trailer, mobile home, camper or like recreational vehicle shall be permitted to remain upon any lot unless it is located so as not to be visible from any street or road within the subdivision.
10. **OBSTRUCTIONS:** The Developer shall have the right, but not the obligation, to remove or require the removal of any fence, wall hedge, shrub, bush, trees or other object, natural or artificial, placed or located on any building plot, if the location of the same will, in the sole judgment and opinion of the Developer, obstruct the vision of a motorist upon any of the access ways.
11. **REGULATE TRAFFIC:** The Developer shall have the right, but not the obligation, from time to time to control and regulate all types of traffic on said access ways, including the right to prohibit use of said access ways by traffic which, in the sole discretion of the Developer, would or might result in damage to said access ways or pavements or other improvements thereon, and the right, but not the obligation to control and prohibit parking on all or any part of said access ways.
12. **TYPE OF CONSTRUCTION:** No building or other improvement may be constructed with an exterior wall finish of material of concrete or cinder block type construction or shall be finished in asbestos siding shingles.
13. **WINDOW AIR-CONDITIONERS:** No window air-conditioning units shall be installed in a building is visible from the road which the building faces.
14. **UTILITY:** All telephone, electric and other utility lines and connections between the main utility lines and the residence and other buildings located on each building plot shall be located underground.
15. **UTILITY COMPANY:** The developer reserves the right to subject the real property in this entire subdivision to a contract with the Carolina Power & Light and/or City of Jacksonville or any other utility company, for the installation of underground electric cables and/or the installation of street lighting, either or both, of which may require a continuing monthly payment to the owner of the lot.
16. **TYPE OF RESIDENCE:** No trailer, basement, garage or any outbuilding of any kind, other than a guest house or servant's quarters, even if otherwise permitted hereunder to be or remain on a building lot, shall be used as a residence either temporarily or permanently.
17. **DEVELOPER SIGNS:** Nothing contained in these covenants and restrictions shall prevent the Developer, approved Builder, or any person designated by the Developer, from erecting or maintaining such commercial or display signs and such temporary dwelling, model house and other structures as the Developer may deem advisable for development purposes.
18. **SIGNS:** No sign or signs other than a "For Sale" or "For Rent" sign shall be displayed on the property, and these signs shall not exceed five (5) square feet total area.
19. **SWIMMING POOLS:** No swimming pool shall be constructed on any lot unless the proposed location shall have been first approved in writing by the Developer and said pool, with required fence, shall be built in accordance with all applicable City of Jacksonville and/or Onalow County Zoning Ordinances and Regulations. Above ground pools are not permitted.
20. **MAIL BOXES:** No mail box or paper box or other receptacle of any kind for use in the delivery of mail or newspapers or magazines or similar material shall be erected or located, on any building lot unless and until the size, location, design and type of material for said boxes or receptacles shall have been approved by the Developer. To insure uniformity, the Builder does hereby agree to provide the original mail box post. If at any future time the post becomes damaged or has to be replaced for some other reason, it will be replaced with a post of the same size and material at owner's expense.

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21. **APPROVAL OF PLANS:** No construction shall begin on any lot, neither shall any building or other improvement be erected, placed or altered on any lot until the construction plans and specifications and plans showing location of the structure on the individual lot have been approved in writing by the Developer, its successors or assigns. This approval shall be as to the quality of workmanship and materials, harmony of external design with existing structures, and as to the location with respect to topography and finished grad elevation. The Developer may delegate its duties under this paragraph to an architectural committee created for this purpose. Such assignment will be by a document recorded in the office of the Register of Deeds for Onslow County, North Carolina.

22. **RADIO OR TELEVISION AERIALS:** Except as provided below, no radio or television aerial, antenna or satellite dish, or any other exterior electronic or electric equipment or devices of any kind shall be installed or maintained on the exterior of any structure located on a building lot or any other portion of any building lot. A satellite dish, no greater than eighteen (18) inches in diameter may be installed, as long as it is not visible from the street.

23. **AMENDMENT OF COVENANTS:** These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five (25) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part. During the first twenty-five (25) year period, these covenants may be amended in full or in part by an amendment, signed by not less than eighty (80%) percent of the owners of the numbered lots. To be effective, any amendment must be recorded.

24. **ENFORCEMENT:** Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violation or recover damages. The Developer of Williamsburg Plantation Homeowner's Association, or any lot owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, reservations, liens and charges now or hereafter imposed by the provision of this Declaration. Failure by the Developer or by a lot owner to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Reference is also hereby made to the Declaration of Covenants, Conditions, and Restrictions recorded in Onslow County Registry, which recording created the Williamsburg Plantation Homeowners' Association. Each lot owner in Regency Park of Williamsburg Plantation Section One, is also a member of the Williamsburg Plantation Homeowners' Association.

25. **VALIDITY:** Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

IN TESTIMONY WHEREOF, JOHN KOENIG, INC., has caused this instrument to be signed and sealed this the 16th day of August, 2001.

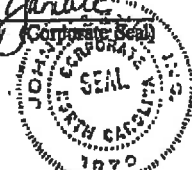
JOHN KOENIG, INC.

BY: _____

President

ATTEST:

W. Ross R. Jankie
Assistant Secretary (Corporate Seal)



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NORTH CAROLINA
ONslow COUNTY

I, a Notary Public of the County and State aforesaid, certify that LaVonne R. Gamble, personally came before me this day and acknowledged that she is Assistant Secretary of JOHN KOERNIG, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal and attested by LaVonne R. Gamble as its Assistant Secretary.

Witness my hand and official stamp or seal this 16th day of August 2001.


Notary Public

My Commission Expires: 6/12/2005



2001 AUG 29 PM 3:12

NORTH CAROLINA, Onslow County
The foregoing certificate(s) of Amanda Hamilton

Notary Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 1747 Page 513 This 29 day of AUGUST 2001 A.D. at 3:12:00 o'clock P. M.
M. Hamilton By _____
Register of Deeds, Onslow County Register of Deeds

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Prepared by and mail to: L. Robert Cox, III, Attorney at Law, 825 Gum Branch Square II, Suite 107-108, Jacksonville, NC 28540

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made and entered into this the 16th day of August, 2001, JOHN KOENIG, INC., party of the first part (hereinafter referred to as "Developer"), and PROSPECTIVE PURCHASERS of lots in Williamsburg Plantation, parties of the second part (hereinafter referred to as "Owners");

WITNESSETH:

WHEREAS, Developer is the owner of all of that tract of real property located in Jacksonville Township, Onslow County, North Carolina, and more particularly described in Deed Book 1374, Page 467, Onslow County Registry; and

WHEREAS, Developer proposes to sell and convey certain lots in different residential subdivisions within the Development Area, which subdivisions, will be shown on separate records and plats as developed, and which shall be used for residential purposes, and Developer desires to develop said subdivisions into a well planned community; and

WHEREAS, Developers, prior to selling and conveying the residential lots in Williamsburg Plantation, desire to impose upon such lots certain mutual and beneficial restrictions, covenants and conditions and charges (hereinafter collectively referred to as "Restrictions") for the benefit and complement of all of the residential lots in the Development Area in order to promote the best interests and protect the investment of Developer and Owners.

NOW THEREFOR, Developer hereby declares that all numbered lots shown on the plat entitled Section I, REGENCY PARK OF WILLIAMSBURG PLANTATION, recorded in Book 41, at Page 157, in the office of the Register of Deeds of Onslow County, North Carolina, and any additional property within the Development Area, which may be subsequently, subjected to this Declaration, are held and shall be held, conveyed, encumbered, leased, rented, used, occupied and improved subject to this Declaration and to the following Restrictions. This declaration and the Restrictions shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in and to the real property or any part of parts thereof subject to this Declaration.

**ARTICLE I
DEFINITIONS**

As used herein,

A. "Articles" means the Articles of Incorporation of Williamsburg Plantation Homeowners Association.

B. "Corporation" means Williamsburg Plantation Homeowners Association, a North Carolina nonprofit corporation. The "Board of Directors" or "Board" shall be the elected body governing the Corporation and managing the affairs of the Corporation.

C. "Bylaws" means the Bylaws of Williamsburg Plantation Homeowners Association.

D. "Community Use Areas" means all real and personal property, together with those areas within dedicated portions of the Development Area and the Subdivisions, which may be decided to or required by the Corporation for the common enjoyment of the members of the Corporation, including but not limited to the roads in the Subdivision and the "green areas", or as set out on various plats Subdivision.

E. "Common Expenses" means and includes actual and estimated expenses of maintaining and operating the common area and operating the Corporation for general purposes, including any reasonable reserve, all as may be found to be necessary and appropriate

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by the Board of Directors pursuant to this Declaration, the Bylaws and the Articles of Incorporation of the Corporation.

F. "Dedication" means the act of committing a portion of the Development Area or any Subdivision to the purposes of this Declaration.

G. "Developer" means John Koenig and Margarete Koenig, their successors or assigns or any legal entity acquiring ownership of portions of the Development Area heretofore not dedicated with the intent and for the purpose of further development.

H. "Development Area" shall mean that property described in Deed Book 1374, Page 467, Onslow County Registry.

I. "Lot" means a separately numbered tract of land lying within the Subdivision or other dedicated portion of the Development Area and which, according to the plat of that portion recorded at the dedication thereof, may be conveyed by the Developer and owned in fee by the Grantee thereof, and held for such residential uses as are consistent with this Declaration and the Restrictions covering the area wherein the tract is located. No tract of land shall become a "Lot" as the word is used herein until the area on which the same is located is "dedicated" by the recording of a plat of said subdivision. The Owner of all of a numbered Lot may combine such numbered Lot, part or parts of another such numbered Lot and the aggregate shall be considered as one Lot for the purpose of these Restrictions.

J. "Subdivision", at this point in time means Regency Park of Williamsburg Plantation and any future residential subdivision developed by Developer in any portion of the Development Area known as Williamsburg Plantation, which residential subdivision has been dedicated pursuant to this Declaration.

**ARTICLE II
APPLICABILITY**

These Restrictions shall apply to all subdivided numbered Lots shown on the aforesaid plat of Section I, Regency Park of Williamsburg Plantation, as recorded in Book 41, Page 157, Onslow County Registry and any additional plats or maps of subdivision of the Development Area, (hereafter referred to as "Lot" or Lots), which Lots are for residential purposes only. These Restrictions shall not be applicable to any lots owned by the Developer lying within the Subdivision, unnumbered lots or lands designated on the plat as "Reserved" or other lands of Developer, and Developer is withholding these parcels from these Restrictions pursuant to its general scheme of development, the absence of Restrictions thereupon being intended to allow Developer maximum flexibility in the determination of the development of such parcels.

ARTICLE III

A. A corporation named Williamsburg Plantation Homeowners Association has been or will be formed pursuant to the rules and requirements of the Nonprofit Corporation Act (Chapter 35A) of the General Statutes of North Carolina as an association of the Owners of Lots. Its purposes are to own, manage, maintain, and operate the community Use Areas and facilities located upon the Community Use Areas; to enforce restrictions contained herein; and to make and enforce rules and regulations governing the Owners' use and occupation of Lots.

B. Each Owner of each Lot within a Subdivision shall be a member of the Corporation. The Declarant, by this Declaration, and the Owners of individual Lots by their acceptance of individual deeds thereto, covenant and agree with respect to the corporation:

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

2. That each shall be subject to the rules and regulations of the Corporation in regards to ownership of a Lot; and

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

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

D. The Corporation shall have one class of members who shall be all Owners. Each member shall be entitled to one vote for each Lot owned; provided, however, when more than one person holds an interest in any Lot, all such Persons shall be members and, the vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote or any fraction of a vote be cast with respect to any Lot.

**ARTICLE IV.
MANAGEMENT AND ADMINISTRATION**

The Community Expenses of a Subdivision include:

A. All amounts expended by the Corporation in operating, administering, managing, repairing, replacing and improving the Community Use Areas of a Subdivision; all amounts expended by the Corporation in insuring the Community Use Areas in a Subdivision; 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 these Restrictions, the Articles or the Bylaws.

B. All amounts expended by the Corporation in carrying out any duty or act within its discretion as may be required or allowed by these Restrictions, the Articles or the Bylaws.

C. All amounts declared to be Community Expenses in the Bylaws or in these Restrictions.

D. All taxes and special assessments which may be levied from time to time by any governmental authority upon the Community Use Areas in a Subdivision.

**ARTICLE VI
ANNUAL GENERAL ASSESSMENT**

A. The Declarant for each Lot owned, hereby covenants and each Owner of any Lot by acceptance of a deed for same (whether or not it shall be so-expressed in such deed) is deemed to covenant and agree to pay to the Corporation annual general assessments or charges as hereinafter provided. The annual general assessments, 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 this Declaration, delinquent assessments shall continue to be a lien upon such Lot.

B. Until June 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment shall be One Hundred Twenty and No/100 (\$120.00) Dollars per Lot.

1. From and after June of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual 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.

2. From and after June 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment may be increased by an amount greater than ten percent (10%) of the assessment for the previous year provided the

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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.

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

4. Once the annual general assessment has been set, notice of the annual general assessment shall be given to all members. After the initial notice of the assessment, the assessment shall become due and payable as provided by the Board of Directors

C. Written notice of any meeting called for the purpose of taking any action authorized under Paragraph 2(B) 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 each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

D. The annual general assessments levied by the Corporation shall be used exclusively to maintain the entrance and right of ways and to improve, maintain and repair the Community Use Areas, to pay the expenses of the Corporation, to pay the cost of fighting the Community Use Areas, to pay the cost of any insurance the Corporation determines to purchase and to promote the recreation, health, safety and welfare of the members and to pay taxes levied upon the Community Use Areas.

E. 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.

F. 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 therefor.

**ARTICLE VII
SPECIAL ASSESSMENTS**

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 Board of Directors or the members. Either the Board of Directors or the members may levy and impose special assessments upon a majority vote. The purposes for which special assessments may be 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 and providing a contingency fund for capital improvements and extraordinary expenses. Furthermore, special assessments may be assessed against specific Lots. In the event the Owner of a Lot fails to comply with the provisions of Article VII hereof, the Corporation may perform such task or remedy such matter and levy the cost of such performance against the Owner of such Lot and such Lot as a special assessment.

**ARTICLE VIII
LIEN FOR ASSESSMENTS**

Any general or special assessments, if not paid within thirty (30) days after the date such assessment is due, together with interest at the rate of ten percent (10%) per annum, costs of collection, court costs and reasonable attorneys fees shall constitute a lien against the Lot upon which such assessments is levied. The corporation may record notice of the same in the Office

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of the Clerk of Superior Court of Onslow 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 foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein.

ARTICLE IX
COMPLIANCE WITH THIS DECLARATION, THE ARTICLES
AND THE BYLAWS OF THE CORPORATION

In the case of failure of a Lot Owner to comply with the terms and provisions contained in the Declaration, the Article or the Bylaws of the Corporation, the following relief shall be available:

A. The Corporation, an aggrieved Lot Owner or Owners within a Subdivision on behalf of the Corporation, or any Lot Owner on Behalf of all the Lot Owners within a 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. The Corporation shall have the right to remedy the violation and assess the costs of remedying same against the offending Lot Owner as a special assessment.

C. If the violation is the nonpayment of any general or special assessment, the Corporation shall have the right to suspend the offending Owner's voting rights and the use by such Owner, his agents, employees and invitees of the Community Use Areas in a Subdivision for any period during which an assessment against the Lot remains unpaid.

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

E. The failure of the 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.

Prior to availing itself of the relief specified herein, the Corporation shall follow the hearing procedures as set forth in the Bylaws.

ARTICLE X
PROPERTY RIGHTS OF OWNER, CROSS-EASEMENTS, AND
EXCEPTIONS AND RESERVATIONS BY DECLARANT

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

1. The Corporation shall have the right to make reasonable rules and regulations respecting the use of same.

2. The Corporation shall have the right to suspend the voting rights of a Lot Owner and his right to use the Community Use Areas within a Subdivision for any period during which any due assessment against such Owner's Lot remains unpaid as is provided in Article 9 hereof, and for a period not to exceed sixty (60) days for any infraction of its published Rules and Regulations.

3. The Corporation shall have the right to charge reasonable admission and other fees for the use of any recreation facility situated upon the Community Use Areas.

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

C. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Community Areas and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

D. Developer shall have the right, at its election, without the consent of any owner or owners, to bring within the coverage and operation of these Restrictions additional properties within the Development Area as may be developed in the future. The addition to property authorized hereby shall be made by filing of record in the Office of the Register of Deeds of Onslow County, North Carolina, a Supplementary Declaration of Covenants, Conditions and Restrictions with respect to the additional property which shall extend the operation and effect of the covenants and restrictions of this Declaration to such additional property. The Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary or appropriate in the sole judgment of the Developer to reflect the different character, if any, of the added properties and as are not inconsistent with the plan, intent and spirit of this Declaration.

This Declaration, and all matters relating thereto shall be governed and construed and interpreted in accordance with the laws of North Carolina except to the extent that such laws may be preempted by any law, regulations or rule of the United States or any agency thereof.

Invalidation of any one or more of the provisions of this Declaration shall in no way affect any of the other provisions thereof, which shall remain in full force and effect.

The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

IN WITNESS WHEREOF, John Koernig Inc., has executed this Declaration of Covenants, Conditions and Restrictions the day and year first above written.

JOHN KOERNIG, INC.

BY: [Signature]
President

ATTEST:

[Signature]
Assistant Secretary (Corporate Seal)



NORTH CAROLINA
ONSLOW COUNTY

I, a Notary Public of the County and State aforesaid, certify that LaVonna R. Gamble, personally came before me this day and acknowledged that she is Assistant Secretary of JOHN KOERNIG, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its [Signature] President, sealed with its corporate seal and attested by LaVonna R. Gamble as its Assistant Secretary. Witness my hand and official stamp or seal this 16th day of August, 2001.

My Commission Expires: 8/12/2003

[Signature]
Notary Public



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NORTH CAROLINA, Onslow County
 The foregoing certificate(s) of Amanda Hamilton

Notarized Public is (are) certified in its/their correct. This instrument was presented for registration and recorded in this office in
 Book 1747 Page 319 This 29 day of AUGUST
 2001 A.D. at 33387 o'clock P M.
Michael M. Howard By _____
 Notary of Onslow County Notary of North Carolina

