

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

OF

FAIRWAYS-WEST AT GREENBRIER

This DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS OF FAIRWAYS-WEST AT GREENBRIER made and entered into as of the 30 day of SEP, 1987, by and between MORTON ASSOCIATES, INC. and WEYERHAEUSER REAL ESTATE COMPANY; and ALL PROSPECTIVE PURCHASERS OR OWNERS of Lots 1 through 41, inclusive shown and depicted on the plat entitled "Fairways-West at Greenbrier, Section I" recorded in Plat Cabinet E, Slides 40-43, Craven County Register of Deeds Office and any other Lots which are hereafter annexed into the subdivision;

WITNESSETH:

WHEREAS, Weyerhaeuser Real Estate Company is the Owner of the Lots and Community Use Areas lying and being situate in Craven County, North Carolina, and being more particularly described herein, and Morton Associates, Inc. (hereinafter called Declarant) has the right to purchase certain of the Lots from Weyerhaeuser Real Estate Company and, in order to create uniformity in the Development, Declarant has requested, and Weyerhaeuser Real Estate Company has agreed, to impose the covenants herein set forth on the property more particularly described as follows:

Lots:

Lots 1 through 41 as shown on the plat of Fairways-West at Greenbrier, Section I recorded in Plat Cabinet E, Slides 40-43, in the Craven County Register of Deeds Office.

Community Use Areas:

Those five (5) tracts shown and depicted as "Common Area" on the plat of Fairways-West at Greenbrier, Section I recorded in Plat Cabinet E, Slides 40-43, in the office of the Register of Deeds of Craven County and the streets shown and depicted as Fairways West Drive, Fairways "7" Court, and Fairways West Court, as the same are shown and delineated on the plat of Fairways-West at Greenbrier, Section I, recorded in Plat Cabinet E, Slides 40-43, in the office of the Register of Deeds of Craven County; and

WHEREAS, Declarant desires to develop a single family residential community and intends by the recordation of this Declaration to impose certain rules, regulations, restrictions, covenants, conditions, reservations, exceptions, and easements contained herein (hereinafter sometimes called Restrictions) on the land depicted on the aforesaid map and any other land which is hereafter annexed into the subdivision to the end that the Lots and Community Use Areas defined herein shall be held subject to said Restrictions.

NOW, THEREFORE, the Declarant and Weyerhaeuser Real Estate Company do hereby declare that the Restrictions contained herein shall run with the property defined herein as Lots; shall be a burden on and a benefit to such property; shall be

See Bl 1180 pg 579 for first amendment 2-22-88, Theres Duff RD
 See Bl 1189 pg 713 for variance 5-27-88 Theres Duff RD
 See Bl 1200 pg 87 for encroachment agmt 9-21-88 Theres Duff RD
 See Bl 1207 pg 1048 for variance 12-16-88 Theres Duff RD
 See Bl 1239 pg 552 for Contis O & agmt 11-22-89 Theres Duff RD
 See Bl 1239 pg 590 for agmt - connection 11-22-89 Theres Duff RD
 See Bl 1253 pg 477 for encroachment agmt 5-2-90 Theres Duff RD
 See Bl 1274 pg 650 for deed of dedication 1-22-91 Theres Duff RD

binding on all parties having or acquiring any right, title, or interest in the property or any part thereof; and shall inure to the benefit of each Owner of any part thereof.

A.

Definitions

As used herein,

(1) "Articles" means the Articles of Incorporation of Fairways-West at Greenbrier Homeowners Association, Inc. and any amendments thereto.

(2) "Bylaws" means the Bylaws of Fairways-West at Greenbrier Homeowners Association, Inc. and any amendments thereto.

(3) "Community Use Areas" means all real property (including the improvements thereto) and interests in real property now owned or hereafter acquired by the Corporation for the common use and enjoyment of the Owners. The Community Uses Areas to be conveyed by Weyerhaeuser Real Estate Company to and owned by the Corporation are those five (5) tracts shown and depicted as "Common Area" on the Plat of Fairways-West at Greenbrier, Section I and the streets shown and depicted as Fairways West Drive, Fairways "7" Court and Fairways West Court as the same are shown and depicted on the Plat of Fairways-West at Greenbrier, Section I. The Community Use Areas are subject to those easements set forth in this instrument, including but not limited to, Article I hereof.

(4) "Corporation" means Fairways-West at Greenbrier Homeowners Association, Inc., its successors and assigns.

(5) "Declarant" means Morton Associates, Inc. and any other person or entity who acquires title to six or more Lots from Weyerhaeuser Real Estate Company on which no Dwelling has been constructed at the time of such acquisition. This paragraph is subject to the provisions of Article X hereof.

(6) "Dwelling" means a structure located on a Lot built in accordance with the requirements of Article L hereof.

(7) "Lot" means a separately numbered tract of land shown on the aforesaid plat and, any other separately numbered tract of land which is annexed into the Subdivision upon which a Dwelling is to be built. At the present time, the Lots are numbered 1 through 41 inclusive. "Lot" shall not include any portion of the Community Use Areas as defined herein.

(8) "Owner" means the record Owner, whether one or more persons, of fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

(9) "Person" or "Persons" means any individual, group of individuals, corporation, partnership or any other entity, including any combination thereof.

(10) "Subdivision" means all of the property defined herein as Lots and Community Use Areas and such additions or annexations of property which may hereafter be brought within the jurisdiction of the Corporation. No property other than that in the Fairways West area may be annexed into the Subdivision.

(11) "Board of Directors" means the Board of Directors of Fairways-West at Greenbrier Homeowners Association, Inc.

(12) "Declaration" means this Declaration of Covenants, Conditions, Restrictions and Easements of Fairways-West at Greenbrier and any amendments thereto.

(13) "Eligible Mortgage Holder" means any holder, insurer, or guarantor of a first mortgage on a Lot who has requested that the Corporation notify them of any proposed amendment to the Declaration, the Articles, or the Bylaws.

B.

Membership

(1) A Corporation named Fairways-West at Greenbrier Homeowners Association, Inc. has been or will be formed 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 to own, manage, maintain, and operate the Community Use Areas and facilities located upon the Community Use Areas; to maintain the yards of the Lots (but not the dwellings or any portion of them) in the Subdivision; to maintain the streets and roads in the Subdivision and any median areas within the streets and roads in the Subdivision; to enforce the Restrictions contained herein; and to make and enforce rules and regulations governing the Owners' use and occupation of Lots.

(2) Each Owner of each Lot within the Subdivision shall be a member of the Corporation. The Declarant and Weyerhaeuser Real Estate Company, by this Declaration, and the Owners of individual Lots by their acceptance of individual deeds thereto, covenant and agree with respect to the Corporation: (A) That for so long as each 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; (B) That each shall be subject to the rules and regulations of the Corporation with regard to ownership of a Lot; and (C) 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 person who was the Owner of the Lot at the time the assessment fell due.

(3) 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 Declaration, 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.

(4) The Corporation shall have two classes of members:

CLASS A - Class A members shall be all owners, with the exception of any Owners who qualify as Class B members, and they 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; however, 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.

CLASS B - Class B member(s) shall be the Declarant and Weyerhaeuser Real Estate Company. Class B members shall be entitled to three votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(A) On January 1, 1993; or,

(B) When the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; provided, however, that in the event additional land is annexed into the Subdivision without the consent of Class A members pursuant to the development of such additional property by the Declarant or Weyerhaeuser Real Estate Company as provided in Paragraph 7 of Article I below and before the date in subparagraph (A) above, Class B membership shall be reinstated until January 1, 1993 or until the total votes in the Class A membership equal or exceed the total votes in the reinstated Class B membership.

C.

Management and Administration

The management and administration of the affairs of the Community Use Areas of the Subdivision shall be the sole right and responsibility of the Corporation. The management shall be carried out in accordance with the terms and conditions of these Restrictions, the Articles and the Bylaws of the Corporation, but may be delegated or contracted to managers or management services. Provided, however, any contract, including a contract with a professional management service, entered into by the Corporation prior to the termination of the Class B membership must contain a provision allowing the Corporation to terminate, without penalty or extra charge, the contract without cause at any time after the termination of the Class B membership upon thirty (30) days advance notice.

D.

Community Expenses

The Community Expenses of the Subdivision include:

(1) All amounts expended by the Corporation in operating, administering, managing, repairing, replacing and improving the Community Use Areas of the Subdivision; all amounts expended by the Corporation to maintain the yards of the Lots, and the streets, roads and medians in the Subdivision; all amounts expended by the Corporation in insuring the Community Use Areas in the 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. It is provided, however, that the Corporation is not required to replace any shrubs or plants on the Lots in the Subdivision.

(2) 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.

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

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

E.

Monthly General Assessments

(1) The Declarant and Weyerhaeuser Real Estate Company for each Lot owned, hereby covenant 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 agrees 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 land and, subject to the provisions of Paragraph 8 of this Article, shall be a continuing lien upon the property 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 this Declaration, delinquent assessments shall continue to be a lien upon such Lot.

(2) Until January 1, 1989, the monthly general assessment shall be ten Dollars (\$ 10.00) per Lot.

(A) From and after January 1, 1989, 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, 1989, the monthly general assessment may be increased by an amount greater than 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 each class of 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, 1989, 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 Lot 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 Community Use 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 (F) hereof, items relating to the daily operation, management and maintenance of the Corporation and Community Use Areas from items relating to capital improvements. Upon adoption of such Annual Budget by the Board of Directors, copies of said 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 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. In determining the number of lots subject to the monthly general assessments, any lot which is owned by a Class B member shall only be considered one-fourth (1/4) of a Lot.

(F) The Board of Directors, in establishing the Annual Budget for operation, management and maintenance of the Corporation and Community Use 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 Community Use Areas, which Capital Improvement and Replacement Fund (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 Community Use Areas, as well as the replacement of personal property which may constitute a portion of the Community Use 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 Community Use 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 Community Use 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 Community Use Areas.

(G) Additionally, a working capital fund shall be established for the initial months of the Corporation's operation equal to two (2) months' monthly general assessment for each Lot. Each Lot's share of the working capital fund shall be collected and transferred to the Corporation at the time of closing of the sale of each Lot and maintained in the Corporation's account for the use and benefit of the Corporation. The contribution to the working capital fund for each unsold Lot shall be paid to the Corporation within sixty (60) days after the date of the conveyance of the first Lot in the Subdivision. The purpose of the working capital fund is to insure that the Corporation will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the Corporation. Amounts paid into the working capital fund are not to be considered as advance payments of regular monthly general assessments.

(H) 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 this Declaration, 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 Community Use 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.

(3) 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.

(4) Annual and special assessments shall, except as otherwise provided herein, be fixed at a uniform rate for all Lots. However, for so long as there is a Class B member of the Corporation, the Lots owned by the Class B member shall be liable for and the Class B member shall pay on each such Lot as a monthly general assessment only twenty-five percent (25%) of the amount of the monthly general assessment then being levied by the Corporation on each Lot. This reduction in the amount of monthly general assessments due on Lots owned by the Class B member shall terminate as to a particular Lot upon the Lot being conveyed by the Class B member by

deed, lease or rental agreement (excluding mortgage or deed in trust) to any person other than Declarant; further, this reduction in the amount of monthly general assessments due by the Class B member shall cease upon the termination of Class B membership as herein provided.

(5) The monthly general assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Community Use Areas to the Corporation. The monthly general assessments shall be payable monthly, with the due date for such payments being as established by the Board of Directors. The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Corporation within ten (10) days of the due date for such payment. When in default, the delinquent assessment shall bear interest at the rate of ten percent (10%) per annum until such delinquent assessment and all interest due thereon has been paid in full.

(6) The monthly general assessments levied by the Corporation shall be used exclusively to improve, maintain and repair the Community Use Areas, to pay the expenses of the Corporation, to pay the cost of lighting the Community Use Areas, to pay the cost of maintaining the yards of the Lots, to pay the cost of maintaining the streets and roadways in the subdivision, to pay the cost of maintaining any medians in the Subdivision, to pay the cost of mowing 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. Taxes, hazard insurance, and maintenance on Dwellings and Lots (except maintenance of the yards) shall not be a purpose of said assessments; but rather, shall be an individual cost to be borne by each Lot Owner.

(7) 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.

(8) 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.

F.

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 directors and the members. Upon a two-thirds (2/3) vote of the Directors and a two-thirds (2/3) vote of each class 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 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 (specifically including the cost of any construction, reconstruction or repair or replacement of a capital improvement upon the Community Use Areas, including fixtures and personal property related thereto) 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 L 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. Corporation specifically reserves an easement over, upon and through any and all Lots for such purpose. Special Assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge and lien on the land and subject to the provisions of Paragraph 8 of Article E, shall be a continuing lien upon the property 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 this Declaration, 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 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.

G.

Lien for Assessments

Any 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 ten percent (10%) per annum, 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 property. No Owner may waive or otherwise escape liability for the assessments provided for herein.

H.

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 these Restrictions, the Articles or the Bylaws of the Corporation, the following relief shall be available:

(1) The Corporation, an aggrieved Lot Owner or Owners within the Subdivision on behalf of the Corporation, or any Lot Owner on behalf of all the Lot 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.

(2) The Corporation, upon giving fifteen (15) days notice to the offending Lot Owner, shall have the right to remedy the violation and assess the costs of remedying same against the offending Lot Owner as a special assessment. Provided, however, the Corporation shall not alter or demolish any items of construction without prior court approval.

(3) 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 the Subdivision for any period during which an assessment against the Lot remains unpaid.

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

(5) 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.

I.

Property Rights of Lot Owners,

Cross-Easements, and Exceptions

and Reservations by Declarant

(1) Every Owner of a Lot within the Subdivision as an appurtenance to such Lot shall have a perpetual easement over and upon the Community Use Areas within the 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 the Subdivision, whether or not specifically included in a deed thereto, subject to the following provisions:

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

(B) 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 the Subdivision for any period during which any due assessment against such Owner's Lot remains unpaid as is provided in Article H hereof, and for a period not to exceed sixty (60) days for any infraction of its published Rules and Regulations.

(C) Parking in the Community Use Areas may be restricted and assigned by the Corporation to such parking areas as may be determined and designated by the Corporation. The Corporation may make reasonable rules respecting parking.

(D) 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.

(E) The right of the Corporation to dedicate or transfer fee simple title to all or any part of the Community Use Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded.

(2) The Corporation hereinafter may grant easements for utility purposes for the benefit of the Subdivision and the Lots now or hereafter located therein, over, under, along and through any Community Use Area located within the Subdivision.

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

(4) Easements for the installation and maintenance of utilities and drainage facilities as shown on the recorded plat. Except as otherwise provided herein, no structure, planting, or other material shall be placed or permitted to remain within these easements which may interfere with the installation and maintenance of utilities, which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. Declarant specifically reserves the right to grant any public utility or municipality similar nonexclusive easement rights in said utility and drainage easements shown on the aforesaid plat and reserved herein.

(5) The Declarant reserves the right to subject the Lots in the Subdivision to a contract with the City of New Bern Utility Department or any other public utility or municipality for electricity and lighting to the Lot, including the installation of underground electric cables, which contract may require an initial payment and/or continuing monthly payments to the City of New Bern Utility Department or any other municipality or public utility by the Owner of each Lot. Such expense, including both initial and continuing monthly payments, shall be an individual cost to be borne by each individual Lot Owner and is not covered by the general assessments.

(6) The Declarant reserves the right to subject the Lots in the Subdivision to a contract with the City of New Bern Utility Department or any other public utility or municipality for street lights for the Community Use Areas which contract may require an initial payment and/or continuing monthly payments to the City of New Bern Utility Department or any other public utility or municipality. Such expense is included in the general assessments.

(7) Additional residential property and Community Use Areas may be annexed into the Subdivision and the Corporation with the consent of two-thirds (2/3) of each class of members. Provided, however, additional land within the area known as the Fairways West project may be annexed by the Declarant or Weyerhaeuser Real Estate Company without the consent of the members within seven (7) years of the date of this instrument provided that the FHA and VA determine that the annexation is in accord with the general plan heretofore approved by them. Annexation of additional property shall be accomplished by recording a Declaration of Annexation describing the property annexed and incorporating the provisions of this Declaration by reference. The additional land shall be deemed annexed to the Subdivision and under the jurisdiction of the Corporation on the date of the recordation of the Declaration of Annexation. The Declaration of Annexation shall be duly executed by the Declarant or Weyerhaeuser Real Estate Company if the property is being annexed through the Declarant's or Weyerhaeuser Real Estate Company's rights provided herein.

If the annexation requires the consent of the members, written notice shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The presence of members or of proxies entitled to cast sixty percent (60%) of all of 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.

(8) As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, dedication of Community Use Areas, and amendment of this Declaration.

(9) Each Owner of any Lot within the Subdivision, as an appurtenance to such Lot, shall have and is hereby conveyed a perpetual, nonexclusive right of way and easement for the purposes of ingress, egress and regress to and from said Lot over, through and across the streets and roads shown on the Subdivision plat and/or described herein.

(10) The Owner of each Lot, by acceptance of a deed thereto, and the Corporation by acceptance of a deed for the Community Use Areas, grants to the Declarant and Weyerhaeuser Real Estate Company, their successors and assigns, perpetual nonexclusive general access and utility easements located over, along and through the streets and roads, utility lines, water lines and sewage lines presently existing or shown on the aforesaid plat. Such easements are nonexclusive and are for the purpose of providing utilities, water and sewage service and ingress, egress, regress and access to such additional areas as may be later developed by Declarant or

Weyerhaeuser Real Estate Company. Declarant and Weyerhaeuser Real Estate Company may grant similar nonexclusive easement rights to various parties as they deem necessary and proper.

(11) An easement is reserved by the Corporation, its employees and designees to make any reasonable entry onto a Lot upon not less than twenty-four (24) hours notice to the Owner thereof for the purpose of performing any maintenance, repair, alteration or inspection. An easement is reserved by the Corporation, its employees and designees, to make any reasonable entry onto any Lot with no notice to the Owner thereof in the event of any emergency.

(12) Each Lot Owner is responsible for payment of the ad valorem taxes levied upon his Lot and any personal property located thereon.

(13) Declarant reserves and the Lots are conveyed subject to a five (5) feet in width driveway curb easement as shown on the aforesaid plat. The easement shall be for the maintenance and installation of a curb and gutter.

(14) Various Lots in the Subdivision are subject to common driveway easements as shown on the aforesaid plat. The common driveway easement areas may be used by adjacent Lot Owners for ingress, egress, regress and access to the Lots from the streets on which the Lots front. No automobiles or other items shall be placed or permitted to remain within said areas which would block or obstruct access to such adjacent Lots.

(15) Various Lots in the Subdivision are subject to sight easements as shown on the aforesaid Plat. No planting or structure shall be permitted within said sight easements which would obscure or obstruct the view of vehicles entering or exiting streets within the Subdivision.

J.

Architectural Control and Architectural Restrictions

(1) The Architectural Control Committee shall be comprised of three (3) persons. Any natural person may serve as a member of the Architectural Control Committee. Until January 1, 1991, Declarant shall have the right to appoint and remove the three (3) Architectural Control Committee members with or without cause. After January 1, 1991, the Board of Directors shall have the right to appoint and remove members of the Architectural Control Committee with or without cause.

(2) Before any structure, fence, building, wall or addition to any of same shall be commenced, erected, or maintained upon any Lot and before any alteration (including painting) of the exterior portion of any structure located upon any Lot in the Subdivision shall be commenced (except as shall be undertaken by the Corporation itself), the party desiring to make such changes or erections shall submit and have approved by the Architectural Control Committee (hereinafter called "Committee"), plans and specifications detailing the changes and erections. The plans and specifications must show the structure, kind, shape, height, materials, color and locations of the change or erection. Two (2) complete sets of Committee Application Forms, final plans, and specifications for any and all proposed improvements, shall

be (1) hand delivered to the current president of the Corporation, or (2) mailed certified or registered mail with return receipt requested to the Registered Office of the Corporation and marked to the attention of the Committee. The Committee shall approve or disapprove such plans within forty (40) days of receipt thereof. One set of plans and specifications and details with the approval or disapproval of the Committee shall be returned to the party submitting them and the other copy shall be retained by the Committee for its permanent files.

(3) The Committee shall make its decision approving or disapproving the plans by taking into consideration the nature of the Subdivision, the aesthetics of the proposed changes or alterations, the harmony of the proposed change or erection with the architectural style of neighboring buildings, color schemes, durability of construction, relative costs, and protection of the investment of the Owners of other Lots in the Subdivision. Submission of incomplete or inaccurate plans and specifications shall result in disapproval. The decisions of the Committee shall be final and not subject to appeal or review.

(4) If the Committee fails either to approve or disapprove any plans so submitted within forty (40) days of their submission, the plans will be deemed approved.

(5) Neither the Committee nor any agent of the Declarant 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 any structural or other defect in any work done according to such plans and specifications.

(6) The requirements of this Article shall not constitute a lien or encumbrance on any Lot on which construction is completed, and any subsequent purchaser thereof for value without notice thereof is in no way affected by the failure of his predecessors in title to comply with the terms hereof.

K.

Insurance

(1) The Corporation shall purchase and maintain at all times hazard insurance against loss or damage by fire and similar perils for all improvements and fixtures located on Community Use Areas, including personal property. The insurance, if available, shall cover 100% of the current replacement costs of the improvements and fixtures as determined by the Corporation with the assistance of the insurance company providing coverage. Coverage may exclude land, foundations, excavations, or other items that are usually excluded from insurance coverage. The insurance policy shall require that the insurer notify the Corporation in writing at least ten (10) days prior to any substantial change in coverage or cancellation. The insurance policy shall also contain clauses providing for waiver of subrogation.

(2) If the property of the Corporation is located within a special flood hazard area, the Corporation shall purchase and maintain at all times flood insurance equal to the lesser of 100% of the insurable value of the improvements and fixtures or the maximum coverage available under the appropriate National Flood Insurance

Administration program. The policy shall require the insurer to notify the Corporation in writing at least ten (10) days prior to cancellation or any substantial change in the coverage.

(3) The Corporation shall purchase and maintain at all times a comprehensive general liability insurance policy covering all Community Use Areas, public ways and any other areas that are under its supervision. The liability insurance shall cover against liability to the public or to other lot owners, their tenants, guests or invitees, relating in any way to the ownership, operation, maintenance and/or use of the Community Use Areas and any part thereof, the public ways of the subdivision and any other areas under the Corporation's supervision. Such insurance policy shall contain a "severability of interest endorsement" or equivalent coverage which precludes the insurer from denying the claim of a Lot Owner because of the negligent acts of the Corporation or other Lot Owners. Limits of liability shall be at least One Million Dollars (\$1,000,000) covering all claims for personal injury and/or property damage arising out of a single occurrence. Coverage under this policy shall include legal liability arising out of losses related to employment contracts of the Corporation. The policy shall require the insurer to notify in writing the Corporation at least 10 days before the insurer cancels or substantially changes the coverage.

(4) Fidelity bonds or insurance coverage against dishonest acts on the part of such persons (including by way of illustration and not limitation, corporation members, officers, directors, managers, agents, employees and volunteers) handling or responsible for funds belonging to or administered by the Corporation shall be maintained by the Corporation. In the event the Corporation has delegated some or all of the responsibility for handling of funds to a management agent, such bonds or insurance coverage may include officers, employees and agents of such management agent. Such fidelity bond or insurance shall name the Corporation as the named insured and shall be written in an amount sufficient to cover the maximum funds that will be in the custody of the Association or its managing agent at any time while the bond is in force which is in no event less than three times the sum of the monthly general assessments plus the Corporation's reserve funds. In connection with such coverage, an appropriate endorsement to such policy or bond in order to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. If a management agent is covered by its own fidelity bond, the management agent's bond shall also name the Corporation as an additional obligee. The policy should also contain a provision providing that it may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 10 days prior written notice to the Corporation and all Eligible Mortgage Holders.

(5) Each Lot Owner shall purchase and maintain at all times hazard insurance insuring against fire and similar perils, on such Owner's Dwelling. Each Owner shall be responsible for obtaining and shall pay the cost of any hazard insurance on personal property or fixtures and appliances of that Owner. Each Owner shall be responsible for purchasing and maintaining liability insurance covering his Lot and Dwelling.

(6) Any Dwelling located on a Lot which is destroyed in whole or in part by fire or other casualty shall be rebuilt by the Lot Owner with promptness after such casualty, and, in any event, such building shall be rebuilt or repaired within 1

year of such casualty. All rubbish and debris shall be removed, with promptness, after such fire or other casualty. In no event shall debris or rubbish remain on a Lot longer than two (2) months after such fire or other casualty.

L.

Restrictions on Use and Occupancy

(1) The division of Lots is permissible provided that: (A) The number of Lots in the Subdivision is not increased (i.e., portions of lots are combined with other lots or other portions of lots to form a new Lot); and, (B) The resultant Lots have an area which is equal to or exceed 3,200 square feet. Any such Lot which has been constructed with portions of one or more Lots shall be considered a Lot as defined herein notwithstanding the fact that said Lot actually consists of portions of more than one original Lot. No Lot shall be used except for single family residential purposes. No building except a Dwelling as defined herein and such other outbuildings as may be normal and customary accessories for a single family residential dwelling including a private garage and located within the building lines for said Lot as shown on the recorded plat shall be located on any Lot.

(2) Every residential Dwelling constructed on a Lot shall contain at least 1,000 square feet of heated area. In addition, if such Dwelling consists of a one and one-half (1½) story Dwelling, such Dwelling shall have not less than 600 heated square feet on the first floor. Any two story Dwelling shall contain not less than 500 heated square feet on the first floor.

(3) Any appurtenant structure shall be of like materials, construction methods, and technique, as the principal residential dwelling. Fences and appurtenant structures are allowable only if in the opinion of the Committee, they are necessary for the enjoyment of the property as defined under single family residential uses. These appurtenant structures shall not be allowed if they are made of metal, tin, aluminum, or any premanufactured materials. Any fence or appurtenant structure must not detract from the general development scheme nor in any way be injurious to the value or well-being of the total development plan.

(4) Any and all appurtenant structures shall be attached to the Dwelling and shall be subject to reasonable rules and regulations pertaining to the height and size requirements for appurtenant structures, including but not limited to, fences, walls, and arbors. Such regulations shall be adopted by the Architectural Control Committee to maintain the general development plan and scheme of the Subdivision.

(5) In order to preserve the natural beauty and appearance of the development in its existing state, all property lines shall be kept free and open. No fences shall be permitted on any Lot or Lot lines unless erected by the Declarant and, in the sole opinion of the Committee, a fence or other enclosure will contribute to and be in keeping with the character of the development. No chain link fence, or any other fence comprised in whole or in part of metal, shall be allowed within the Subdivision. All fences shall be attached to the Dwelling. The Committee shall adopt a standard design for fences and all fences shall be constructed according to that design.

(6) A unit owner may lease or sublease his Lot (but not less than his entire Lot) at any time and from time to time provided that: (A) no Lot may be leased or subleased without a written lease or sublease; (B) the term of lease is for not less than thirty (30) days; and (C) the rights of any lessee or sublessee of the Lot shall be subject to, and each such lessee or sublessee shall be bound by the provisions set forth in this Declaration, the Bylaws and the Rules and Regulations of the Subdivision and a default thereunder shall constitute a default under the lease or sublease; provided, however, that the foregoing shall not impose any direct liability on any lessee or sublessee of a Lot to pay any general or special assessments on behalf of the Lot Owner. It is further provided that during the development period, Declarant may maintain guest units to house prospective purchasers visiting the development and the letting or leasing of such units is not required to conform with the above rules.

(7) Without the prior written consent of the Committee, nothing shall be done or kept in any Dwelling or on any Lot which will increase the rate of insurance applicable to similar buildings. No Owner shall permit anything to be done or kept in his Dwelling or on his Lot which will result in the cancellation of insurance on his Dwelling or of that of any of his neighbors. No waste may occur in the Community Use Areas.

(8) Owners and occupants of Dwellings, without the prior written consent of the Committee, shall not place or store any item on the exterior of a Dwelling.

(9) All motor vehicles of any type kept within the Subdivision shall have current North Carolina registration and inspection certificates. Only automobiles, pick-up trucks, vans of a size of three-quarter ton or smaller, and motorcycles shall be allowed to remain overnight on the Lots. No campers, tractor, trailer, tractor-trailer, recreational vehicle, or boat may be kept within the subdivision. It is provided, however, that during construction and development that construction trucks, tractors and equipment may be kept within the development.

(10) No signs of any kind shall be displayed to the public view on any Lot except signs used by the Declarant or its agent to advertise the property during the construction and sales period or one sign not more than six (6) square feet advertising the property for sale or rent.

(11) No outdoor poles, clotheslines, or other similar equipment shall be erected or permitted on any Lot.

(12) No trash, ashes, garbage, or other refuse shall be dumped or stored or accumulated on the exterior of any Dwelling.

(13) No trucks or other vehicles in excess of a one-half-ton load capacity shall be parked or kept overnight or longer within the Subdivision.

(14) All outdoor receptacles for ashes, trash, rubbish or garbage shall be installed underground, screened or so placed and kept as not to be visible to the occupants of other Lots.

(15) No noxious or offensive activity shall be conducted upon any Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

(16) No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any Dwelling except that dogs, cats, or other household pets may be kept or maintained provided they are not kept or maintained for commercial purposes. Such pets shall be reasonable in size and number. Animals or pets may not be allowed to run at large.

(17) The provisions of this Article are subject to the condition that for so long as the Declarant or Weyerhaeuser Real Estate Company retains any Lot or any portion of the property in the Subdivision, whether shown and delineated on the aforesaid plat or later annexed into the Subdivision, which has not been sold, leased, rented, or otherwise conveyed, the Declarant and/or Weyerhaeuser Real Estate Company are hereby expressly permitted to maintain signs on the Community Use Areas.

(18) Subject to the provisions of this Declaration, the Articles and the Bylaws, the Board of Directors shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Community Use Areas. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors shall be recorded in a Book of Resolutions, which shall be maintained at a place convenient to the members and available to them for inspection during normal business hours.

(19) No outside radio or television antennas, satellite dishes, or towers of any kind, shall be erected on any Lot or Dwelling unless and until permission for same has been granted by the Architectural Control Committee. No radio station or shortwave operator of any kind shall operate from any Lot or Dwelling without the prior written consent of the Architectural Control Committee.

(20) No stripped, partially wrecked, or junked motor vehicle or any part thereof shall be permitted to be parked or kept on any Lot or on the Community Use Areas.

(21) All plumbing fixtures, dishwashers, toilets, or sewage disposal systems shall be connected to a septic tank or sewage system approved by the appropriate governmental authority and the Declarant. No outside toilet shall be constructed or permitted on any Lot after completion of the principal residential dwelling. Portable toilets shall be allowed during the construction period.

(22) No temporary house, mobile home, trailer, camper, tent, garage or other outbuilding shall be placed on or erected on a Lot provided, however, the Committee may grant permission for a temporary structure for storage of materials during the construction period. No such temporary structure or appurtenant structure as may approved shall be used at any time as a dwelling.

(23) Once construction of improvements is started on any Lot, improvements must be substantially completed in accordance with the plans and specifications as approved by the Committee within a reasonable time after commencement.

(24) No residence shall be occupied until the same has been substantially completed and a Certificate of Occupancy has been issued by the appropriate governmental authority.

(25) All structures constructed or placed on any Lot shall be built of substantially new materials and no used structure or materials shall be moved, relocated, or placed on any such Lot.

(26) Fuel storage tanks shall be buried below the surface of the ground or screened by shrubbery or other satisfactory means so that they will always be hidden from streets and Community Use Areas.

(27) No structure erected upon any Lot may be used as a model exhibit or model home, unless prior written consent to do so has been obtained from the Committee. Provided, however, that notwithstanding any other provision of this Declaration, Declarant and/or Weyerhaeuser Real Estate Company may maintain model homes and sales offices in the Subdivision as long as Declarant or Weyerhaeuser Real Estate Company owns a Lot within the Subdivision.

(28) No outside burning of garbage or refuse shall be permitted.

(29) No Lot shall be accessed by motor vehicle except from the front lot line of the Lot as determined by the front of the house located upon said Lot.

(30) All mail boxes shall be cluster boxes of a design erected by Declarant or approved by the Committee. All paper boxes shall be approved by the Committee.

M.

Complaints

(1) For all matters except those concerning the nonpayment of assessments, before any Lot Owner in his capacity as a Lot Owner (hereinafter called Complainant) may bring any action in any court of law against the Corporation or any other Lot Owner for failure to comply with the terms of these Restrictions, the Articles or the Bylaws, the Complainant shall notify the Corporation or the Lot Owner, as the case may be, by registered or certified mail, of the substance of the matter causing the complaint.

(2) Following the giving of notice as provided in Paragraph (1) above, the Corporation or the offending Lot Owner, as the case may be, shall have thirty (30) days in which to remedy the complained of matter. If the matter causing the complaint is not remedied within the foregoing thirty (30) day period, the Complainant shall have the right to appear before the Board of Directors of the Corporation to register such complaint.

(3) If the Board of Directors, after considering the complaint pursuant to the terms of Paragraph (2) above, by majority vote decides against the Corporation or the offending Lot Owner, the Corporation or the offending Lot Owner shall have a period of thirty (30) days from the date of such decision to remedy the complained of matter.

(4) If, after the thirty (30) day period provided in Paragraph (3) above, the offending party has not remedied the complained of matter, the Complainant shall have the right to institute suit in a court of law. If the Board of Directors shall decide against the Complainant pursuant to Paragraph (3) above, the Complainant may immediately institute suit in a court of law.

(5) This Article shall not apply to actions brought by the Corporation.

N.

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 as to the same or similar future violations, no matter how often the failure to enforce is repeated.

O.

Variances

The Architectural Control Committee in its discretion may allow reasonable variances and adjustments of these Restrictions in order to alleviate practical difficulties and hardship in their enforcement and operation. Any such variances shall not violate the spirit or the intent of this document to create a Subdivision of Lots owned in fee by various Persons with each such Owner having an easement upon areas owned by the Corporation. No variance or adjustment will be permitted if such would be materially detrimental or injurious to the welfare of the other property and improvements in the Subdivision as determined by the Architectural Control Committee.

To be effective, a variance hereunder shall be recorded in the Craven County Register of Deeds Office; shall be executed on behalf of the Corporation; and shall refer specifically to this Declaration.

P.

Duration, Amendment and Termination

(1) The covenants and Restrictions contained in this Declaration shall run with and bind the land until January 1, 2005, after which time, they shall automatically be extended for successive periods of ten (10) years. This Declaration may be amended in full or part until January 1, 2005, by an instrument signed by not less than sixty-five percent (65%) of the Lot Owners, and thereafter, by an instrument signed by not less than eighty-five percent (85%) of the Lot Owners provided, that no amendment shall alter any obligation to pay ad valorem taxes on the Community Use Areas or assessments for street lighting, as herein provided, or affect any lien for the payment of same. Provided, however, no addition or amendment of a material nature to the Declaration, the Articles or the Bylaws shall be permitted without the prior written approval of fifty-one percent (51%) of the Eligible Mortgage Holders. A change of the provisions relating to any of the following shall for this purpose be considered material:

- A. Voting rights;
- B. Assessments, assessment liens or subordination of assessment
liens;
- C. Reserves for maintenance, repair and replacement of the Community
Use Areas;
- D. Responsibility for maintenance and repairs of the Community Use
Areas;
- E. Reallocation of the right to use the Community Use Areas;
- F. Convertibility of Community Use Areas into Lots;
- G. Expansion or contraction of the project or the addition,
annexation or withdrawal of property to and from the Subdivision;
- H. Insurance or fidelity bonds;
- I. Leasing of units;
- J. Imposition of any restrictions on a Lot Owner's right to
transfer, sell or otherwise convey his Lot;
- K. A decision by the Corporation to establish self management when
professional management had previously been required by an Eligible Mortgage Holder;
- L. Actions to terminate the legal status of the Corporation;
- M. Provisions that expressly benefit holders, insurers or guarantors
of Mortgages on Lots;
- N. Rights to use the Community Use Areas.

To be effective any amendment must be recorded in the office of the Register of Deeds of Craven County, North Carolina and a marginal entry of same must be signified on the face of this document.

(2) Invalidation of any one of these covenants or Restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Q.

Community Use Areas: Private

(1) Every Community Use Area and any facility thereon is private. Neither the Declarant's execution nor recording of the plat nor any other act of the Declarant with respect to the property is or is intended to be or shall be construed as a dedication to the public of any of said parks, recreational facilities or

amenities other than as reflected herein. An easement for the use and enjoyment of each of the areas designated as Community Use Areas is reserved by the Declarant, Weyerhaeuser Real Estate Company, their successors and assigns.

(2) All Community Use Areas shall be owned by the Corporation and shall be acquired by the Corporation free and clear of all liens and encumbrances except pro rata ad valorem real property taxes for the year of conveyance, rights and easements reserved herein, and reasonable drainage and utility easements and mineral reservations as established in the chain of title.

R.

Remedies

Enforcement of these restrictions and conditions shall be by proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or condition, either to restrain violation thereof or to recover damages therefor. Injunction shall not issue to compel the removal of or moving of any completed residence for violation of side setback or front setback restrictions, the sole remedy of any offended person being a suit for damages.

S.

Acceptance

(1) The grantee of any Lot subject to the coverage of these Restrictions, by acceptance of a deed conveying title thereto, or by the execution of a contract for the purchase thereof, whether from Declarant, Weyerhaeuser Real Estate Company, or a subsequent owner of such Lot, shall accept such deed or contract upon and subject to each and all of these restrictions and agreements herein contained and also the jurisdiction, rights and powers of Declarant and Weyerhaeuser Real Estate Company and by such acceptance shall for himself, his heirs, personal representatives, successors and assigns, covenant, consent and agree to and with Declarant, Weyerhaeuser Real Estate Company and Corporation and to and with the grantees and subsequent owners of each of the Lots within the Subdivision to keep, observe, and comply with and perform said restrictions and agreements.

(2) Each such grantee also agrees, by such acceptance, to assume, as against Declarant, Weyerhaeuser Real Estate Company, their successors and assigns, all of the risks and hazards of ownership or occupancy attendant to such Lot, including but not limited to its proximity to any Community Use Area, lake or other recreational facility.

T.

Applicability

These Restrictions shall only apply to the Lots specified herein or hereinafter annexed into the Subdivision.

U.

Captions

The captions preceding the various Articles of these Restrictions are for the convenience 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.

V.

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.

W.

Liberal Construction

The provisions of this Declaration shall be construed liberally to effectuate its purpose of creating a Subdivision of fee simple ownership of Lots and buildings governed and controlled by rules, regulations, restrictions, covenants, conditions, reservations and easements administered by an Owners' association with each Owner entitled to and burdened with the rights and easements equivalent to those of other Owners.

X.

WEYERHAEUSER REAL ESTATE COMPANY

Declarant has a contract to purchase Lots in the subdivision from Weyerhaeuser Real Estate Company. Consequently, Weyerhaeuser Real Estate Company has joined in this Declaration to effect a uniform plan of development. Upon a breach of Declarant's contract with Weyerhaeuser Real Estate Company, Weyerhaeuser Real Estate Company may, by unilateral amendment to this Declaration, declare itself as Declarant in this Declaration and assume all the rights and powers of the Declarant as specified in this Declaration.

IN TESTIMONY WHEREOF, the corporate parties hereto have caused this instrument to be executed in their corporate name by their appropriate president or vice president, attested by their appropriate secretary or assistant secretary, and

have had their corporate seals affixed hereto, all by order by their Board of Directors first duly given, this the day and year first above written.

MORTON ASSOCIATES, INC.

By: [Signature]
President

Attested by:

[Signature]
Asst. Secretary

WEYERHAEUSER REAL ESTATE COMPANY

By: [Signature]
VICE President

Attested by:

[Signature]
Secretary

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, Joanne R. Doe, a Notary Public in and for said County and State, do hereby certify that on the 30th day of September 1987, before me personally appeared [Signature] with whom I am personally acquainted, who, being by me duly sworn, says that he is President and that [Signature] is Asst Secretary of MORTON ASSOCIATES, INC., the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said President; that the said President and Asst Secretary subscribed their names thereto and the said common seal was affixed, all by order of the Board of Directors of said corporation; and that the said instrument is the act and deed of said corporation.

WITNESS my hand and notarial seal, this the 30th day of September, 1987.

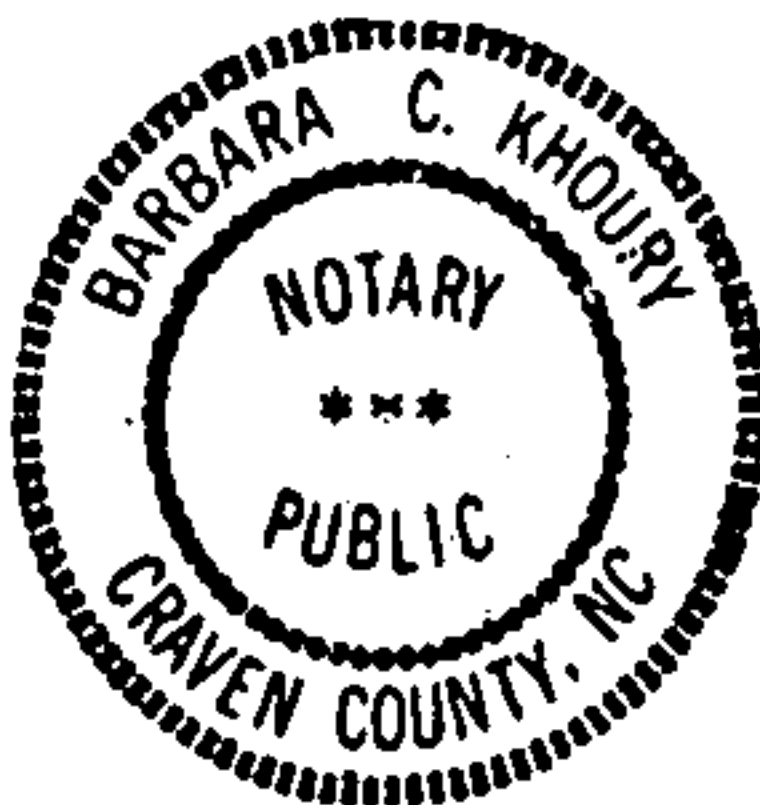
My Commission expires:

[Signature]
Notary Public

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, Barbara C. Khoury, a Notary Public in and for said County and State, do hereby certify that on the 17 day of September, 1987, before me personally appeared Robert S. Stodd with whom I am personally acquainted, who, being by me duly sworn, says that he is Vice President and that Kenneth J. Peragon is Asst. Secretary of WEYERHAEUSER REAL ESTATE COMPANY, the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the corporation was subscribed thereto by the said Vice President; that the said Vice President and Asst. Secretary subscribed their names thereto and the said common seal was affixed, all by order of the Board of Directors of said corporation; and that the said instrument is the act and deed of said corporation.

WITNESS my hand and notarial seal, this the 17 day of September, 1987.



My Commission expires:

1-16-91

Barbara C. Khoury
Notary Public

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

The foregoing certificates of Notaries Public 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, North Carolina, in Book 1168, Page 485.

This 30th day of Sept., 1987, at 2:30 o'clock P.M.

Sharon Sharp
Register of Deeds

By: Sharon S. Sharp, Deputy

75-0737(X)
20DH
9-16-87