

STATE OF NORTH CAROLINA  
COUNTY OF CRAVEN

DECLARATION OF PROTECTIVE  
COVENANTS OF  
CYPRESS BAY ON THE NEUSE

THIS DECLARATION OF PROTECTIVE COVENANTS, made and entered into this the 26th day of October, 1994, by Scarafoni Associates NC, Inc., a North Carolina corporation d/b/a Live Oak Development Company, (hereinafter referred to as "DEVELOPER").

WITNESSETH THAT:

WHEREAS, DEVELOPER is the owner of all that certain tract of land known as CYPRESS BAY ON THE NEUSE SUBDIVISION located in Craven County, North Carolina, which is more particularly shown and described on that map recorded in Plat Cabinet F, Slide G, Craven County Registry; and

WHEREAS, it is the desire of the DEVELOPER to insure the use of said property for attractive residential purposes only, to prevent the impairment of the attractiveness of the property, to maintain the desired tone of the community, and thereby to secure to each lot owner the full benefit and enjoyment of each lot owner's home with no greater restriction upon the free and undisturbed use of each lot than is necessary to insure the same advantages to the other lot owners;

NOW, THEREFORE, the undersigned does hereby covenant, agree and declare to and with all persons, firms or corporations now owning or hereafter acquiring any property in CYPRESS BAY ON THE NEUSE SUBDIVISION, that all of the lots in said subdivision as shown on a map recorded in Plat Cabinet F, Slide G, of the Craven County Registry, are hereby made subject to the following PROTECTIVE COVENANTS (hereinafter "PROTECTIVE COVENANTS"). These PROTECTIVE COVENANTS 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 or parts thereof subject to this DECLARATION OF PROTECTIVE COVENANTS.

ARTICLE 1

DEFINITIONS

As used herein,

A. "Articles" means the Articles of the Incorporation of CYPRESS BAY PROPERTY OWNERS' ASSOCIATION, INC., which are attached hereto as Exhibit A and incorporated herein by reference.

B. "Association" means and refers to the CYPRESS BAY PROPERTY OWNERS' ASSOCIATION, INC., a nonprofit North Carolina corporation.

C. The "Board of Directors" or "Board" shall be the elected board governing the Association and managing the affairs of the Association.

D. "By-laws" means the Bylaws of CYPRESS BAY PROPERTY OWNERS' ASSOCIATION, INC.

E. "Community Use Areas" means all real and personal property, together with those areas within dedicated portions of the Subdivision, which may be deeded to or acquired by the Association or not, for the common use and enjoyment of the members of the Association or in which the owners have a partial or common right or privilege to use and enjoy as provided by these PROTECTIVE COVENANTS as well as amendments hereto. Community Use Areas specifically include, but are not limited to, the Common Access Lot, recreation areas, parking spaces, boat launching facility, boat dock facility (if any), and streets and roads within the Subdivision.

F. "Common Expenses" means and includes actual and estimated expenses of maintaining and operating the Community Use Areas and operating the Association for general purposes, including any reasonable reserve, as may be found necessary and appropriate by the Board of Directors pursuant to these PROTECTIVE COVENANTS, the Bylaws and the Articles of Incorporation of the Association.

*See Book 1451 Pg. 810 For Amendment to Covenants 2-10-95 Becky Thomas By Dev  
See Book 1515 Pg. 764 For Covenants 12-20-94 Becky Thomas By Dev  
See Book 1464 Pg. 240 For Amendment to Covenants 5-23-95 Becky Thomas By Dev*

*See BK 1469 Pg. 930 For Amendment to RC 8-15-95 Becky Thomas ROD  
By Allen Beck, Deput*

G. "Developer" means Scarafoni Associates NC, Inc., a North Carolina corporation, d/b/a Live Oak Development Company, its successors and 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 developments.

H. "Development Area" shall mean that property described by that map recorded in Plat Cabinet F, Slide G, in the Office of the Register of Deeds of Craven County, North Carolina, together with the remaining properties described in that deed from Paul J. Bargnesi to Scarafoni Associates NC, Inc. of record in Book 1431, Page 97, Craven County Registry.

I. "Lot" shall mean and refer to any one of those numbered parcels of real property which have been subdivided from the hereinabove described real property known as CYPRESS BAY ON THE NEUSE and which are intended for single family residential purposes only, as set forth herein below.

J. "Member" shall mean and refer to each and every person and entity who or which owns a lot in CYPRESS BAY ON THE NEUSE SUBDIVISION.

K. "Owner" shall mean and refer to the owner or holder (by purchase, devise, inheritance, decree or otherwise) whether one or more persons or entities, of a fee simple title to or interest in any Lot(s), including DEVELOPER, and contract sellers, but excluding those having such interest merely as security for the performance of an obligation or the payment of an indebtedness.

L. "Subdivision" means all of that real property known collectively as CYPRESS BAY ON THE NEUSE as shown on that map recorded in Plat Cabinet F, Slide G, Craven County Registry, together with additional phases or sections as the same shall be shown on the maps to be recorded in the Craven County Registry and the properties shown thereon made subject to this Declaration of Protective Covenants.

#### ARTICLE 2

##### APPLICABILITY

These PROTECTIVE COVENANTS shall apply to all subdivision numbered lots and other real property shown on the aforesaid referenced plat or map, together with such additional phases or sections as may hereinafter be added, which lots and property are for residential purposes only, except as otherwise provided herein.

#### ARTICLE 3

##### RESTRICTIONS ON USE AND OCCUPANCY

A. No Lot shall be used except for single family residential purposes. No structure shall be erected, placed or permitted to remain on any Lot other than one (1) detached, single family residence dwelling not to exceed two and one-half stories in height above floor or piling level and such outbuildings as are usually accessory to a single family residence dwelling, including a private enclosed garage.

B. Any dwelling constructed on Lots Number 2 through 14 and 47 through 56 subject to these PROTECTIVE COVENANTS shall contain not less than 1500 square feet. The minimum square footage herein provided shall be measured by using the fully enclosed and heated floor space all devoted to general living purposes and be exclusive of roofed or unroofed porches, breezeways, decks, terraces, garages, and any outbuildings. Any dwellings in excess of one story shall contain not less than 900 square feet on the first level of such structures which shall be fully enclosed and heated floor space all devoted to living purposes exclusive of roofed or unroofed porches, breezeways, decks, terraces, garages, and any outbuildings. In addition the total built-upon area on each lot shall not exceed the requirements of the Title 1 NCAC 2H.1003 Coastal Stormwater Regulations. These regulations currently provide that each lot will be restricted to 9,300 square feet of built upon area including impervious surfaces such as house and driveways.

The State of North Carolina shall be a beneficiary of this provision entitled to enforce the same by any available action or remedy against any lot owner who violates the terms of this provision.

C. No above-grade structure (except approved fences or walls) may be constructed or placed on any Lot except within the minimum building setback lines as set forth herein:

1. Thirty (30) feet from the Lot front line.
2. Ten (10) feet from the Lot side line.
3. Fifteen (15) feet from the Lot rear line.
4. Twenty (20) feet from any corner Lot side line.

Hardship variances from these requirements may be granted by DEVELOPER or its designated representative or the Committee in its sole discretion.

An Owner of a Lot and a portion or all of an adjoining and contiguous Lot or Lots may construct a dwelling and/or other structures permitted hereunder upon and across the dividing line of such adjoining and contiguous Lots, all such structures shall comply with the minimum building setback lines from the actual boundary lines of the subject Owner's property, and thereafter such combinations of Lots or portions thereof shall be treated for all purposes under these PROTECTIVE COVENANTS as a single Lot.

D. No Lot or Lots shall be subdivided except to enlarge an adjoining Lot, but any Lot so enlarged cannot be improved with more than one single family dwelling.

E. All plumbing fixtures and sources of sewerage located on a Lot shall be connected to an individual septic tank or other sewer system located upon such Lot and approved by the appropriate governmental authorities and the DEVELOPER. Each such approved individual septic tank or sewer system shall be maintained in good and proper working order and condition by the Owner in accordance with the requirements of governmental authorities having jurisdiction. No outside toilet shall be constructed or permitted on any Lot except during construction as herein expressly provided.

F. The building setback requirements set forth herein are not applicable with respect to the construction of bulkheads, docks, piers or similar structures placed upon those Lots which adjoin navigable waterways so long as such structures do not encroach on easements set forth in these PROTECTIVE COVENANTS or on the recorded maps for CYPRESS BAY ON THE NEUSE and otherwise are in compliance with the terms and conditions of these CYPRESS BAY ON THE NEUSE PROTECTIVE COVENANTS.

The Owner or Owners of the property on which bulkheads, jetties, or other artificial stabilization devices are to be constructed must, prior to construction, obtain written approval from the appropriate Federal, State, County and local authorities, and the DEVELOPER, its duly designated representative or the Committee.

Piers and docks may be constructed on the property or adjacent thereto, provided that prior to construction, written approval has been obtained from the appropriate Federal, State, County and local authorities, and the DEVELOPER, its duly designated representative or the Committee.

G. Construction activity on a Lot shall be confined within the boundaries of said Lot. Each Lot Owner shall have the obligation to collect and dispose of all rubbish and trash resulting from construction on his Lot.

H. All Lots shall be well maintained and no accumulation of rubbish or debris shall be permitted. The Owners of all unbuilt upon Lots in the Subdivision shall clear their Lots of underbrush at least one time each year. If the Owners do not clear their Lot as required by this paragraph, the Association shall have the authority to clear any such Lot of underbrush and separately assess the cost of such work against each Owner. Such charge shall be a special assessment against the Owner and his Lot(s) and may be enforced in accordance with the provisions of Article 7 herein.

I. Owners shall be responsible for any damage done to any streets, roadways, accessways, Community Use Areas, bulkheads, or property of other Owners within the Subdivision which may be caused by any Owner, his agents, employees, guests, licensees or invitees. The Association shall have the authority to assess any Owner for such damage and such charge shall be a special assessment against the Owner and his Lot(s) and may be enforced in accordance with the provisions of Article 7 herein.

J. The following general prohibitions and requirements shall apply and control the improvements, maintenance and use of all Lots:

1. No mobile home, trailer, tent, or temporary house, temporary garage or other temporary outbuildings shall be placed or erected on any Lot, provided, however, that the committee or DEVELOPER may grant permission for temporary structures for storage of materials during construction.

2. Once construction of a dwelling or other improvements are started on any Lot, the improvements must be substantially completed in accordance with the approved plans and specifications within twelve (12) months from commencement.

3. During construction of improvements on any Lot, adequate portable sanitary toilets must be provided for the construction crew and the Lot must be cleaned of excess debris at least once a week.

4. All dwellings and permitted structures erected or placed on any Lot shall be constructed of material of good grade, quality and appearance, and all the construction shall be performed in good workmanship manner and quality. The covering for all roofs shall be shingles or materials approved by the Committee. Materials and colors for the exterior of all dwellings and permitted structures must be approved by the Committee. No used structures shall be relocated or placed on any Lot and no structures shall have an exterior constructed of concrete blocks, asbestos or asphalt siding. Any permitted outbuilding shall be of the same material, quality, general appearance and workmanship as the dwelling on the Lot.

5. Except structures erected by the DEVELOPERS, no structure erected upon any Lot may be used as a model exhibit or house unless prior written permission to do so shall have been obtained from the Committee.

6. Any dwelling or improvement on any Lot that is destroyed in whole or in part by fire or other casualty may be rebuilt or all debris removed and the Lot restored to a slightly condition with reasonable promptness, provided, however, that in no event shall such debris remain on such Lot longer than three months.

7. No stripped, partially wrecked, or junk motor vehicle, or part thereof, shall be permitted to be parked or kept on any Lot.

8. No vehicle of any type shall be parked on any street in the Subdivision. No truck nor other vehicle in excess of a one-ton load capacity nor any mobile home, trailer or similar vehicle shall be parked or kept overnight or longer, on any Lot, in such a manner as to be visible to the occupants of other Lots or the users of a street or recreation area. Recreational vehicles and campers are allowed, so long as they are operable.

9. All outdoor poles, clotheslines and similar equipment shall be screened or so placed as not to be visible by the occupants of other Lots or the users of any street or recreation area.

10. No mail 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 upon any Lot except such receptacle of standard design as shall have been approved by the Committee.

11. No advertising signs or billboards or other advertising structure(s) of any kind shall be erected on any Lot or displayed

to the public on any Lot subject to these restrictions except that one sign of not more than four square feet in area may be used to advertise a completed dwelling for sale or rent. No "For Sale" signs are allowed on any vacant Lots until after January 1, 1997. This covenant shall not apply to signs erected by the DEVELOPER used to identify and advertise the Subdivision as a whole, or construction identification signs approved by the Committee showing Lot numbers and name of builder, or by a homeowner for the purposes of identifying the homeowner as the resident on said Lot. Said identification sign shall not exceed in size a total of four square feet.

12. No satellite dish antennas are permitted to be installed on any Lot in that portion of the Lot lying between the plane of the front wall of the house and the right of way of any roadway which adjoins the Lot; any satellite dish installed shall be screened from view from the roadway which adjoins the Lot on which the satellite dish is located and also screened from view by adjoining property Owners. The design and location of the screening of the satellite dish shall be approved by the Committee.

All radio antenna installations shall be approved in writing by the Committee before the antenna is installed.

13. All dwelling connections for all utilities, including but not limited to, water, electricity, gas, telephone, and television shall be run underground from the proper connecting points to the dwelling structure in such manner as may be acceptable to the appropriate utility authority. The cost for such underground service shall be shared by the Owner and utility company in conformity with existing utility company policy, if any. In no event shall DEVELOPER be responsible for such costs. DEVELOPER may, however, in its sole discretion waive the provisions of this paragraph if, in the opinion of DEVELOPER, federal flood insurance regulations or the ordinance regulations of Craven County make the underground service impractical.

14. No animals shall be permitted to remain on any Lot other than dogs, cats, or other small household pets, always in reasonable numbers and subject to reasonable rules and regulations as may be promulgated from time to time by the Association. PROVIDED, however, that Owners of Lots of more than two (2) acres in overall size are permitted to keep equine animals on their Lots if the manner of keeping and caring for such animals does not otherwise violate the terms and conditions of this Declaration.

15. The erection of fences shall require approval of the Committee or DEVELOPER, along the side line of any Lot that adjoins a street except a split-rail, wooden fence of not more than two (2) horizontal rails. No fence of chain link type construction or in excess of four feet in height shall be approved by the Committee, except that the Committee or DEVELOPER, in its sole discretion, may approve fences of chain link construction and up to six feet in height for the purpose of confining pets provided same does not extend more than twenty-five (25) feet in any direction and are constructed within the minimum building setback lines. All fences must be of a decorative nature which do not interfere with adjoining property Owners' views of adjacent bodies of water.

16. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereof tending to cause embarrassment, discomfort, annoyance or nuisance to the DEVELOPER or any Owners. There shall not be maintained any plants or animals, or device or anything of any sort whose normal activities or existence are in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the Owners thereof.

17. In order to maintain the rural, wooded character of the Subdivision, the following restrictions on the cutting and removal of trees shall apply to all Lots:

(a) Fallen trees, dead trees and live trees less than six (6) inches in diameter may be removed from any Lot at any time without the written approval of the DEVELOPER or the Committee.

(b) All trees exceeding six (6) inches in diameter may only be removed from any Lot with the written approval of the DEVELOPER or the

Committee, said approval being based upon a site plan, landscaping plan, or planting plan submitted to the DEVELOPER or the Committee by the Owner or his agent.

(c) Trees may be removed without written approval of the DEVELOPER or the Committee within the area of proposed construction for any dwelling and the surrounding fifteen (15) feet.

18. Burning as a means of clearing brush shall not be permitted. Burning may be allowed under appropriate circumstances if approved by the DEVELOPER or the Committee and the Owner has obtained all necessary government permits.

X. This Article and these PROTECTIVE COVENANTS shall not apply to any sales office which may be maintained by the DEVELOPER within the CYPRESS BAY ON THE NEUSE SUBDIVISION.

#### ARTICLE 4

##### ASSOCIATION

A. An Association named CYPRESS BAY PROPERTY OWNERS' 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 enforce the 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 the Subdivision shall be a Member of the Association. The DEVELOPER, by the Declaration, and the Owners of individual Lots by their acceptance of individual deeds thereto, and by the recording of these PROTECTIVE COVENANTS, covenant and agree with respect to the Association;

1. 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 Association; and

2. That each shall be subject to the rules and regulations of the Association with regard to ownership of a Lot; and

3. That any unpaid assessment, whether general or special, levied by the Association in accordance with these PROTECTIVE COVENANTS, 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 Association shall relate to and have a unity of interest with an individual Lot which may not be separated from ownership of said Lot.

D. The qualifications for membership in the Association, the manner of admission to membership in the Association, the manner of termination of such membership, and the voting rights of the members of the Association shall be as set forth in Article IV of the Articles of Incorporation of the Association, the provisions of such Article being incorporated herein by reference.

E. The affairs of the Association shall be managed by a Board of Directors, the number, qualifications, term and method of election of which shall be as provided from time to time by the Bylaws of the Association; and provided, further that the number of members of the first Board of Directors shall be three (3); and, provided, finally, that, notwithstanding any of the foregoing, so long as the DEVELOPER, owns twenty (20) percent or more of the residential lots in the development, but in any event, not longer than January 1, 1997, said DEVELOPER shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the Association who need not meet the qualifications for directors as provided by said Bylaws or herein.

F. After the DEVELOPER has relinquished control of the Association as set forth in E. above, there shall be a special meeting of the membership for the purpose of electing a Board of Directors to serve until the next annual meeting and until new directors are elected and qualified.

#### ARTICLE 5

##### 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 Association. The management shall be carried out in accordance with the terms and conditions of these PROTECTIVE COVENANTS, the Articles and the Bylaws of the Association, but may be delegated or contracted to managers or a management service.

#### ARTICLE 6

##### COMMON EXPENSES

The Common Expenses of the Subdivision include.

All amounts expended by the Association operating, administering, managing, maintaining, repairing, replacing and improving the Community Use Areas of the Subdivision; and amounts expended by the Association in insuring the Community Use Areas in the Subdivision; all amounts expended by the Association in legal, engineering, or architectural fees; and similar fees which may be incurred by the Association from time to time in performing the functions delegated to the Association by these PROTECTIVE COVENANTS, Articles or Bylaws; and all amounts expended in any form by the Association in enforcing these PROTECTIVE COVENANTS, the Articles and the Bylaws.

#### ARTICLE 7

##### ASSESSMENTS, LIABILITY, LIEN AND ENFORCEMENT

A. The Association has heretofore been given the authority to administer the operation and management of the Community Use Areas of the property. To properly administer the operation and management of the Community Use Areas, the Association will incur, for the mutual benefit of all the Owners of Lots, costs and expenses sometimes herein referred to as "Common Expenses". In furtherance of the grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation of, the management of, and for capital improvements to the Community Use Areas, the following shall be operative and binding upon the Owners of all Lots.

B. Creation of the Lien and Personal Obligation of Assessments: The DEVELOPER for each Lot owned within the Development Area and each Owner for any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed and by the recording of these PROTECTIVE COVENANTS is deemed to covenant and agree to pay the Association:

- (1) annual assessments or charges, and
- (2) special assessments for capital improvements or special assessments as established by the Board of Directors of the Association, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with the interest, costs and reasonable attorney's fees, if any, shall be a charge on the Lots and shall be a continual lien upon each Lot against which they are levied. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person or entity who is the Owner of such Lot at the time when the assessment falls due. The personal obligation for delinquent assessments shall not pass to any successor in title unless expressly assumed by him.

PROVIDED, the DEVELOPER shall be exempt from the payment of the yearly assessment fee for any unsold Lots which are platted of record in the Office of the Register of Deeds of Craven County.

C. Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Subdivision and in particular for the improvements, maintenance, repair to the Community Use Areas above provided, the maintenance of all roads and streets of the property, as have been mapped or constructed within the overall tract of CYPRESS BAY ON THE REUSE SUBDIVISION, until such time as they are taken over by the State of North Carolina, as well as the acquisition and maintenance of any and all other Community Use Areas of the Subdivision, including but not limited to, the cost of repairs, repaving, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payments of taxes assessed against the easement areas and Community Use Areas, utility services and the procurement and maintenance of insurance as may be deemed necessary by the Board of Directors.

PROVIDED, HOWEVER, that those Lot Owners who shall purchase from the DEVELOPER an individual boat slip within the docking facility as an appurtenance to their Lot, if such docking facility is constructed, shall be assessed an annual fee for the maintenance of said dock area as an additional annual assessment payable to the Association, being an additional sum payable over and above the amount, required as the general assessment payable by each Lot Owner. This additional assessment pertaining to the owners of boat slips shall be payable to the Association for the maintenance, repair, replacements and additions, utility services, ad valorem property taxes, procurement of insurance and future dredging, if any, payable by the "boat slip owners" to the Association. The assessment amount shall be established by the Board of Directors annually.

PROVIDED, HOWEVER, that those Lot Owners who purchase bulkheaded Lots shall be assessed an annual fee for the maintenance of said bulkhead area as an additional annual assessment payable to the Association being an additional sum payable over and above the amount required as a general assessment payable by each Lot owner. This additional assessment pertaining to the owners of bulkheaded Lots shall be payable to the Association for the maintenance, repair, replacement and additions, utility services, if any, payable by the "bulkhead Lot owners" to the Association.

The assessment amount shall be established by the Board of Directors annually. The assessments and expenditures for boat slip and bulkhead Lot owners shall be separately accounted for for each and separate from the general association assessments and expenditures.

D. Initial and Maximum Annual Assessment: The initial assessment, payable to the Association shall be prorated and paid at the time of closing of the purchase of a Lot, so that all payments thereafter shall be due on January 1 of that year. The initial assessment payable to CYPRESS BAY PROPERTY OWNERS' ASSOCIATION is to be \$225.00 per annum, and the maximum annual assessment for each calendar year thereafter shall be established by the Board of Directors of the Association and may be increased by the Board of Directors for any calendar year without approval by the membership by an amount not to exceed ten percent (10%) of the maximum annual assessment of the previous year. In the event a community dock with private boat slips is constructed, the initial annual assessment for the owners of boat slips shall be \$100.00 per annum in addition to the general assessment for all Lot owners. The initial assessment for bulkhead Lot owners shall be \$100.00 per annum in addition to the general assessment for all Lot owners.

The maximum annual assessment for any calendar year may be increased without limit by a vote of two-thirds of the Members who are voting in person or by proxy at a meeting called for this purpose.

Excess amounts collected through assessments for any particular calendar year shall be carried over to the next budget year, and said sums carried over shall be considered by the Board of Directors of the Association in formulating the budget for the approaching year and arriving at the assessments required of the Lot Owners for the approaching year.

E. Special Assessments for Capital Improvement: In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part, the costs of any construction, reconstruction, repair, replacement or repaving of a capital improvement to the roads and streets of the property,

the easement areas described above, or any other Community Use Areas of the property, including fixtures and personal property related thereto, provided that any such assessments shall have the assent of two-thirds of the vote of the Members who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed to the uniform rate for all Lots and may be collected on a schedule determined by the vote of the Members at said meeting.

PROVIDED, HOWEVER, special assessments required for capital improvements to the docking facility shall be assessed only to those Lot Owners who also own a boat slip. PROVIDED FURTHER, HOWEVER, special assessments required for capital improvements to the bulkhead of the bulkheaded Lots shall be assessed only to those Lot Owners who own bulkheaded Lots.

F. Date and Commencement of Annual Assessments; Due Dates: The annual assessments provided for herein shall be collected on an annual basis and shall commence as to all Lots on the first day of January, 1995, and thereafter as to Owners other than DEVELOPER, on the first day of each calendar year following the conveyance of a Lot to any such Owner. At least thirty (30) days in advance of each annual assessment, the Board of Directors shall fix the amount of the annual assessment to every Lot subject thereto. Any lots sold in 1994 shall have collected at the time of closing the 1995 annual assessment. If no notice is given of a new assessment, then the previous year's assessment will apply.

G. Effect of Nonpayment of Assessments; Remedies of the Association: Any general or special assessment, if not paid within thirty (30) days after the date of such assessment is due, together with interest at the rate of twelve percent (12%) per annum, costs of collection, court costs, and reasonable attorney's fees shall constitute a lien against the Lot upon which such assessments are levied. The Association 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 Association 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. Sale or Transfer of Property: The sale or transfer of any Lot shall not affect the assessment lien or liens provided for in the preceding sections. However, the sale or transfer of any Lot which is subject to any mortgage or deed of trust pursuant to a foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which become due prior to such sale or transfer. No such sale or transfer shall release such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

#### ARTICLE 8

##### COMPLIANCE WITH THIS DECLARATION, THE ARTICLES AND THE BYLAWS OF THE CORPORATION

In the case of failure of an Owner to comply with the terms and provisions contained in this Declaration, the Articles, the Bylaws or Rules and Regulations of the Association, the following relief shall be available:

A. The Association, the DEVELOPER and any Owner, an aggrieved Owner within the Subdivision on behalf of the Association or any Owner on behalf of all the Owners within the Subdivision shall have the right to enforce by any proceeding at law or in equity, all of the conditions, covenants and restrictions of these PROTECTIVE COVENANTS and the Articles, Bylaws and rules and regulations of the Association and any and all laws hereinafter imposed pursuant to the terms of these PROTECTIVE COVENANTS. The prevailing party shall be entitled to collect all costs thereof, including reasonable attorney's fees.

B. The Association shall have the right to remedy the violation and assess the costs of remedying same against the offending Owner as a special assessment as provided in Article 6 herein.

C. For any violation by an Owner, including, but not limited to, the nonpayment of any general or special assessment, the Association shall have the right to suspend the offending Owner's voting rights and the use by such Owner, his agents, employees, licensees and invitees of the Community Use Areas in the Subdivision for any period during which a violation continues except that such penalties may not be for more than sixty (60) days for violation of any of the Association's published rules and regulations.

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 Association or any person or Owner to enforce any restriction contained in these PROTECTIVE COVENANTS, the Articles, by Bylaws or the rules and regulations shall not be deemed a waiver of the right to do so thereafter.

#### ARTICLE 9

##### PROPERTY RIGHTS OF LOT OWNER, CROSS-EASEMENTS, AND EXCEPTIONS AND RESERVATIONS BY DECLARANT

A. 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, except the boat docking facility (if such facility is constructed), 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, including, but not limited to, easement of access, maintenance, repair or replacement of the Community Use Areas. 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:

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

2. In the event a boat docking facility is constructed, an easement for future dredging of the areas adjacent to the boat docking facility for the purpose of maintaining the dock as may be necessary is granted to those Lot Owners who shall also purchase a boat slip within the dock.

3. In the event a boat docking facility is constructed, an easement for the docking of boats, privately owned by the Owners, along said docking facility within one of the slips of said docking facility and an easement over and across the boat docking facilities is granted to those Lot Owners who shall also purchase a boat slip within the dock. Each Owner's slip shall be designated by the DEVELOPER, which slip number shall be affixed to the slip of the docking facility to be used by the Owner thereof.

B. The Association hereinafter may grant easements for utility purposes for the benefit of the 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 of the Community Use Areas, and facilities to the Members of his family, his tenants, and contract purchasers who reside on the property.

D. Easements and rights of way over and upon each Lot for drainage and the installation and maintenance of utilities and services are reserved to DEVELOPER and its successors and assigns for such purposes as DEVELOPER may deem incident and appropriate to its overall development plan, such easements and rights of way being shown or noted on the aforesaid recorded plat of the Subdivision. The easements and right of way areas reserved by DEVELOPER on each Lot pursuant hereto shall be maintained continuously by the Owner but no structures or plantings or other material shall be placed or permitted or remain upon such areas or other activities undertaken thereon which may damage or interfere with the installation or maintenance of utilities or other services, or which may retard, obstruct or reverse the flow of water or which may damage or interfere with established

- 11 -

slope ratios or create erosion problems. Improvements within such areas also shall be maintained by the respective Owner except those for which a public authority or utility company is responsible. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary in the opinion of the DEVELOPER to provide an economical and safe installation.

E. The DEVELOPER and the Owners, by these presents, hereby establishes, grants, gives and conveys to each and every Owner or future Owners of a Lot in CYPRESS BAY ON THE NEUSE SUBDIVISION an easement of ingress, egress and regress over and across all of the roads and streets of CYPRESS BAY ON THE NEUSE SUBDIVISION as shown on maps thereof. It is the intent of the DEVELOPER that this grant of easement be deemed hereinafter as an appurtenance to each and every Lot within CYPRESS BAY ON THE NEUSE SUBDIVISION, and any conveyance or transfer of the title to any Lot in CYPRESS BAY ON THE NEUSE SUBDIVISION shall be deemed to include this easement, whether expressly stated therein or not.

F. Every Owner shall have a right and easement of enjoyment in and to any and all other Community Use Areas which are owned or leased by the Association for the enjoyment of the Owners; this right and easement of enjoyment shall be appurtenant to and shall pass with the title to every Lot.

G. There is granted to Carteret-Craven Electric Membership Corporation, its successors and assigns, a blanket easement to go upon the property that is the subject of these PROTECTIVE COVENANTS for the purpose of installing and maintaining the appropriate electrical transmission wires and equipment; provided, however, this easement is subordinate to and is expressly subject to any and all existing structures, including septic tanks, located on the property at the time Carteret-Craven Electric Membership Corporation, its successors and assigns, seeks to place electrical transmission wires and equipment on the property.

H. There is reserved an easement twenty (20) feet in width immediately adjacent to and along a bulkhead across all bulkheaded Lots which easement shall be for purposes of providing access to and allowing the maintenance, repair and replacement of the bulkhead and its components as may be necessary. Any such repairs, maintenance and replacement to the bulkhead shall include the restoration of the Lots immediately adjacent thereto and effected by such work so that said Lots are returned to their natural conditions as preceded such work.

I. DEVELOPER reserves the right to complete the development of CYPRESS BAY ON THE NEUSE SUBDIVISION and further DEVELOPER reserves the right to add additional properties to CYPRESS BAY ON THE NEUSE SUBDIVISION and the Owners of which properties shall be entitled to use the Common Areas and facilities the same as the original CYPRESS BAY ON THE NEUSE Owners. The additional properties and Owners thereof shall be subject to the same dues and assessments as the CYPRESS BAY ON THE NEUSE Owners be members of the Association, and such additional properties shall be subjected to restrictive covenants comparable to those of CYPRESS BAY ON THE NEUSE SUBDIVISION.

#### ARTICLE 10

##### ARCHITECTURAL CONTROL COMMITTEE AND PROCEDURES

A. 1. The DEVELOPER, in conjunction with the Association, shall create and establish an Architectural Control Committee (hereinafter referred to as the "Committee") for the purpose of reviewing and approving any and all proposed structures, buildings and improvements as to conformity and harmony of external design and consistency with plans of existing residences or other buildings and site locations.

2. In addition to its duties of review and approval of external harmony and design, the Committee shall monitor the compliance with all use restrictions, design and architectural control provisions and conditions and other restrictions. The Committee shall report such violations as may come to its attention to the DEVELOPER or the Association for appropriate actions of enforcement.

3. The Committee shall be composed of a minimum of three (3) members of the Association. Until such time as the Committee has been established, the DEVELOPER shall perform the functions as outlined above and elsewhere herein. Where the term "The Developer" or "The Committee" have been used, this term shall be construed to mean that only one of the two entities will perform the duties and function, and when the Committee is established, that Committee will perform the duties and functions as outlined above. Upon the appointment and organization of the Committee, the Committee shall adopt such administrative procedures as will insure the submission, review and approval of any and all buildings and/or improvements constructed.

B. No construction, which term shall include within its definition clearing, excavation, grading and other site work, shall take place except in strict compliance with this Article, and until the approval of the Committee or DEVELOPER has been obtained.

C. The Committee or DEVELOPER shall have jurisdiction over all original construction on any Lot and later changes or additions after initial approval thereof together with any modifications, additions or alterations subsequently to be constructed on any Lot or made to any improvements initially approved.

D. The Committee or DEVELOPER shall have the right to disapprove any plans, specifications and details submitted to it in the event the same are not in accordance with any of the provisions of these PROTECTIVE COVENANTS and the guidelines.

Disapproval of plans, location, specifications or details may be based upon any grounds, including purely aesthetic considerations which the Committee or DEVELOPER, in its sole and uncontrolled discretion, shall deem sufficient, however, approval of plans shall not be unreasonably withheld.

An Owner shall have the right to appeal disapproval of plans, location, specification and details to the Board of Directors. The decision by the Board of Directors shall be final and not subject to appeal or review.

E. The Committee or DEVELOPER shall approve or disapprove plans, specifications and details submitted in accordance with its procedures within thirty (30) days from the receipt thereof. In the event that the Committee or DEVELOPER fails to approve or disapprove plans, specifications and details within thirty (30) days after submission of the same to the Committee or DEVELOPER approval, for the purposes of this Article, shall be deemed to have been given by the Committee or DEVELOPER.

F. The Committee, or its agent, or the DEVELOPER shall have the right to inspect all construction to ensure that it is performed in strict accordance with the approved plans, specifications and details.

G. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of any residence or permitted pertinent structures, or to paint the interior of the same any color desired.

H. Neither the DEVELOPER nor the Committee nor the Board of Directors or any architecture agent thereof shall be responsible in any way for any defects in plans, specifications or details submitted, revised or approved in accordance with the provisions contained herein or in the guidelines, nor for any structural or other defect in any construction.

#### ARTICLE 11

##### AMENITIES AND FACILITIES

Every park, recreation area, recreation facility, dedicated access and other amenities appurtenant to the Subdivision, whether or not shown and delineated on any recorded plat of the Subdivision, shall be considered private and for the sole and exclusive use of the Owners of Lots within the Subdivision. Neither DEVELOPER'S execution nor the recording of any plat nor any other act of DEVELOPER with respect to such areas is, or is intended to be, or shall be construed as a dedication to the public of any such areas, facilities, or amenities. The roads as shown on the maps of CYPRESS BAY ON THE NEUSE SUBDIVISION have been constructed in accordance with the standards

- 13 -

and specifications of the North Carolina Department of Transportation and will be dedicated to the State of North Carolina. The roads shall be maintained by the Association until such time as they are accepted by the State of North Carolina.

ARTICLE 12

WAIVER

No provision contained in these PROTECTIVE COVENANTS, 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.

ARTICLE 13

VARIANCES

The Board of Directors in its discretion may allow reasonable variances and adjustments of these PROTECTIVE COVENANTS 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 Association.

ARTICLE 14

DURATION, AMENDMENT AND TERMINATION

A. All covenants, conditions, restrictions and affirmative obligations set forth in these PROTECTIVE COVENANTS shall run with the property and Development Area and all portions thereof, and be binding on all parties having any right, title or interest in the property and Development Area, or any portion thereof, their heirs, devisees, successors and assigns, and shall inure to the benefit of the same, for a term of twenty (20) years from the date these PROTECTIVE COVENANTS are recorded in the Craven County Registry, after which time these PROTECTIVE COVENANTS shall be automatically extended for successive periods of twenty years, unless a majority of the then Owners agree to revoke the same. These Articles may be amended at any time by a vote of not less than a majority of the Owners and an instrument must be recorded in the Craven County Registry for such an amendment to be effective.

B. Invalidation of any one of the covenants, conditions or restrictions contained in these PROTECTIVE COVENANTS by any court, agency or legislative order shall in no way affect any other covenants, conditions or restrictions contained in these PROTECTIVE COVENANTS which shall remain in full force and effect.

ARTICLE 15

CAPTIONS

The captions preceding the various Articles of these PROTECTIVE COVENANTS are for the convenience of reference only, and shall not be used as an aid in interpretation or construction of these PROTECTIVE COVENANTS. 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.

ARTICLE 16

ASSIGNABILITY OF RIGHTS AND LIABILITIES

DEVELOPER shall have the right to sell, lease, transfer, assign, license and in any manner alienate or dispose of any rights, interests and liabilities retained, accruing and reserved to it by these PROTECTIVE COVENANTS. Following any such disposition, DEVELOPER in no way shall be liable or responsible to any party with regard to any such right, interest, or liability or any claim or claims arising out of same in any manner.

ARTICLE 17

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.

IN TESTIMONY WHEREOF, SCARAFONI ASSOCIATES NC, INC., the DEVELOPER, has caused this instrument to be executed and the undersigned Owners have put their hands and seals as of the day and year first above written.

(CORPORATE SEAL)  
ATTEST  
Duncan Harrison  
Secretary

SCARAFONI ASSOCIATES NC, INC.  
BY: [Signature]  
President

STATE OF NORTH CAROLINA

~~NEW HANOVER COUNTY~~ NEW HANOVER COUNTY

I, a Notary Public of the county and state aforesaid, do hereby certify that Duncan Harrison personally came before me this day and acknowledged that he is Asst. secretary of SCARAFONI ASSOCIATES NC, 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 him self as its Asst. secretary.

Witness my hand and official seal, this the 26<sup>th</sup> day of October 1994.

Sandra Warwick  
Notary Public

My Commission Expires: 2/17/99

STATE OF NORTH CAROLINA

COUNTY OF CRAVEN

The foregoing certificate of Sandra Warwick is certified to be correct. This instrument was presented for registration and recorded in this office in Book 1442, page 703.

This 1 day of December, 1994, at 10:15 o'clock A. .m.

[Signature]  
Register of Deeds  
[Signature] Deputy

STATE OF  
NORTH  
CAROLINA



EXHIBIT "A"  
BOOK 1442 PAGE 717

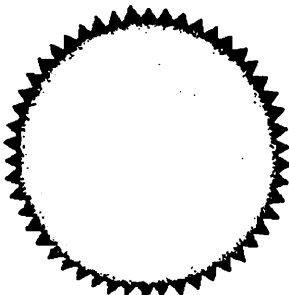
Department of The  
Secretary of State

To all whom these presents shall come, Greetings:

I, Rufus L. Edmisten, *Secretary of State of the State of North Carolina*, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION  
OF  
CYPRESS BAY PROPERTY OWNERS' ASSOCIATION, INC.

*the original of which was filed in this office on the 7th day of November, 1994.*



*IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 7th day of November, 1994.*

*Rufus L. Edmisten*

*Secretary of State*

Q-0355426

FILED  
9:00 AM

NOV 07 1994

ARTICLES OF INCORPORATION  
OF

37 270 500 CYPRESS BAY PROPERTY OWNERS' ASSOCIATION EFFECTIVE  
RUFUS N. EDMISTEN  
SECRETARY OF STATE  
NORTH CAROLINA

This is to certify that we, the undersigned, do hereby associate ourselves into a corporation under and by virtue of the laws of the State of North Carolina, as contained in Chapter 55A of the General Statutes of North Carolina entitled "Non-Profit Corporation Act" and the several amendments thereto, and to that end hereby set forth:

I

The name of the corporation is CYPRESS BAY PROPERTY OWNERS' ASSOCIATION, INC.

II

The period of existence of this corporation shall be perpetual.

III

The purposes for which the corporation is organized are as follows:

(1) To operate and manage a planned unit subdivision development known as CYPRESS BAY ON THE NEUSE, hereinafter called CYPRESS BAY, located in Number Five Township, Craven County, North Carolina;

(2) To undertake the performance of, and carry out the acts and duties incident to the administration of the operation and management of CYPRESS BAY PROPERTY OWNERS' ASSOCIATION, INC. in accordance with the terms, provisions, conditions and authorization contained in both these Articles and in the Declaration of Restrictions which shall be recorded in the Public Records of Craven County, North Carolina, at such time as the real property and the improvements thereon are submitted to said Declaration;

(3) To make, establish and enforce reasonable rules and regulations governing the use of subdivision development, common elements, land, and other real and personal property which may be owned by the Association itself;

(4) To make, levy and collect assessments against lot owners; to provide the funds to pay for common expenses of the Association as provided in the Declaration of Protective Covenants and to use and expend the proceeds of assessments in

- 2 -

the exercise of the powers and duties of the Association; to use said assessments to promote the recreation, acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the common areas, including but not limited to the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management, supervision thereof, the maintenance of insurance in accordance with the Bylaws, including the employment of attorneys to represent the Association when necessary for such other needs as may arise;

(5) To maintain, repair, replace and operate the properties for which the Association is responsible;

(6) To enforce by any legal means, the provisions of the Declaration of Protective Covenants, the Bylaws of the Association, and the rules and regulations for the use of the Association property;

(7) To contract for the management of the recreational property and to delegate to such manager or managers all powers and duties of the Association except those powers and duties which are specifically required to have approval of the Board of Directors or the membership of the Association;

(8) To have all of the common law and statutory powers of a non-profit corporation and also those powers as set out in the Restrictions of CYPRESS BAY and all powers reasonably necessary to implement the purposes of the Association.

## IV

A. The membership of CYPRESS BAY PROPERTY OWNERS' ASSOCIATION, INC. shall consist of the owners of lots in CYPRESS BAY subdivision, the Developer, and the owners of any other lands which may be added thereto by the Developer. Membership shall be established by acquisition of fee title to a lot in CYPRESS BAY subdivision whether by conveyance, devise, descent, or judicial decree. A new owner designated in such deed or other instrument shall thereupon become a member of the Association, and the membership of the prior owner as to a lot designated shall be terminated. Each new owner shall deliver to the Association a true copy of such deed or instrument of acquisition of title.

(B) Neither one's membership in the Corporation nor a member's share in the funds and assets of the Corporation may be assigned, hypothecated or transferred in any manner except as an appurtenance to CYPRESS BAY subdivision.

(C) There are three classes of membership in CYPRESS BAY PROPERTY OWNERS' ASSOCIATION, INC., the classes of membership and the respective voting rights of each class of membership shall be as follows:

Type A: Type A Members shall be all Owners (including the Developer) of Lots which do not also own a boat slip or bulkheaded lot. An Owner of a Lot shall be entitled to one vote for each Lot that he owns.

Type B: Type B Members shall be all owners of Lots (including the Developer) who also own boat slips. An Owner of a boat slip shall be entitled to one vote for each Lot owned. Boat slip ownership is appurtenant to and passes with ownership of a Lot. In the event the pier with the individually owned boat slips is not constructed, then this type of Membership shall be abolished and the types of membership shall be reduced to two.

Type C: Type C Members shall be all Owners of bulkheaded lots. An owner of a bulkheaded lot shall be entitled to one vote for each bulkheaded lot owned. The bulkhead is an appurtenant to the lot on which it is constructed.

D. As stated herein, the term "Developer" shall mean Scarafoni Associates NC, Inc. d/b/a Live Oak Development Company, its successors or assigns.

V

DIRECTORS

A. The number of Directors and the method of election of the Directors shall be fixed by the Bylaws; however, the number of Directors shall not be less than three. Directors shall be elected at large from the membership.

B. The first election by the members of the Association for Directors shall not be held until after the Developer has relinquished control of the Association as set out in the Declaration of Protective Covenants. Thereafter, the election of Directors shall take place at the annual meeting of the membership as provided in the Bylaws.

VI

The number of Directors constituting the initial Board of Directors shall be three and the names and address of the persons who are to serve as the first Board of Directors are as follows:

NAME	ADDRESS
1. Dean Scarafoni	616 Princess St. New Hanover County Wilmington, NC 28401
2. J. Michael Sanders	616 Princess St. New Hanover County Wilmington, NC 28401
3. Duncan Harrison	616 Princess St. New Hanover County Wilmington, NC 28401

VII  
TAX STATUS

The Corporation shall have all the powers granted non-profit corporations under the laws of the State of North Carolina. Notwithstanding any other provision of these Articles, this Corporation hereby elects tax-exempt status under Section 528 of the Internal Revenue Code of 1986. This Corporation shall not carry on any activities prohibited by a Corporation electing tax-exempt status under Section 528, or any corresponding sections or provisions of any future United States Internal Revenue law. It is further provided that no distributions of income of the Corporation are to be made to members, directors or officers of the Corporation; provided, however, that members of the Corporation may receive a rebate of any excess dues and assessments previously paid.

VIII  
DISSOLUTION

Upon dissolution of the corporation the assets of the corporation shall be distributed in accordance with NCGS 55A-14-03 as the same may exist or be amended at time of said dissolution.

IX  
INDEMNIFICATION

Every director and every officer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a part, or in which he may become involved, by reason of his being or having been a director or officer of the Corporation, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein

the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interests of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

X

REGISTERED OFFICE AND AGENT

The address of the initial registered office of this corporation is 616 Princess Street, New Hanover County, Wilmington, NC 28401 and the name of the initial registered agent at such address is Dean Scarafoni.

XI

INCORPORATOR

The name and address of the original incorporator is Dean Scarafoni, 616 Princess Street, New Hanover County, Wilmington, NC 28401.

IN WITNESS WHEREOF, the incorporator has hereunto set his hand and seal this the 3rd day of August, 1994.

  
DEAN SCARAFONI INCORPORATOR

Prepared by and return to:  
Dennis M. Marquardt, Attorney  
P. O. Drawer 189  
Morehead City, NC 28557

EX 1445 PG 766

STATE OF NORTH CAROLINA  
COUNTY OF CRAVEN

AMENDMENT TO DECLARATION  
OF PROTECTIVE COVENANTS OF  
CYPRESS BAY ON THE NEUSE

THIS AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS of Cypress Bay on the Neuse made and entered into this the 15th day of December, 1994, by Scarafoni Associates NC, Inc., a North Carolina corporation d/b/a Live Oak Development Company, (hereinafter referred to as "DEVELOPER").

WITNESSETH THAT:

WHEREAS, DEVELOPER has previously recorded a Declaration of Protective Covenants of CYPRESS BAY ON THE NEUSE in Book 1442, Page 703, et seq, Craven County Registry; and

WHEREAS, said Covenants contemplate and provide for making additional properties subject thereto, by Amendment, to the end that all of CYPRESS BAY ON THE NEUSE SUBDIVISION shall be developed in a uniform manner to the benefit of all present and future owners; and

WHEREAS, to this end, Developer now desires to subject additional property to the said Declaration of Protective Covenants.

NOW, THEREFORE, the above described Declaration of Protective Covenants of CYPRESS BAY ON THE NEUSE shall govern the use of all property described in Exhibit "A" hereto, which properties are specifically subjected to said Declaration of Protective Covenants. Further, Article 3B of the Declaration of Protective Covenants of CYPRESS BAY ON THE NEUSE are amended as they apply to property described in Exhibit "A" attached hereto and as said Amendment hereinafter set forth:

ARTICLE 3

RESTRICTIONS ON USE AND OCCUPANCY

B. Any dwelling constructed on Lots Number 42 through 56 subject to these PROTECTIVE COVENANTS shall contain not less than 1500 square feet. The minimum square footage herein provided shall be measured by using the fully enclosed and heated floor space all devoted to general living purposes and be exclusive of roofed or unroofed porches, breezeways, decks, terraces, garages, and any outbuildings. Any dwellings in excess of one story shall contain not less than 900 square feet on the first level of such structures which shall be fully enclosed and heated floor space all devoted to living purposes exclusive of roofed or unroofed porches, breezeways, decks, terraces, garages, and any outbuildings. In addition the total built-upon area on each lot shall not exceed the requirements of the Title 1 NCAC 2H.1003 Coastal Stormwater Regulations. These regulations currently provide that each lot will be restricted to 9,300 square feet of built upon area including impervious surfaces such as house and driveways. The State of North Carolina shall be a beneficiary of this provision entitled to enforce the same by any available action or remedy against any lot owner who violates the terms of this provision.

Any dwelling constructed on Lots Number 40 through 41 and 57 through 64 subject to these PROTECTIVE COVENANTS shall contain not less than 1300 square feet. The minimum square footage herein provided shall be measured by using the fully enclosed and heated floor space all devoted to general living purposes and be exclusive of roofed or unroofed porches, breezeways, decks, terraces, garages, and any outbuildings. Any dwellings in excess of one story shall contain not less than 900 square feet on the first level of such structures which shall be fully enclosed and heated floor space all devoted to living purposes exclusive of roofed or unroofed porches, breezeways, decks, terraces, garages, and any outbuildings. In addition the total built-upon area on each lot shall not exceed the requirements of the Title 1 NCAC 2H.1003 Coastal Stormwater Regulations. These regulations currently provide that each lot will be restricted to 9,300 square feet of built upon area including impervious surfaces such as house and driveways. The State of North Carolina shall be a beneficiary of this provision entitled to enforce the same by any available action or remedy against any lot owner who violates the terms of this provision.

*See Book 1464 pg. 240 for Amendment to covenants 5-23-95 Kelly Chapman Esq.*

WHEREAS, pursuant to Article 14 of the Declaration of Protective Covenants of Cypress Bay on the Neuse recorded in Book 1442, Page 703 et seq, Craven County Registry, a majority of owners may amend said Declaration; and

WHEREAS, Developer is the owner of a majority of the lots and has voted to amend Article 3, Section H, of said Declaration as relates to CYPRESS BAY ON THE NEUSE, PHASE ONE, PHASE TWO, and all other further Phases thereof, said amendment being effective as of the recordation hereof as is set forth as follows:

ARTICLE 3

RESTRICTIONS ON USE AND OCCUPANCY

H. All Lots shall be well maintained and no accumulation of rubbish or debris shall be permitted. The Owners of all non-wooded lots shall clear their Lots of underbrush at least once annually. The Owners of all wooded and partially wooded Lots shall clear their Lots of underbrush 150 feet back from the road at least once annually. If the Owners do not clear their Lot as required by this paragraph, the Association shall have the authority to clear any such Lot of underbrush and separately assess the cost of such work against each Owner. Such charge shall be a special assessment against the Owner and his Lot(s) and may be enforced in accordance with the provisions of Article 7 herein.

IN TESTIMONY WHEREOF, SCARAFONI ASSOCIATES NC, INC., the DEVELOPER, has caused this instrument to be executed and the undersigned Owners have put their hands and seals as of the day and year first above written.

SCARAFONI ASSOCIATES NC, INC.

BY: [Signature]  
President

(CORPORATE SEAL)  
CORPORATE SEAL  
Pamela Scarafoni  
Secretary  
STATE OF NORTH CAROLINA

COUNTY OF ~~CRAVEN~~ New Hanover

I, a Notary Public of the county and state aforesaid, do hereby certify that Pamela Scarafoni personally came before me this day and acknowledged that she is Secretary secretary of SCARAFONI ASSOCIATES NC, 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 hqr president, sealed with its corporate seal, and attested by hqr self as its Secretary secretary.

Witness my hand and official seal, this the 19<sup>th</sup> day of December, 1994.

Sandra Warwick  
Notary Public

My Commission Expires: 2/17/99

STATE OF NORTH CAROLINA

COUNTY OF CRAVEN

The foregoing certificate of Sandra Warwick is certified to be correct. This instrument was presented for registration and recorded in this office in Book 1445 page 762.

This 20 day of Dec, 1994, at 3:10 o'clock P.m.

[Signature]  
Register of Deeds

BK 1445, pg 768

EXHIBIT "A"

Number Five Township      Craven County      North Carolina

Being all of Cypress Bay on the Neuse, Phase Two, consisting of Lots 40 through 46 inclusive and Lots 57 through 64 inclusive as the same are shown on that map entitled "Cypress Bay on the Neuse, Phase Two, of record in Plat Cabinet   F  , Slide  177A  Craven County Registry.

BK 1451 Pg 810

PREPARED BY: DENNIS M. MARQUARDT, P.O. DRAWER 189, MOREHEAD CITY, NC 28557

STATE OF NORTH CAROLINA  
COUNTY OF CRAVEN

SECOND AMENDMENT TO DECLARATION  
OF PROTECTIVE COVENANTS OF  
CYPRESS BAY ON THE NEUSE

THIS SECOND AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS of Cypress Bay on the Neuse made and entered into this the 17th day of February, 1995, by Scarafoni Associates NC, Inc., a North Carolina corporation d/b/a Live Oak Development Company, (hereinafter referred to as "DEVELOPER").

W I T N E S S E T H T H A T:

WHEREAS, DEVELOPER has previously recorded a Declaration of Protective Covenants of CYPRESS BAY ON THE NEUSE in Book 1442, Page 703, et seq, and an Amendment to Declaration of Protective Covenants of CYPRESS BAY ON THE NEUSE in Book 1445, Page 766, et seq, both of the Craven County Registry; and

WHEREAS, said Covenants contemplate and provide for making additional properties subject thereto, by Amendment, to the end that all of CYPRESS BAY ON THE NEUSE SUBDIVISION shall be developed in a uniform manner to the benefit of all present and future owners; and

WHEREAS, to this end, Developer now desires to subject additional property to the said Declaration of Protective Covenants.

NOW, THEREFORE, the above described Declaration of Protective Covenants of CYPRESS BAY ON THE NEUSE shall govern the use of all property described in Exhibit "A" hereto, which properties are specifically subjected to said Declaration of Protective Covenants. Further, Article 3B of the Declaration of Protective Covenants of CYPRESS BAY ON THE NEUSE is amended as it applies to property described in Exhibit "A" attached hereto and as said Amendment hereinafter set forth:

ARTICLE 3

RESTRICTIONS ON USE AND OCCUPANCY

B. Any dwelling constructed on lots described on Exhibit "A" hereto subject to these PROTECTIVE COVENANTS shall contain not less than 1300 square feet. The minimum square footage herein provided shall be measured by using the fully enclosed and heated floor space all devoted to general living purposes and be exclusive of roofed or unroofed porches, breezeways, decks, terraces, garages, and any outbuildings. Any dwellings in excess of one story shall contain not less than 900 square feet on the first level of such structures which shall be fully enclosed and heated floor space all devoted to living purposes exclusive of roofed or unroofed porches, breezeways, decks, terraces, garages, and any outbuildings. In addition the total built-upon area on each lot shall not exceed the requirements of the Title 1 NCAC 2H.1003 Coastal Stormwater Regulations. These regulations currently provide that each lot will be restricted to 25% of the square footage of the lot of built upon area including impervious surfaces such as house and driveways. The State of North Carolina shall be a beneficiary of this provision entitled to enforce the same by any available action or remedy against any lot owner who violates the terms of this provision.

WHEREAS, pursuant to Article 14 of the Declaration of Protective Covenants of Cypress Bay on the Neuse recorded in Book 1442, Page 703 et seq, Craven County Registry, a majority of owners may amend said Declaration; and

WHEREAS, Developer is the Owner of a majority of the lots and has voted to amend Article 3, Section B, of said Declaration as relates to CYPRESS BAY ON THE NEUSE, PHASE ONE, PHASE TWO, and all other further Phases thereof, as relates to storm water runoff, said amendment being effective as of the recordation hereof as is set forth as follows:


*See Book 1445 pg 240 2nd Amendment to RC 8-15-95 Becky Thompson 800 By Alice Buck Deputy  
Covenants 5-23-95 Becky Thompson  
By: R.R.A.*

ARTICLE 3

RESTRICTIONS ON USE AND OCCUPANCY

B....In addition the total built-upon area on each lot shall not exceed the requirements of the Title 1 NCAC 2H.1003 Coastal Stormwater Regulations. These regulations currently provide that each lot will be restricted to 25% of the square footage of the lot of built upon area including impervious surfaces such as house and driveways. The State of North Carolina shall be a beneficiary of this provision entitled to enforce the same by any available action or remedy against any lot owner who violates the terms of this provision.

IN TESTIMONY WHEREOF, SCARAFONI ASSOCIATES NC, INC., the DEVELOPER, has caused this instrument to be executed and the undersigned Owners have put their hands and seals as of the day and year first above written.



  
*Duncan Harrison*  
 Secretary

SCARAFONI ASSOCIATES NC, INC.  
 BY: *[Signature]*  
 President

STATE OF NORTH CAROLINA  
 COUNTY OF ~~CR~~ New Hanover

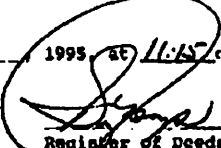
I, a Notary Public of the county and state aforesaid, do hereby certify that Duncan Harrison personally came before me this day and acknowledged that he is Assistant secretary of SCARAFONI ASSOCIATES NC, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation the foregoing instrument was signed in its name by its Assistant president, sealed with its corporate seal, and attested by himself as its Assistant secretary.

Witness my hand and official seal, this the 7<sup>th</sup> day of February, 1995.

*Sandra Wood*  
 Notary Public  


My Commission Expires: 2/17/99  
 STATE OF NORTH CAROLINA  
 COUNTY OF CRAVEN

The foregoing certificate of Sandra Wood of New Hanover is certified to be correct. This instrument was presented for registration and recorded in this office in Book 1451, page 810.

This 10 day of Feb, 1995, at 11:15 o'clock A.m.  
  
 Register of Deeds

812

Book 1451, Page 84-112

EXHIBIT "A"

Number Five Township      Craven County      North Carolina

Being all of Cypress Bay on the Neuse, Phase Three, consisting of Lots 27 through 39 inclusive as the same are shown on that map entitled "Cypress Bay on the Neuse, Phase Three", of record in Plat Cabinet F, Slides 179 D&E, Craven County Registry.

PREPARED BY: DENNIS M. MARQUARDT, P.O. DRAWER 189,  
MOREHEAD CITY, NC 28557

STATE OF NORTH CAROLINA  
COUNTY OF CRAVEN

THIRD AMENDMENT TO DECLARATION  
OF PROTECTIVE COVENANTS OF  
CYPRESS BAY ON THE NEUSE

**THIS THIRD AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS of Cypress Bay on the Neuse** made and entered into this the 17 day of May, 1995, by Scarafoni Associates NC, Inc., a North Carolina corporation d/b/a Live Oak Development Company, (hereinafter referred to as "DEVELOPER").

WITNESSETH THAT:

WHEREAS, DEVELOPER has previously recorded a Declaration of Protective Covenants of CYPRESS BAY ON THE NEUSE in Book 1442, Page 703, et seq, an Amendment to Declaration of Protective Covenants of CYPRESS BAY ON THE NEUSE in Book 1445, Page 766, et seq, and a Second Amendment to Declaration of Protective Covenants of CYPRESS BAY ON THE NEUSE in Book 1451, Page 810, et seq, all of the Craven County Registry; and

WHEREAS, said Covenants contemplate and provide for making additional properties subject thereto, by Amendment, to the end that all of CYPRESS BAY ON THE NEUSE SUBDIVISION shall be developed in a uniform manner to the benefit of all present and future owners; and

WHEREAS, to this end, Developer now desires to subject additional property to the said Declaration of Protective Covenants.

NOW, THEREFORE, the above described Declaration of Protective Covenants of CYPRESS BAY ON THE NEUSE shall govern the use of all property described in Exhibit "A" hereto, which properties are specifically subjected to said Declaration of Protective Covenants. Further, Article 3B of the Declaration of Protective Covenants of CYPRESS BAY ON THE NEUSE is amended as it applies to property described in Exhibit "A" attached hereto and as said Amendment hereinafter set forth:

ARTICLE 3

RESTRICTIONS ON USE AND OCCUPANCY

B. Any dwelling constructed on Lot Number 15, Phase Four, subject to these PROTECTIVE COVENANTS shall contain not less than 1500 square feet. Any dwelling constructed on Lots 16 through 18, inclusive, Lots 65 through 71, inclusive, and Lots 77 through 83, inclusive, Phase Four, and Lots 19 through 26, inclusive, and Lots 72 through 76, inclusive, Phase

*See BK 1469 pg. 930 For Amendment to R.C. 8-15-95 Deck, Thompson ROD By Allen Buck Deputy*

Five, subject to these PROTECTIVE COVENANTS shall contain not less than 1300 square feet. The minimum square footage herein provided shall be measured by using the fully enclosed and heated floor space all devoted to general living purposes and be exclusive of roofed or unroofed porches, breezeways, decks, terraces, garages, and any outbuildings. Any dwellings in excess of one story shall contain not less than 900 square feet on the first level of such structures which shall be fully enclosed and heated floor space all devoted to living purposes exclusive of roofed or unroofed porches, breezeways, decks, terraces, garages, and any outbuildings. In addition the total built-upon area on each lot shall not exceed the requirements of the Title 1 NCAC 2H.1003 Coastal Stormwater Regulations. These regulations currently provide that each lot will be restricted to 25% of the square footage of the lot of built upon area including impervious surfaces such as house and driveways. The State of North Carolina shall be a beneficiary of this provision entitled to enforce the same by any available action or remedy against any lot owner who violates the terms of this provision.

IN TESTIMONY WHEREOF, SCARAFONI ASSOCIATES NC, INC., the DEVELOPER, has caused this instrument to be executed and the undersigned Owners have put their hands and seals as of the day and year first above written.



SCARAFONI ASSOCIATES NC, INC.

BY:

[Signature]  
President

[Signature]  
Assistant Secretary

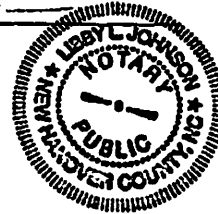
STATE OF NORTH CAROLINA

COUNTY OF GRAVEN North Hancock

I, a Notary Public of the county and state aforesaid, do hereby certify that Duncan Harrison personally came before me this day and acknowledged that he is Assistant secretary of SCARAFONI ASSOCIATES NC, 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 myself as its Assistant secretary.

Witness my hand and official seal, this the 17 day of May, 1995.

Lilly K. 76  
Notary Public



My Commission Expires: May, 2 2000

STATE OF NORTH CAROLINA

CRAVEN  
COUNTY OF ~~CRAVEN~~

The foregoing certificate of Libby L. Johnson is certified to be correct. This instrument was presented for registration and recorded in this office in Book 1464, page 240.

This 23<sup>rd</sup> day of May, 1995, at 11:01 o'clock A.m.

Lucy Thompson

Register of Deeds

Dr. Myrcin S. Sharp  
Deputy

EXHIBIT "A"

Number Five Township Craven County North Carolina

Being all of Cypress Bay on the Neuse, Phase Four, consisting of Lots 15 through 18, inclusive, Lots 65 through 71, inclusive, and Lots 77 through 83, inclusive as the same are shown on that map entitled "Cypress Bay on the Neuse, Phase Four, of record in Plat Cabinet F, Slides 181A, B & C, Craven County Registry; and

Being all of Cypress Bay on the Neuse, Phase Five, consisting of Lots 19 through 26, inclusive, and Lots 72 through 76, inclusive, as the same are shown on that map entitled "Cypress Bay on the Neuse, Phase Five, of record in Plat Cabinet F, Slides 183B & C, Craven County Registry.

PREPARED BY: DENNIS M. MARQUARDT, P.O. DRAWER 189,  
MOREHEAD CITY, NC 28557

STATE OF NORTH CAROLINA  
COUNTY OF CRAVEN

FOURTH AMENDMENT TO DECLARATION  
OF PROTECTIVE COVENANTS OF  
CYPRESS BAY ON THE NEUSE

THIS FOURTH AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS of Cypress Bay on the Neuse made and entered into this the 6<sup>th</sup> day of July, 1995, by Searafoni Associates NC, Inc., a North Carolina corporation d/b/a Live Oak Development Company, (hereinafter referred to as "DEVELOPER").

WITNESSETH THAT:

WHEREAS, DEVELOPER has previously recorded a Declaration of Protective Covenants of CYPRESS BAY ON THE NEUSE in Book 1442, Page 703, et seq, an Amendment to Declaration of Protective Covenants of CYPRESS BAY ON THE NEUSE in Book 1445, Page 766, et seq, a Second Amendment to Declaration of Protective Covenants of CYPRESS BAY ON THE NEUSE in Book 1451, Page 810, et seq, and a Third Amendment to Declaration of Protective Covenants of CYPRESS BAY ON THE NEUSE in Book 1464, Page 240, et seq; all of the Craven County Registry; and

WHEREAS, pursuant to Article 14 of the Declaration of Protective Covenants of Cypress Bay on the Neuse recorded in Book 1442, Page 703 et seq, Craven County Registry, a majority of owners may amend said Declaration; and

WHEREAS, Developer is the owner of a majority of the lots and has voted to amend Article 3, Section H, of said Declaration as relates to CYPRESS BAY ON THE NEUSE, PHASE ONE, PHASE TWO, PHASE THREE, PHASE FOUR and PHASE FIVE and all other further Phases thereof, said amendment being effective as of the recordation hereof as is set forth as follows:

ARTICLE 3

RESTRICTIONS ON USE AND OCCUPANCY

H. All Lots shall be well maintained and no accumulation of rubbish or debris shall be permitted. The Owners of wooded lots may elect to maintain these lots in their natural state and shall not be required to clear these lots of underbrush. Any non-wooded lot and cleared portions of any lot must be cleared of underbrush or growth at least once annually. If the Owners do not clear their Lot as required by this paragraph, the Association shall have the authority to clear any such Lot of underbrush and separately assess the cost of such work against each Owner. Such charge shall be a special assessment against the Owner and his Lot(s) and may be enforced in accordance with the provisions of Article 7 herein.

IN TESTIMONY WHEREOF, SCARAFONI ASSOCIATES NC, INC., the DEVELOPER, has caused this instrument to be executed and the undersigned Owners have put their hands and seals as of the day and year first above written.

SCARAFONI ASSOCIATES NC, INC.

(CORPORATE SEAL)  
(No Seal)

BY:

[Signature]  
President

ATTEST:

[Signature]  
Asst. Secretary

STATE OF NORTH CAROLINA

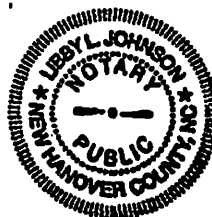
COUNTY OF New Hanover

I, a Notary Public of the county and state aforesaid, do hereby certify that Pamela E. Scarafoni personally came before me this day and acknowledged that she is Assistant secretary of SCARAFONI ASSOCIATES NC, 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 her self as its Assistant secretary.

Witness my hand and official seal, this the 6 day of July, 1995.

[Signature]  
Notary Public

My Commission Expires: March 2, 2000



SK 1469, P. 932

STATE OF NORTH CAROLINA

COUNTY OF CRAVEN

The foregoing certificate of *L. J. Johnson* is certified to be correct. This instrument was presented for registration and recorded in this office in Book 1469 page 932.

This 10 day of July, 1996, at 4:30 o'clock P.m.

*L. J. Johnson*  
Register of Deeds

TOTAL P. 04

STATE OF NORTH CAROLINA  
COUNTY OF CRAVEN

AMENDMENT OF DECLARATION OF  
PROTECTIVE COVENANTS OF CYPRESS  
BAY ON THE NEUSE

WHEREAS, Scarfoni Associates NC, Inc., a North Carolina corporation, has heretofore executed a Declaration submitting the property designated as Cypress Bay on the Neuse and more fully described in said Declaration of Protective Covenants, said Declaration being recorded in Book 1442, page 703 of the Craven County Registry; and

WHEREAS, Article (4) of the said Declaration provides that the management of the affairs of Cypress Bay on the Neuse be the right and responsibility of the Association of property owners known as "Cypress Bay Property Owners' Association, Inc.," hereinafter referred to as the "Association;" and

WHEREAS, Article (3), Section H of said Declaration was amended by that document recorded in Book 1469, Page 930 of the Craven County Registry; and

WHEREAS, the Association desired to amend said Article (3), Section H to maintain the safety and appearance of the community;

NOW, THEREFORE, Cypress Bay Property Owners' Association, Inc., pursuant to the provisions of Article (14) of the Declaration of Cypress Bay on the Neuse, has by a meeting of its members duly called, enacted the following amendment to the aforesaid Declaration by the vote of the requisite majority in common interest of all property owners, cast in person and by proxy at said meeting held on May 30, 1999:

Article (3), Paragraph H of the Declaration of Cypress Bay on the Neuse is hereby amended as follows:

ARTICLE 3

RESTRICTIONS ON USE AND OCCUPANCY

H. All Lots shall be well maintained and no accumulation of rubbish or debris shall be permitted. The Owners of wooded lots may elect to maintain these lots in their natural state and shall not be required to clear these lots of underbrush. Any non-wooded lot and cleared portions of any lot must be cleared of underbrush or growth as necessary to maintain the safety and appearance of the community. If the Owners do not clear their Lot as required by this paragraph, the Association shall have the authority to clear any such Lot of underbrush and separately assess the cost of such work against each Owner. Such charge shall be a special assessment against the Owner and his Lot(s) and may be enforced with the provisions of Article 7 herein.

IN WITNESS WHEREOF, this the 22nd day of October, 1999, nunc pro tunc May 30, 1999, the Association has caused this instrument to be executed.

Page 2 - Amendment of Declaration

CYPRESS BAY PROPERTY OWNERS' ASSOCIATION, INC.

By: RJ Connolly  
President

STATE OF NORTH CAROLINA  
COUNTY OF CARTERET

I, a Notary Public of the county and state aforesaid, do hereby certify that ROBERT J. CONNOLLY personally came before me this day and acknowledged that he is President of Cypress Bay Property Owners' Association, Inc., a North Carolina Corporation, and that he, as President; being authorized to do so, executed the foregoing on behalf of the Corporation.

Witness my hand and official seal, this the 22nd day of October, 1999.



Dawn Farrell-Markins  
Notary Public

STATE OF NORTH CAROLINA  
COUNTY OF CRAVEN

The foregoing certificate of Dawn Farrell-Markins is certified to be correct. This instrument was presented for registration and recorded in this office in Book 1725, page 52.

This 29 day of October, 1999 at 10:25 o'clock A.m.

Becky Thompson  
Register of Deeds  
By Bobbie Boyette, Deputy

State of North Carolina  
County of Craven

Craven NC - Document Stamp  
Amendment of Declaration of  
Protective Covenants of Cypress  
Bay on the Neuse No: 2000-00002174  
Book 1442, page 709  
Craven Registry  
Excise Tax: .00  
Person, Register of Deeds  
Time 13:22:25 1 of 2 Pgs  
Book 1736 Page 759

WHEREAS, Article 4 of the said Declaration provides that the management of the affairs of Cypress Bay on the Neuse be the right and responsibility of the Association of property owners known as Cypress Bay Property Owners' Association, Inc. herein referred to as the Association and

WHEREAS, the Association desired to amend Article 3, paragraph J, subparagraph 1

NOW, THEREFORE, the Association, pursuant to the provisions of Article 14 of the Declarations of Cypress Bay on the Neuse, has by a meeting of its members duly called, enacted the following amendment to the aforesaid Declaration by vote or the requisite majority in common interest of all property owners, cast in person and by proxy at said meeting held on Dec 18, 1999:

Article 3 paragraph J subparagraph 1 of the Declaration of Cypress Bay on the Neuse is hereby amended as follows:

### ARTICLE 3

#### RESRICTIONS ON USE AND OCCUPANCY

J. The following general prohibitions and requirements shall apply and control the improvements, maintenance and use of all lots:

1. No mobile home, modular home, premanufactured and/or prefab home, trailer, tent, or temporary home, or temporary garage, or other temporary outbuilding shall be placed or erected on any lot, provided, however, that the committee may grant permission for temporary structures for the storage of materials during construction.

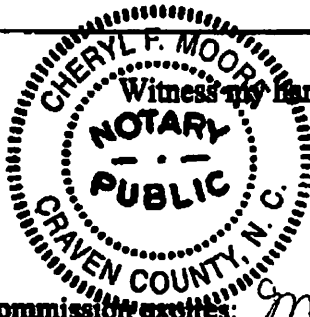
IN WITNESS WHEREOF, This the fifth day of Jan, 2000 that the Association has caused this instrument to be executed on Dec 18, 1999

By: [Signature]  
President

STATE OF NORTH CAROLINA

COUNTY OF CRAVEN

I, a Notary Public of the county and state aforesaid, do hereby certify that ROBERT CONNOLLY personally came before me this day and acknowledged that he is PRESIDENT of Cypress Bay Property Owners' Association, 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 \_\_\_\_\_ as its \_\_\_\_\_ Secretary.



Witness my hand and official seal, this the 21st day of JANUARY, 2000 ~~September, 1999.~~

[Signature]  
Notary Public

My commission expires: May 31, 2004

STATE OF NORTH CAROLINA

COUNTY OF CRAVEN

The foregoing certificate of [Signature] is certified to be correct. This instrument was presented for registration and recorded in this office in Book 1736, page 759.

This 21 day of Jan 2000 at 4:22 o'clock P.m.

[Signature]  
Register of Deeds

Page 1

State of North Carolina  
County of Craven

Amendment of Declaration of  
Protective Covenants of Cypress  
Bay on the Neuse  
Book 1442, page 703 Craven Registry

Whereas, Article 4 of said Declaration provides that the management of the affairs of Cypress Bay on the Neuse be the right and responsibility of the Association of property owners Known as Cypress Bay Property Owners Association, Inc herein referred to as the Association and

Whereas, the Association desired to amend the Protective Covenants to eliminate any further Association responsibility for the repair and maintenance of bulkheads and groins on bulk headed property

Now, Therefore, the Association, pursuant to the provisions of Article 14 of the Declarations of Cypress Bay on the Neuse, has by a meeting of its members duly called, enacted the following amendment to the aforesaid Declaration by vote of the requisite majority in common interest of all property owners, cast in person and by proxy at said meeting held on May 27,2001:

The following changes are made:

**Article 4**

Add Paragraph G as follows:

“ The Association is not responsible for the repair, maintenance, replacement, capital improvements etc. or the bulkheads/groins on bulk headed Lots. Each individual bulkhead property owner is now responsible for his bulkhead and groin.”

**Article 7, Paragraph C**

Delete the following:

“ Provided, however, that those Lot Owners who purchase bulkhead Lots shall be assessed an annual fee for the maintenance of said bulkhead area as an additional annual assessment payable to the Association being an additional sum payable over and above the amount required as a general assessment payable by each Lot owner. This

additional assessment pertaining to the owners of bulk headed lots shall be payable to the Association for the maintenance, repair, replacement, and additions, utility services, if any, payable by the " bulkhead Lot owners " to the Association "

" The assessment amount shall be established by the Board of Directors annually. The assessments and expenditures for boat slip and bulkhead Lot owners shall be separately accounted for for each and separate from the general association assessments and expenditures. "

Page 2

Article 7, Paragraph D

Delete the following:

" The initial assessment for bulkhead Lot owners shall be \$100.00 per annum in addition to the general assessment for all Lot owners. "

Article 7, Paragraph E

Delete the following:

" Provided Further, However, special assessments required for capital improvements to the bulkhead of the bulk headed Lots shall be assessed only to those Lot owners who own bulk headed lots."

Article 9, Paragraph H

Delete this paragraph in its entirety.

Cypress Bay Property Owners Association, Inc

By

Robert J. Connolly  
President



Page 3

State of North Carolina  
County of Craven

I, Notary Public of the county and state aforesaid, do hereby certify that

Robert J. Connolly personally came before me this day and acknowledged that he is

President of the Cypress Bay Property Owners Association, Inc and that by authority given and as the act of the corporation the foregoing instrument was signed in its name by its President.

Witness my hand and official seal this the 12<sup>th</sup> day of June, 2001

Sharon K Perot  
Notary Public



The foregoing certificate of Sharon K Perotik

is certified to be correct. This instrument was presented for registration and recorded in

this office in Book 1827, page 235 this 12 day of June, 2001 at

12:46 o'clock p m

Becky Thompson

Register of Deeds

Pro Jane Quidley, Deputy

Book **1922** Page **505**

Fee Amt : 17.00  
Excise Tax: .00

Page 1

State of North Carolina  
County of Craven

Amendment of Declaration of  
Protective Covenants of Cypress  
Bay on the Neuse  
Book 1442,page 703 Craven Registry

Whereas, Article 4 of said Declaration provides that the management of the affairs of Cypress Bay on the Neuse be the right and responsibility of the Association of property owners Known as Cypress Bay Property Owners Association, Inc herein referred to as the Association and

Whereas, the Association desired to amend the Protective Covenants to eliminate any further Association responsibility for the repair and maintenance of bulkheads and groins on bulk headed property

Now, Therefore, the Association, pursuant to the provisions of Article 14 of the Declarations of Cypress Bay on the Neuse, has by a meeting of its members duly called, enacted the following amendment to the aforesaid Declaration by vote of the requisite majority in common interest of all property owners, cast in person and by proxy at said meeting held on May 26,2002:

The following changes are made:

**Article 7**

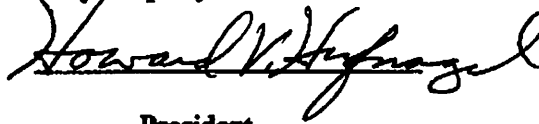
Add Paragraph I as follows:

"The Board shall not spend in excess of \$1500.00 on any new project without a vote of two-thirds of the Members who are voting in person or by proxy at a special meeting called for that purpose."

Mark Flow No: 9999-00102348

By

Cypress Bay Property Owners Association Inc



President

Page 2

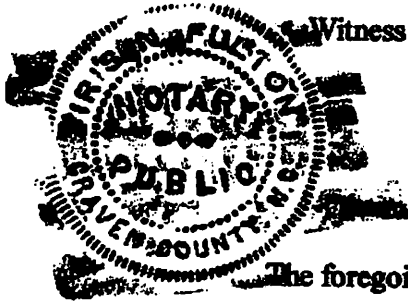
State of North Carolina  
County of Craven

I, Notary Public of the county and state aforesaid, do hereby certify that

Howard Vinson Hufnagel personally came before me this day and acknowledged that he is

President of the Cypress Bay Property Owners Association, Inc and that by authority given and as the act of the corporation the foregoing instrument was signed in its name by its President.

Witness my hand and official seal this the 24<sup>th</sup> day of June, 2002



Jodi S. [Signature]  
Notary Public My Commission Expires Oct 5, 2006

The foregoing certificate of [Signature]

Is certified to be correct. This instrument was presented for registration and recorded in

this office in Book 1922, page 505 this 24 day of June, 2002 at

12:04 o'clock P m

[Signature]  
Register of Deeds

State of North Carolina  
Craven County

Amendment of Declaration  
Protective Covenants of Cypress Bay on the Neuse  
Book 1442 page 79  
Craven Registry Book  
Date 11/19/2004 Time 09:13:47 1 of 2 Pgs  
No: 2004-00114760  
Document Stamp  
Becky Thompson, Register of Deeds  
Book 2250 Page 222

WHEREAS Article 4 of the said Declaration provides that the management of the affairs of Cypress Bay on the Neuse be the right and responsibility of the Association of property owners known as Cypress Bay Property Owners Association, Inc. herein referred to as the Association and

Whereas, the Association desired to amend Article 3, section J, subparagraph 12.

NOW THEREFORE, the Association, pursuant to the provisions of Article 14 of the Declaration of Cypress Bay on the Neuse, has by a meeting of its members duly called, enacted the following amendment to the aforesaid Declaration by vote or the requisite majority in common interest of all property owners, cast in person and by proxy at said meeting held on November 6, 2004:

Article 3, section J, subparagraph 12 of the Declaration of Cypress Bay on the Neuse is hereby amended as follows:

Mark Flow No: 9999-00226996

### ARTICLE 3

#### RESTRICTION ON USE AND OCCUPANCY

J. The following general prohibitions and requirement shall apply and control the improvements, maintenance of all lots:

12. Satellite dish antennas are permitted, provided, they are less than one meter in diameter, and the pole mount is no higher than 8 feet in height. The installation must be approved by the ACC prior to the actual installation of the antenna. A Cypress Bay Construction application should be filled out by the property owner and presented to the ACC denoting 1) Size of the antenna 2) proposed location of the antenna 3) how the antenna will be installed.

All radio antenna installation shall be approved, in writing, by the ACC committee before the antenna is installed.

IN WITNESS WHEREOF, This the 15 day of November 2004, that the Association has caused this instrument to be executed November 6, 2004.

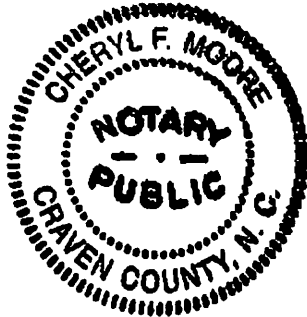
CYPRESS BAY PROPERTY OWNERS ASSOCIATION

By: [Signature] [Signature] Date 11/18/2004 Time 09:13:47 2 of 2 Pgs  
No: 2004-00114760  
President Book 2250 Page 223

STATE OF NORTH CAROLINA  
COUNTY OF CRAVEN

I, a Notary Public of the county and state aforesaid, do hereby certify that CHARLES M. WELLS personally came before me this day and acknowledge that he is PRESIDENT of Cypress Bay Property Owners' Association, Inc., a North Carolina Corporation, and that by authority duly given and as the act of the corporation the foregoing instrument was signed by its President, sealed with its corporate seal, and attested by \_\_\_\_\_ as its \_\_\_\_\_ Secretary.

Witness my hand and official seal, this 18<sup>th</sup> day of November 2004.



Cheryl F. Moore  
Notary Public  
my commission expires May 31, 2009

STATE OF NORTH CAROLINA  
COUNTY OF CRAVEN

The foregoing certificate Cheryl F Moore, is certify to be correct. This instrument was presented for registration and recorded in this office in Book 2250, page 222.

This 19 day of November at 9:13 o'clock A m.

Becky Thompson by Sallie W. Calder  
Register of Deeds Deputy



Doc No: 10034885  
Recorded: 03/13/2019, 09:26:31 AM  
Fee Amt: \$26.00 Page 1 of 2

CRAVEN County, North Carolina  
Sherril B. Richard Register of Deeds

Bk 3563 Pg 1535

**Page 1 Tenth Amendment of Declaration**

State of North Carolina  
Craven County

Tenth Amendment of Declaration  
Protective Covenants of Cypress Bay on the Neuse  
Property Owners' Association, Inc. *P.O. Box 1480*  
Book 1142, page 708, Craven Registry *Havelock NC 28532*

Whereas Article 4 of the said Declaration provides that settlement of affairs of Cypress Bay on the Neuse be the right and responsibility of property owners known as Cypress Bay Property Owners Association, Inc. herein referred to as the Association and

Whereas, the Association desired to amend the Protective Covenants, Article 3, section J, subparagraph 17.

Now therefore, the Association, pursuant to the provisions of Article 14 of the Declaration of Cypress Bay on the Neuse, has by a meeting of its members duly called, enacted the following amendment to the aforesaid Declaration by vote or the requisite majority in common interest of all property owners, cast in person and by proxy at said meeting held on November 17, 2018:

The following addition is made:

Article 3, section J, subparagraph 17 of the Declaration of Cypress Bay on the Neuse is hereby amended as follows:

Add Paragraph (d)

**Tree Removal:** Residents living on developed lots may remove any trees without Architectural Control Committee (ACC) approval if they are determined to endanger any structures/vehicles located on the property. Removal of trees on undeveloped lots, except for bush hogging, must be a part of a site plan for house and requires ACC approval.

*SW*

IN WITNESS WHEREOF, This the 13 day of MARCH, 2019 that the Association has caused this instrument to be executed.

By Cypress Bay Property Owners Association Inc.

Valerie Fryczynski  
President, Board of Directors 2019

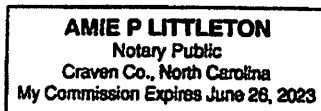
Doc No: 10034886

Bk 3563 Pg 1536

State of North Carolina  
County of Craven

I, Notary Public of the county and state aforesaid, do hereby certify that Valerie Fryczynski personally came before me this day and acknowledged that she is the President of the Board of Directors of the Cypress Bay Property Owners Association, 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.

Witness my hand and official seal this 13 day of March 2019.



Amie P. Littleton  
Notary Public

Doc No: 10034886  
Recorded: 03/13/2019, 09:26:32 AM  
Fee Amt: \$26.00 Page 1 of 2

CRAVEN County, North Carolina  
Sherri B. Richard Register of Deeds  
Bk 3563 Pg 1537

**Page 1 Eleventh Amendment of Declaration**

State of North Carolina  
Craven County

Eleventh Amendment of Declaration  
Protective Covenants of Cypress Bay on the Neuse  
Property Owners' Association, Inc.  
Book 1442, page 708, Craven Registry

*P.O. Box 1486  
Havlock NC  
28532*

Whereas Article 3 of the said Declaration provides that settlement of affairs of Cypress Bay on the Neuse be the right and responsibility of property owners known as Cypress Bay Property Owners Association, Inc. herein referred to as the Association and

Whereas, the Association desired to amend the Protective Covenants, Article 3, section J, to add subparagraph 19.

Now therefore, the Association, pursuant to the provisions of Article 14 of the Declaration of Cypress Bay on the Neuse, has by a meeting of its members duly called, enacted the following amendment to the aforesaid Declaration by vote or the requisite majority in common interest of all property owners, cast in person and by proxy at said meeting held on November 17, 2018:

The following addition is made:

Article 3, section J, subparagraph 19 of the Declaration of Cypress Bay on the Neuse is hereby added as follows:

**Storage on Undeveloped Lots:** Owners of undeveloped lots may not store boats, trailers, campers, or other such items on their lots. Individual short-term storage exception requests may be submitted to the ACC for approval.

*Due*

IN WITNESS WHEREOF, This the 13 day of MARCH, 2019 that the Association has caused this instrument to be executed.

By Cypress Bay Property Owners Association Inc.

Valerie Fryczynski  
President, Board of Directors 2019

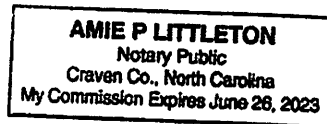
Doc No: 10034886

Bk 3563 Pg 1538

State of North Carolina  
County of Craven

I, Notary Public of the county and state aforesaid, do hereby certify that Valerie Fryczynski personally came before me this day and acknowledged that she is the President of the Board of Directors of the Cypress Bay Property Owners Association, 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.

Witness my hand and official seal this 13<sup>th</sup> day of March 2019.



Amie P. Littleton  
Notary Public