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Onslow County, NC
Mildred M Thomas Register of Deeds

BK 2779 PG 1-53

STATE OF NORTH CAROLINA)
COUNTY OF HARNETT)

MODIFICATION AND WAIVER
RESTRICTIVE COVENANTS

THIS modification of restrictive covenants is made and entered into this ___ day of March, 2005 by and between the Galleon Bay Property Owners, parties of the first part, hereinafter referred to in the neuter singular as "DECLARANT";

RECITALS

WHEREAS, DECLARANT holds fee simple title to Lot Nos. 1-45 Galleon Bay as depicted in Map Book 11, Page 72, Onslow County Registry;

WHEREAS Keyway Associates, Inc. prepared and recorded in Book 392, Page 232 a Declaration of Covenants encumbering Lot Nos. 1 thru 45, Galleon Bay as depicted in Map Book 11, Page 72, Onslow County Registry thereto.

WHEREAS pursuant to the Declaration of Covenants prepared by Keyway Associates, Inc. and recorded in Book 392, Page 232, a majority of the lot owners have the power to amend the same.

WHEREAS on or about June 21, 1997 property owners in Galleon Bay Subdivision began informally meeting to discuss maintenance and excavation of the canals in the subdivision.

WHEREAS, property owners continued informal meetings and own or about 1999 prepared Bylaws for the governance of the Property Owners Association.

WHEREAS, own or about August 2002, the property owners after consultation with counsel decided to formally amend the covenants by creating two distinct property owners associations to wit: North Galleon Bay Property Owners Association for Lot Nos. 24-45 and South Galleon Bay Property Owners Association for Lot Nos. 1-23.

WHEREAS, the August 2002 amendment was recorded in Deed Book 1880, Page 827, of the Register of Deeds signed by Mary C. Fairly, as Counsel for the record owners of lots in North Galleon Bay. Attached to the amendment were Consents to the amendment signed by the record owners of Lot Nos. 1, 2, 3, 11, 12, 13, 16, 17, 19, 21, 22, 23, 24, 25, 27, 28, 33, 34, 35, 36, 37, 40, 41, 42, 43, & 44. (26 Lots out of 45 Total Lots).

WHEREAS, on or about August 2002, the property owners of Lot Nos. 24-45, "North Galleon Bay" by and through their Counsel, Mary C. Fairley did record in Deed Book _____, Page _____ a further amendment to the covenants recorded in Deed Book 392, Page 232, Onslow County Registry modifying Articles X, XI and XIV. Attached to the amendment were the consents to the amendment signed by the record owners of Lot Nos. 24, 25, 27, 28, 33, 34, 36, 38, 40, 41, 42, 43, 44, 45. (14 Lots out of the 21 total lots of North Galleon Bay)

WHEREAS, the property owners of North Galleon Bay do now desire to subject there property to North Carolina Planned Unit Development Act in NCGS Chapter 47-F.

NOW THEREFORE, the Property Owners do hereby declare that all of the Lots and Common Areas (defined below) located within the Subdivision are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved, subject to the following amended covenants, conditions and restrictions, all of which are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Subdivision as a whole and of each of said Lots. All of these restrictions shall run with the land and shall be binding upon the Declarant and upon the parties having or acquiring any right, title or interest, legal or equitable in and to the Property or any part or parts thereof subject to such restrictions, and shall inure to the benefit of the Declarant and every one of the Declarant's successors in title to any of the Property.

ARTICLE I

PROPERTY SUBJECT TO THIS DECLARATION

The Property, each portion thereof, and all Dwelling Units thereon shall be held, transferred, sold, conveyed, leased, mortgage and occupied subject to the terms, provisions, covenants and conditions of this Declaration are further described as follows:

NORTH GALLEON BAY:

BEING all of Lot Nos. 24-45 Galleon Bay as depicted in Map Book 11, Page 72, Onslow County Registry.

SOUTH GALLEON BAY:

BEING all of Lot Nos. 1-23 Galleon Bay as depicted in Map Book 11, Page 72, Onslow County Registry.

ARTICLE II DEFINITIONS

Section 2.1 "Annual Organizational Board Meeting" means the annual organizational board meeting of the Board, which shall take place immediately after each Annual Meeting of the Members.

Section 2.1 "Annual Organizational Board Meeting" means the annual organizational board meeting of each Board, which shall take place immediately after each Annual Meeting of the Members.

Section 2.2 "Annual Meeting" means the annual meeting of the Members of North Galleon Bay and South Galleon Bay held in Onslow County, North Carolina, within the last quarter of each calendar year, upon proper notice, at a date, time and at a place from time to time designated by each Board. The first Annual Meeting of each property owners association by the Members shall be held within one (1) year from the date of incorporation of each property owners association and such date as the initial Board shall determine.

Section 2.3 "Articles" or "Articles of Incorporation" shall mean those articles, filed with the Secretary of State of North Carolina, incorporating NORTH GALLEON BAY PROPERTY OWNERS ASSOCIATION, INC. and SOUTH GALLEON BAY PROPERTY OWNERS ASSOCIATION, INC. as nonprofit corporations under the provisions of North Carolina State law, as the same may be amended from time to time.

Section 2.4 "Assessments" means Regular Assessments, Special Assessments, Working Capital Assessments, Individual Assessments and Fine Assessments.

Section 2.5 "Association" shall mean and refer to NORTH GALLEON BAY PROPERTY OWNERS ASSOCIATION, INC. when speaking in context to Lot Nos. 23 thru 45, Galleon Bay Subdivision and to SOUTH GALLEON BAY PROPERTY OWNERS ASSOCIATION, Inc. when speaking in context to Lot Nos. 1 thru 23, Galleon Bay Subdivision, to be formed as a non-profit corporation, its successors and assigns.

Section 2.6 "Board" or "Board of Directors" shall mean and refer to the Board of Directors of North Galleon Bay Property Owners Association, Inc. when speaking in context to Lot Nos. 1-23 Galleon Bay Subdivision and South Galleon Bay Property Owners Association, Inc. when speaking in context to Lot Nos. 24-45, Galleon Bay Subdivision.

Section 2.7 "Bylaws" shall mean the Bylaws of North Galleon Bay Property Owners Association, Inc. when speaking in context to Lot Nos. 1-23 Galleon Bay Subdivision and South Galleon Bay Property Owners Association, Inc. when speaking in context to Lot Nos. 24-45, Galleon Bay Subdivision, and as the same may be amended from time to time.

Section 2.8 "Constituent Documents" shall mean the Declaration, the Bylaws, the Articles of Incorporation and the Rules and Regulations, if any, and any other basic documents used to create and govern North Galleon Bay when speaking in context to Lot Nos. 1-23 Galleon Bay Subdivision and South Galleon Bay when speaking in context to Lot Nos. 24-45.

Section 2.9 "Common Areas" shall mean all the real estate (including retention ponds, storm drainage improvements, entrance signage, recreation area, canals, streets (including any dedicated streets prior to their acceptance for public maintenance) and all landscaping and other improvements thereon) owned by the Association (if any) for the common use and enjoyment of the Owners. Common Areas shall include, but not be limited to, the Recreational Facilities and parcels designated on the Subdivision plat as "70' Channel - for North Galleon Bay," "60' Channel - for South Galleon Bay," "Recreation Area - North of Marina Way for North Galleon Bay",

"Recreation Area - South of Marina Way for South Galleon Bay", (unless such real properties are later dedicated to the public by a subsequent dedication plat or conveyance), "Marina," "Open Space," "Alley (Private)," "Common Area" or reserved as an access drive or private street.

Section 2.10 "Common Expenses" shall mean, refer to, and include all charges, costs and expenses incurred by the Association for and in connection with the administration of the Subdivision, including, without limitation thereof, operation of the Subdivision, maintenance, repair, replacement and restoration (to the extent not covered by insurance) of the Common Areas; the costs of any additions and alterations thereto; all labor, services, common utilities, materials, supplies, and equipment therefor; all liability for loss or damage arising out of or in connection with the Common Areas and their use; all premiums for hazard, liability and other insurance with respect to the Subdivision; all costs incurred in acquiring a Lot pursuant to judicial sale; and all administrative, accounting, legal, and managerial expenses. "Common Expenses" shall also include the cost of operation, maintenance, improvement, and replacement of any Recreational Facilities, including establishing reserves therefore. "Common Expenses" shall also include amounts incurred in replacing, or substantially repairing, capital improvements within the Common Areas of the Subdivision, including, but not limited to private road and parking lot resurfacing. "Common Expenses" shall also include all reserve funds or other funds established by the Association. "Common Expenses" shall be construed broadly.

Section 2.11 "Declarant" shall mean and refer to the current property owners as listed below, their successors and assigns as a Declarant.

Section 2.12 "Default" shall mean any violation or breach of, or any failure to comply with, the Restrictions, this Declaration or any other Constituent Documents.

Section 2.13 "Dwelling Unit" shall mean and refer to the individual family living unit on an individual Lot.

Section 2.14 "Fine Assessment" means the charge established by Section 5.5.2 of this Declaration.

Section 2.15 "Individual Assessment" means the charge established by Section 5.4 of this Declaration.

Section 2.16 "Lot" shall mean and refer to any parcel of land designated on the Plat upon which a Dwelling Unit has been or is to be constructed.

Section 2.17 "Member" shall mean and refer to all those Owners who are Members of the Association as provided in Article IV below.

Section 2.18 "Owner" shall mean and refer to the record owner, including Declarant, whether one or more persons or entities, of a fee simple title to any Lot located within the Subdivision.

Section 2.19 "Plat" shall mean and refer to the record plat of the Subdivision recorded by Declarant, as the same may be amended or supplemented by Declarant from time to time.

Section 2.20 "Planned Community Act" shall mean and refer to the North Carolina Planned Community Act, currently codified as Chapter 47F of the

North Carolina General Statutes, as the same may be amended from time to time.

Section 2.21 "Property" or "Subdivision" shall mean and refer to that certain real estate "North Galleon Bay" when speaking in context to Lot Nos. 1-23 Galleon Bay Subdivision and "South Galleon Bay" when speaking in context to Lot Nos. 24-45, Galleon Bay Subdivision as depicted in Map Book 11, Page 72, Onslow County Registry and all other real estate that may be annexed into this Declaration and the Association by the Declarant.

Section 2.22 "Regular Assessment" means the charge established by Article V of this Declaration.

Section 2.23 "Resident" shall mean and refer to any person, not an Owner, living in the Owner's Dwelling Unit, including, but not limited to, temporary guests and Tenants.

Section 2.24 "Restrictions" shall mean all covenants, conditions, restrictions, easements, charges, liens and other obligations provided for in this Declaration, including, without limitation, all notices, rules and regulations issued in accordance with this Declaration.

Section 2.25 "Rules and Regulations" shall mean and include the rules and regulations made from time to time by the Board of Directors as provided in Section 4.3 below.

Section 2.26 "Special Assessment" means the charge established by Section 5.2 of this Declaration.

Section 2.27 "Tenant" means any person occupying any Lot pursuant to a written or oral lease agreement with the Owner thereof or with any other person or entity claiming under the Owner.

Section 2.28 "Working Capital Assessment" means the charge established by Section 5.3 of this Declaration.

When applicable for the sense of this instrument, the singular should be read as including the plural and the male, female, and neuter pronouns and adjectives should be read as interchangeable.

Articles out of order

ARTICLE III

PROPERTY RIGHTS IN COMMON AREAS

Section 3.1 Owner's Easements of Enjoyment. Except as herein otherwise provided, each Owner shall have a right and easement of enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to his Lot. Each Tenant shall have a non-transferable right to use and enjoy the Common Areas, if any, which right shall terminate when such person ceases to have the status of a Tenant. Such rights and privileges shall be subject, however, to the following:

3.1.1 The right of the Board to adopt and enforce and from time to time amend reasonable limitations upon use and Rules and Regulations pertaining to the use of the Common Areas, including regulations limiting guests of Owners and Tenants who may use the Common Areas at any one time;

3.1.2 The right of the Association to grant permits, licenses and public or private easements over Common Areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Property; or

Section 3.2 Extension of Use. Any Owner may extend his right of enjoyment to the Common Areas to the immediate and/or extended members of his family, his Tenants, guests or contract purchasers of the Owner's Lot.

ARTICLE IV

HOMEOWNERS ASSOCIATION

Section 4.1 Homeowners Association. There shall be created two North Carolina non-profit corporations, known as "North Galleon Bay Property Owners Association, Inc." and "South Galleon Bay Property Owners Association, Inc.", which shall be responsible for the maintenance, management and control of the Common Areas and upon each Lot and Dwelling Unit as more specifically set forth in this Declaration.

Section 4.2 Board of Directors and Officers. Separate Boards of Directors, and such officers as the may elected or appointed in accordance with the Articles or the Bylaws, shall conduct the affairs each Association. The Boards of Directors may also appoint committees and managers or other employees and agents who shall, subject to the general direction of the Boards of Directors, be responsible for the day-to-day operation of the Association(s).

Section 4.3 Rules and Regulations. By a majority vote of the Boards of Directors, the Association(s) may, from time to time adopt, amend and repeal Rules and Regulations with respect to all aspects of the Associations' rights, activities and duties under this Declaration. The Rules and Regulations may, without limitation, govern use of the Subdivision(s), including prohibiting, restricting or imposing charges for the use of any portion of the Subdivision by Owners, Residents or others, interpret this Declaration or establish procedures for operation of the Association(s) or the administration of this Declaration; provided, however, that the Rules and Regulations shall not be inconsistent with this Declaration, the Articles, Bylaws. A copy of the Rules and Regulations, as they may from time to time be adopted, amended or repealed, shall be available to each Owner upon request.

Section 4.4 Membership of Association. Every Owner of a Lot shall be a Member of either North Galleon Bay Property Owners Association, Inc. or South Galleon Bay Property Owners Association, Inc. respectively. Such Owner and Member shall abide by the Association's Rules and Regulations, shall pay the Assessments provided for in this Declaration, when due, and shall comply with decisions of the Association's governing body. Conveyance of fee simple title to a Lot automatically transfers membership in the Association without necessity of further documents. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to Assessment.

Section 4.5 Membership. Every person, group of persons, or entity which is a record Owner of a fee interest in any Lot within the Property, shall automatically be a Member of the Association provided, however, that any such person, group of persons or entity who holds such interest solely

as security for the performance of an obligation shall not be a Member. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership. In the event that more than one person, group of persons or entity is the record Owner of a fee interest in any Lot, then the vote for the membership appurtenant to such Lot portion shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. In the event agreement is not reached, the vote attributable to such Lot shall not be cast.

Section 4.6 Maintenance Obligations of the Association. Each Association, at their own expense, shall maintain, operate and keep in good repair, unless such obligations are assumed by any municipal or governmental agency having jurisdiction thereof, the Common Areas and all improvements located thereon for the common benefit of the Subdivision. This shall include, without limitation, the maintenance, repair, replacement and painting of the following landscaping and improvements (to the extent that such improvements or landscaping are located upon or constitute Common Areas): (a) all private roadways, channels, driveways, pavement, sidewalks, walkways and uncovered parking spaces; (b) all lawns, trees, grass and landscape areas, shrubs and fences, except as otherwise set forth hereinbelow; (c) the Recreational Facilities; (d) all conduits, ducts, utility pipes, plumbing, wiring and other facilities which are part of or located in, or for the furnishing of utility services to, the Common Areas and which are not for the exclusive use of a single Dwelling Unit.

Each Association shall make the determination as to when maintenance, repair, replacement and care shall be done, and its determination shall be binding. Each Association shall have the right to employ a manager to oversee and implement its maintenance obligations, and any such management fees incurred thereby shall be paid by each Association respectively. Each Association shall also perform the other duties prescribed by this instrument or the Association's Rules and Regulations.

Section 4.7 Maintenance Obligation of the Lot Owners. The responsibilities of each Lot Owner shall include:

4.7.1 To clean, maintain, keep in good order, repair and replace at his or her expense all portions of his or her Lot and Dwelling Unit. Any repair, replacement and maintenance work to be done by an Owner must comply with any Rules and Regulations of the Association including architectural control and visual harmony.

4.7.2 To perform his responsibilities in such manner so as not unreasonably to disturb other persons residing within the Subdivision.

4.7.3 Not to impair the use of any easement without first obtaining the written consents of the Association and of the Owner or Owners for whose benefit such easements exists.

4.7.4 Each Lot Owner shall be deemed to agree by acceptance of delivery of a deed to a Lot, to repair and/or replace at his or her expense all portions of the Common Areas which may be damaged or destroyed by reason of his or her own intentional or negligent act or omission, or by the intentional or negligent act or omission of any invitee, tenant, licensee family member, including, but not limited to any repairs necessary which

result from damage incurred by pets or vehicles owned by the Lot Owner, or owned by any guest, invitee, Tenant or licensee of such Lot Owner.

ARTICLE V

COVENANT FOR ASSESSMENTS

Section 5.1 Regular Assessments. Regular Assessments for the payment of the Common Expenses shall be made in the manner provided herein, and in the manner provided in the Bylaws. The Regular Assessment is established for the benefit and use of each Association and shall be used in covering all of the Common Expenses.

Section 5.2 Special Assessment. In addition to levying Regular Assessments, and to the extent that the reserve fund is insufficient, the Boards of Directors may levy Special Assessments to construct, structurally alter, repair or replace the Common Areas, provided that funds shall not be assessed for any capital improvement in excess of Twenty Five Thousand and 00/100 Dollars (\$25,000.00) for any one item or in excess of Fifty Thousand and 00/100 Dollars (\$50,000.00) in the aggregate in any one calendar year ("Capital Expenditure Limit") without the prior written consent of two-thirds (2/3) of the votes of the Members (of either Property Owners Association) who are voting either in person or by proxy at a meeting duly called for such purpose or unless expressly stated in the annual budget. The Boards of Directors shall have the authority to adjust the Capital Expenditure Limit annually to account for inflation, which adjustment shall be effective each January (hereinafter referred to as the "Adjustment Date") commencing January 1 of the next year following the year during which the sale of the first Lot by Declarant. As of each Adjustment Date, the Capital Expenditure Limit shall be increased from the Capital Expenditure Limit on the date of this Declaration ("Effective Date") by a percentage equal to the percentage increase, if any, in the Consumer Price Index, All Urban Consumers ("CPI-U"), (1982-1984=100), All Items, as compiled and published by the Bureau of Labor Statistics, U.S. Department of Labor ("CPI") from the Effective Date to the Adjustment Date. If after the date of this Declaration the CPI is converted to a different standard reference base or otherwise revised or ceases to be available, the determination of any new amount shall be made with the use of such conversion factor, formula or table for converting the CPI as may be published by any other nationally recognized publisher or similar statistical information reflected by the Board. Until the expiration of the Development Period or the date on which Declarant no longer owns a Lot, whichever is earlier, Declarant shall be one of the consenting Members, or the capital improvement shall not be made. The Boards of Directors shall calculate each Lot's proportionate share of the Special Assessment for the capital improvements, and shall give the Lot Owner(s) written notice of the proportionate share and of the date(s) that the Special Assessment is due and payable for North Galleon Bay or South Galleon Bay as set forth above.

Section 5.4 Individual Assessment. In the event that the need for maintenance, repair or replacement of any improvement on the Property, for which each Association has the maintenance, repair and/or replacement obligation, is caused through the willful or negligent act of an Owner, his family, his pet(s), Resident, the cost of such maintenance, repairs or replacements shall be paid by such Owner. Each Board shall have the maintenance, repair or replacement done and the cost thereof shall be provided by the Board to said Owner and shall be paid by said Owner within

thirty (30) days thereafter, unless an earlier date is otherwise set forth herein.

Section 5.5 Date of Commencement of Assessments; Due Dates; Determination of Regular Assessments; Fine Assessments.

5.5.1 Each Board of Directors shall fix the amount of the monthly Regular Assessment to be paid by each Member of its Association against each Lot at the beginning of each calendar year. Written notice of the monthly Regular Assessment shall be sent to every Member subject thereto. Each Board of Directors shall establish the due dates independent of the other.

5.5.2 Each Board of Directors, or an adjudicatory panel established by the Board of Directors, may levy a reasonable Fine Assessment, as a fine or penalty for violation of this Declaration, all in accordance with the Planned Community Act. A lien may be filed for this Fine Assessment and this Fine Assessment may be enforced by foreclosure and otherwise treated as a Regular Assessment.

5.5.4 Both Regular and Special Assessments for a Lot Owner shall be determined by each Association independently based upon the proportion that each Lot bears to the aggregate number of Lots located on the Property. Each Association's governing body may, at its discretion, waive the Regular Assessment for any year or part of a year for any undeveloped Lot.

Section 5.6 Billing. Each Association shall inform each Lot Owner (subject to its authority) of the amount of the total Regular Assessment due from the Owner of that particular Lot. This Regular Assessment may be paid in monthly installments or as otherwise required by the Association. The Owner of each Lot must pay his Lot's required Regular Assessment in advance on the first calendar day of each month, unless the Association otherwise directs. Payment is to be made to such person at such an address as Association determines. Special Assessments are due thirty (30) days after the bill for the Special Assessment has been mailed or otherwise sent out by Association, unless the Association otherwise directs.

Section 5.7 Common Surplus. If the Regular Assessment collected in any given year is in excess of the actual Common Expenses for that year, each Board (acting independently of the other) may, at its sole discretion (a) return each Owner's share of the Common Surplus; (b) credit each Owner's share of the Common Surplus to each Owner's payment as for the Regular Assessment for the following year; or (c) apply the Common Surplus to the reserve.

Section 5.8 Assessment Certificate. Each Association shall, upon demand, at any reasonable time, furnish to any Owner liable for Assessments a certificate in writing signed by an Officer or other authorized agent of each Association, setting forth the status of said Assessments; i.e., "current", and if not current, "delinquent" and the amount due. Such certificate shall be conclusive evidence of the payment of any Assessment therein stated to have been paid. A reasonable charge to cover labor and materials may be made in advance by each Association for each certificate.

Section 5.9 Books and Records of the Association. Each Association shall keep full and correct books of account. Each Association shall make available to all Lot Owners and the holders of all first mortgages on Lots, current copies of the books, records and financial statements of each Association upon reasonable request during normal business hours. All funds

collected by each Association shall be held and expended solely for the purposes designated by this Declaration and shall be deemed to be held for the use, benefit and account of that Association and all of the Lot Owners. All books and records must be kept in accordance with good accounting procedures and shall be reviewed at least once a year by an independent accounting firm.

Section 5.10 Non-Payment of Assessment. Any Assessments levied pursuant to these covenants which is not paid on the date when due shall be delinquent and shall, together with such interest and other costs as set out elsewhere in this Declaration, thereupon become a continuing lien upon the Lot which shall bind the Lot in the hands of the then Owner and the Owner's successors and assigns.

If the Assessment is not paid within thirty (30) days after the due date, the Assessment shall bear interest at a reasonable rate of ten percent (10%) per year or at such other reasonable rate set each Association in its minutes, not to exceed the maximum amount allowed by law, and that Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot, in either of which events interest, costs and reasonable attorneys' fees shall be added to the amount of each Assessment. No Owner may waive or otherwise escape liability for the Assessments by non-use or waiver of use of the Common Areas or by abandonment of his Lot.

Section 5.11 Priority of Association Lien. The lien provided for in this Article V shall take priority over any lien or encumbrance subsequently arising or created, except liens for real estate taxes and assessments and liens of bona fide first mortgages which have been filed of record before a claim of this lien hereunder has been docketed in the office of the clerk of Superior Court in Onslow County, and may be foreclosed in the same manner as a mortgage on real property under power of sale in an action brought by the Association in accordance with the Planned Community Act. Each Association is entitled to recover its reasonable attorneys' fees and court costs and collection costs, as part of the lien. In any such foreclosure action, each Association shall be entitled to become a purchaser at the foreclosure sale.

Section 5.12 Disputes as to Common Expenses; Adjustments. Any Owner who believes that the portion of Common Expenses chargeable to his Lot, for which an assessment lien has been filed by its Association, has been improperly charged against his or her Lot, may bring action in an appropriate court of law.

Section 5.13 Purchaser at Foreclosure Sale Subject to Declaration, Bylaws, Rules and Regulations of the Association. Any purchaser of a Lot at a foreclosure sale shall automatically become a Member of the Association (either North or South) and shall be subject to all the provisions of this Declaration, the Bylaws and the Rules and Regulations.

Section 5.14 Non-Liability of Foreclosure Sale Purchaser for Past Due Common Expenses. When the holder of a first mortgage or first deed of trust of record or other purchaser of a Lot acquires title to the Lot as a result of foreclosure of the first mortgage, first deed of trust or by deed in lieu of foreclosure, such acquirer of title, his, her or its successors and assigns, shall not be solely liable for the share of the Common Expenses or other Assessments by the Association chargeable to such Lot which became due prior to the acquisition of title to the Lot by such acquirer, other than Assessments for which a claim of lien has been docketed with the Onslow

County Clerk of Superior Court prior to the recordation of the lien being foreclosed. Such unpaid share of Common Expenses or Assessments shall be deemed to be Common Expenses collectible from all of the Lots, including that of such acquirer, his, her or its successors or assigns. This provision shall not relieve the party acquiring title or any subsequent Owner of the subject Lot from paying future Assessments.

Section 5.15 Liability for Assessments Upon Voluntary Conveyance. In a voluntary conveyance of a Lot, any grantee or his or her first mortgagee shall inform the Board of Directors in writing of such contemplated conveyance and such grantee or first mortgagee shall be entitled to a statement from the Board of Directors of the Association setting forth the amount of all unpaid Assessments (including current Assessments) against the grantor due the Association. Neither the grantee nor the mortgagee shall be personally obligated for any delinquent Assessments, but such delinquent Assessments, along with interest, late charges, costs and reasonable attorneys fees shall be a lien against the Lot in accordance with Section 5.10 and Section 5.11 herein.

Section 5.16 Late Charge. Each Association may impose a charge against any Lot Owner who fails to pay any amount assessed by the Association against his Lot within ten (10) days after such Assessments are due and payable and who fails to exercise his rights under this Declaration or under the laws of the State of North Carolina to successfully contest such Assessment. The amount of the late charge shall be the greater of (a) twenty and 00/100 Dollars (\$20.00), or (b) twenty percent (20%) of the delinquent amount, or such other amount as may be determined by the Association from time to time. Additionally, if a Lot Owner shall be in Default in payment of an installment upon an assessment or of a single monthly assessment, each Association has the right to accelerate all monthly Assessments remaining due in the current fiscal year. The total of such Assessments, together with the delinquent Assessments shall then be due and payable by the Lot Owner no later than ten (10) days after the delivery of written notice of such acceleration to the Lot Owner or twenty (20) days after mailing of such notice to him by certified mail, whichever occurs first. If such acceleration amount is not paid by the due date, the above-described late charge may be imposed on the part of such accelerated amount not paid by the due date.

Section 5.17 Miscellaneous.

5.17.1 Each Association may change the interest rate due on delinquent Assessments (including any late charges), except that the rate cannot be changed more often than once every six (6) months. As of its effective date, the new interest rate will apply to all Assessments then delinquent.

5.17.2 The Owner has the sole responsibility of keeping its Association informed of the Owner's current address if different from the Lot owned. Otherwise notice sent by its Association to the Lot is sufficient for any notice requirement under this Declaration.

5.17.3 The lien under this Article V arises automatically, and no notice of lien need be recorded to make the lien effective.

5.17.4 The Assessment lien includes all collection costs, including demand letters, preparation of documents, reasonable attorneys' fees, court costs, filing fees, collection fees, and any

other expenses incurred by each Association in enforcing or collecting the Assessment.

5.17.5 Any Assessment otherwise payable in installments shall become immediately due and payable in full without notice upon Default in the payment of any installment. The acceleration shall be at the discretion of the Board.

5.17.6 No Owner of a Lot may exempt himself or herself from liability for his or her contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Areas or by the abandonment of his or her Lot.

5.17.7 This Section 5.17 applies to every type of Assessment.

ARTICLE VI

EASEMENTS AND ENCUMBRANCES

Section 6.1 General Easements. An easement is hereby reserved and/or granted in favor of each Association in, on, over and through the Common Areas, the Lots for the purposes of maintaining, cleaning, repairing, improving, regulating, operating, policing, replacing and otherwise dealing with the Common Areas and Lots, including all improvements thereon as required or permitted by the Constituent Documents or applicable law.

Section 6.2 Use of Easement. Any use of the rights and easements granted and reserved in this Article VI shall be reasonable. If any damage, destruction, or disturbance occurs to a Lot or Common Area as a result of the use of any easement or right, the Lot or Common Area shall be restored by, or at the direction of, the Association promptly in a reasonable manner at the expense of the person or persons making the use of the easement or right that resulted in the damage, destruction or disturbance. Before beginning work, Association may require all or any part of the expected expense to be prepaid by that person or those persons liable for the expense. Additionally, should any Lot Owner other than Declarant elect to exercise its easement rights hereunder, it shall be required to obtain the Board's prior written approval (not to be unreasonably withheld), after providing the Board with detailed plans of its proposed work, as well as evidence of appropriate insurance and other such reasonable information or assurances as the Board may require. No easement may be granted across, through, over, or under any Lot or Common Area, which materially restricts ingress and egress to the Lot or Common Area, unless reasonable alternate ingress and egress is provided or unless the restrictions is only temporary. All easements reserved hereunder shall be perpetual and non-exclusive.

Section 6.3 Easements: General. The easements and grants reserved for and granted to the Lot Owners also benefit and bind their heirs, successors and assigns and their respective guests, invitees or lessees.

Section 6.4 Easements to Run with Land. All easements and rights described in this Article VI are easements appurtenant, running with the land, perpetually in full force and effect, and at all times shall inure to the benefit of and be binding on the Lot Owners, their successors and assigns, purchaser, mortgagee, and other person or entity now or hereafter having an interest in the Subdivision, or any part or portion of it.

Section 6.5 Reference to Easements and Deeds. Reference in the respective deeds of conveyance or any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Declaration, shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees in said instruments as fully and completely as those such easements and rights were recited fully and set forth in their entirety in such instruments.

ARTICLE VII

ASSOCIATION

Section 7.1 Association. The administration of the Subdivision shall be vested either North Galleon Bay Property Owners Association, Inc. or South Galleon Bay Property Owners Association, Inc. The Owner of any Lot, upon acquiring title, shall automatically become a Member of the Association (either North or South respectively) and shall remain a Member until such time as his ownership of such Lot ceases for any reason, at which time his membership in the Association shall automatically cease. Each Association shall have full power and responsibility to administer, operate, sustain, maintain, and govern their portion of the Subdivision including but not limited to, the powers and responsibilities to make prudent investments of funds held by it; to make reasonable Rules and Regulations; to borrow money; to make Assessments; to bring lawsuits and defend lawsuits; to enter into contracts; to enforce all of the provisions of this Declaration, the Bylaws and any other documents or instruments relating to the establishment, existence, operation, alternation of their portion of the Subdivision. The powers of each Association shall be construed liberally and shall include, without limitation, all of the powers set forth in *Section 47F-3-102* of the Planned Community Act.

Section 7.2 Board of Directors. Unless otherwise specifically stated in this Declaration, each Association shall act exclusively through its Board of Directors (the "Board"). Each Association in accordance with the Bylaws shall choose its Board. Each Board shall be authorized to delegate the administration of its duties and powers by written contract to a managing agent or administrator employed for that purpose by the Board.

Section 7.3 Limitations on Association's Duties.

7.3.1 The Associations did not construct the improvements, including the Dwelling Units. The Associations does not warrant in any way or for any purpose, the improvements in the Subdivision. Construction defects are not the responsibility of the Associations.

7.3.2 Each Association shall have a reasonable time in which to make any repair or do any other work for which it is authorized or allowed. Each Association must first have actual knowledge of a problem. Any determination of the reasonableness of the Association's response, must allow for the facts that the Association is volunteer and that the funds available to the Association are limited.

7.3.3 In case of ambiguity or omission, each Board may interpret the Declaration, and the Board's interpretation shall be final if made without malice or fraud.

ARTICLE VIII

USE RESTRICTIONS

Section 8.1 Use and Occupancy. Each Association shall make Rules and Regulations to govern the use and occupancy their portion of the Subdivision only and in accordance with the restrictions set forth in the original covenants recorded in Deed Book 392, Page 232, Onslow County Registry and any modifications made thereto.

ARTICLE IX

ENFORCEMENT

Section 9.1 Enforcement.

9.1.1 Each Association or any Lot Owner may enforce these covenants, conditions and restrictions for only their portion of Galleon Bay respectively, either North or South. Enforcement of these covenants, conditions and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate ("Violating Party") any covenant, condition or restriction, either to restrain or enjoin violation or to recover damages, and against the land to enforce any lien created by these covenants. In addition to all other amounts due on account of said violation or attempted violation, the Violating Party shall be liable to the parties enforcing the covenants and/or restrictions of this Declaration (the "Enforcing Parties") for all reasonable attorney's fees and court costs incurred by the Enforcing Parties. Failure or forbearance by the Association(s) or any Owner to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In any lawsuit filed to enforce this Declaration by injunction or restraint, there shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or any attempted violation or breach of any of the within covenants, conditions or restrictions cannot be adequately remedied by action at law or by recovery of damages.

9.1.2 In addition to all other remedies of the Association, each Association shall have the right to assess a maximum fine as may be allowed by law per violation against any Owner who violates any provision of this Declaration or the Articles, Bylaws or Rules and Regulations of the Association after such Owner has been given notice of the violation and an opportunity to be heard with respect to the violation in accordance with such policies and procedures as may be adopted from time to time by the Board of Directors or as may be set forth in the Bylaws.

9.1.3 In addition to the above rights, the Association may also enter upon a Lot or any land upon which a violation exists to remove any violation, perform maintenance or make repairs thereon which is the responsibility of a Lot Owner who has failed to remove said violation or to perform such maintenance or make such repairs (i) after having

given such owner at least ten (10) days prior notice, or (ii) without giving notice in the event of an emergency. Any action brought by the Association hereunder may be brought in its own name, in the name of its Board or in the name of its managing agent. In any case of flagrant or repeated violation by a Lot Owner, he or she may be required by the Association to give sufficient surety or sureties for his or her future compliance with the covenants, conditions and restrictions contained in this Declaration, the Bylaws and the Rules and Regulations.

Section 9.2 Severability. Invalidation of any one of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 9.3 Restrictions Run With Land. The easements or other permanent rights or interests are herein created, the covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Dwelling Unit subject to this Declaration, their respective legal representatives, heirs, successors, and assigns.

Section 9.4 Amendment. Each Association may amend this Declaration for its portion of Galleon Bay Subdivision only at any time hereafter by the affirmative vote and written agreement of a majority its Owners in its Association (To Wit: North Galleon Bay Property Owners Association: for Lots 24 thru 45 and South Galleon Bay Property: for Lots 1 thru 23). Any amendment must be recorded in the Onslow County Register of Deeds.

Section 9.5 Reservation of Special Declarant Rights. Declarant reserves the right to maintain sales and management offices, model units, construction trailers, storage or staging areas, and advertising signs upon Lots or the Common Areas and upon Lots owned by it until the expiration of the Development Period and to exercise all other "Special Declarant Rights" as defined in the Planned Community Act. Without limiting the foregoing, and notwithstanding anything herein to the contrary, during the Development Period, Declarant shall have the right to annex additional Lots or Common Areas into the Subdivision by filing a supplement to this Declaration in the Onslow Public Registry together with an amendment to the Plat (if applicable). Such additional Lots or Common Areas need not be contiguous to the Property. Declarant shall have the right to assign all or a portion of any rights or easements reserved herein by a written assignment thereof, recorded in the Onslow Public Registry.

Section 9.6 Management and Service Contracts. Any agreement for the professional management of the Subdivision of the Common Areas may not exceed three (3) years and shall provide for termination by either party without cause and without payment of a termination fee upon reasonable notice.

Section 9.7 Binding Determination. In the event of any dispute or disagreement with or between any Owner(s) relating to, or of any other disputes, disagreements or questions regarding, the interpretation or application of the provisions of this Declaration or the Articles or Bylaws of each Association, the determination thereof by the Board of Directors of each Association (independent of the other) shall be final and binding on each and all such Owners.

Section 9.8 Captions and Titles. All captions, titles or headings in this Declaration are for the purpose of reference and convenience only and are not deemed to limit, modify or otherwise affect any of the provisions hereof, or to be used in determining the intent or context thereof.

Section 9.9 Notices. Except as otherwise provided in this Declaration, any notice to any Owner under this Declaration shall be in writing, shall be effective on the earlier of (i) the date when received by such Owner, or (ii) the date which is three days after mailing (postage prepaid) to the last address of such Owner set forth in the books of the Association. The address of an Owner shall be at his Lot (or any of them if more than one) unless otherwise specified in writing to the Association. The Articles and Bylaws shall specify the permissible manner of giving notice for voting and all other Association matters for which the manner of giving notice is not prescribed in this Declaration.

Section 9.10 Governing Law. This Declaration shall be deemed to be made under, and shall be construed in accordance with and shall be governed by, the laws of the State of North Carolina, and suit to enforce any provision hereof or to obtain any remedy with respect hereto shall be brought in state court in Onslow County, and for this purpose each Owner by becoming such hereby expressly and irrevocably consents to the jurisdiction of said court.

ARTICLE X

MORTGAGEE'S RIGHTS

Section 10.1 Notice of Rights of Mortgagee of a Lot. As used herein, the term "Mortgagee" shall mean the holder of a first lien mortgage or deed of trust on a Lot who provides notice to the Association with its name and address with a request to receive any notices and other rights provided to "Mortgagees" under this Article. A Mortgagee of a Lot shall be entitled to receive written notification of any default, not cured within sixty (60) days after its occurrence, by the Owner of the Lot with respect to any obligation of the Owner under the Declaration, the Bylaws of the Association or the Articles of Incorporation of the Association. Any Mortgagee of a Lot can make the request for notification. The notification shall be sent not later than the 65th day after the occurrence of an uncured Default.

Section 10.2 Rights of First Refusal. Any right of first refusal now or hereafter contained in this Declaration or any amendment or modification hereto or otherwise arising in favor of the Association or certain Owners shall not apply to or preclude or impair in any way the right of the first Mortgagee to (i) foreclose or take title to the Lot pursuant to the remedies provided in its mortgage; (ii) accept a deed or assignment in lieu of foreclosure in the event of a default under the Mortgage; or (iii) sell or lease a Lot and Dwelling Unit acquired by the Mortgagee.

Section 10.3 Right to Examine Books and Records. Mortgagees, their successors or assigns, shall have the right to examine the books and records of the Association.

Section 10.4 Insurance Proceeds and Condemnation Awards. No provision of this Declaration or any other document or instrument affecting the title to the Property, Common Areas, any Lot or the organization or operation of the Association shall give an Owner or any other party priority over any rights of first mortgagees of Lots within the Subdivision pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of Common Areas.

This the ___ day of May, 2005.

Owner of Lot 1: _____ (SEAL)
Frank Thomas Patz

Owner of Lots 2 & 37: ✓ Thomas C. Zak (SEAL)
Thomas C. Zak

Owner of Lot 2 & 37: ✓ Helen Zak (SEAL)
Helen Zak

ENDODENT RESOURCE MANAGEMENT, LTD.,
a North Carolina Limited Partnership

Owners of Lots 3 & 3A: _____ (SEAL)
By: General Partner

Owners of Lot 4: _____ (SEAL)
Henry B. Britt

Alice W. Britt (SEAL)

Owner of Lot 5: _____ (SEAL)
Victor James Schlotterer, Jr.

Owners of Lot 6: _____ (SEAL)
Henry P. Gilbert

Anita Gilbert (SEAL)

John Ligotino (SEAL)

Section 10.3 Right to Examine Books and Records. Mortgagees, their successors or assigns, shall have the right to examine the books and records of the Association.

Section 10.4 Insurance Proceeds and Condemnation Awards. No provision of this Declaration or any other document or instrument affecting the title to the Property, Common Areas, any Lot or the organization or operation of the Association shall give an Owner or any other party priority over any rights of first mortgagees of Lots within the Subdivision pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of Common Areas.

This the ____ day of May, 2005.

Owner of Lot 1: _____ (SEAL)
Frank Thomas Patz

Owner of Lots 2 & 37: _____ (SEAL)
Thomas C. Zak

Owner of Lot 2 & 37: _____ (SEAL)
Helen Zak

ENDODENT RESOURCE MANAGEMENT, LTD.,
a North Carolina Limited Partnership

Owners of Lots 3 & 3A: _____ (SEAL)
By: General Partner

Owners of Lot 4: _____ (SEAL)
Henry B. Britt

Alice W. Britt (SEAL)

Owner of Lot 5: _____ (SEAL)
Victor James Schlotterer, Jr.

Owners of Lot 6: _____ (SEAL)
Henry P. Gilbert

Anita Gilbert (SEAL)

John Ligotino (SEAL)

Kim Ligotino (SEAL)

Owner of Lot 7: _____ (SEAL)
John E. Nilson

Owners of Lot 8: _____ (SEAL)
F. Thomas Dale

Edith Dale (SEAL)

Owner of Lots 9 & 45: ✓ *Bradford A. Koury* _____ (SEAL)
Bradford A. Koury

Owner of Lot 10: *Marie Porter Koury* _____ (SEAL)
Marie Porter Koury

Owners of Lot 11: _____ (SEAL)
Alva Rozier

Adelaide T. Rozier (SEAL)

Owners of Lot 12: _____ (SEAL)
Peter C. Remsen

Joyce J. Remsen (SEAL)

Owner of Lot 13: _____ (SEAL)
Ernie A. Koury

Owners of Lot 14: _____ (SEAL)
Richard L. McInnis

Michael E. McInnis (SEAL)

Owners of Lot 15: _____ (SEAL)
Madison Bunting, Jr.

Kim Ligotino (SEAL)

Owner of Lot 7: _____ (SEAL)
John E. Nilson

Owners of Lot 8: _____ (SEAL)
F. Thomas Dale

Edith Dale (SEAL)

Owner of Lots 9 & 45: _____ (SEAL)
Bradford A. Koury

Owner of Lot 10: _____ (SEAL)
Marie Porter Koury

Owners of Lot 11: _____ (SEAL)
Alva Rozier

Adelaide T. Rozier (SEAL)

Owners of Lot 12: _____ (SEAL)
Peter C. Remsen

Joyce J. Remsen (SEAL)

Owner of Lot 13: _____ (SEAL)
Ernie A. Koury

Owners of Lot 14: _____ (SEAL)
Richard L. McInnis
Richard L. McInnis

Michael E. McInnis
Michael E. McInnis (SEAL)

Owners of Lot 15: _____ (SEAL)
Madison Bunting, Jr.

910 328 1893

Barbara C. Devictor

Owners of Lot 17:

✓ Billy M. Sandlin (SEAL)
Billy M. Sandlin

Betty J. Sandlin (SEAL)
Betty J. Sandlin

Owners of Lot 18:

John R. Pruitt, Jr. (SEAL)
John R. Pruitt, Jr.

Debra B. Pruitt (SEAL)
Debra B. Pruitt

Owner of Lot 19:

Nathan McDaniel (SEAL)
Nathan McDaniel

Owners of Lot 20:

Stephen E. Williams (SEAL)
Stephen E. Williams

Cynthia A. Williams (SEAL)
Cynthia A. Williams

GTD ASSOCIATES, LLC

Owners of Lot 21:

By: Member (SEAL)
By: Member

Owners of Lot 22:

Weston B. Cox (SEAL)
Weston B. Cox

Shelby Cox (SEAL)
Shelby Cox

Owners of Lot 23:

Thomas C. Howard (SEAL)
Thomas C. Howard

Jane H. Howard (SEAL)
Jane H. Howard

Elisabeth Bunting (SEAL)

Owners of Lot 16: _____ (SEAL)
Richard P. Devictor

Barbara C. Devictor (SEAL)

GTD ASSOCIATES, LLC

Owners of Lot 17, 20: _____ (SEAL)
& 21 By: Member

Owners of Lot 18: _____ (SEAL)
John R. Pruitt, Jr.

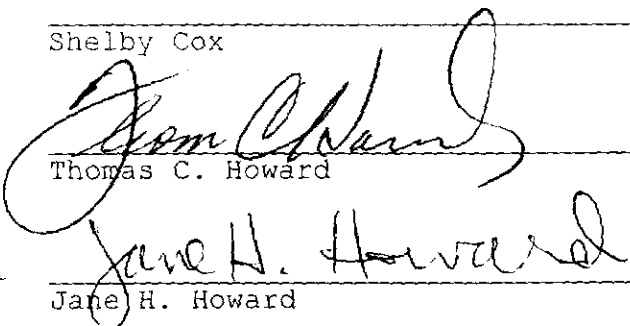
Debra B. Pruitt (SEAL)

Owner of Lot 19: _____ (SEAL)
Nathan McDaniel

Owners of Lot 22: _____ (SEAL)
Weston B. Cox

Shelby Cox (SEAL)

Owners of Lot 23: _____ (SEAL)
Thomas C. Howard



Jane H. Howard (SEAL)

STANCIL BUILDERS, INC.

Owners of Lots 24, 25 & _____ (SEAL)
36: By:  President

Owners of Lot 26: _____ (SEAL)
Jeffrey J. Truitt

Elisabeth Bunting (SEAL)

Owners of Lot 16: _____ (SEAL)
Richard P. Devictor

Barbara C. Devictor (SEAL)

GTD ASSOCIATES, LLC

Owners of Lot 17, 20:
& 21 _____ (SEAL)
By: Member

Owners of Lot 18: _____ (SEAL)
John R. Pruitt, Jr.

Debra B. Pruitt (SEAL)

Owner of Lot 19: _____ (SEAL)
Nathan McDaniel

Owners of Lot 22: _____ (SEAL)
Weston B. Cox

Shelby Cox (SEAL)

Owners of Lot 23: _____ (SEAL)
Thomas C. Howard

Jane H. Howard (SEAL)

STANCIL BUILDERS, INC.

Owners of Lots 24, 25 & ✓
36: _____ (SEAL)
By:  President

Owners of Lot 26: _____ (SEAL)
Jeffrey J. Truitt

Elisabeth Bunting (SEAL)

Owners of Lot 16: _____ (SEAL)
Richard P. Devictor

Barbara C. Devictor (SEAL)

GTD ASSOCIATES, LLC

Owners of Lot 17, 20:
& 21 _____ (SEAL)
By: Member

Owners of Lot 18: _____ (SEAL)
John R. Pruitt, Jr.

Debra B. Pruitt (SEAL)

Owner of Lot 19: _____ (SEAL)
Nathan McDaniel

Owners of Lot 22: _____ (SEAL)
Weston B. Cox

Shelby Cox (SEAL)

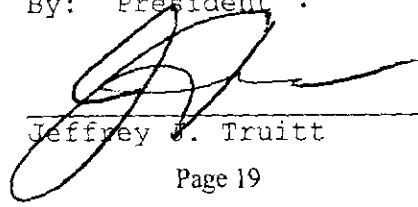
Owners of Lot 23: _____ (SEAL)
Thomas C. Howard

Jane H. Howard (SEAL)

STANCIL BUILDERS, INC.

Owners of Lots 24, 25 &
36: _____ (SEAL)
By: President .

Owners of Lot 26: ✓ _____ (SEAL)
Jeffrey J. Truitt



Catherine L. Truitt (SEAL)
Catherine L. Truitt

Owners of Lot 27: _____ (SEAL)
Charles R. Peele

Krystalene S. Peele (SEAL)

Owners of Lot 28: ✓ Walter V. Truitt, Jr. (SEAL)
Walter V. Truitt, Jr.

✓ Cathy E. Truitt (SEAL)
Cathy E. Truitt

Owners of Lot 29: _____ (SEAL)
Glen Witzenburg

Pamela Witzenburg (SEAL)

Owner of Lot 30: _____ (SEAL)
Judy L. Padgett

Owners of Lot 31: _____ (SEAL)
Charles W. Knott

Ruth Knott (SEAL)

Owners of Lot 32: _____ (SEAL)
Robert C. Naylor

Lynda W. Naylor (SEAL)

Owners of Lot 33 & 34: _____ (SEAL)
Larry C. Core

Donalee B. Core (SEAL)

Catherine L. Truitt (SEAL)

Owners of Lot 27: _____ (SEAL)
Charles R. Peele

Krystalene S. Peele (SEAL)

Owners of Lot 28: _____ (SEAL)
Walter V. Truitt, Jr.

Cathy E. Truitt (SEAL)

Owners of Lot 29: _____ (SEAL)
Glen Witzenburg

Pamela Witzenburg (SEAL)

Owner of Lot 30: _____ (SEAL)
Judy L. Padgett

Owners of Lot 31: _____ (SEAL)
Charles W. Knott

Ruth Knott (SEAL)

Owners of Lot 32: _____ (SEAL)
Robert C. Naylor

Lynda W. Naylor (SEAL)

Owners of Lot 33 & 34: ✓ *Larry C. Core* _____ (SEAL)
Larry C. Core

✓ *Donalee B. Core* _____ (SEAL)
Donalee B. Core

Owners of Lot 35:

Freddie L. Stancil (SEAL)
Freddie L. Stancil

✓ Kathy Stancil (SEAL)
Kathy Stancil

Owners of Lot 38 & 40:

_____ (SEAL)
Ernie A. Koury, Jr.

POLLARD INVESTMENT, INC.

Owners of Lot 39:

_____ (SEAL)
By: President

Owners of Lot 41:

_____ (SEAL)
Willis H. Gregory

_____ (SEAL)
Rita B. Gregory

Owners of Lot 42:

_____ (SEAL)
Jo Anne Martin

_____ (SEAL)
Edward L. Martin, Jr.

Owners of Lot 43:

_____ (SEAL)
Fred J. Burns

_____ (SEAL)
Sylvia Burns

Owners of Lot 44:

_____ (SEAL)
Willis E. Martin

Owners of Lot 35: _____ (SEAL)
Freddie L. Stancil

Kathy Stancil (SEAL)

Owners of Lot 38 & 40: ✓ _____ (SEAL)
Ernie A. Kouby, Jr.

POLLARD INVESTMENT, INC.

Owners of Lot 39: _____ (SEAL)
By: President

Owners of Lot 41: _____ (SEAL)
Willis H. Gregory

Rita B. Gregory (SEAL)

Owners of Lot 42: _____ (SEAL)
Jo Anne Martin

Edward L. Martin, Jr. (SEAL)

Owners of Lot 43: _____ (SEAL)
Fred J. Burns

Sylvia Burns (SEAL)

Owners of Lot 44: _____ (SEAL)
Willis E. Martin

Owners of Lot 35: _____ (SEAL)
Freddie L. Stancil

Kathy Stancil

Owners of Lot 38 & 40: _____ (SEAL)
Ernie A. Koury, Jr.

POLLARD INVESTMENT, INC.

Owners of Lot 39: _____ (SEAL)
By: President

Owners of Lot 41: *Willis H. Gregory* _____ (SEAL)
Willis H. Gregory

Rita B. Gregory _____ (SEAL)
Rita B. Gregory

Owners of Lot 42: _____ (SEAL)
Jo Anne Martin

Edward L. Martin, Jr.

Owners of Lot 43: _____ (SEAL)
Fred J. Burns

Sylvia Burns

Owners of Lot 44: _____ (SEAL)
Willis E. Martin

Owners of Lot 35: _____ (SEAL)
Freddie L. Stancil

Kathy Stancil

Owners of Lot 38 & 40: _____ (SEAL)
Ernie A. Koury, Jr.

POLLARD INVESTMENT, INC.

Owners of Lot 39: _____ (SEAL)
By: President

Owners of Lot 41: _____ (SEAL)
Willis H. Gregory

Rita B. Gregory

Owners of Lot 42: ✓ Jo Anne Martin _____ (SEAL)
Jo Anne Martin

✓ Edward L. Martin, Jr. _____ (SEAL)
Edward L. Martin, Jr.

Owners of Lot 43: _____ (SEAL)
Fred J. Burns

Sylvia Burns

Owners of Lot 44: _____ (SEAL)
Willis E. Martin

Owners of Lot 35: _____ (SEAL)
Freddie L. Stancil

Kathy Stancil (SEAL)

Owners of Lot 38 & 40: _____ (SEAL)
Ernie A. Koury, Jr.

POLLARD INVESTMENT, INC.

Owners of Lot 39: _____ (SEAL)
By: President

Owners of Lot 41: _____ (SEAL)
Willis H. Gregory


Rita B. Gregory (SEAL)

Owners of Lot 42: _____ (SEAL)
Jo Anne Martin

Edward L. Martin, Jr. (SEAL)

Owners of Lot 43: _____ (SEAL)
Fred J. Burns

Sylvia Burns (SEAL)

Owners of Lot 44: ✓  _____ (SEAL)
Willis E. Martin

Owners of Lot 43:

Fred J. Burns (SEAL)
Fred J. Burns

Sylvia Burns (SEAL)
Sylvia Burns

Owners of Lot 44:

Willis E. Martin (SEAL)

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **FRANK THOMAS PATZ**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the ____ day of _____, 2005.

Notary Public

My Commission Expires:

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **THOMAS C. ZAK**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the ____ day of _____, 2005.

Notary Public

My Commission Expires:

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **FRANK THOMAS PATZ**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the _____ day of _____, 2005.

Notary Public

My Commission Expires:

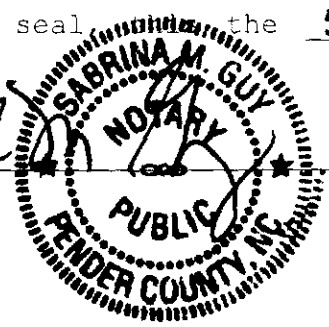
STATE OF NORTH CAROLINA
COUNTY OF PENDER

I, SABRINA M. GUY, a Notary Public in and for said County and State, do hereby certify that **THOMAS C. ZAK**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 5 day of July, 2005.

Notary Public

My Commission Expires:
8/25/09



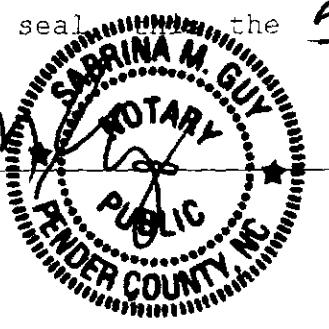
STATE OF NORTH CAROLINA
COUNTY OF PENDER

I, SABRINA M. GUY, a Notary Public in and for said County and State, do hereby certify that **HELEN ZAK**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 5 day of July, 2005.

Notary Public

My Commission Expires:
8/25/09



STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **F. THOMAS DALE**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the _____ day of _____, 2005.

Notary Public

My Commission Expires:

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **EDITH DALE**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the _____ day of _____, 2005.

Notary Public

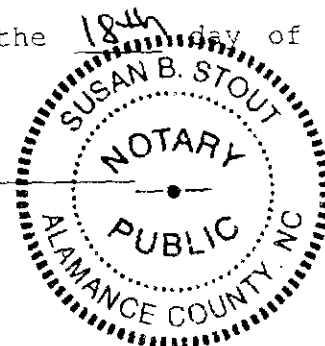
My Commission Expires:

STATE OF NORTH CAROLINA
COUNTY OF Alamance

I, Susan B. Stout, a Notary Public in and for said County and State, do hereby certify that **BRADFORD A. KOURY**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 18th day of July, 2005.

Susan B. Stout
Notary Public



My Commission Expires:

8-10-2009

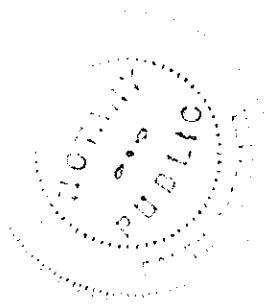
STATE OF ^{South} NORTH CAROLINA
COUNTY OF Lexington

I, Fred J Burns, a Notary Public in and for said County and State, do hereby certify that ~~MARIE KOURY PORTER~~ ^{Marie Koury}, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 1st day of July, 2006

Fred J Burns
Notary Public

My Commission Expires:
9-11-2006



STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **ALVA ROZIER**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the _____ day of _____, 2005.

Notary Public

My Commission Expires:

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **ADELAIDE T. ROZIER**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the _____ day of _____, 2005.

Notary Public

My Commission Expires:

STATE OF NORTH CAROLINA
COUNTY OF Onslow

*RM
GSP*

Joanne S Parker

I, ~~Richard L. McInnis~~, a Notary Public in and for said County and State, do hereby certify that **RICHARD L. MCINNIS**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 16 day of June, 2005.

JOANNE S. PARKER
NOTARY PUBLIC
ONSLow COUNTY, NC

MY COMMISSION EXPIRES APRIL 4, 2008

My Commission Expires:

Joanne S Parker
Notary Public

April 4, 2008
STATE OF NORTH CAROLINA
COUNTY OF Onslow

I, *Joanne S Parker*, a Notary Public in and for said County and State, do hereby certify that **MICHAEL E. MCINNIS**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 16 day of June, 2005.

JOANNE S. PARKER
NOTARY PUBLIC
ONSLow COUNTY, NC

MY COMMISSION EXPIRES APRIL 4, 2008

My Commission Expires:

Joanne S Parker
Notary Public

April 4, 2008

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **MADISON BUNTING, JR.**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the _____ day of _____, 2005.

Notary Public

My Commission Expires:

Addendum to Modification and Waiver
Restrictive Covenants

Betty J. S. Sandlin (Seal)

STATE OF ^{South} NORTH CAROLINA
COUNTY OF Lexington

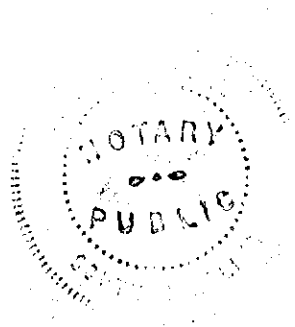
I, a Notary Public of the County and State aforesaid, certify that **Betty J. S. Sandlin** personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and notarial stamp or seal this 1 day of July, 2006.

(Seal/Stamp)

And J. Burns
Notary Public

My commission expires: 9-11-2006



STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **RICHARD P. DEVICTOR**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the ____ day of _____, 2005.

Notary Public

My Commission Expires:

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **BARBARA C. DEVICTOR**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the ____ day of _____, 2005.

Notary Public

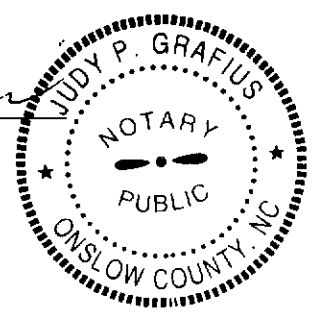
My Commission Expires:

STATE OF NORTH CAROLINA
COUNTY OF Onslow

I, Judy P. Grafius, a Notary Public in and for said County and State, do hereby certify that **BILLY M. SANDLIN**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 25 day of April, 2005.

Judy P. Grafius
Notary Public



My Commission Expires:
7.22.06

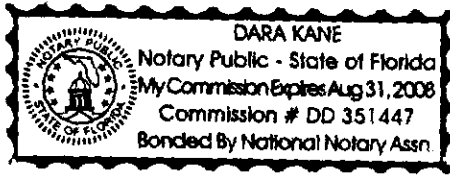
Florida
STATE OF ~~NORTH CAROLINA~~
COUNTY OF *PALM BEACH*

I, *Dara Kane*, a Notary Public in and for said County and State, do hereby certify that **THOMAS C. HOWARD**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the *15* day of *June*, 2005.

Dara Kane
Notary Public

My Commission Expires:
8/31/08



FLORIDA
STATE OF ~~NORTH CAROLINA~~
COUNTY OF *PALM BEACH*

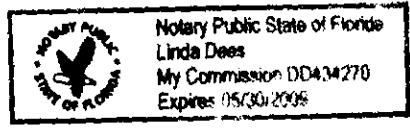
I, *Linda Dees*, a Notary Public in and for said County and State, do hereby certify that **JANE H. HOWARD**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the *13th* day of *January*, 2005.

Linda Dees
Notary Public

My Commission Expires:

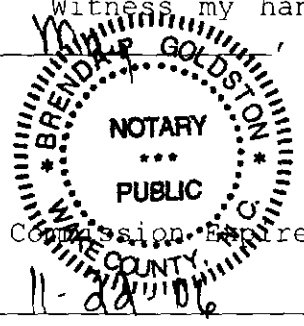
(personally known)



STATE OF NORTH CAROLINA
COUNTY OF ~~HARNETT~~ Wake

I, Brenda P. Goldston, a Notary Public in and for said County and State, do hereby certify that on the 24 day of May, 2005, before me personally came Freddie L. Stancil, with whom I am personally acquainted, who, being by me duly sworn, says that he is the President of **STANCIL BUILDERS, INC.**, the corporation described herein and which executed the foregoing instrument; and that the name of the corporation was subscribed thereto by said President, and that said President subscribed its names thereto, all by order of the Board of Directors of said corporation; and that said instrument is the act and deed of said corporation.

Witness my hand and official stamp or seal, this the 24 day of _____, 2005.



Brenda P. Goldston
Notary Public

My Commission Expires:
11-22-06

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **JEFFREY J. TRUITT**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the ____ day of _____, 2005.

Notary Public

My Commission Expires:

STATE OF NORTH CAROLINA
COUNTY OF HARNETT

I, _____, a Notary Public in and for said County and State, do hereby certify that on the _____ day of _____, 2005, before me personally came _____, with whom I am personally acquainted, who, being by me duly sworn, says that _____ is the President of **STANCIL BUILDERS, INC.**, the corporation described herein and which executed the foregoing instrument; and that the name of the corporation was subscribed thereto by said President, and that said President subscribed its names thereto, all by order of the Board of Directors of said corporation; and that said instrument is the act and deed of said corporation.

Witness my hand and official stamp or seal, this the _____ day of _____, 2005.

Notary Public

My Commission Expires:

**WITH THE ARMED FORCES)
OF THE UNITED STATES OF AMERICA)
AT LONDON, UNITED KINGDOM)**

STATE OF NORTH CAROLINA
COUNTY OF _____

I, PAMELA J. BINGNER, a Notary Public in and for said County and State, do hereby certify that **JEFFREY J. TRUITT**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 27th day of June, 2005.

Pamela J. Bingner
Notary Public 28

My Commission Expires:

06/29/08

Pamela J. Bingner
U.S. Navy. LN 2
Fed Auth: 10 USC 1044a
My Enlistment Expires: 29 Jun 08

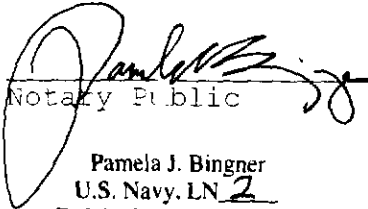
WITH THE ARMED FORCES)
OF THE UNITED STATES OF AMERICA)
AT LONDON, UNITED KINGDOM)

STATE OF NORTH CAROLINA
COUNTY OF _____

I, Ln2 P. J. Bingner, a Notary Public in and for said County and State, do hereby certify that **CATHERINE L. TRUITT**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 25th day of July, 2005.

enlistment
My Commission Expires:
06/29/08



Notary Public
Pamela J. Bingner
U.S. Navy. LN 2
Fed Auth: 10 USC 1044a
My Enlistment Expires: 29Jun08

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **CHARLES R. PEELE**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the _____ day of _____, 2005.

My Commission Expires:

Notary Public

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **KRYSTALENE S. PEELE**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the _____ day of _____, 2005.

My Commission Expires:

Notary Public

STATE OF NORTH CAROLINA
COUNTY OF Harnett

I, Judith P. Cowart, a Notary Public in and for said County and State, do hereby certify that **WALTER V. TRUITT, JR.**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 20th day of May, 2005.

Judith P. Cowart
Notary Public

My Commission Expires:

9-13-2009



STATE OF NORTH CAROLINA
COUNTY OF Harnett

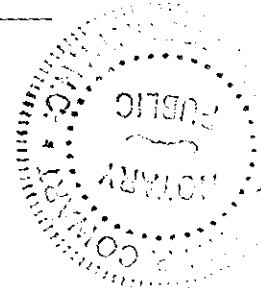
I, Judith P. Cowart, a Notary Public in and for said County and State, do hereby certify that **CATHY E. TRUITT**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 20th day of May, 2005.

Judith P. Cowart
Notary Public

My Commission Expires:

9-13-2009



STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **GLEN WITZENBURG**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the _____ day of _____, 2005.

Notary Public

My Commission Expires:

STATE OF NORTH CAROLINA
COUNTY OF ONSLAW

I, Debbie G. Powell, a Notary Public in and for said County and State, do hereby certify that LARRY G. CORE, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 3 day of June, 2005.

Debbie G. Powell
Notary Public

My Commission Expires:

03/02/2009

STATE OF NORTH CAROLINA
COUNTY OF Onslow

I, Debbie G. Powell, a Notary Public in and for said County and State, do hereby certify that DONALEE E. CORE, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 3 day of June, 2005.

Debbie G. Powell
Notary Public

My Commission Expires:

03/02/2009

STATE OF ~~NORTH~~ ^{South} CAROLINA
COUNTY OF Lexington

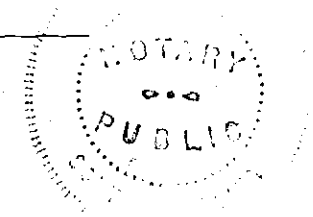
I, Fred J. Burns, a Notary Public in and for said County and State, do hereby certify that FREDDIE L. STANCIL, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 28 day of July, 2006.

Fred J. Burns
Notary Public

My Commission Expires:

9-11-2006

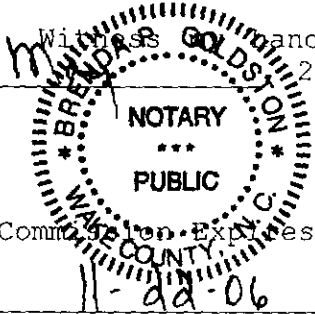


STATE OF NORTH CAROLINA

COUNTY OF Wake

I, Brenda P. Goldston, a Notary Public in and for said County and State, do hereby certify that **KATHY STANCIL**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 14 day of _____, 2005.



Brenda P. Goldston
Notary Public

My Commission Expires:
11-22-06

STATE OF NORTH CAROLINA
COUNTY OF HARNETT

I, _____, a Notary Public in and for said County and State, do hereby certify that on the _____ day of _____, 2005, before me personally came _____, with whom I am personally acquainted, who, being by me duly sworn, says that _____ is the President of **POLLARD INVESTMENT, INC.** the corporation described herein and which executed the foregoing instrument; and that the name of the corporation was subscribed thereto by said President, and that said President subscribed its names thereto, all by order of the Board of Directors of said corporation; and that said instrument is the act and deed of said corporation.

Witness my hand and official stamp or seal, this the _____ day of _____, 2005.

Notary Public

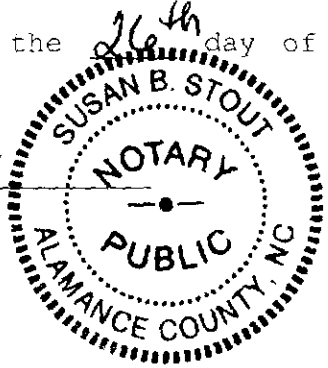
My Commission Expires:

STATE OF NORTH CAROLINA
COUNTY OF Alamance

I, Ernie Koury Susan Stout, a Notary Public in and for said County and State, do hereby certify that **ERNIE A. KOURY, JR.**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 26th day of May, 2005.

Susan B. Stout
Notary Public



My Commission Expires:
8-10-2009

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **WILLIS H. GREGORY**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the _____ day of _____, 2005.

Notary Public

My Commission Expires:

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **RITA B. GREGORY**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the _____ day of _____, 2005.

Notary Public

My Commission Expires:

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **ERNIE A. KOURY, JR.**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the _____ day of _____, 2005.

Notary Public

My Commission Expires:

STATE OF ^{South} NORTH CAROLINA
COUNTY OF Lexington

I, Fred J. Burns, a Notary Public in and for said County and State, do hereby certify that **WILLIS H. GREGORY**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed. Willis H. Gregory

Witness my hand and official stamp or seal, this the 28 day of may, 2005.

Fred J. Burns
Notary Public

My Commission Expires:

Sept 11, 2006



STATE OF ^{South} NORTH CAROLINA
COUNTY OF Lexington

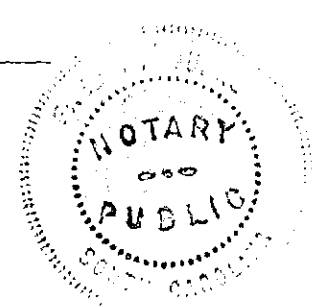
I, Fred J. Burns, a Notary Public in and for said County and State, do hereby certify that **RITA B. GREGORY**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed. Rita B. Gregory

Witness my hand and official stamp or seal, this the 28 day of may, 2005.

Fred J. Burns
Notary Public

My Commission Expires:

Sept. 11, 2005



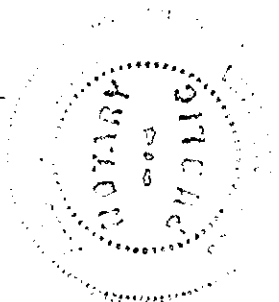
STATE OF ^{South} NORTH CAROLINA
COUNTY OF Lexington

Jo Anne Martin

I, Fred J. Burns, a Notary Public in and for said County and State, do hereby certify that **JO ANNE MARTIN**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 21 day of May, 2005.

Fred J. Burns
Notary Public



My Commission Expires:

Sept. 11, 2006

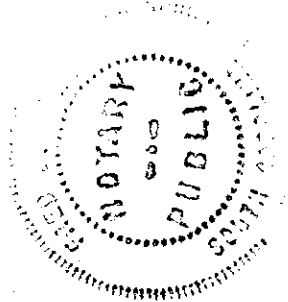
STATE OF ^{South} NORTH CAROLINA
COUNTY OF Lexington

Edward L. Martin, Jr.

I, Fred J. Burns, a Notary Public in and for said County and State, do hereby certify that **EDWARD L. MARTIN, JR.** personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 21 day of May, 2005.

Fred J. Burns
Notary Public



My Commission Expires:

Sept. 11, 2006

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **FRED J. BURNS**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the _____ day of _____, 2005.

Notary Public

My Commission Expires:

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **SYLVIA BURNS**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the _____ day of _____, 2005.

Notary Public

My Commission Expires:

~~STATE OF NORTH CAROLINA~~
COUNTY OF South Carolina
Lexington

I, Fred J. Burns, a Notary Public in and for said County and State, do hereby certify that **WILLIS E. MARTIN**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed. *Willis E. Martin*

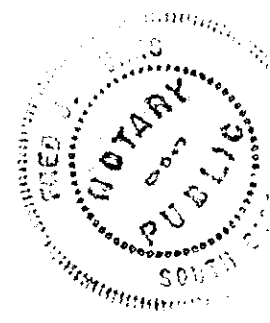
Witness my hand and official stamp or seal, this the 21 day of May, 2005.

Fred J. Burns

Notary Public

My Commission Expires:

Sept. 11, 2006



STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and for said County and State, do hereby certify that **EDWARD L. MARTIN, JR.** personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the _____ day of _____, 2005.

Notary Public

My Commission Expires:

STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

Fred J Burns

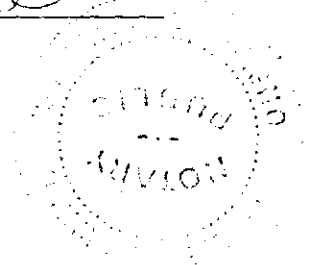
I, Debbie G. Powell, a Notary Public in and for said County and State, do hereby certify that **FRED J. BURNS**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 5 day of May, 2005.

Debbie G. Powell
Notary Public

My Commission Expires:

03/02/2009



STATE OF NORTH CAROLINA
COUNTY OF Onslow

Sylvia Burns

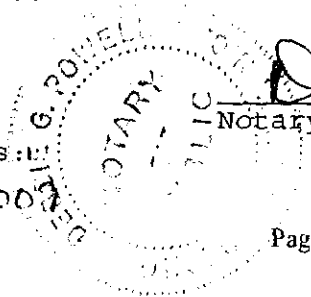
I, Debbie G. Powell, a Notary Public in and for said County and State, do hereby certify that **SYLVIA BURNS**, personally appeared before me this date and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and official stamp or seal, this the 5 day of May, 2005.

Debbie G. Powell
Notary Public

My Commission Expires:

03/02/2009



TO
GALLEON EAY

8-28-73

DECLARATION OF COVENANTS

NORTH CAROLINA, ONSLOW COUNTY:

THIS DECLARATION: Made this the 20th day of February, 1970, by Keyway Associates, Inc. a corporation organized and existing under the laws of the State of North Carolina, with its principal place of business in Onslow County, North Carolina, hereinafter called the "Declarant".

WITNESSETH, that whereas the Declarant is the owner of the real property described in Article I of this Declaration and is desirous of subjecting said real property to the protective covenants hereinafter set forth, each and all of which is and are for the benefit of such property and for the owners thereof, and shall inure to the benefit of and pass and run with said property, and each and every lot or parcel thereof and shall apply to and bind the successors in interest and any owner thereof;

NOW, THEREFORE, the Declarant hereby declares that the real property described in and referred to in Article I herein is and shall be held, transferred, sold and conveyed subject to the restrictive and protective covenants set forth below.

ARTICLE I.

The real property which is, and shall be held, transferred, sold and conveyed subject to the protective covenants set forth in this declaration is located in Stump Bound Township, Onslow County, North Carolina, and is more particularly described as as follows:

Being all of Lots 1 through 43 as shown on a map entitled "Galleon Bay" prepared by Tidewater Associates, Inc., Engineers, and recorded in Map Book 11, Page 72, Onslow County Registry.

ARTICLE II.
LAND USE

No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single family dwelling and a private boathouse.

ARTICLE III.
SIZE AND DESIGN REQUIREMENTS

No residential structure shall be erected, approved as hereinafter set forth or maintained which shall have less than twelve hundred (1,200) square feet of enclosed living area, exclusive of porches, steps, decks and other similar outside additions.

No building, structure or other improvement of any kind or nature whatsoever shall be placed upon or erected upon any part of the property hereinbefore described until the plans and specifications therefor have been approved by the Board of Directors of Keyway Associates, Inc., or its duly authorized agent and failure to disapprove within thirty (30) days after being submitted by Registered Mail shall constitute approval.

ARTICLE IV.
BUILDING LOCATION

No dwelling shall be erected or located on any lot nearer than twenty (20) feet to any street right-of-way or highway right-of-way or nearer than ten (10) feet to any lot sideline and in each instance, for the purpose of this Covenant, eaves, steps and open porches shall be considered a part of a building, provided, however, that this shall not be construed to permit any portion of any building on any lot to encroach upon another lot. Overhang of roofs, porches, steps, chimneys and like additions may with special variance permission previously obtained from Keyway Associates, Inc., or its duly authorized agent, encroach upon the said set-back line but in no event shall such encroachment exceed ten per cent (10%) of the set-back line distance.

ARTICLE V.
LOT AREA

No residence or dwelling shall be erected or placed on any lot having an area of less than twelve thousand (12,000) square feet in such lot.

ARTICLE VI.
EASEMENTS

Easements for grading of roads and streets are reserved as shown on the said recorded plat.

NUISANCES

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood.

ARTICLE VIII.
TEMPORARY STRUCTURES

No Structure of a temporary character, trailer, basement, tent, shack, garage, barn or other out building of any type shall be used on any lot at any time as a residence either temporarily or permanently. Nor shall any mobile home be so used.

ARTICLE IX.
SEWAGE DISPOSAL

Until such time as a municipal-type sewage facility is available to the lots herein-before described, sewage disposal shall be by septic tank only and in full keeping and compliance with the standards, rules and regulations of the North Carolina State Board of Health.

ARTICLE X.
CANALS

Easements for canals are reserved as shown upon the said recorded plat and each lot owner shall maintain such owners part of the canal as the same fronts or is a part of his lot in such manner as the same shall remain free for navigation thereof. He shall be responsible on a pro rata basis for dredging, dragline operations or any other method of keeping the canals navigable except and unless he shall have installed permanent bulk-heading across the portion of his lot that is on the canal in which event he shall not be so responsible so long as the same shall remain a proper state of repair.

ARTICLE XI.
CANAL NAVIGATION

Boats shall not be moored permanently or temporarily in canals nor shall any structure be erected that protrudes into the canal more than two (2) feet from the survey sidelines of the canal nor shall any other matter or thing be placed in the canal which would interfere with navigation for the full width of the canal. No fishing nets, traps, or other objects of any kind or nature (the same not being limited by any specification herein) shall be placed in or allowed to remain in any canal or any thing else done which would interfere with the free navigation through the water of the canal.

ARTICLE XII.
LIVESTOCK AND POULTRY

No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purposes. Any such dog, cat or other household pet so kept shall be confined to the premises of the owner by means of a fence, pen or other securing device.

ARTICLE XIII.

These Covenants are to run with the land, and shall be binding on all parties and all persons claiming under them, for a period of twenty (20) years from the date these Covenants are recorded, after which time said Covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument is signed by a majority of the then owners of the lots has been recorded, agreeing to change said Covenants in whole or in part.

ARTICLE XIV.
ENFORCEMENT

Enforcement shall be by proceeding at law, or in equity, against any person or persons violating or attempting to violate any covenants, either to restrain violation or to recover damages.

ARTICLE XV.
SEVERABILITY

Invalidation of any one of these Covenants by judgment or Court Order shall in no way affect any of the other provisions which shall remain in full force and effect.

IN TESTIMONY WHEREOF, KEYWAY ASSOCIATES, INC., has caused these presents to be signed in its name by its President and its corporate seal to be hereto affixed, and attested by its Secretary, all by authority of its Board of Directors duly given, the day and year first above written.

KEYWAY ASSOCIATES, INC.
By: Hunter Heath, President (seal)

... the said parties of the first part for themselves, their heirs, assigns, executors and administrators, covenant with said parties of the second part their heirs and assigns, that they are seized of said premises in fee, and have the right to convey the same in fee-simple; that the same are free and clear from all encumbrances, except as hereinbefore set out, and they will warrant and defend the said title to the same against the lawful claims of all persons whomsoever.

TESTIMONY WHEREOF, The said parties of the first part have hereunto set their hands and seal the day and year above written.

STAMPED AND CANCELLED
TWO STAMPS AFFIXED" \$16.50

Richard C. Buell (seal)
Dorothy A. Buell (seal)

NORTH CAROLINA, ONSLOW COUNTY

Shelby T. Lanier a Notary Public in and for the said County and State do hereby certify that Richard C. Buell and Dorothy A. Buell, his wife, personally appeared before me this day and acknowledged the due execution of the foregoing deed of conveyance.

In witness my hand and notarial seal this 24th day of February, 1970.

Shelby T. Lanier, (seal)

My commission expires: 5th day of Nov. 1974
Notary Seal

NORTH CAROLINA, ONSLOW COUNTY

The foregoing certificate of Shelby T. Lanier is certified to be correct. This instrument was presented for registration this day and hour and duly recorded in the office of the Register of Deeds of Onslow County, N. C. in Book 392, Page 231

this 25 day of Feb. 1970. AT 4 O' Clock P.M.

Mildred M. Thomas, Register of Deeds

TRAY ASSOCIATES, INC