

FILED in Pasquotank County, NC
on Oct 17 2003 at 12:48:17 PM
by: Dollie J. Summerour
REGISTER OF DEEDS

BOOK 780 PAGE 452

NORTH CAROLINA
PASQUOTANK COUNTY

SUPPLEMENTAL DECLARATION
of
COVENANTS, CONDITIONS AND RESTRICTIONS
of
QUEENSWOOD SUBDIVISION

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF QUEENSWOOD SUBDIVISION made this 17th day of October, 2003, by **KAR-SAN DEVELOPMENT, LTD.**, a Virginia Corporation, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain properties in Pasquotank County, State of North Carolina, which may be described as follows:

All those certain lots, pieces or parcels of land situate lying and being in Pasquotank County, North Carolina, containing 21.81 acres, more or less, all as shown on that certain plat entitled "Final Plat for Queenswood Subdivision - Phase IV, Mount Hermon Township, Pasquotank County, North Carolina", which said plat is dated August 8, 2003, made by Hyman & Robey, PC, and duly recorded in the Office of the Register of Deeds for the County of Pasquotank, North Carolina in Map Book 33, pages 23 & 24, to which reference is here made for a more particular description.

The Declarant hereby declares that the limitations and restrictions set forth herein shall be binding upon the above-described property;

All those certain provisions and restrictions set forth in that certain "Declaration of Covenants, Conditions and Restrictions of Queenswood Subdivision" (the "Declaration"), dated October 15, 1997 of record in Book 618, Page 50 of the Pasquotank County Public Registry, concerning Queenswood Subdivision, Phase 1, Section 1 are incorporated herein by reference and shall be binding upon the above-described property.

1. The following additional property restrictions shall be binding upon the above-described property.

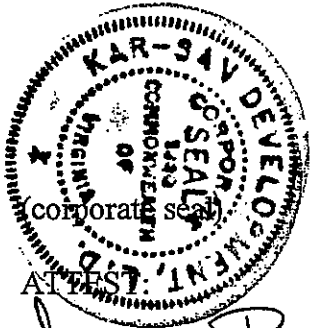
- a) No clotheslines shall be permitted if visible from any road within the properties.
- b) Abandoned, inoperable and/or unlicensed motor vehicles, trailers, boats, campers, and other mobile equipment shall not be stored, located, placed or otherwise kept on any lot, road or other location within the properties.
- c) Vehicles may be parked only in garages or driveways. No vehicles, including, but not limited to, passenger automobiles and trucks may be parked on the streets or any lot other than in the garage or driveway.
- d) Dogs must be restrained on a leash, chain or other mechanism or kept in a fenced area located on or within the Lot owned by the dog owner. Dogs shall not be permitted to roam throughout the subdivision or on any Lots owned by other Lot owners.
- e) All owners of improved property, with the exception of the Declarant during the construction process, shall maintain and keep their Lot(s) in a clean condition, free from any debris and shall keep the grass mowed such that the grass does not exceed (4) inches in height. Owners of vacant lots, with the exception of the Declarant, shall maintain their Lot(s) and shall not allow the grass or any ground cover or brush on the Lot(s) owned by them to exceed one (1) foot in height. In the event Lots (vacant or improved) are not maintained in accordance with the requirements of this restriction, the association may (but shall not have the obligation to) mow and clean the Lot and shall have the right to assess or charge every Lot owner in violation hereof a penalty of \$100.00, plus the costs of mowing in the amount of \$75.00.
- f) No Lot Owner shall maintain or keep more than four (4) automobiles or vehicles on each lot owned by the owner.
- g) No person shall shoot or project any stone, rock, shot, or other hard substance beyond the limits of his/her own property by means of slingshot, bean shooter, air rifle, pop gun, bow, or other similar contrivance within the subdivision.
- h) Discharging of firearms except for the protection of life and property is strictly prohibited throughout the subdivision. No firearm may be discharged, except for the protection of life and property on or within the Lot owned or on the Lots owned by others, including all common areas.
- i) Discharging of explosives including fireworks is strictly prohibited throughout the subdivision. No explosive including fireworks may be discharged on or within the Lot owned or on the Lots owned by others, including all common areas. The only exception to this shall be on the July 4th Holiday. Whereas between the hours of 8:00 p.m. and 10:00 p.m. "legal" fireworks, as determined by the State of North Carolina, may be discharged.
- j) Any Lot Owner of a vacant Lot (other than the Declarant) shall have two (2) years from the date the Lot Owner purchased the Lot(s) to commence construction of a single family residence upon the Lot(s) owned by him. In the event a Lot Owner purchases two (2) or more adjoining Lots, the Lot Owner shall have two (2) years from the date of the last Lot purchase to construct a single family residence on the Lot(s) owned by him.
- k) In the event Lot Owners (vacant and improved) are in violation of any of the covenants, conditions and restrictions of Queenswood Subdivision, the Association may (but shall not

have obligation to) assess or charge every Owner in violation hereof a penalty of \$100.00 for each violation.

- 2. The following additional general provisions shall be binding upon the above-described property.
 - a) All lots shall be crowned such that the minimum grade adjacent to the dwelling is 9.0' and the minimum elevation for the finished floor of the lowest level living area in each dwelling is 10.50'.
 - b) The dwellings on lots 90, 91, 95 and 96 shall face Dutchess Lane.
 - c) The dwellings on lots 81 and 84 shall face Bishop Court.
 - d) The allowable built-upon area per lot is 9,000 square feet and shall be inclusive of that portion of the right-of-way between the front lot line and the edge of the pavement, structures, pavement, walkways of brick, stone, slate, not including wood decking.
 - e) The covenants pertaining to storm water regulations may not be changed or deleted without concurrence of the State.
 - f) Filling in or piping of any vegetative conveyances (ditched, swales, etc.) associated with the development except for average driveway crossings, is strictly prohibited by any persons.
 - g) All new construction of any improvement, including without limitation, residences (with the exception of the Declarant) or fences, shall require the written approval of the Architectural Review Committee prior to the installation of the improvement. The Association may (but shall not have the obligation to) assess or charge every Owner in violation hereof a penalty, not to exceed, \$250.00 for any Lot owner who makes an improvement, including without limitation residences, fences, patios, sheds, etc. without the prior written approval of the Architectural Review Committee.

Except as herein expressly Supplemented, the "Declaration of Covenants, Conditions and Restrictions of Queenswood Subdivision" dated October 15, 1997, together with the said Amendments to the Declaration are herewith ratified and affirmed in every respect as if set forth verbatim herein.

IN WITNESS WHEREOF, THE UNDERSIGNED Declarant, Kar-San Development, Ltd. has caused this instrument to be executed on its behalf as of the date and year first above written.



KAR-SAN DEVELOPMENT, LTD.

By: Chad E. Bud
Vice-President

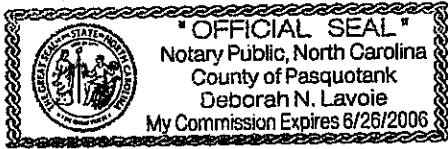
ATTEST:
Susan R. Armstrong
Assistant Secretary

I, Deborah N. Lavoie, a Notary Public of the County/City of Pasquotank and State aforesaid, certify that Susan R. Armstrong personally came before me this day and acknowledged that S he is Assistant Secretary of Kar-San Development, Ltd., a Virginia Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its Vice-President, sealed with its corporate seal and attested by her as its Assistant Secretary.

Witness my hand and official stamp or seal, this 17th day of October, 2003.

Deborah N. Lavoie
Notary Public

My commission expires: 6/26/2006
(AFFIX NOTARY SEAL)



NORTH CAROLINA
PASQUOTANK COUNTY

The foregoing certificate of Deborah N. Lavoie, a Notary Public of Pasquotank County, State of North Carolina, is certified to be correct. This instrument duly filed and recorded in this office at the date and time and in the Book and Page as shown on the first page hereof.

Dollie J. Summerow
Register of Deeds

By: Denise M. Weeks
Deputy

NORTH CAROLINA
PASQUOTANK COUNTY

BOOK 659 PAGE 249

FILED in Pasquotank County, NC
on Oct 12 1999 at 11:06:59 AM
by: Dollie J. Summerour
Register of Deeds

**SUPPLEMENTAL DECLARATION
of
COVENANTS, CONDITIONS AND RESTRICTIONS
of
QUEENSWOOD SUBDIVISION**

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS of QUEENSWOOD SUBDIVISION made this 11th day of October, 1999, by KAR-SAN DEVELOPMENT, LTD., a Virginia Corporation, hereinafter referred to as "Declarant".

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain properties in Pasquotank County, State of North Carolina, which may be described as follows:

All those certain lots, pieces or parcels of land situate lying and being in Pasquotank County, North Carolina, containing 29.36 acres, more or less, all as shown on that certain plat entitled "Final Plat of Queenswood Subdivision Phase 1, Section II Mount Hermon Township, Pasquotank County, North Carolina", which said plat is dated June 8, 1999, made by Edward T. Hyman, Jr., Professional Land Surveyor, and duly recorded in the Office of the Register of Deeds for the County of Pasquotank, North Carolina in Map Book 25, Pages 46 and 47, to which reference is hereby made for a more particular description.

The Declarant hereby declares that the limitations and restrictions set forth herein shall be binding upon the above-described property;

1. All those certain provisions and restrictions set forth in that certain "Declaration of Covenants, Conditions and Restrictions of Queenswood Subdivision" (the "Declaration"), dated October 15, 1997 of record in Book 618, Page 50 of the Pasquotank County Public Registry, concerning Queenswood Subdivision, Phase I, Section 1, together with the

Amendment to said Declaration made pursuant to Section 3 of Article V of the said Declaration, of record in Book 627, Page 501 in the Pasquotank County Public Registry, are incorporated herein by reference and shall be binding upon the above-described property.

2. The following additional property restrictions shall be binding upon the above-described property:

- (A) Parking of Vehicles. Vehicles may be parked only in garages, driveways and designated parking areas. No vehicles, including, but not limited to, passenger automobiles and trucks may be parked on the streets or on any lot other than in the garage, driveway and/or designated parking areas.
- (B) Restraint of Dogs. Dogs must be restrained on a leash, chain or other mechanism or kept in a fenced area located on or within the Lot owned by the dog owner. Dogs shall not be permitted to roam throughout the Subdivision or on Lots owned by other Lot Owners.
- (C) Yard/Lot Maintenance. All Owners of improved property (that is, any Owner of a Lot which has a house or other improvement constructed thereon) shall maintain and keep their Lot(s) in a clean condition, free from any debris and shall keep the grass mowed such that the grass does not exceed four (4) inches in height. Owners of vacant Lots, with the exception of the Declarant, shall maintain their Lot(s) and shall not allow the grass or any ground cover or brush on the Lot(s) owned by him to exceed one (1) foot in height. In the event Lots (vacant or improved) are not maintained in accordance with the requirements of this Section, the Association may

(but shall not have the obligation to) mow and clean the Lot and shall have the right to assess or charge every Owner in violation hereof a penalty of \$100.00, plus the costs of mowing in the amount of \$75.00.

(D) Number of Automobiles Permitted. No Lot Owner shall maintain or keep more than four (4) automobiles or vehicles on each Lot owned by him.

(E) Time Period for Commencement of Construction. Any Lot Owner of a vacant Lot (other than the Declarant) shall have two (2) years from the date the Lot Owner purchased the Lot(s) to commence construction of a single family residence upon Lot(s) owned by him. In the event a Lot Owner purchases two (2) or more adjoining Lots, the Lot Owner shall have two (2) years from the date of the last Lot purchase to construct one single family residence on the Lot(s) owned by him.

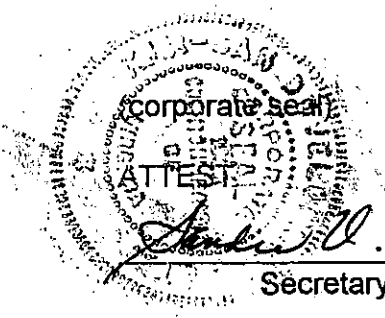
3. Except as herein expressly supplemented, the "Declaration of Covenants, Conditions and Restrictions of Queenswood Subdivision" dated October 15, 1997, together with the said Amendments to the Declaration are herewith ratified and affirmed in every respect as if set forth verbatim herein.

IN WITNESS WHEREOF, the undersigned Declarant, Kar-San Development, Ltd. has caused this instrument to be executed on its behalf as of the date and year first above written.

THE BALANCE OF THIS PAGE IS INTENTIONALLY LEFT BLANK

KAR-SAN DEVELOPMENT, LTD.

By *Sandra V. Parsons*
President



Sandra V. Parsons
Secretary

STATE OF N.C.

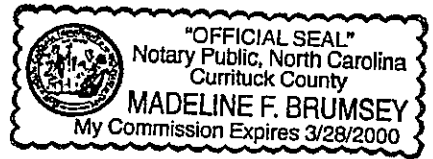
COUNTY/CITY OF PASQUOTANK

I, MADLINE F. BRUMSEY, a Notary Public of the County/City of CURRITUCK, and State aforesaid, certify that Sandra V. Parsons personally came before me this day and acknowledged that she is Secretary of Kar-San Development, Ltd., a Virginia Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by (him) (her) as its Secretary.

Witness my hand and official stamp or seal, this 11 day of October, ~~1997~~ 1999.

Madeline F. Brumsey
Notary Public

My commission expires: 3/28/2000



(AFFIX NOTARY SEAL) NORTH CAROLINA : PASQUOTANK COUNTY

F:\users\kim\queenswood.suppdocl

The foregoing certificate of Madeline F. Brumsey, a Notary Public of Currituck County, State of North Carolina, is certified to be correct. This 12th day of October, 1999.

Dollie J. Summerow
Register of Deeds

By: *Clementine White*
Deputy

FILED in Pasquotank County, NC
on Apr 20 2007 at 01:21:24 PM
by: Dollie J. Summerour
REGISTER OF DEEDS

NORTH CAROLINA
PASQUOTANK COUNTY

SUPPLEMENTAL DECLARATION
of
COVENANTS, CONDITIONS AND RESTRICTIONS
of
QUEENSWOOD SUBDIVISION

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF QUEENSWOOD SUBDIVISION made this 18th day of April 2007, by **KAR-SAN DEVELOPMENT, LTD.**, a Virginia Corporation, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain properties in Pasquotank County, State of North Carolina, which may be described as follows:

All those certain lots, pieces or parcels of land situate lying and being in Pasquotank County, North Carolina, containing 53.13 acres, more or less, all as shown on that certain plat entitled "Final Plat for Phase VIII, Queenswood Subdivision, Mount Hermon Township, Pasquotank County, North Carolina", which said plat is dated March 16, 2007, made by Hyman & Robey, PC, and duly recorded in the Office of the Register of Deeds for the County of Pasquotank, North Carolina in Map Book 44, pages 47 through 50 to which reference is here made for a more particular description.

The Declarant hereby declares that the limitations and restrictions set forth herein shall be binding upon the above-described property;

All those certain provisions and restrictions set forth in that certain "Declaration of Covenants, Conditions and Restrictions of Queenswood Subdivision" (the "Declaration"), dated October 15, 1997 of record in Book 618, Page 50 of the Pasquotank County Public Registry, concerning Queenswood Subdivision, Phase 1, Section 1 are incorporated herein by reference and shall be binding upon the above-described property.

1. The following additional property restrictions shall be binding upon the above-described property.
 - a) No clotheslines shall be permitted if visible from any road within the properties.
 - b) Abandoned, inoperable and/or unlicensed motor vehicles, trailers, boats, campers, and other mobile equipment shall not be stored, located, placed or otherwise kept on any lot, road or other location within the properties.
 - c) Vehicles may be parked only in garages or driveways. No vehicles, including, but not limited to, passenger automobiles and trucks may be parked on the streets or any lot other than in the garage or driveway. The exceptions to this covenant are the occasional Queenswood Community gatherings, family gatherings, barbeques, etc.
 - d) Dogs must be restrained on a leash, chain or other mechanism or kept in a fenced area located on or within the Lot owned by the dog owner. Dogs shall not be permitted to roam throughout the subdivision or on any Lots owned by other Lot owners.
 1. Pitbull, pitbull mix, rottweiler, and rottweiler mix breeds of dogs are not permitted in Queenswood.
 - e) All owners of improved property, with the exception of the Declarant during the construction process, shall maintain and keep their Lot(s) in a clean condition, free from any debris and shall keep the grass mowed such that the grass does not exceed (4) inches in height. Owners of vacant lots, with the exception of the Declarant, shall maintain their Lot(s) and shall not allow the grass or any ground cover or brush on the Lot(s) owned by them to exceed one (1) foot in height. In the event Lots (vacant or improved) are not maintained in accordance with the requirements of this restriction, the association may (but shall not have the obligation to) mow and clean the Lot and shall have the right to assess or charge every Lot owner in violation hereof a penalty of \$100.00, plus the costs of mowing in the amount of \$75.00.
 - f) No Lot Owner shall maintain or keep more than four (4) automobiles or vehicles on each lot owned by the owner.
 - g) No person shall shoot or project any stone, rock, shot, or other hard substance beyond the limits of his/her own property by means of slingshot, bean shooter, air rifle, pop gun, bow, or other similar contrivance within the subdivision.
 - h) Discharging of firearms except for the protection of life and property is strictly prohibited throughout the subdivision. No firearm may be discharged, except for the protection of life and property on or within the Lot owned or on the Lots owned by others, including all common areas.
 - i) Discharging of explosives including fireworks is strictly prohibited throughout the subdivision. No explosive including fireworks may be discharged on or within the Lot owned or on the Lots owned by others, including all common areas. The only exception to this shall be on the July 4th Holiday. Whereas between the hours of 8:00 p.m. and 10:00 p.m. "legal" fireworks, as determined by the State of North Carolina, may be discharged.

- j) In the event Lot Owners (vacant and improved) are in violation of any of the covenants, conditions and restrictions of Queenswood Subdivision, the Association may (but shall not have obligation to) assess or charge every Owner in violation hereof a penalty of \$100.00 for each violation.
 - k) All new construction of any improvement, including without limitation, residences (with the exception of the Declarant) or fences, shall require the written approval of the Architectural Review Committee prior to the installation of the improvement. The Association may (but shall not have the obligation to) assess or charge every Owner in violation hereof a penalty, not to exceed, \$250.00 for any Lot owner who makes an improvement, including without limitation residences, fences, patios, sheds, etc. without the prior written approval of the Architectural Review Committee.
 - l) Dwellings on lots 190 & 234 shall face Kingswood Blvd.
 - m) Dwelling on Lot 209 shall face Enchanted Way.
 - n) Dwellings on lots 193 & 196 shall face Princess Anne Circle.
 - o) Dwellings on lots 225 & 233 shall face Crossbow Court.
 - p) Dwellings on Lots 219 & 223 shall face Excalibur Court.
2. The following additional general provisions shall be binding upon the above-described property.
- a) The following covenants are intended to ensure ongoing compliance with state stormwater management permit number SW7060306 as issued by the Division of Water Quality. These covenants may not be changed or deleted without the consent of the State.
 - b) No more than 9,000 square feet of any lot shall be covered by structures or impervious materials. Impervious materials include asphalt, gravel, concrete, brick, stone, slate or similar material but do not include wood decking or the water surface of swimming pools.
 - c) Swales shall not be filled in, piped or altered except as necessary to provide driveway crossings.
 - d) Built-upon area in excess of the permitted amount requires a state stormwater management permit modification prior to construction.
 - e) All permitted runoff from outparcels or future development shall be directed into the permitted stormwater control system. These connections to the stormwater control system shall be performed in a manner that maintains the integrity and performance of the system as permitted.

Except as herein expressly Supplemented, the "Declaration of Covenants, Conditions and Restrictions of Queenswood Subdivision" dated October 15, 1997, together with the said Amendments to the Declaration are herewith ratified and affirmed in every respect as if set forth verbatim herein.

IN WITNESS WHEREOF, THE UNDERSIGNED Declarant, Kar-San Development, Ltd. has caused this instrument to be executed on its behalf as of the date and year first above written.

KAR-SAN DEVELOPMENT, LTD.

By: [Signature]
Vice-President

(corporate seal)

ATTEST:

[Signature]
Assistant Secretary

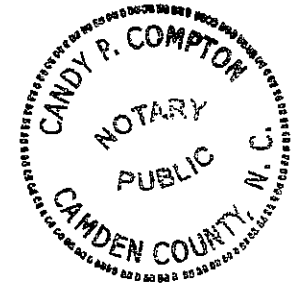
STATE OF NORTH CAROLINA
COUNTY/CITY OF ~~CAMDEN~~ PASQUOTANK

I, Candy P. Compton, a Notary Public of the County/City of CAMDEN and State aforesaid, certify that SUSAN R. ARMSTRONG personally came before me this day and acknowledged that she is Assistant Secretary of Kar-San Development, Ltd., a Virginia Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its Vice-President, sealed with its corporate seal and attested by her as its Assistant Secretary.

Witness my hand and official stamp or seal, this 20th day of APRIL, 2007.

Candy P. Compton
Notary Public

My commission expires: 09/18/2011
(AFFIX NOTARY SEAL)



NORTH CAROLINA
PASQUOTANK COUNTY

The foregoing certificate of _____, a Notary Public of Pasquotank County, State of North Carolina, is certified correct. This instrument duly filed and recorded in this office at the date and time in the Book and Page as shown on the front page hereof.

Register of Deeds

By: _____
Deputy



QUEENSWOOD PROPERTY OWNERS' ASSOCIATION

1151 South US Hwy 17
Elizabeth City, NC 27909
(252) 331-7080

February 5, 2007

RE: Common Properties Rule & Regulation

To All Property Owners:

In accordance with the Bylaws of Queenswood Property Owners' Association, A Non-Profit Corporation, Article VI, Board of Directors; Powers And Duties, Section 1. Powers: The Board of Directors shall have the power to (a) "Adopt and publish rules and regulations governing the use of the Queenswood Common Properties and facilities including the personal conduct of the members and their guests thereon, and to establish penalties for infractions of such rules and regulations."

While the streets/roads within Queenswood Subdivision await being adopted into the North Carolina Department of Transportation State Road System they are common properties. The streets/roads and all other common properties within Queenswood Subdivision will hereby be subject to the North Carolina General Statutes Chapter 20 – Motor Vehicles usage laws.

Per General Statute 20-50. Owner to secure registration and certificate of title; temporary registration markers. **"(a) A vehicle intended to be operated upon any *highway* of this State must be registered with the Division in accordance with G.S. 20-52, and the owner of the vehicle must comply with G.S. 20-52 before operating the vehicle..."**

Per General Statute 20-4.01, Definitions, number 13, *Highway*- The entire width between property or right-of-way lines of every way or place of whatever nature, when any part thereof is open to the use of the public as a matter of right for the purposes of vehicular traffic. The terms "highway" and "street" and their cognates are synonymous.

Per General Statute 20-52. Application for registration and certificate of title. **"(a) An owner of a vehicle subject to registration must apply to the Division for a certificate of title, a registration plate, and a registration card for the vehicle. To apply, an owner must complete an application form provided by the Division..."**

Per General Statute 20-54. Authority for refusing registration or certificate of title. The Division shall refuse registration or issuance of a certificate of title or any transfer of registration upon any of the following grounds, number 8 – The vehicle is a golf cart or utility vehicle.

Effective immediately: All motorized vehicles driven within Queenswood Subdivision must be registered by the North Carolina Division of Motor Vehicles. Unless registered, this rule and regulation is restricting the use of ATV's, Golf Carts, Go Carts, Dirt Bikes, Mini Bikes and the like from being driven upon the common area and upon the roads/streets within Queenswood Subdivision. In the event property owners' and or their guests are in violation of this rule and regulation, the Association may (but shall not have obligation to) charge the property Owner a penalty of up to \$250.00 per incident.

Sincerely,

Board of Directors

QUEENSWOOD PROPERTY OWNERS' ASSOCIATION

BOOK 618 PAGE 50

NORTH CAROLINA
PASQUOTANK COUNTY

Filed: Pasquotank County, NC
Date: October 29, 1997
Time: 3:15 PM
Book: 618 Page: 50

DECLARATION

of

COVENANTS, CONDITIONS AND RESTRICTIONS

of

QUEENSWOOD SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF QUEENSWOOD SUBDIVISION made this 15th day of October, 1997, by KAR-SAN DEVELOPMENT, LTD., a Virginia Corporation, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain properties in Pasquotank County, State of North Carolina, which may be described as follows:

All those certain lots, pieces or parcels of land situate lying and being in Pasquotank County, North Carolina, containing 24.77 acres, more or less, all as shown on that certain plat entitled "Final Plat of Queenswood Subdivision Phase 1, Section 1 Mount Hermon Township, Pasquotank County, North Carolina", which said plat is dated September 16, 1997, made by E. T. Hyman, Jr., R.L.S., and duly recorded in the Office of the Register of Deeds for the County of Pasquotank, North Carolina in Plat Book 22, pages 45-46, to which reference is here made for a more particular description.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to QUEENSWOOD PROPERTY OWNERS' ASSOCIATION, its successors and assigns (herein "the Association.")

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, by excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The common Area to be owned by this Association at the time of conveyance of the first lot is described as follows:

The Common Area or Common Open Space as shown on said Plat containing 4.30 Acres. The Common Area may also include roads, streets, open space, conservation area or green area which may be conveyed to the Association, together with drainage and/or utility easements which may be conveyed to the Association for the use and behalf of the Owners.

Section 5. "Lot" shall mean and refer to any lettered/numbered lot or plot of land within a lettered/numbered block as shown upon the plat hereinabove referred to, with the exception of the Common Area including but not limited to those areas or features identified in Section 4 above.

Section 6. "Declarant" shall mean and refer to Kar-San Development, Ltd., its successors and assigns if such successors or assigns should acquire one or more

undeveloped Lots from the Declarant for the purpose of construction the initial improvements on such lot.

Section 7. "Mortgage" as used herein shall mean a mortgage or deed of trust, said terms having the same meaning and may be used interchangeably.

ARTICLE II

PROPERTY RIGHTS AND DUTIES

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to restrict uses or activities inconsistent with the maintenance of the Common Area;

(b) the right of the Association to suspend the voting rights and right to use of the Common Area by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors;

(d) the right of the Association to assess or charge to every Owner fees or dues in order to have funds to maintain and care for the Common Area and any improvements located thereon; and

(e) the transfer of a Lot automatically transfers membership in the Association and all rights of the transferor with respect to the Common Areas and facilities to which ownership of such lot relate.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Leasing. Any owner may lease or rent his Lot as long as the use of the Lot is consistent with the restrictions herein and provided that the lease agreement between owner and lessee shall be written and shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and all other documents of the Association and that failure of the lessee to comply with the terms of such documents shall constitute a default under the lease.

Section 4. Association Duties. Upon conveyance of the Common Area to the Association, the Association shall have the duty to maintain and keep in good repair the same for the benefit of all Owners, including without limitation, proper maintenance of the lakes and drainage facilities which are located on the Common Area together with any streets, sidewalks, street lights, landscaping or other improvements constituting Common Area or which may be located upon the Common Area.

Section 5. Right of Entry by County. Pasquotank County personnel, in the performance of their official duties, are hereby granted a right of entry upon the Common Area of the Association, and this shall include, but not be limited to, law enforcement officers, rescue squad personnel and fire fighting personnel while in pursuit of their duties, and in the case of private streets, enforcement of clear emergency vehicle access.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

CLASS A. Class A members shall be all owners, with the exception of the Declarant (the term Declarant including a builder to whom Declarant has sold a Lot for the purpose of constructing a residence thereon), and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

CLASS B. The Class B member(s) shall be the Declarant (including a builder to whom Declarant has sold a Lot for the purpose of constructing a residence thereon), and the legal owner of such Lot shall be entitled to three (3) votes for each Lot owned as shown on said Plat or in any section which may be hereafter annexed. The Class B membership shall cease and be converted to Class A membership (subject to being reconverted to a Class B membership if, pursuant to a subsequent annexation of additional Lots the total votes outstanding in the Class A membership are less than the total votes outstanding in the Class B membership) on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) ten (10) years from the date hereof subject only to Declarant's ability to renew the Class B membership for an additional period of ~~five~~ (5) years upon the recordation of such an amendment to this Declaration.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest from the due date thereof as hereinafter provided and any costs of collection, including court costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with any interest from the due date as hereinafter provided and costs of collection, including reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them, but the charge and lien upon the property against which such assessment is made shall attach and pass with the title to such property.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the Common Area to the Association, the maximum annual assessment shall be ONE HUNDRED DOLLARS (\$100.00) per Lot.

(a) From and after the first year, the maximum assessment may be increased each year (computed on a cumulative basis) not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after the first year, the maximum annual assessment may be increased above ten percent (10%) by a vote of more than two-thirds ($\frac{2}{3}$ rd) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment from time to time at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of more than two-thirds ($\frac{2}{3}$ rd) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than 15 days nor more than 30 days in advance of the meeting. At the first such meeting called, the presence of members or of

proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected in arrears or in advance on a monthly basis, or on a quarterly, semi-annual or annual basis as determined by the Board of Directors of the Association.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area to the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum or as may be established from time

to time by a vote of the Association. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. Any defaulting Owner shall be liable for reasonable attorneys' fees and court costs as may be awarded by the court.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Initial Capital Assessment. The Owner of each Lot shall pay to the Association an initial capital assessment of \$100.00 upon the conveyance of a Lot to an Owner who is not a builder.

Section 11. Health Department Assessments.

(a) Included in the Annual Assessment provided for in this Article IV may be an annual assessment determined by the Association and its Board of Directors in such amount as may be required to satisfy the requirements of Pasquotank, Perquimans, Camden and Chowan District Health Department for inspection or maintenance of drainage within the Properties and subdivision and such other facilities as may be required by said District Health Department. This annual assessment shall be in addition to the Annual Assessment otherwise determined by the Association and its Board of Directors to meet and satisfy any and all other requirements of this Declaration. Any annual assessment levied by the Association and its

Board of Directors for the purposes herein expressed shall be used exclusively by the Association and its Board of Directors for the purpose of meeting the requirements of the Pasquotank, Perquimans, Camden and Chowan District Health Department and other applicable governmental authorities.

(b) Included within the authority of the Association and its Board of Directors to make Special Assessments for Capital Improvements as provided in Section 4 of this Article IV above is the authority of the Association and its Board of Directors to make and levy special assessments required to meet any requirements of the Pasquotank, Perquimans, Camden and Chowan District Health Department for inspection or maintenance of drainage within the properties and subdivision and such other facilities as may be required by said District Health Department. Any special assessment levied by the Association and its Board of Directors for the purposes herein expressed shall be used exclusively by the Association and its Board of Directors for the purpose of meeting the requirements of the Pasquotank, Perquimans, Camden and Chowan District Health Department and other applicable governmental authorities.

(c) Pursuant to and consistent with Section 1 of this Article IV, any annual or special assessment levied by the Association or its Board of Directors pursuant to subsection (a) and/or subsection (b) of this Section 11, together with interest for past due assessments as herein provided in this Article IV and the costs of collection, including court costs and reasonable attorney's fees, shall be a charge on the land against the land, shall be a continuing lien upon the property against which each such assessment is made, and shall be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

ARTICLE V

GENERAL PROVISIONS

Section 1. Enforcement. The Association, the Declarant, or any Owner, shall have the right to enforce, by any proceeding at law or equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise effect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. Annexation. Queenswood, together with such entity as Queenswood, may have conveyed or assigned its rights and privileges as the "Declarant" hereunder, (Declarant and such Assignee being referred to collectively in the sub-paragraph as Declarant) reserves the right to annex to the Properties at any time, and from time to time, additional parcels of land owned by, or subsequently owned by, Declarant or by such entity as Queenswood may have conveyed or assigned its rights and privileges as the "Declarant" hereunder; such right or privilege of annexation may be made in the sole discretion of the

Declarant without the necessity of the consent of Class A members, Class B members or the Association. Declarant may cause such annexation to be made by including the provisions of such annexation to be shown on such recordation plat, or by an instrument executed by Declarant and duly recorded, describing the parcel or parcels to be annexed and referring to and making such parcel or parcels subject to the within Covenants, Conditions and Restrictions, or both. Upon any such annexation being so made, the real estate or "Properties" covered thereby, together with the Declarant and all Owners thereof, and their heirs, successors and assigns, shall be entitled to and subject to, all of the terms of the within Covenants, Conditions and Restrictions in the same manner if such annexed parcel had been included within the legal description as contained in the first Whereas clause of Page 1 hereof, the same being defined as the "Properties" under Section 3 of the Article I hereof.

It is further understood and agreed that such annexation of all or of any part of the real estate hereinabove described shall be solely at the option of the Declarant and Declarant may from time to time annex all or any part of the parts thereof as determined solely by the Declarant without the necessity of approval of any Lot Owner or the Association, anything to the contrary notwithstanding in the Articles of Incorporation or By-Laws of the Association.

Section 5. Encroachments. In the event any portion of any improvement on any Lot encroaches upon the Common Areas and facilities, as a result of construction, reconstruction, repair, shifting, settlement or movement of any portion thereof, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

Section 6. Additional Covenants. It is understood and agreed, anything to the contrary contained herein notwithstanding, as follows:

(a) A first mortgagee will be provided written notification of any default by the mortgagor of such Lot or unit in the performance of such mortgagor's obligations under these Restrictions which is not cured within 30 days; as used herein the terms "first mortgage", "mortgage" or "mortgagor" shall have the same meaning and import as "first deed of trust", "noteholder", or "first deed of trust", or "grantor of a deed of trust"; the terms "mortgage" and "deed of trust" for the purposes herein shall have the same meaning and intent.

(b) Any first mortgagee who comes into possession of a Lot or unit in the Properties pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal".

(c) Any first mortgagee who comes into possession of the unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosures, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Lot or unit which accrue prior to the time such holder comes into possessions of the Lot or unit.

(d) Unless at least 75% of the first mortgagees (based upon one vote for each first mortgage) of individual Lots or units in the Properties have given their prior written approval, the Association shall not be entitled to:

(1) by act or omission seek to abandon, petition, subdivide, encumber, sell or transfer real estate or improvements thereon which are owned, directly or indirectly, by such Association for the benefit of the Owners and Lots in the Properties.

The granting of easements for public utilities or for other public purposes consistent with the Intended use of such property by the Association shall not be deemed a transfer within the meaning of this clause:

(2) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

(3) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, the maintenance of party walls or common fences and driveways, or the upkeep of lawns and plantings in the Properties;

(4) fail to maintain fire and extended coverage on insurable common area property on a current replacement costs basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);

(5) use hazard insurance proceeds for losses to any common area property for other than the repair, replacement or reconstruction of such improvements.

(e) First mortgagees shall have the right to examine the books and records of the Association or any entity which owns the common area property of the Association.

(f) First mortgagees of Lots or units in the Properties may, jointly or singly, pay taxes or other charges which are in default and which may have become a charge against any common area property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such property and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. Entitlement to such reimbursement is hereby agreed to and this instrument shall constitute an agreement in favor of all first mortgagees of Lots or units in the Properties.

(g) No provision of the Association Articles of Incorporation, or the declaration of easements, restrictions and covenants, or any similar instrument pertaining to the Properties or to Lots or units therein, gives a lot Owner or any other party priority over any rights of first mortgagees of Lots or units herein pursuant to their mortgages in the case of a distribution to

lot Owners of insurance proceeds or condemnation awards for losses to or taking of the Association's common property.

(h) Lot Owners have a right to enjoyment of the common area property and such property is owned in fee by the Association. The common area property was conveyed to the Association unencumbered except for any easements granted for public utilities or for other public purposes consistent with the intended use of such property by the Association.

(i) In the event that management other than self-management is required of the Association, and in the event that the Association elects or decides to terminate, then all first mortgagees shall be given at least thirty (30) days' notice of said action.

(j) All first mortgagees shall be entitled to receive reasonable written notice of damage to or condemnation of any part of the common area facilities.

ARTICLE VI

PROPERTY RESTRICTIONS

The Declarant does hereby declare, covenant and agree, for itself and its successors and assigns, that all residential Lots shown on said Plat (except such Lots may be needed for utilities and the like such as the pump station lots shown on said Plat) shall be hereafter held and sold subject to the following conditions and restrictions, to-wit:

Section 1. Land Use And Building Criteria. No lot shall be used except for residential purposes. Each one (1) story dwelling or house shall contain a minimum of 1,400 square feet of heated living area. Each two (2) story dwelling or house shall contain a minimum of 1,500 square feet of heated living area. No dwelling or house shall exceed two (2) stories in height from the ground surface. No building or other improvement shall be erected, altered, placed or permitted to remain on any lot without the plans, specifications and design thereof having been approved in writing by the Architectural Review committee referred to hereinafter.

Notwithstanding the foregoing, the Declarant or any builder purchasing two or more Lots from Declarant may maintain a model home/sales office until such time as the residences constructed on all Lots have been sold to Owners other than builders.

The Architectural Review Committee may act in its sole discretion and may, from time to time, change, modify or alter its standards or guidelines relating to size, quality and design of buildings and improvements built upon the lots.

Section 2. Building Location. The front of each numbered building lot shown on said plat is indicated by the "Minimum Building Set-Back Line", set forth on said plat. No building shall be located on any numbered building lot shown upon the said plat, unless the front of the said building faces the front of the lot upon which it is located, nor shall any building be located on any lot nearer to the front lot line than the minimum building set-back line shown on the recorded plat. The Architectural Review Committee may grant waivers or exceptions as to building line violations for good cause shown.

Section 3. Sewage Disposal. Every dwelling unit constructed within this subdivision shall be connected to an approved septic tank and system constructed, operated and maintained by the Owner of the lot upon which the dwelling unit is located.

Section 4. Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat of subdivision.

Section 5. Underground Electrical and Telephone Service. Neither poles nor other structures for the carrying or transmission of electric power or telephone service nor any electric or telephone line or cable, elevated or carried above the surface of the land or ground, and not completely enclosed within some building or structure permitted under the provisions of these restrictions, shall be erected, altered, placed or permitted to remain upon either: (1) any lot in the subdivision, or (2) in or upon any street, alley, sidewalk, curb, gutter or easement

or right of way included within the subdivision. All electric and telephone service facilities constructed or placed within the subdivision, unless completely enclosed within some building or structure permitted under the provisions of these restrictions must be carried, housed or placed beneath the surface of land in the subdivision. This Section 5 shall not prohibit such electrical facilities or apparatus as may be required for public utilities and/or temporary electrical service during construction of improvements.

Section 6. Nuisances. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance to the neighborhood.

Section 7. Fences. No fence shall be erected or constructed without written approval of the Architectural Review Committee. No fence shall be permitted in any front yard, unless the Architectural Review committee specifically approves an exception allowing the fence (front yard being defined to mean the area between the front of the house and the street upon which such Lot is situated). The Architectural Review Committee may require wooden or brick fences containing an attractive design consistent with the neighborhood, may restrict the height and location of fences and may exclude metal fences, pens or enclosures.

Section 8. Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot as a temporary residence.

Section 9. 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 similar household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose and do not constitute a nuisance to their neighbors.

Section 10. Signs. No sign of any kind shall be displayed to the public view on any lot, except one professional sign of not more than one square foot, or a sign advertising the property for sale or rent of not more than three square feet, or a sign used by a builder to advertise the property during the construction and sales period of not more than five square feet.

Section 11. Garbage and Refuse Disposal. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition to the rear of the dwelling concerned.

Section 12. Heating and Air Conditioning Equipment; Disc Antenna. No air conditioning or heating equipment shall be placed in front of any residence. No propane or other tanks erected above the ground shall be permitted unless screened. No disc antenna larger than 24 inches in diameter shall be erected or maintained on any lot in the subdivision.

Section 13. Trailers, Boats, Campers and Mobile Equipment. No trailers, boats, campers, or other mobile equipment except passenger automobiles and small trucks may be parked on the streets or on any lot within the front property setback line.

Section 14. Subdivision of Lots. None of the lots as shown on the said Plat may be subdivided into smaller or additional lots unless such smaller or additional lots comply with the subdivision requirements of the Pasquotank County; lot lines may be adjusted and/or additional parcels may be added so as to create new lots within the subdivision so long as the subdivision requirements of the County of Pasquotank are met.

Section 15. Conservation Easements.

(1) The Declarant does hereby covenant and agree, as a condition running with the land, that no activity will be performed on any applicable portion of property subject to these Restrictions which is designated on any Subdivision Plat or other recorded plat as a "Conservation Easement" involving a "Discharge of Fill Material" as that term is interpreted and applied by the United States Army corps of Engineers pursuant to its authority under Section 404 of the Clean Water Act (33 U.S.C.A. 1251 et seq.) unless (1) such activity is specifically authorized by the Corps of Engineers through issuance of an appropriate permit for the activity, or such activity is exempt from the requirement of a permit under applicable statutes and regulations, (2) such activity is consistent with the Covenants, Conditions and Restrictions as applicable to lots in the subdivision known as Queenswood and (3) such activity conforms to all other applicable requirements of federal, state and local laws, ordinance and regulations, nothing contained herein shall prevent the construction of residences or other improvements on portions of Lots which may be partially affected by a Conservation Easement with the residences and other improvements being constructed on the portion of such Lot not subject to the Conservation Easement, provided, however, that the Owner of any such Lot shall be entitled to use of the portion of the Lot subject to the Conservation Easement, but may not remove trees or other vegetation except for dead or diseased trees or vegetation, the intent being that the Conservation Easement areas shall remain in their actual state.

(2) The covenants herein contained shall lie in addition to all of the covenants, conditions, and restrictions contained in the Declaration.

(3) The Declarant, the Association, the Corps of Engineers, and any other federal, state or local government or agency having jurisdiction over tidal or non-tidal wetlands as defined in the Clean Water Act as hereinabove referred to shall have the right to enforce,

by proceeding at law or in equity in the covenants, conditions, restrictions and easements herein contained in this Section 15.

ARTICLE VII

ARCHITECTURAL REVIEW COMMITTEE

(In this Article VII the term Declarant shall have the same meaning as in Article V, Section 4.) Until such time as Declarant has conveyed the last Lot as shown on said Plat, or any Lot which may be hereafter annexed, Declarant shall designate an Architectural Review committee consisting of three (3) persons which Queenswood may from time to time change. Upon the last Lot being conveyed by Declarant, or at such earlier time as Queenswood may elect, the Board of Directors of the Association shall elect an Architectural Review committee consisting of three (3) persons who may also serve as officers or directors of the Association. All new construction of any improvement, including without limitation residences or fences, shall require the written approval of the Architectural Review Committee. Any subsequent addition to, or change of, or alteration of existing construction, shall in like manner, require repainting or repairs of what has been previously approved shall not require any subsequent approval. The Architectural Review Committee is authorized to review and determine in its sole discretion, the nature, kind, shape, height, materials, location or design or color of any improvement located upon the Properties to ensure harmony of external design and location in relation to surrounding structures and topography.

In the event the Architectural Review Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied.

IN WITNESS WHEREOF, the undersigned Declarant, Kar-San Development, Ltd. has caused this instrument to be executed on its behalf as of the date and year first above written.



KAR-SAN DEVELOPMENT, LTD. (SEAL)

By: Lynn J. Parsons (SEAL)
President

ATTEST:
Lynn J. Parsons
Secretary

STATE OF Virginia

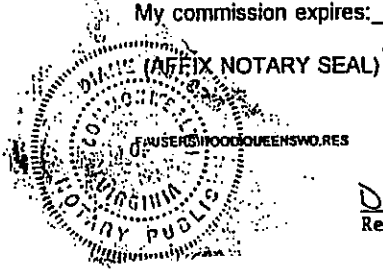
COUNTY/CITY OF James City

I, Diane Bishop, a Notary Public of the County/City of James City, and State aforesaid, certify that Sandra Parsons personally came before me this day and acknowledged that she is Secretary of Kar-San Development, Ltd a Virginia Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested, by (him) (her) as its Secretary.

Witness my hand and official stamp or seal, this 20th day of October, 1997.

Diane Bishop
Notary Public

My commission expires: January 31, 1999



NORTH CAROLINA : PASQUOTANK COUNTY
The foregoing certificate of Diane Bishop, a Notary Public of Commonwealth of Virginia, is certified to be correct. This 29th day of October, 1997.

Dollie J. Summers
Register of Deeds

By: Clementine White
Deputy

THIS INSTRUMENT DULY FILED AND RECORDED IN THE
OFFICE OF THE REGISTER OF DEEDS OF PASQUOTANK
COUNTY, NORTH CAROLINA, IN DEED BOOK 618 ,
PAGE(S) 50-70 .(Inslusive)

THIS THE 17TH DAY OF NOVEMBER, 1997.

Dollie J. Summerour
REGISTER OF DEEDS

By: Clementine White
DEPUTY

NORTH CAROLINA

Filed: Pasquotank County, NC

PASQUOTANK COUNTY

Date: October 29, 1997

Time: 3:15 PM

Book: 618 Page: 50

DECLARATION

of

COVENANTS, CONDITIONS AND RESTRICTIONS

of

QUEENSWOOD SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF QUEENSWOOD SUBDIVISION made this 15th day of October, 1997, by KAR-SAN DEVELOPMENT, LTD., a Virginia Corporation, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain properties in Pasquotank County, State of North Carolina, which may be described as follows:

All those certain lots, pieces or parcels of land situate lying and being in Pasquotank County, North Carolina, containing 24.77 acres, more or less, all as shown on that certain plat entitled "Final Plat of Queenswood Subdivision Phase 1, Section 1 Mount Hermon Township, Pasquotank County, North Carolina", which said plat is dated September 16, 1997, made by E. T. Hyman, Jr., R.L.S., and duly recorded in the Office of the Register of Deeds for the County of Pasquotank, North Carolina in Plat Book 22, pages 45-46, to which reference is here made for a more particular description.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to QUEENSWOOD PROPERTY OWNERS' ASSOCIATION, its successors and assigns (herein "the Association.")

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, by excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The common Area to be owned by this Association at the time of conveyance of the first lot is described as follows:

The Common Area or Common Open Space as shown on said Plat containing 4.30 Acres. The Common Area may also include roads, streets, open space, conservation area or green area which may be conveyed to the Association, together with drainage and/or utility easements which may be conveyed to the Association for the use and behalf of the Owners.

Section 5. "Lot" shall mean and refer to any lettered/numbered lot or plot of land within a lettered/numbered block as shown upon the plat hereinabove referred to, with the exception of the Common Area including but not limited to those areas or features identified in Section 4 above.

Section 6. "Declarant" shall mean and refer to Kar-San Development, Ltd., its successors and assigns if such successors or assigns should acquire one or more

undeveloped Lots from the Declarant for the purpose of construction the initial improvements on such lot.

Section 7. "Mortgage" as used herein shall mean a mortgage or deed of trust, said terms having the same meaning and may be used interchangeably.

ARTICLE II

PROPERTY RIGHTS AND DUTIES

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to restrict uses or activities inconsistent with the maintenance of the Common Area;

(b) the right of the Association to suspend the voting rights and right to use of the Common Area by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors;

(d) the right of the Association to assess or charge to every Owner fees or dues in order to have funds to maintain and care for the Common Area and any improvements located thereon; and

(e) the transfer of a Lot automatically transfers membership in the Association and all rights of the transferor with respect to the Common Areas and facilities to which ownership of such lot relate.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Leasing. Any owner may lease or rent his Lot as long as the use of the Lot is consistent with the restrictions herein and provided that the lease agreement between owner and lessee shall be written and shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and all other documents of the Association and that failure of the lessee to comply with the terms of such documents shall constitute a default under the lease.

Section 4. Association Duties. Upon conveyance of the Common Area to the Association, the Association shall have the duty to maintain and keep in good repair the same for the benefit of all Owners, including without limitation, proper maintenance of the lakes and drainage facilities which are located on the Common Area together with any streets, sidewalks, street lights, landscaping or other improvements constituting Common Area or which may be located upon the Common Area.

Section 5. Right of Entry by County. Pasquotank County personnel, in the performance of their official duties, are hereby granted a right of entry upon the Common Area of the Association, and this shall include, but not be limited to, law enforcement officers, rescue squad personnel and fire fighting personnel while in pursuit of their duties, and in the case of private streets, enforcement of clear emergency vehicle access.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

CLASS A. Class A members shall be all owners, with the exception of the Declarant (the term Declarant including a builder to whom Declarant has sold a Lot for the purpose of constructing a residence thereon), and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

CLASS B. The Class B member(s) shall be the Declarant (including a builder to whom Declarant has sold a Lot for the purpose of constructing a residence thereon), and the legal owner of such Lot shall be entitled to three (3) votes for each Lot owned as shown on said Plat or in any section which may be hereafter annexed. The Class B membership shall cease and be converted to Class A membership (subject to being reconverted to a Class B membership if, pursuant to a subsequent annexation of additional Lots the total votes outstanding in the Class A membership are less than the total votes outstanding in the Class B membership) on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) ten (10) years from the date hereof subject only to Declarant's ability to renew the Class B membership for an additional period of five (5) years upon the recordation of such an amendment to this Declaration.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest from the due date thereof as hereinafter provided and any costs of collection, including court costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with any interest from the due date as hereinafter provided and costs of collection, including reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them, but the charge and lien upon the property against which such assessment is made shall attach and pass with the title to such property.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the Common Area to the Association, the maximum annual assessment shall be ONE HUNDRED DOLLARS (\$100.00) per Lot.

(a) From and after the first year, the maximum assessment may be increased each year (computed on a cumulative basis) not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after the first year, the maximum annual assessment may be increased above ten percent (10%) by a vote of more than two-thirds ($\frac{2}{3}$ rds) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment from time to time at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of more than two-thirds ($\frac{2}{3}$ rds) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than 15 days nor more than 30 days in advance of the meeting. At the first such meeting called, the presence of members or of

proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected in arrears or in advance on a monthly basis, or on a quarterly, semi-annual or annual basis as determined by the Board of Directors of the Association.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area to the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum or as may be established from time

to time by a vote of the Association. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. Any defaulting Owner shall be liable for reasonable attorneys' fees and court costs as may be awarded by the court.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Initial Capital Assessment. The Owner of each Lot shall pay to the Association an initial capital assessment of \$100.00 upon the conveyance of a Lot to an Owner who is not a builder.

Section 11. Health Department Assessments.

(a) Included in the Annual Assessment provided for in this Article IV may be an annual assessment determined by the Association and its Board of Directors in such amount as may be required to satisfy the requirements of Pasquotank, Perquimans, Camden and Chowan District Health Department for inspection or maintenance of drainage within the Properties and subdivision and such other facilities as may be required by said District Health Department. This annual assessment shall be in addition to the Annual Assessment otherwise determined by the Association and its Board of Directors to meet and satisfy any and all other requirements of this Declaration. Any annual assessment levied by the Association and its

Board of Directors for the purposes herein expressed shall be used exclusively by the Association and its Board of Directors for the purpose of meeting the requirements of the Pasquotank, Perquimans, Camden and Chowan District Health Department and other applicable governmental authorities.

(b) Included within the authority of the Association and its Board of Directors to make Special Assessments for Capital Improvements as provided in Section 4 of this Article IV above is the authority of the Association and its Board of Directors to make and levy special assessments required to meet any requirements of the Pasquotank, Perquimans, Camden and Chowan District Health Department for inspection or maintenance of drainage within the properties and subdivision and such other facilities as may be required by said District Health Department. Any special assessment levied by the Association and its Board of Directors for the purposes herein expressed shall be used exclusively by the Association and its Board of Directors for the purpose of meeting the requirements of the Pasquotank, Perquimans, Camden and Chowan District Health Department and other applicable governmental authorities.

(c) Pursuant to and consistent with Section 1 of this Article IV, any annual or special assessment levied by the Association or its Board of Directors pursuant to subsection (a) and/or subsection (b) of this Section 11, together with interest for past due assessments as herein provided in this Article IV and the costs of collection, including court costs and reasonable attorney's fees, shall be a charge on the land against the land, shall be a continuing lien upon the property against which each such assessment is made, and shall be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

ARTICLE V

GENERAL PROVISIONS

Section 1. Enforcement. The Association, the Declarant, or any Owner, shall have the right to enforce, by any proceeding at law or equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise effect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. Annexation. Queenswood, together with such entity as Queenswood, may have conveyed or assigned its rights and privileges as the "Declarant" hereunder, (Declarant and such Assignee being referred to collectively in the sub-paragraph as Declarant) reserves the right to annex to the Properties at any time, and from time to time, additional parcels of land owned by, or subsequently owned by, Declarant or by such entity as Queenswood may have conveyed or assigned its rights and privileges as the "Declarant" hereunder; such right or privilege of annexation may be made in the sole discretion of the

Declarant without the necessity of the consent of Class A members, Class B members or the Association. Declarant may cause such annexation to be made by including the provisions of such annexation to be shown on such recordation plat, or by an instrument executed by Declarant and duly recorded, describing the parcel or parcels to be annexed and referring to and making such parcel or parcels subject to the within Covenants, Conditions and Restrictions, or both. Upon any such annexation being so made, the real estate or "Properties" covered thereby, together with the Declarant and all Owners thereof, and their heirs, successors and assigns, shall be entitled to and subject to, all of the terms of the within Covenants, Conditions and Restrictions in the same manner if such annexed parcel had been included within the legal description as contained in the first Whereas clause of Page 1 hereof, the same being defined as the "Properties" under Section 3 of the Article I hereof.

It is further understood and agreed that such annexation of all or of any part of the real estate hereinabove described shall be solely at the option of the Declarant and Declarant may from time to time annex all or any part of the parts thereof as determined solely by the Declarant without the necessity of approval of any Lot Owner or the Association, anything to the contrary notwithstanding in the Articles of Incorporation or By-Laws of the Association.

Section 5. Encroachments. In the event any portion of any improvement on any Lot encroaches upon the Common Areas and facilities, as a result of construction, reconstruction, repair, shifting, settlement or movement of any portion thereof, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

Section 6. Additional Covenants. It is understood and agreed, anything to the contrary contained herein notwithstanding, as follows:

(a) A first mortgagee will be provided written notification of any default by the mortgagor of such Lot or unit in the performance of such mortgagor's obligations under these Restrictions which is not cured within 30 days; as used herein the terms "first mortgage", "mortgage" or "mortgagor" shall have the same meaning and import as "first deed of trust", "noteholder", or "first deed of trust", or "grantor of a deed of trust"; the terms "mortgage" and "deed of trust" for the purposes herein shall have the same meaning and intent.

(b) Any first mortgagee who comes into possession of a Lot or unit in the Properties pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal".

(c) Any first mortgagee who comes into possession of the unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosures, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Lot or unit which accrue prior to the time such holder comes into possessions of the Lot or unit.

(d) Unless at least 75% of the first mortgagees (based upon one vote for each first mortgage) of individual Lots or units in the Properties have given their prior written approval, the Association shall not be entitled to:

(1) by act or omission seek to abandon, petition, subdivide, encumber, sell or transfer real estate or improvements thereon which are owned, directly or indirectly, by such Association for the benefit of the Owners and Lots in the Properties.

The granting of easements for public utilities or for other public purposes consistent with the intended use of such property by the Association shall not be deemed a transfer within the meaning of this clause:

(2) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

(3) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, the maintenance of party walls or common fences and driveways, or the upkeep of lawns and plantings in the Properties;

(4) fail to maintain fire and extended coverage on insurable common area property on a current replacement costs basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);

(5) use hazard insurance proceeds for losses to any common area property for other than the repair, replacement or reconstruction of such improvements.

(e) First mortgagees shall have the right to examine the books and records of the Association or any entity which owns the common area property of the Association.

(f) First mortgagees of Lots or units in the Properties may, jointly or singly, pay taxes or other charges which are in default and which may have become a charge against any common area property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such property and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. Entitlement to such reimbursement is hereby agreed to and this instrument shall constitute an agreement in favor of all first mortgagees of Lots or units in the Properties.

(g) No provision of the Association Articles of Incorporation, or the declaration of easements, restrictions and covenants, or any similar instrument pertaining to the Properties or to Lots or units therein, gives a lot Owner or any other party priority over any rights of first mortgagees of Lots or units herein pursuant to their mortgages in the case of a distribution to

lot Owners of insurance proceeds or condemnation awards for losses to or taking of the Association's common property.

(h) Lot Owners have a right to enjoyment of the common area property and such property is owned in fee by the Association. The common area property was conveyed to the Association unencumbered except for any easements granted for public utilities or for other public purposes consistent with the intended use of such property by the Association.

(i) In the event that management other than self-management is required of the Association, and in the event that the Association elects or decides to terminate, then all first mortgagees shall be given at least thirty (30) days' notice of said action.

(j) All first mortgagees shall be entitled to receive reasonable written notice of damage to or condemnation of any part of the common area facilities.

ARTICLE VI

PROPERTY RESTRICTIONS

The Declarant does hereby declare, covenant and agree, for itself and its successors and assigns, that all residential Lots shown on said Plat (except such Lots may be needed for utilities and the like such as the pump station lots shown on said Plat) shall be hereafter held and sold subject to the following conditions and restrictions, to-wit:

Section 1. Land Use And Building Criteria. No lot shall be used except for residential purposes. Each one (1) story dwelling or house shall contain a minimum of 1,400 square feet of heated living area. Each two (2) story dwelling or house shall contain a minimum of 1,500 square feet of heated living area. No dwelling or house shall exceed two (2) stories in height from the ground surface. No building or other improvement shall be erected, altered, placed or permitted to remain on any lot without the plans, specifications and design thereof having been approved in writing by the Architectural Review committee referred to hereinafter.

Notwithstanding the foregoing, the Declarant or any builder purchasing two or more Lots from Declarant may maintain a model home/sales office until such time as the residences constructed on all Lots have been sold to Owners other than builders.

The Architectural Review Committee may act in its sole discretion and may, from time to time, change, modify or alter its standards or guidelines relating to size, quality and design of buildings and improvements built upon the lots.

Section 2. Building Location. The front of each numbered building lot shown on said plat is indicated by the "Minimum Building Set-Back Line", set forth on said plat. No building shall be located on any numbered building lot shown upon the said plat, unless the front of the said building faces the front of the lot upon which it is located, nor shall any building be located on any lot nearer to the front lot line than the minimum building set-back line shown on the recorded plat. The Architectural Review Committee may grant waivers or exceptions as to building line violations for good cause shown.

Section 3. Sewage Disposal. Every dwelling unit constructed within this subdivision shall be connected to an approved septic tank and system constructed, operated and maintained by the Owner of the lot upon which the dwelling unit is located.

Section 4. Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat of subdivision.

Section 5. Underground Electrical and Telephone Service. Neither poles nor other structures for the carrying or transmission of electric power or telephone service nor any electric or telephone line or cable, elevated or carried above the surface of the land or ground, and not completely enclosed within some building or structure permitted under the provisions of these restrictions, shall be erected, altered, placed or permitted to remain upon either: (1) any lot in the subdivision, or (2) in or upon any street, alley, sidewalk, curb, gutter or easement

or right of way included within the subdivision. All electric and telephone service facilities constructed or placed within the subdivision, unless completely enclosed within some building or structure permitted under the provisions of these restrictions must be carried, housed or placed beneath the surface of land in the subdivision. This Section 5 shall not prohibit such electrical facilities or apparatus as may be required for public utilities and/or temporary electrical service during construction of improvements.

Section 6. Nuisances. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance to the neighborhood.

Section 7. Fences. No fence shall be erected or constructed without written approval of the Architectural Review Committee. No fence shall be permitted in any front yard, unless the Architectural Review committee specifically approves an exception allowing the fence (front yard being defined to mean the area between the front of the house and the street upon which such Lot is situated). The Architectural Review Committee may require wooden or brick fences containing an attractive design consistent with the neighborhood, may restrict the height and location of fences and may exclude metal fences, pens or enclosures.

Section 8. Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot as a temporary residence.

Section 9. 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 similar household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose and do not constitute a nuisance to their neighbors.

Section 10. Signs. No sign of any kind shall be displayed to the public view on any lot, except one professional sign of not more than one square foot, or a sign advertising the property for sale or rent of not more than three square feet, or a sign used by a builder to advertise the property during the construction and sales period of not more than five square feet.

Section 11. Garbage and Refuse Disposal. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition to the rear of the dwelling concerned.

Section 12. Heating and Air Conditioning Equipment; Disc Antenna. No air conditioning or heating equipment shall be placed in front of any residence. No propane or other tanks erected above the ground shall be permitted unless screened. No disc antenna larger than 24 inches in diameter shall be erected or maintained on any lot in the subdivision.

Section 13. Trailers, Boats, Campers and Mobile Equipment. No trailers, boats, campers, or other mobile equipment except passenger automobiles and small trucks may be parked on the streets or on any lot within the front property setback line.

Section 14. Subdivision of Lots. None of the lots as shown on the said Plat may be subdivided into smaller or additional lots unless such smaller or additional lots comply with the subdivision requirements of the Pasquotank County; lot lines may be adjusted and/or additional parcels may be added so as to create new lots within the subdivision so long as the subdivision requirements of the County of Pasquotank are met.

Section 15. Conservation Easements.

(1) The Declarant does hereby covenant and agree, as a condition running with the land, that no activity will be performed on any applicable portion of property subject to these Restrictions which is designated on any Subdivision Plat or other recorded plat as a "Conservation Easement" involving a "Discharge of Fill Material" as that term is interpreted and applied by the United States Army corps of Engineers pursuant to its authority under Section 404 of the Clean Water Act (33 U.S.C.A. 1251 et seq.) unless (1) such activity is specifically authorized by the Corps of Engineers through issuance of an appropriate permit for the activity, or such activity is exempt from the requirement of a permit under applicable statutes and regulations, (2) such activity is consistent with the Covenants, Conditions and Restrictions as applicable to lots in the subdivision known as Queenswood and (3) such activity conforms to all other applicable requirements of federal, state and local laws, ordinance and regulations, nothing contained herein shall prevent the construction of residences or other improvements on portions of Lots which may be partially affected by a Conservation Easement with the residences and other improvements being constructed on the portion of such Lot not subject to the Conservation Easement, provided, however, that the Owner of any such Lot shall be entitled to use of the portion of the Lot subject to the Conservation Easement, but may not remove trees or other vegetation except for dead or diseased trees or vegetation, the intent being that the Conservation Easement areas shall remain in their actual state.

(2) The covenants herein contained shall lie in addition to all of the covenants, conditions, and restrictions contained in the Declaration.

(3) The Declarant, the Association, the Corps of Engineers, and any other federal, state or local government or agency having jurisdiction over tidal or non-tidal wetlands as defined in the Clean Water Act as hereinabove referred to shall have the right to enforce,

by proceeding at law or in equity in the covenants, conditions, restrictions and easements herein contained in this Section 15.

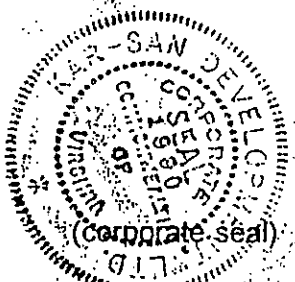
ARTICLE VII

ARCHITECTURAL REVIEW COMMITTEE

(In this Article VII the term Declarant shall have the same meaning as in Article V, Section 4.) Until such time as Declarant has conveyed the last Lot as shown on said Plat, or any Lot which may be hereafter annexed, Declarant shall designate an Architectural Review committee consisting of three (3) persons which Queenswood may from time to time change. Upon the last Lot being conveyed by Declarant, or at such earlier time as Queenswood may elect, the Board of Directors of the Association shall elect an Architectural Review committee consisting of three (3) persons who may also serve as officers or directors of the Association. All new construction of any improvement, including without limitation residences or fences, shall require the written approval of the Architectural Review Committee. Any subsequent addition to, or change of, or alteration of existing construction, shall in like manner, require repainting or repairs of what has been previously approved shall not require any subsequent approval. The Architectural Review Committee is authorized to review and determine in its sole discretion, the nature, kind, shape, height, materials, location or design or color of any improvement located upon the Properties to ensure harmony of external design and location in relation to surrounding structures and topography.

In the event the Architectural Review Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied.

IN WITNESS WHEREOF, the undersigned Declarant, Kar-San Development, Ltd. has caused this instrument to be executed on its behalf as of the date and year first above written.



KAR-SAN DEVELOPMENT, LTD. (SEAL)

By: Lynn J. Parson (SEAL)
President

ATTEST:
Sandra Parson
Secretary

STATE OF Virginia

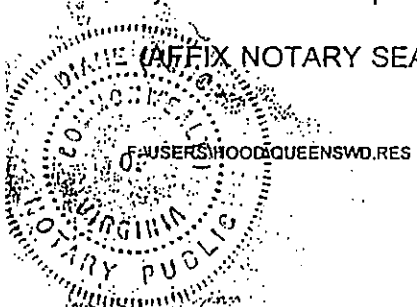
COUNTY/CITY OF James City

I, Diane Bishop, a Notary Public of the County/City of James City, and State aforesaid, certify that Sandra Parson personally came before me this day and acknowledged that she is Secretary of Kar-San Development, Ltd a Virginia Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by (him) (her) as its Secretary.

Witness my hand and official stamp or seal, this 20th day of October, 1997.

Diane Bishop
Notary Public

My commission expires: January 31, 1999



NORTH CAROLINA : PASQUOTANK COUNTY

The foregoing certificate of Diane Bishop, a Notary Public of Commonwealth of Virginia, is certified to be correct. This 29th day of October, 1997.

Dollie J. Summerow
Register of Deeds

By: Clementine White
Deputy

FILED in Pasquotank County, NC
on Apr 20 2007 at 01:21:24 PM
by: Dollie J. Summerour
REGISTER OF DEEDS

NORTH CAROLINA
PASQUOTANK COUNTY

SUPPLEMENTAL DECLARATION
of
COVENANTS, CONDITIONS AND RESTRICTIONS
of
QUEENSWOOD SUBDIVISION

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF QUEENSWOOD SUBDIVISION made this 18th day of April 2007, by KAR-SAN DEVELOPMENT, LTD., a Virginia Corporation, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain properties in Pasquotank County, State of North Carolina, which may be described as follows:

All those certain lots, pieces or parcels of land situate lying and being in Pasquotank County, North Carolina, containing 53.13 acres, more or less, all as shown on that certain plat entitled "Final Plat for Phase VIII, Queenswood Subdivision, Mount Hermon Township, Pasquotank County, North Carolina", which said plat is dated March 16, 2007, made by Hyman & Robey, PC, and duly recorded in the Office of the Register of Deeds for the County of Pasquotank, North Carolina in Map Book 44, pages 47 through 50 to which reference is here made for a more particular description.

The Declarant hereby declares that the limitations and restrictions set forth herein shall be binding upon the above-described property:

All those certain provisions and restrictions set forth in that certain "Declaration of Covenants, Conditions and Restrictions of Queenswood Subdivision" (the "Declaration"), dated October 15, 1997 of record in Book 618, Page 50 of the Pasquotank County Public Registry, concerning Queenswood Subdivision, Phase 1, Section 1 are incorporated herein by reference and shall be binding upon the above-described property.

1. The following additional property restrictions shall be binding upon the above-described property.
 - a) No clotheslines shall be permitted if visible from any road within the properties.
 - b) Abandoned, inoperable and/or unlicensed motor vehicles, trailers, boats, campers, and other mobile equipment shall not be stored, located, placed or otherwise kept on any lot, road or other location within the properties.
 - c) Vehicles may be parked only in garages or driveways. No vehicles, including, but not limited to, passenger automobiles and trucks may be parked on the streets or any lot other than in the garage or driveway. The exceptions to this covenant are the occasional Queenswood Community gatherings, family gatherings, barbeques, etc.
 - d) Dogs must be restrained on a leash, chain or other mechanism or kept in a fenced area located on or within the Lot owned by the dog owner. Dogs shall not be permitted to roam throughout the subdivision or on any Lots owned by other Lot owners.
 1. Pitbull, pitbull mix, rottweiler, and rottweiler mix breeds of dogs are not permitted in Queenswood.
 - e) All owners of improved property, with the exception of the Declarant during the construction process, shall maintain and keep their Lot(s) in a clean condition, free from any debris and shall keep the grass mowed such that the grass does not exceed (4) inches in height. Owners of vacant lots, with the exception of the Declarant, shall maintain their Lot(s) and shall not allow the grass or any ground cover or brush on the Lot(s) owned by them to exceed one (1) foot in height. In the event Lots (vacant or improved) are not maintained in accordance with the requirements of this restriction, the association may (but shall not have the obligation to) mow and clean the Lot and shall have the right to assess or charge every Lot owner in violation hereof a penalty of \$100.00, plus the costs of mowing in the amount of \$75.00.
 - f) No Lot Owner shall maintain or keep more than four (4) automobiles or vehicles on each lot owned by the owner.
 - g) No person shall shoot or project any stone, rock, shot, or other hard substance beyond the limits of his/her own property by means of slingshot, bean shooter, air rifle, pop gun, bow, or other similar contrivance within the subdivision.
 - h) Discharging of firearms except for the protection of life and property is strictly prohibited throughout the subdivision. No firearm may be discharged, except for the protection of life and property on or within the Lot owned or on the Lots owned by others, including all common areas.
 - i) Discharging of explosives including fireworks is strictly prohibited throughout the subdivision. No explosive including fireworks may be discharged on or within the Lot owned or on the Lots owned by others, including all common areas. The only exception to this shall be on the July 4th Holiday. Whereas between the hours of 8:00 p.m. and 10:00 p.m. "legal" fireworks, as determined by the State of North Carolina, may be discharged.

- j) In the event Lot Owners (vacant and improved) are in violation of any of the covenants, conditions and restrictions of Queenswood Subdivision, the Association may (but shall not have obligation to) assess or charge every Owner in violation hereof a penalty of \$100.00 for each violation.
 - k) All new construction of any improvement, including without limitation, residences (with the exception of the Declarant) or fences, shall require the written approval of the Architectural Review Committee prior to the installation of the improvement. The Association may (but shall not have the obligation to) assess or charge every Owner in violation hereof a penalty, not to exceed, \$250.00 for any Lot owner who makes an improvement, including without limitation residences, fences, patios, sheds, etc. without the prior written approval of the Architectural Review Committee.
 - l) Dwellings on lots 190 & 234 shall face Kingswood Blvd.
 - m) Dwelling on Lot 209 shall face Enchanted Way.
 - n) Dwellings on lots 193 & 196 shall face Princess Anne Circle.
 - o) Dwellings on lots 225 & 233 shall face Crossbow Court.
 - p) Dwellings on Lots 219 & 223 shall face Excalibur Court.
2. The following additional general provisions shall be binding upon the above-described property.
- a) The following covenants are intended to ensure ongoing compliance with state stormwater management permit number SW7060306 as issued by the Division of Water Quality. These covenants may not be changed or deleted without the consent of the State.
 - b) No more than 9,000 square feet of any lot shall be covered by structures or impervious materials. Impervious materials include asphalt, gravel, concrete, brick, stone, slate or similar material but do not include wood decking or the water surface of swimming pools.
 - c) Swales shall not be filled in, piped or altered except as necessary to provide driveway crossings.
 - d) Built-upon area in excess of the permitted amount requires a state stormwater management permit modification prior to construction.
 - e) All permitted runoff from outparcels or future development shall be directed into the permitted stormwater control system. These connections to the stormwater control system shall be performed in a manner that maintains the integrity and performance of the system as permitted.

Except as herein expressly Supplemented, the "Declaration of Covenants, Conditions and Restrictions of Queenswood Subdivision" dated October 15, 1997, together with the said Amendments to the Declaration are herewith ratified and affirmed in every respect as if set forth verbatim herein.

IN WITNESS WHEREOF, THE UNDERSIGNED Declarant, Kar-San Development, Ltd. has caused this instrument to be executed on its behalf as of the date and year first above written.

KAR-SAN DEVELOPMENT, LTD.

By: [Signature]
Vice-President

(corporate seal)

ATTEST:

[Signature: Susan R. Armstrong]
Assistant Secretary

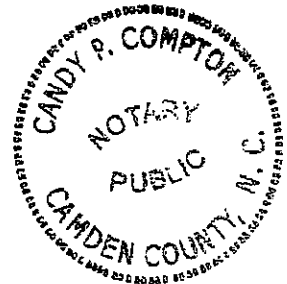
STATE OF NORTH CAROLINA
COUNTY/CITY OF ~~Amherst~~ PASQUOTANK

I, Candy P. Compton, a Notary Public of the County/City of CAMDEN and State aforesaid, certify that SUSAN R. ARMSTRONG personally came before me this day and acknowledged that he is Assistant Secretary of Kar-San Development, Ltd., a Virginia Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its Vice-President, sealed with its corporate seal and attested by her as its Assistant Secretary.

Witness my hand and official stamp or seal, this 20th day of APRIL, 2007.

[Signature: Candy P. Compton]
Notary Public

My commission expires: 09/18/2011
(AFFIX NOTARY SEAL)



NORTH CAROLINA
PASQUOTANK COUNTY

The foregoing certificate of _____, a Notary Public of Pasquotank County, State of North Carolina, is certified correct. This instrument duly filed and recorded in this office at the date and time in the Book and Page as shown on the front page hereof.

Register of Deeds

By: _____
Deputy

BUYER _____ DATE _____ (SEAL)

BUYER _____ DATE _____ (SEAL)

SELLER Gary L. McGraw Jr. by Power of Attorney DATE 3-17-08 (SEAL)
GARY L. MCGRAW JR.

SELLER Caryn H. McGraw DATE 3-17-08 (SEAL)
CARYN H. MCGRAW (HEW)

OWNERS' ASSOCIATION DISCLOSURE AND ADDENDUM
(If property is a condominium, this form should be used for resale only)

Property Address: 102 PRINCE WILLIAM DRIVE, ELIZABETH CITY, NC 27909

For the purposes of this Addendum, "Development" means any property subject to regulation by an owners' association.

1. Seller represents that the regular owners' association dues, if any, are \$ 200.00 per YEAR, which, to the best of Seller's knowledge, include the following items: (Check all that apply)
 - Master Insurance Premium
 - Real Property Taxes on the Common Areas
 - Management Fee
 - Exterior Building Maintenance
 - Exterior Yard/Landscaping Maintenance
 - Trash Removal
 - Cable TV
 - Water
 - Sewer
 - Pool Maintenance
 - Tennis Court Maintenance
 - Pest Extermination
 - COMMON AREA LANDSCAPING MAINTENANCE
 - ELECTRIC SERVICE FOR ENTRY LIGHTS AND PUMP HOUSE AT POND
2. To the best of Seller's knowledge, as of this date, there are no other dues, fees or assessments, confirmed or pending, payable by the Development's property owners, except:
\$100.00 INITIAL CAPITAL ASSESSMENT FEE PAYABLE TO QWPOA BY BUYERS UPON CONVEYANCE OF PROPERTY.
ONE-TIME FEE PER THE CAR'S OF QUEENSWOOD - DUE EACH TIME PROPERTY CHANGES OWNERS.
3. To the best of Seller's knowledge, there are no unsatisfied judgments against or pending lawsuits involving the Property and/or the owners' association, except:
n/a
4. The name, address and telephone number of the President of the owners' association or the Property Manager is:
WILLIAM "RANDY" JACKSON, P.O. BOX 2776, ELIZABETH CITY, NC 27906
5. Seller agrees, upon Buyer's request, to use best efforts to deliver to Buyer as soon as reasonably possible after the Effective Date of the Contract copies of any documents in possession of Seller relating to the Development, such as the face cover sheet from the Development's master insurance policy showing the total coverage amount and the deductible amount, the recorded Declaration and Restrictive Covenants of the Development, the Rules and Regulations of the Development, the Articles of Incorporation and Bylaws of the owners' association, the current Financial Statement and budget of the owners' association, and/or any parking information of the Development.

The parties have read, understand and accept the terms of this Addendum as a part of the Contract.

IN THE EVENT OF A CONFLICT BETWEEN THIS ADDENDUM AND THE OFFER TO PURCHASE AND CONTRACT, THIS ADDENDUM SHALL CONTROL.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

BUYER _____ DATE _____ (SEAL)

BUYER _____ DATE _____ (SEAL)

SELLER Gary L. McGraw Jr. by Power of Attorney DATE 3-17-08 (SEAL)
GARY L. MCGRAW JR.

SELLER Caryn H. McGraw DATE 3-17-08 (SEAL)
CARYN H. MCGRAW (HAW)

NORTH CAROLINA
PASQUOTANK COUNTY

SUPPLEMENTAL DECLARATION
of
COVENANTS, CONDITIONS AND RESTRICTIONS
of
QUEENSWOOD SUBDIVISION

THIS SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF QUEENSWOOD SUBDIVISION made this _____ day of _____, 2003, by **KAR-SAN DEVELOPMENT, LTD.**, a Virginia Corporation, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain properties in Pasquotank County, State of North Carolina, which may be described as follows:

All those certain lots, pieces or parcels of land situate lying and being in Pasquotank County, North Carolina, containing 21.81 acres, more or less, all as shown on that certain plat entitled "Final Plat for Queenswood Subdivision – Phase IV, Mount Hermon Township, Pasquotank County, North Carolina", which said plat is dated August 8, 2003, made by Hyman & Robey, PC, and duly recorded in the Office of the Register of Deeds for the County of Pasquotank, North Carolina in Map Book 33, pages 23 & 24, to which reference is here made for a more particular description.

The Declarant hereby declares that the limitations and restrictions set forth herein shall be binding upon the above-described property;

All those certain provisions and restrictions set forth in that certain "Declaration of Covenants, Conditions and Restrictions of Queenswood Subdivision" (the "Declaration"), dated October 15, 1997 of record in Book 618, Page 50 of the Pasquotank County Public Registry, concerning Queenswood Subdivision, Phase 1, Section 1 are incorporated herein by reference and shall be binding upon the above-described property.

1. The following additional property restrictions shall be binding upon the above-described property.

- a) No clotheslines shall be permitted if visible from any road within the properties.
- b) Abandoned, inoperable and/or unlicensed motor vehicles, trailers, boats, campers, and other mobile equipment shall not be stored, located, placed or otherwise kept on any lot, road or other location within the properties.
- c) Vehicles may be parked only in garages or driveways. No vehicles, including, but not limited to, passenger automobiles and trucks may be parked on the streets or any lot other than in the garage or driveway.
- d) Dogs must be restrained on a leash, chain or other mechanism or kept in a fenced area located on or within the Lot owned by the dog owner. Dogs shall not be permitted to roam throughout the subdivision or on any Lots owned by other Lot owners.
- e) All owners of improved property, with the exception of the Declarant during the construction process, shall maintain and keep their Lot(s) in a clean condition, free from any debris and shall keep the grass mowed such that the grass does not exceed (4) inches in height. Owners of vacant lots, with the exception of the Declarant, shall maintain their Lot(s) and shall not allow the grass or any ground cover or brush on the Lot(s) owned by them to exceed one (1) foot in height. In the event Lots (vacant or improved) are not maintained in accordance with the requirements of this restriction, the association may (but shall not have the obligation to) mow and clean the Lot and shall have the right to assess or charge every Lot owner in violation hereof a penalty of \$100.00, plus the costs of mowing in the amount of \$75.00.
- f) No Lot Owner shall maintain or keep more than four (4) automobiles or vehicles on each lot owned by the owner.
- g) No person shall shoot or project any stone, rock, shot, or other hard substance beyond the limits of his/her own property by means of slingshot, bean shooter, air rifle, pop gun, bow, or other similar contrivance within the subdivision.
- h) Discharging of firearms except for the protection of life and property is strictly prohibited throughout the subdivision. No firearm may be discharged, except for the protection of life and property on or within the Lot owned or on the Lots owned by others, including all common areas.
- i) Discharging of explosives including fireworks is strictly prohibited throughout the subdivision. No explosive including fireworks may be discharged on or within the Lot owned or on the Lots owned by others, including all common areas. The only exception to this shall be on the July 4th Holiday. Whereas between the hours of 8:00 p.m. and 10:00 p.m. "legal" fireworks, as determined by the State of North Carolina, may be discharged.
- j) Any Lot Owner of a vacant Lot (other than the Declarant) shall have two (2) years from the date the Lot Owner purchased the Lot(s) to commence construction of a single family residence upon the Lot(s) owned by him. In the event a Lot Owner purchases two (2) or more adjoining Lots, the Lot Owner shall have two (2) years from the date of the last Lot purchase to construct a single family residence on the Lot(s) owned by him.
- k) In the event Lot Owners (vacant and improved) are in violation of any of the covenants, conditions and restrictions of Queenswood Subdivision, the Association may (but shall not

have obligation to) assess or charge every Owner in violation hereof a penalty of \$100.00 for each violation.

2. The following additional general provisions shall be binding upon the above-described property.
 - a) All lots shall be crowned such that the minimum grade adjacent to the dwelling is 9.0' and the minimum elevation for the finished floor of the lowest level living area in each dwelling is 10.50'.
 - b) The dwellings on lots 90, 91, 95 and 96 shall face Dutchess Lane.
 - c) The dwellings on lots 81 and 84 shall face Bishop Court.
 - d) The allowable built-upon area per lot is 9,000 square feet and shall be inclusive of that portion of the right-of-way between the front lot line and the edge of the pavement, structures, pavement, walkways of brick, stone, slate, not including wood decking.
 - e) The covenants pertaining to storm water regulations may not be changed or deleted without concurrence of the State.
 - f) Filling in or piping of any vegetative conveyances (ditched, swales, etc.) associated with the development except for average driveway crossings, is strictly prohibited by any persons.
 - g) All new construction of any improvement, including without limitation, residences (with the exception of the Declarant) or fences, shall require the written approval of the Architectural Review Committee prior to the installation of the improvement. The Association may (but shall not have the obligation to) assess or charge every Owner in violation hereof a penalty, not to exceed, \$250.00 for any Lot owner who makes an improvement, including without limitation residences, fences, patios, sheds, etc. without the prior written approval of the Architectural Review Committee.

Except as herein expressly Supplemented, the "Declaration of Covenants, Conditions and Restrictions of Queenswood Subdivision" dated October 15, 1997, together with the said Amendments to the Declaration are herewith ratified and affirmed in every respect as if set forth verbatim herein.

IN WITNESS WHEREOF, THE UNDERSIGNED Declarant, Kar-San Development, Ltd. has caused this instrument to be executed on its behalf as of the date and year first above written.

KAR-SAN DEVELOPMENT, LTD.

By: _____
Vice-President

(corporate seal)

ATTEST:

Assistant Secretary

STATE OF North Carolina
COUNTY/CITY OF _____

I, _____, a Notary Public of the County/City of _____ and State aforesaid, certify that _____ personally came before me this day and acknowledged that _____ he is Assistant Secretary of Kar-San Development, Ltd., a Virginia Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its Vice-President, sealed with its corporate seal and attested by her as its Assistant Secretary.

Witness my hand and official stamp or seal, this _____ day of _____, 2003.

Notary Public

My commission expires: _____
(AFFIX NOTARY SEAL)

NORTH CAROLINA
PASQUOTANK COUNTY

Filed: Pasquotank County, NC
Date: October 29, 1997
Time: 3:15 PM
Book: 618 Page: 50

DECLARATION

of

COVENANTS, CONDITIONS AND RESTRICTIONS

of

QUEENSWOOD SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF QUEENSWOOD SUBDIVISION made this 15th day of October, 1997, by KAR-SAN DEVELOPMENT, LTD., a Virginia Corporation, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain properties in Pasquotank County, State of North Carolina, which may be described as follows:

All those certain lots, pieces or parcels of land situate lying and being in Pasquotank County, North Carolina, containing 24.77 acres, more or less, all as shown on that certain plat entitled "Final Plat of Queenswood Subdivision Phase 1, Section 1 Mount Hermon Township, Pasquotank County, North Carolina", which said plat is dated September 16, 1997, made by E. T. Hyman, Jr., R.L.S., and duly recorded in the Office of the Register of Deeds for the County of Pasquotank, North Carolina in Plat Book 22, pages 45-46, to which reference is here made for a more particular description.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to QUEENSWOOD PROPERTY OWNERS' ASSOCIATION, its successors and assigns (herein "the Association.")

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, by excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The common Area to be owned by this Association at the time of conveyance of the first lot is described as follows:

The Common Area or Common Open Space as shown on said Plat containing 4.30 Acres. The Common Area may also include roads, streets, open space, conservation area or green area which may be conveyed to the Association, together with drainage and/or utility easements which may be conveyed to the Association for the use and behalf of the Owners.

Section 5. "Lot" shall mean and refer to any lettered/numbered lot or plot of land within a lettered/numbered block as shown upon the plat hereinabove referred to, with the exception of the Common Area including but not limited to those areas or features identified in Section 4 above.

Section 6. "Declarant" shall mean and refer to Kar-San Development, Ltd., its successors and assigns if such successors or assigns should acquire one or more

undeveloped Lots from the Declarant for the purpose of construction the initial improvements on such lot.

Section 7. "Mortgage" as used herein shall mean a mortgage or deed of trust, said terms having the same meaning and may be used interchangeably.

ARTICLE II

PROPERTY RIGHTS AND DUTIES

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to restrict uses or activities inconsistent with the maintenance of the Common Area;

(b) the right of the Association to suspend the voting rights and right to use of the Common Area by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Board of Directors;

(d) the right of the Association to assess or charge to every Owner fees or dues in order to have funds to maintain and care for the Common Area and any improvements located thereon; and

(e) the transfer of a Lot automatically transfers membership in the Association and all rights of the transferor with respect to the Common Areas and facilities to which ownership of such lot relate.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Leasing. Any owner may lease or rent his Lot as long as the use of the Lot is consistent with the restrictions herein and provided that the lease agreement between owner and lessee shall be written and shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and all other documents of the Association and that failure of the lessee to comply with the terms of such documents shall constitute a default under the lease.

Section 4. Association Duties. Upon conveyance of the Common Area to the Association, the Association shall have the duty to maintain and keep in good repair the same for the benefit of all Owners, including without limitation, proper maintenance of the lakes and drainage facilities which are located on the Common Area together with any streets, sidewalks, street lights, landscaping or other improvements constituting Common Area or which may be located upon the Common Area.

Section 5. Right of Entry by County. Pasquotank County personnel, in the performance of their official duties, are hereby granted a right of entry upon the Common Area of the Association, and this shall include, but not be limited to, law enforcement officers, rescue squad personnel and fire fighting personnel while in pursuit of their duties, and in the case of private streets, enforcement of clear emergency vehicle access.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

CLASS A. Class A members shall be all owners, with the exception of the Declarant (the term Declarant including a builder to whom Declarant has sold a Lot for the purpose of constructing a residence thereon), and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

CLASS B. The Class B member(s) shall be the Declarant (including a builder to whom Declarant has sold a Lot for the purpose of constructing a residence thereon), and the legal owner of such Lot shall be entitled to three (3) votes for each Lot owned as shown on said Plat or in any section which may be hereafter annexed. The Class B membership shall cease and be converted to Class A membership (subject to being reconverted to a Class B membership if, pursuant to a subsequent annexation of additional Lots the total votes outstanding in the Class A membership are less than the total votes outstanding in the Class B membership) on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) ten (10) years from the date hereof subject only to Declarant's ability to renew the Class B membership for an additional period of ~~five~~ (5) years upon the recordation of such an amendment to this Declaration.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest from the due date thereof as hereinafter provided and any costs of collection, including court costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with any interest from the due date as hereinafter provided and costs of collection, including reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them, but the charge and lien upon the property against which such assessment is made shall attach and pass with the title to such property.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the Common Area to the Association, the maximum annual assessment shall be ONE HUNDRED DOLLARS (\$100.00) per Lot.

(a) From and after the first year, the maximum assessment may be increased each year (computed on a cumulative basis) not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after the first year, the maximum annual assessment may be increased above ten percent (10%) by a vote of more than two-thirds (2/3^{rds}) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment from time to time at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of more than two-thirds (2/3^{rds}) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than 15 days nor more than 30 days in advance of the meeting. At the first such meeting called, the presence of members or of

proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected in arrears or in advance on a monthly basis, or on a quarterly, semi-annual or annual basis as determined by the Board of Directors of the Association.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area to the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum or as may be established from time

to time by a vote of the Association. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. Any defaulting Owner shall be liable for reasonable attorneys' fees and court costs as may be awarded by the court.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Initial Capital Assessment. The Owner of each Lot shall pay to the Association an initial capital assessment of \$100.00 upon the conveyance of a Lot to an Owner who is not a builder.

Section 11. Health Department Assessments.

(a) Included in the Annual Assessment provided for in this Article IV may be an annual assessment determined by the Association and its Board of Directors in such amount as may be required to satisfy the requirements of Pasquotank, Perquimans, Camden and Chowan District Health Department for inspection or maintenance of drainage within the Properties and subdivision and such other facilities as may be required by said District Health Department. This annual assessment shall be in addition to the Annual Assessment otherwise determined by the Association and its Board of Directors to meet and satisfy any and all other requirements of this Declaration. Any annual assessment levied by the Association and its

Board of Directors for the purposes herein expressed shall be used exclusively by the Association and its Board of Directors for the purpose of meeting the requirements of the Pasquotank, Perquimans, Camden and Chowan District Health Department and other applicable governmental authorities.

(b) Included within the authority of the Association and its Board of Directors to make Special Assessments for Capital Improvements as provided in Section 4 of this Article IV above is the authority of the Association and its Board of Directors to make and levy special assessments required to meet any requirements of the Pasquotank, Perquimans, Camden and Chowan District Health Department for inspection or maintenance of drainage within the properties and subdivision and such other facilities as may be required by said District Health Department. Any special assessment levied by the Association and its Board of Directors for the purposes herein expressed shall be used exclusively by the Association and its Board of Directors for the purpose of meeting the requirements of the Pasquotank, Perquimans, Camden and Chowan District Health Department and other applicable governmental authorities.

(c) Pursuant to and consistent with Section 1 of this Article IV, any annual or special assessment levied by the Association or its Board of Directors pursuant to subsection (a) and/or subsection (b) of this Section 11, together with interest for past due assessments as herein provided in this Article IV and the costs of collection, including court costs and reasonable attorney's fees, shall be a charge on the land against the land, shall be a continuing lien upon the property against which each such assessment is made, and shall be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

ARTICLE V

GENERAL PROVISIONS

Section 1. Enforcement. The Association, the Declarant, or any Owner, shall have the right to enforce, by any proceeding at law or equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise effect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

Section 4. Annexation. Queenswood, together with such entity as Queenswood, may have conveyed or assigned its rights and privileges as the "Declarant" hereunder, (Declarant and such Assignee being referred to collectively in the sub-paragraph as Declarant) reserves the right to annex to the Properties at any time, and from time to time, additional parcels of land owned by, or subsequently owned by, Declarant or by such entity as Queenswood may have conveyed or assigned its rights and privileges as the "Declarant" hereunder; such right or privilege of annexation may be made in the sole discretion of the

Declarant without the necessity of the consent of Class A members, Class B members or the Association. Declarant may cause such annexation to be made by including the provisions of such annexation to be shown on such recordation plat, or by an instrument executed by Declarant and duly recorded, describing the parcel or parcels to be annexed and referring to and making such parcel or parcels subject to the within Covenants, Conditions and Restrictions, or both. Upon any such annexation being so made, the real estate or "Properties" covered thereby, together with the Declarant and all Owners thereof, and their heirs, successors and assigns, shall be entitled to and subject to, all of the terms of the within Covenants, Conditions and Restrictions in the same manner if such annexed parcel had been included within the legal description as contained in the first Whereas clause of Page 1 hereof, the same being defined as the "Properties" under Section 3 of the Article I hereof.

It is further understood and agreed that such annexation of all or of any part of the real estate hereinabove described shall be solely at the option of the Declarant and Declarant may from time to time annex all or any part of the parts thereof as determined solely by the Declarant without the necessity of approval of any Lot Owner or the Association, anything to the contrary notwithstanding in the Articles of Incorporation or By-Laws of the Association.

Section 5. Encroachments. In the event any portion of any improvement on any Lot encroaches upon the Common Areas and facilities, as a result of construction, reconstruction, repair, shifting, settlement or movement of any portion thereof, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

Section 6. Additional Covenants. It is understood and agreed, anything to the contrary contained herein notwithstanding, as follows:

(a) A first mortgagee will be provided written notification of any default by the mortgagor of such Lot or unit in the performance of such mortgagor's obligations under these Restrictions which is not cured within 30 days; as used herein the terms "first mortgage", "mortgage" or "mortgagor" shall have the same meaning and import as "first deed of trust", "noteholder", or "first deed of trust", or "grantor of a deed of trust"; the terms "mortgage" and "deed of trust" for the purposes herein shall have the same meaning and intent.

(b) Any first mortgagee who comes into possession of a Lot or unit in the Properties pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal".

(c) Any first mortgagee who comes into possession of the unit pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosures, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Lot or unit which accrue prior to the time such holder comes into possessions of the Lot or unit.

(d) Unless at least 75% of the first mortgagees (based upon one vote for each first mortgage) of individual Lots or units in the Properties have given their prior written approval, the Association shall not be entitled to:

(1) by act or omission seek to abandon, petition, subdivide, encumber, sell or transfer real estate or improvements thereon which are owned, directly or indirectly, by such Association for the benefit of the Owners and Lots in the Properties.

The granting of easements for public utilities or for other public purposes consistent with the intended use of such property by the Association shall not be deemed a transfer within the meaning of this clause:

(2) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

(3) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, the maintenance of party walls or common fences and driveways, or the upkeep of lawns and plantings in the Properties;

(4) fail to maintain fire and extended coverage on insurable common area property on a current replacement costs basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost);

(5) use hazard insurance proceeds for losses to any common area property for other than the repair, replacement or reconstruction of such improvements.

(e) First mortgagees shall have the right to examine the books and records of the Association or any entity which owns the common area property of the Association.

(f) First mortgagees of Lots or units in the Properties may, jointly or singly, pay taxes or other charges which are in default and which may have become a charge against any common area property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such property and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. Entitlement to such reimbursement is hereby agreed to and this instrument shall constitute an agreement in favor of all first mortgagees of Lots or units in the Properties.

(g) No provision of the Association Articles of Incorporation, or the declaration of easements, restrictions and covenants, or any similar instrument pertaining to the Properties or to Lots or units therein, gives a lot Owner or any other party priority over any rights of first mortgagees of Lots or units herein pursuant to their mortgages in the case of a distribution to

lot Owners of insurance proceeds or condemnation awards for losses to or taking of the Association's common property.

(h) Lot Owners have a right to enjoyment of the common area property and such property is owned in fee by the Association. The common area property was conveyed to the Association unencumbered except for any easements granted for public utilities or for other public purposes consistent with the intended use of such property by the Association.

(i) In the event that management other than self-management is required of the Association, and in the event that the Association elects or decides to terminate, then all first mortgagees shall be given at least thirty (30) days' notice of said action.

(j) All first mortgagees shall be entitled to receive reasonable written notice of damage to or condemnation of any part of the common area facilities.

ARTICLE VI

PROPERTY RESTRICTIONS

The Declarant does hereby declare, covenant and agree, for itself and its successors and assigns, that all residential Lots shown on said Plat (except such Lots may be needed for utilities and the like such as the pump station lots shown on said Plat) shall be hereafter held and sold subject to the following conditions and restrictions, to-wit:

Section 1. Land Use And Building Criteria. No lot shall be used except for residential purposes. Each one (1) story dwelling or house shall contain a minimum of 1,400 square feet of heated living area. Each two (2) story dwelling or house shall contain a minimum of 1,500 square feet of heated living area. No dwelling or house shall exceed two (2) stories in height from the ground surface. No building or other improvement shall be erected, altered, placed or permitted to remain on any lot without the plans, specifications and design thereof having been approved in writing by the Architectural Review committee referred to hereinafter.

Notwithstanding the foregoing, the Declarant or any builder purchasing two or more Lots from Declarant may maintain a model home/sales office until such time as the residences constructed on all Lots have been sold to Owners other than builders.

The Architectural Review Committee may act in its sole discretion and may, from time to time, change, modify or alter its standards or guidelines relating to size, quality and design of buildings and improvements built upon the lots.

Section 2. Building Location. The front of each numbered building lot shown on said plat is indicated by the "Minimum Building Set-Back Line", set forth on said plat. No building shall be located on any numbered building lot shown upon the said plat, unless the front of the said building faces the front of the lot upon which it is located, nor shall any building be located on any lot nearer to the front lot line than the minimum building set-back line shown on the recorded plat. The Architectural Review Committee may grant waivers or exceptions as to building line violations for good cause shown.

Section 3. Sewage Disposal. Every dwelling unit constructed within this subdivision shall be connected to an approved septic tank and system constructed, operated and maintained by the Owner of the lot upon which the dwelling unit is located.

Section 4. Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat of subdivision.

Section 5. Underground Electrical and Telephone Service. Neither poles nor other structures for the carrying or transmission of electric power or telephone service nor any electric or telephone line or cable, elevated or carried above the surface of the land or ground, and not completely enclosed within some building or structure permitted under the provisions of these restrictions, shall be erected, altered, placed or permitted to remain upon either: (1) any lot in the subdivision, or (2) in or upon any street, alley, sidewalk, curb, gutter or easement

or right of way included within the subdivision. All electric and telephone service facilities constructed or placed within the subdivision, unless completely enclosed within some building or structure permitted under the provisions of these restrictions must be carried, housed or placed beneath the surface of land in the subdivision. This Section 5 shall not prohibit such electrical facilities or apparatus as may be required for public utilities and/or temporary electrical service during construction of improvements.

Section 6. Nuisances. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance to the neighborhood.

Section 7. Fences. No fence shall be erected or constructed without written approval of the Architectural Review Committee. No fence shall be permitted in any front yard, unless the Architectural Review committee specifically approves an exception allowing the fence (front yard being defined to mean the area between the front of the house and the street upon which such Lot is situated). The Architectural Review Committee may require wooden or brick fences containing an attractive design consistent with the neighborhood, may restrict the height and location of fences and may exclude metal fences, pens or enclosures

Section 8. Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot as a temporary residence.

Section 9. 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 similar household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose and do not constitute a nuisance to their neighbors.

Section 10. Signs. No sign of any kind shall be displayed to the public view on any lot, except one professional sign of not more than one square foot, or a sign advertising the property for sale or rent of not more than three square feet, or a sign used by a builder to advertise the property during the construction and sales period of not more than five square feet.

Section 11. Garbage and Refuse Disposal. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition to the rear of the dwelling concerned.

Section 12. Heating and Air Conditioning Equipment; Disc Antenna. No air conditioning or heating equipment shall be placed in front of any residence. No propane or other tanks erected above the ground shall be permitted unless screened. No disc antenna larger than 24 inches in diameter shall be erected or maintained on any lot in the subdivision.

Section 13. Trailers, Boats, Campers and Mobile Equipment. No trailers, boats, campers, or other mobile equipment except passenger automobiles and small trucks may be parked on the streets or on any lot within the front property setback line.

Section 14. Subdivision of Lots. None of the lots as shown on the said Plat may be subdivided into smaller or additional lots unless such smaller or additional lots comply with the subdivision requirements of the Pasquotank County; lot lines may be adjusted and/or additional parcels may be added so as to create new lots within the subdivision so long as the subdivision requirements of the County of Pasquotank are met.

Section 15. Conservation Easements.

(1) The Declarant does hereby covenant and agree, as a condition running with the land, that no activity will be performed on any applicable portion of property subject to these Restrictions which is designated on any Subdivision Plat or other recorded plat as a "Conservation Easement" involving a "Discharge of Fill Material" as that term is interpreted and applied by the United States Army corps of Engineers pursuant to its authority under Section 404 of the Clean Water Act (33 U.S.C.A. 1251 et seq.) unless (1) such activity is specifically authorized by the Corps of Engineers through issuance of an appropriate permit for the activity, or such activity is exempt from the requirement of a permit under applicable statutes and regulations, (2) such activity is consistent with the Covenants, Conditions and Restrictions as applicable to lots in the subdivision known as Queenswood and (3) such activity conforms to all other applicable requirements of federal, state and local laws, ordinance and regulations, nothing contained herein shall prevent the construction of residences or other improvements on portions of Lots which may be partially affected by a Conservation Easement with the residences and other improvements being constructed on the portion of such Lot not subject to the Conservation Easement, provided, however, that the Owner of any such Lot shall be entitled to use of the portion of the Lot subject to the Conservation Easement, but may not remove trees or other vegetation except for dead or diseased trees or vegetation, the intent being that the Conservation Easement areas shall remain in their actual state.

(2) The covenants herein contained shall lie in addition to all of the covenants, conditions, and restrictions contained in the Declaration.

(3) The Declarant, the Association, the Corps of Engineers, and any other federal, state or local government or agency having jurisdiction over tidal or non-tidal wetlands as defined in the Clean Water Act as hereinabove referred to shall have the right to enforce,

by proceeding at law or in equity in the covenants, conditions, restrictions and easements herein contained in this Section 15.

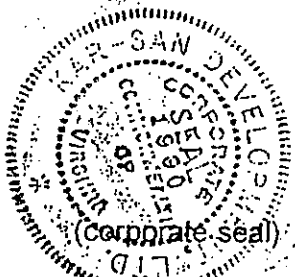
ARTICLE VII

ARCHITECTURAL REVIEW COMMITTEE

(In this Article VII the term Declarant shall have the same meaning as in Article V, Section 4.) Until such time as Declarant has conveyed the last Lot as shown on said Plat, or any Lot which may be hereafter annexed, Declarant shall designate an Architectural Review committee consisting of three (3) persons which Queenswood may from time to time change. Upon the last Lot being conveyed by Declarant, or at such earlier time as Queenswood may elect, the Board of Directors of the Association shall elect an Architectural Review committee consisting of three (3) persons who may also serve as officers or directors of the Association. All new construction of any improvement, including without limitation residences or fences, shall require the written approval of the Architectural Review Committee. Any subsequent addition to, or change of, or alteration of existing construction, shall in like manner, require repainting or repairs of what has been previously approved shall not require any subsequent approval. The Architectural Review Committee is authorized to review and determine in its sole discretion, the nature, kind, shape, height, materials, location or design or color of any improvement located upon the Properties to ensure harmony of external design and location in relation to surrounding structures and topography.

In the event the Architectural Review Committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied.

IN WITNESS WHEREOF, the undersigned Declarant, Kar-San Development, Ltd. has caused this instrument to be executed on its behalf as of the date and year first above written.



KAR-SAN DEVELOPMENT, LTD. (SEAL)

By: Lynn J. Parson (SEAL)
President

ATTEST:
Sandra O. Parson
Secretary

STATE OF Virginia

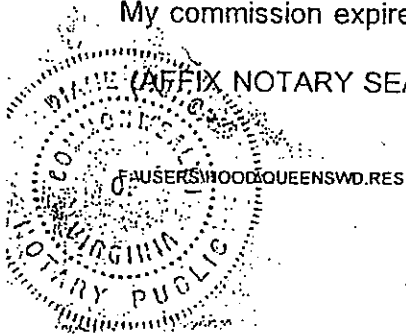
COUNTY/CITY OF James City

I, Diane Bishop, a Notary Public of the County/City of James City, and State aforesaid, certify that Sandra Parson personally came before me this day and acknowledged that she is Secretary of Kar-San Development, Ltd a Virginia Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by (him) (her) as its Secretary.

Witness my hand and official stamp or seal, this 26th day of October, 1997.

Diane Bishop
Notary Public

My commission expires: January 31, 1999



NORTH CAROLINA : PASQUOTANK COUNTY
The foregoing certificate of Diane Bishop, a Notary Public of Commonwealth of Virginia, is certified to be correct. This 29th day of October, 1997.

Dollie J. Summerow
Register of Deeds

By: Clementine White
Deputy

See Supplemental Declaration in BK 659 Pg 249

BOOK 627 Page 501

NORTH CAROLINA
PASQUOTANK COUNTY

FILED in Pasquotank County, NC
on Apr 17 1998 at 03:28:15 PM
Dollie J. Summerour
Register of Deeds

AMENDED DECLARATION
of
COVENANTS, CONDITIONS AND RESTRICTIONS
of
QUEENSWOOD SUBDIVISION

THIS AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS of QUEENSWOOD SUBDIVISION made this 6th day of March, 1998, by KAR-SAN DEVELOPMENT, LTD., a Virginia Corporation, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain properties in Pasquotank County, State of North Carolina, which may be described as follows:

All those certain lots, pieces or parcels of land situate lying and being in Pasquotank County, North Carolina, containing 24.77 acres, more or less, all as shown on that certain plat entitled "Final Plat of Queenswood Subdivision Phase 1, Section 1 Mount Hermon Township, Pasquotank County, North Carolina", which said plat is dated September 16, 1997, made by E. T. Hyman, Jr., R.L.S., and duly recorded in the Office of the Register of Deeds for the County of Pasquotank, North Carolina in Plat Book 22, pages 45-46, to which reference is here made for a more particular description.

AND WHEREAS, Declarant has heretofore subjected the above described property to that certain "Declaration of Covenants, Conditions and Restrictions of Queenswood Subdivision" dated October 15, 1997 of record in Book 618, Page 50 of the Pasquotank County Public Registry (incorporated by reference herein), but now desires to make certain amendments thereto pursuant to Section 3 of Article V prior to the sale of any lots shown on the "Final Plat of Queenswood Subdivision Phase 1, Section 1 Mount Hermon Township, Pasquotank County, North Carolina" of record in Plat Book 22, Page 45-46 of the Pasquotank County Public Registry.

BOOK 627 Page 502

NOW, THEREFORE, Declarant does hereby designate, declare and make known and publish the following additions, changes and amendments to the "Declaration of Covenants, Conditions and Restrictions of Queenswood Subdivision" dated October 15, 1997 of record in Book 618, Page 50 of the Pasquotank County Public Registry as hereinafter set forth:

1. ARTICLE VI PROPERTY RESTRICTIONS is hereby amended by adding two (2) new provisions as follows:

Section 16. Clothes Lines. No clothes lines shall be permitted if visible from any road within the Properties.

Section 17. Abandoned Vehicles. Abandoned, inoperable and/or unlicensed motor vehicles, trailers, boats, campers and other mobile equipment shall not be stored, located, placed or otherwise kept on any lot, road or other location within the Properties.

2. Except as herein expressly amended, the "Declaration of Covenants, Conditions and Restrictions of Queenswood Subdivision" dated October 15, 1997 is herewith ratified and affirmed in every respect as if set forth verbatim herein.

IN WITNESS WHEREOF, the undersigned Declarant, Kar-San Development, Ltd. has caused this instrument to be executed on its behalf as of the date and year first above



KAR-SAN DEVELOPMENT, LTD.

By: Steve Parsons
President

ATTEST
Madeline Bruner
Assistant Secretary

OWNERS' ASSOCIATION DISCLOSURE AND ADDENDUM
(If property is a condominium, this form should be used for resale only)

Property Address: 102 PRINCE WILLIAM DRIVE, ELIZABETH CITY, NC 27909

For the purposes of this Addendum, "Development" means any property subject to regulation by an owners' association.

1. Seller represents that the regular owners' association dues, if any, are \$ 200.00 per YEAR, which, to the best of Seller's knowledge, include the following items: (Check all that apply)
- Master Insurance Premium
 - Real Property Taxes on the Common Areas
 - Management Fee
 - Exterior Building Maintenance
 - Exterior Yard/Landscaping Maintenance
 - Trash Removal
 - Cable TV
 - Water
 - Sewer
 - Pool Maintenance
 - Tennis Court Maintenance
 - Pest Extermination
 - COMMON AREA LANDSCAPING MAINTENANCE
 - ELECTRIC SERVICE FOR ENTRY LIGHTS AND PUMP HOUSE AT POND
2. To the best of Seller's knowledge, as of this date, there are no other dues, fees or assessments, confirmed or pending, payable by the Development's property owners, except:
\$100.00 INITIAL CAPITAL ASSESSMENT FEE PAYABLE TO QWPOA BY BUYERS UPON CONVEYANCE OF PROPERTY. ONE-TIME FEE PER THE CAR'S OF QUEENSWOOD - DUE EACH TIME PROPERTY CHANGES OWNERS.
3. To the best of Seller's knowledge, there are no unsatisfied judgments against or pending lawsuits involving the Property and/or the owners' association, except:
n/a
4. The name, address and telephone number of the President of the owners' association or the Property Manager is:
WILLIAM "RANDY" JACKSON, P.O. BOX 2776, ELIZABETH CITY, NC 27906
5. Seller agrees, upon Buyer's request, to use best efforts to deliver to Buyer as soon as reasonably possible after the Effective Date of the Contract copies of any documents in possession of Seller relating to the Development, such as the face cover sheet from the Development's master insurance policy showing the total coverage amount and the deductible amount, the recorded Declaration and Restrictive Covenants of the Development, the Rules and Regulations of the Development, the Articles of Incorporation and Bylaws of the owners' association, the current Financial Statement and budget of the owners' association, and/or any parking information of the Development.

The parties have read, understand and accept the terms of this Addendum as a part of the Contract.

IN THE EVENT OF A CONFLICT BETWEEN THIS ADDENDUM AND THE OFFER TO PURCHASE AND CONTRACT, THIS ADDENDUM SHALL CONTROL.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

