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STATE OF NORTH CAROLINA

COUNTY OF CRAVEN

DECLARATION OF PROTECTIVE COVENANTS OF THE MOORINGS

THIS DECLARATION OF PROTECTIVE COVENANTS, made and entered into this 26th day of June 1996, by Duncan Harrison, (hereinafter referred to as "DEVELOPER").

WITNESSETH THAT:

WHEREAS, DEVELOPER is the owner of Lots I through 17, Section One in THE MOORINGS SUBDIVISION located in Craven County, North Carolina, which is more particularly shown and described on that map recorded in Plat Cabinet G, Slides 9 D & E, Craven County Registry; and .

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

NOW, THEREFORE, the undersigned does hereby covenant, agree and declare to and with all persons, firms or corporations now owning or hereafter acquiring any property in THE MOORINGS SUBDIVISION, that all of the above lots in said subdivision as shown on map recorded in Plat Cabinet G, Slides 9 D & E, of the Craven County Registry, are hereby made subject to the following PROTECTIVE COVENANTS (hereinafter "PROTECTIVE COVENANTS"). These PROTECTIVE COVENANTS shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in and to the real property or any part or parts thereof subject to this DECLARATION OF PROTECTIVE COVENANTS.

ARTICLE 1

DEFINITIONS

As used herein,

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

B. "Association" means and refers to THE MOORINGS 'PROPERTY OWNERS' ASSOCIATION, INC., a nonprofit North Carolina corporation.

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

D. "By-laws" means the By-laws of THE MOORINGS PROPERTY OWNERS' ASSOCIATION, INC.

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

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

G. "Developer" means DUNCAN HARRISON, his heirs, successors and assigns or any legal entity acquiring ownership of portions of the Development Area heretofore not dedicated with the intent and for the purpose of further developments.

H. "Development Area" shall mean that property described by that map recorded in Plat Cabinet G, Slides 9 B & C, in the Office of the Register of Deeds of Craven County, North Carolina.

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

J. "Member" shall mean and refer to each and every person and entity who or which owns a lot in THE MOORINGS SUBDIVISION subject to this Declaration. .

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

L. "Subdivision" means all of that real property known collectively as THE MOORINGS SUBDIVISION as shown on that revised map recorded in Plat Cabinet G, Slides 9 D & E, Craven County Registry, together with additional phases or sections as the same shall be shown on the maps to be recorded in the Craven County Registry and the properties shown thereon made subject to this Declaration of Protective\covenants.

ARTICLE 2

APPLICABILITY

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

ARTICLE 3

RESTRICTIONS ON USE AND OCCUPANCY

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

B. Any dwelling constructed on the Lots subject to these PROTECTIVE COVENANTS shall contain not less than 1600 square feet for one story house and 1800 square feet for any house in excess of one story. The minimum square footage herein provided shall be measured by using the fully enclosed and heated floor space all devoted to general Living purposes and be exclusive of roofed or unroofed porches, breezeways, decks, terraces, garages and any outbuildings. Any dwelling in excess of one story shall contain not less than 1000 square feet on the first level of such structures which shall be fully enclosed and heated floor space all devoted to living purposes exclusive of roofed or unroofed porches, breezeways, decks, terraces, garages, and any outbuildings. In addition the total built-upon area on each lot shall not exceed the requirements of the Title I NCAC

2H.1003 Coastal Storm water Regulations. The State of North Carolina shall be a beneficiary of this provision entitled to enforce the same by any available action or remedy against any lot owner who violates the terms of this provision.

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

1. Thirty (30) feet from the Lot frontline.
2. Ten (10) feet from the Lot side line.
3. Fifteen (15) feet from the Lot rear line or in the case of waterfront Lots, construction cannot occur within 75 feet from the high-water mark of Clubfoot Creek unless permitted by CAMA.
4. Twenty (20) feet from any corner Lot side line.

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

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

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

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

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

The Owner or Owners of the property on which bulkheads, jetties, or other artificial

stabilization devices are to be constructed must, prior to construction, obtain written approval from the appropriate Federal, State, County and local authorities, and the DEVELOPER, its duly designated representative or the Committee.

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

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

H. All Lots shall be well maintained and no accumulation of rubbish or debris shall be permitted. The Owners of all not-built upon Lots in the Subdivision shall clear their Lots of underbrush or mow as follows:

1. Lots in open fields must mow at least four (4) times each year;
2. Wooded Lots must clear underbrush at least twice a year;
3. Lots with open and wooded areas must mow the open area at least four (4) times each year and clear underbrush from the wooded area at least twice a year.

If the Owners do not clear their Lot as required by this paragraph, the Association shall have the authority to clear any such Lot of underbrush and separately assess the cost of such work against each Owner. Such charge shall be a special assessment against the Owner and his Lot(s) and may be enforced in accordance with the provisions of Article 7 herein.

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

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

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

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

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

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

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

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

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

8. No vehicle of any type shall be parked on any street in the Subdivision. No truck nor other vehicle in excess of a one-ton load capacity nor any mobile home, trailer or similar vehicle, including boats, shall be parked or kept overnight or longer, on any Lot, in such a manner as to be visible to the occupants of other Lots or the users of a street or recreation area.

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

10. No advertising signs or billboards or other advertising structure(s) of any kind shall be erected on any Lot or displayed to the public on any Lot subject to these restrictions except that one sign of not more than four square feet in area may be used to advertise a completed dwelling for sale or rent. This covenant shall not apply to signs erected by the

DEVELOPER used to identify and advertise the Subdivision as a whole or construction identification signs approved by the Committee showing Lot numbers and name of builder, or by a homeowner for the purposes of identifying the homeowner as the resident on said Lot. Said identification sign shall not exceed in size a total of four square feet.

11. No satellite dish antennas larger than 20 inches in diameter are permitted to be installed on any Lot in that portion of the Lot lying between the plane of the front wall of the house and the right of way of any roadway which adjoins the Lot; any satellite dish installed shall be screened from view from the roadway which adjoins the Lot on which the satellite dish is located and also screened from view by adjoining property Owners. The design and location of the screening of the satellite dish larger than 20 inches in diameter shall be approved by the Committee. All radio antenna installations shall be approved in writing by the Committee before the antenna is installed.

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

13. No animals shall be permitted to remain on any Lot other than dogs, cats, or other small household pets, always in reasonable numbers and subject to reasonable rules and regulations as may be promulgated from time to time by the Association.

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

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

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

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

(b) All trees exceeding six (6) inches in diameter may only be removed from any Lot with the written approval of the DEVELOPER or the Committee said approval being based upon a site plan, landscaping plan, or planting plan submitted to the DEVELOPER or the Committee by the Owner or his agent.

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

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

18. No inoperable, or submerged or sunk, or partially submerged or partially sunk, boat may be docked or moored at any private or common dock or pier in THE MOORINGS SUBDIVISION.

19. No mail or paper box or other receptacle of any kind for use in the delivery of mail, newspapers or magazines or similar material shall be erected or located upon any Lot except such receptacle of standard design as shall have been approved by the Committee.

K. This Article and these PROTECTIVE COVENANTS shall not apply to any sales office which may be maintained DEVELOPER within THE MOORINGS SUBDIVISION.

ARTICLE 4

ASSOCIATION

A. An association named THE MOORINGS PROPERTY OWNERS' ASSOCIATION, INC. has been or will be formed pursuant to the rules and requirements of the Nonprofit Corporation Act (Chapter 55A) of the General Statutes of North Carolina as an association of the Owners of Lots. Its purposes are to own, manage, maintain, and operate the Community Use Areas and & facilities located upon the Community Use Areas; to enforce the restrictions contained herein; and to make and enforce rules and regulations governing the Owners' use and occupation of Lots.

B. Each Owner of each Lot within the Subdivision shall be a Member of the Association. The DEVELOPER, by the Declaration, and the Owners of individual Lots by their acceptance of individual deeds thereto and by the recording of these PROTECTIVE COVENANTS, covenant and agree with respect to the Association;

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

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

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

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

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

E. The affairs of the Association shall be managed by a Board of Directors, the number, qualifications, term and method of election of which shall be as provided from time to time by the By-laws of the Association; and provided, further that the number of members of the first Board of Directors shall be three (3); and, provided, finally, that, notwithstanding any of the foregoing, so long as the DEVELOPER, owns twenty (20) percent or more of the residential lots in the development, but in any event, not longer than December 31, 1998, said DEVELOPER shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the Association who need not meet the qualifications for directors as provided by said By-laws or herein.

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

ARTICLE 5

MANAGEMENT AND ADMINISTRATION

The management and administration of the affairs of the Community Use Areas of the Subdivision shall be the sole right and responsibility of the Association. The management shall be carried out in accordance with the terms and conditions of these PROTECTIVE COVENANTS, the Articles and the By-laws of the Association, but may be delegated or contracted to managers or a management service.

ARTICLE 6

COMMON EXPENSES

The Common Expenses of the Subdivision include:

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

ARTICLE 7

ASSESSMENTS, LIABILITY, LIEN AND ENFORCEMENT

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

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

(1) Annual assessments or charges and

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

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

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

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

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

D. Initial and Maximum Annual Assessment:

The initial assessment, payable to the Association shall be prorated and paid at the time of closing of the purchase of a Lot, so that all payments thereafter shall be due on January 1 of that year. The initial assessment payable to THE MOORINGS PROPERTY OWNERS' ASSOCIATION is to be \$350.00 per annum, and the maximum annual assessment for each calendar year thereafter shall be established by the Board of Directors of the Association and may be increased by the Board of Directors for any calendar year without approval-by the membership by an amount not to exceed ten percent (10%) of the maximum annual assessment of the previous year. The initial annual assessment for the owners of boat slips shall be \$250.00 per annum in addition to the general assessment for all Lot owners.

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

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

E. Special Assessments for Capital Improvement: In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part, the costs of any construction, reconstruction, repair, replacement or repaving of a capital improvement to the roads and streets of the property, the easement areas described above, or any other Community Use Areas of the property, including fixtures and personal property related thereto, provided that any such assessments shall have the assent of two-thirds of the vote of the Members who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed to the uniform rate for all Lots and may be collected on a schedule determined by the vote of the Members at said meeting.

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

F. Date and Commencement of Annual Assessments; Due Dates: The annual assessments provided for herein shall be collected on an annual basis and shall commence as to all Lots on the first day of July, 1996, and thereafter as to Owners other than DEVELOPER, on the first day of each calendar year following the conveyance of a Lot to any such Owner. At least thirty (30) days in advance of each annual assessment, the Board of Directors shall fix the amount of the annual assessment to every Owner subject thereto. If no notice is given of a new assessment, then the previous year's assessment will apply.

G. Effect of Nonpayment of Assessments; Remedies of the Association: Any general or special assessment, if not paid within thirty (30) days after the date of such assessment is

due, together with interest at the rate of twelve percent (12 %) per annum, costs of collection, court costs, and reasonable attorney's fees shall constitute a lien against the Lot upon which such assessments are levied. The Association may record notice of the same in the Office of the Clerk of Superior Court of Craven County or file a suit to collect such delinquent assessments and charges. The Association may file Notice of Lis Pendens, bring an action at law against the Owner personally obligated to pay the same and/or bring an action to foreclose the lien against the property. No Owner' may waive or otherwise escape liability for the assessments provided for herein.

H. Sale or Transfer of Property: The sale or transfer of any Lot shall not affect the assessment lien or liens provided for in the preceding sections. However, the sale or transfer of any Lot which is subject to any mortgage or deed of trust pursuant to a foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which become due prior to such sale or transfer. No such sale or transfer shall release such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE 8

COMPLIANCE WITH THIS DECLARATION, THE ARTICLES

AND THE BY-LAWS OF THE CORPORATION

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

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

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

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

sixty (60) days for violation of any of the Association's published rules and regulations.

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

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

ARTICLE 9

PROPERTY RIGHTS OF LOT OWNER, CROSS-EASEMENTS,

AND EXCEPTIONS AND RESERVATIONS BY DECLARANT

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

1. The Association shall have the right to make reasonable rules and regulations respecting the use of same.
2. An easement for future dredging of the areas adjacent to the boat docking facility for the purpose of maintaining the dock as may be necessary is granted to those Lot Owners who shall also purchase a boat slip within the dock.
3. An easement for the docking of boats privately owned by the Owners, along said docking facility within one of the slips of said docking facility and an easement over and across the boat docking facilities is granted to those Lot Owners who shall also purchase a boat slip within the dock. Each Owner's slip shall be designated by the DEVELOPER, which slip number shall be affixed to the slip of the docking facility to be used by the Owner thereof.

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

C. Any Owner may delegate, in accordance with the By-laws, his right of enjoyment of the Community Use Areas, and facilities to the Members of his family, his tenants, and contract purchasers who reside on the property.

D. Easements and rights of way over and upon each Lot for drainage and the installation and maintenance of utilities and services are reserved to DEVELOPER and its successors and assigns for such purposes as DEVELOPER may deem incident and appropriate to its overall development plan, such easements and rights of way being shown or noted on the aforesaid recorded plat of the Subdivision. The easements and right of way areas reserved by DEVELOPER on each Lot pursuant hereto shall be maintained continuously by the Owner but no structure or plantings or other material shall be placed or permitted or remain upon such areas or other activities undertaken thereon which may damage or interfere with the installation or maintenance of utilities or other services, or which may retard, obstruct or reverse the flow of water or which may damage or interfere with established slope ratios or create erosion problems. Improvements within such areas also shall be maintained by the respective Owner except those for which a public authority or utility company is responsible. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any grading of the soil, or to take any other similar action reasonably necessary in the opinion of the DEVELOPER to provide an economical and safe installation.

E. The. DEVELOPER and the Owners, by these presents, hereby establishes, grants, gives and conveys to each and every Owner or future Owners of a Lot in THE MOORINGS SUBDIVISION an easement of ingress, egress and regress over and across all of the roads and streets of THE MOORINGS SUBDIVISION as shown on maps thereof and that easement for ingress, egress and regress described in Deed Book 1517, page 779, Craven County Registry and shown on map of record in Plat Cabinet F, Slides 9 B & C. Craven County Registry. It is the intent of the DEVELOPER that this grant of easement be deemed hereinafter as an appurtenance to each and every Lot within THE MOORINGS SUBDIVISION, and any conveyance or transfer of the title to any Lot in THE MOORINGS SUBDIVISION shall be deemed to include this easement, whether expressly stated therein or not.

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

G. There is granted to Carolina Power and Light Company, its successors and assigns, a blanket easement to go upon the property that is the subject of these PROTECTIVE COVENANTS for the purpose of installing and maintaining the appropriate electrical transmission wires and equipment; provided, however this easement is subordinate to and is expressly subject to any and all existing structures, including septic tanks, located on

the property at the time Carolina Power and Light Company its successors and assigns seeks to place electrical transmission wires and equipment on the property.

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

ARTICLE 10

ARCHITECTURAL CONTROL COMMITTEE AND PROCEDURES

A.

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

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

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

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

C. The Committee or DEVELOPER shall have jurisdiction over all original construction

on any Lot and later changes or additions after initial approval thereof together with any modifications additions or alterations, subsequently to be constructed on any Lot or made to any improvements initially approved.

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

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

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

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

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

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

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

ARTICLE 11

AMENITIES AND FACILITIES

Every park, recreation area, recreation facility, dedicated access and other amenities appurtenant to the Subdivision, whether or not shown and delineated on any recorded plat of the Subdivision, shall be considered private and for the sole and exclusive use of the

Member Owners of Lots within the Subdivision. Neither DEVELOPER'S execution nor the recording of any plat nor any other act of DEVELOPER with respect to such areas is or is intended to be, or shall be construed as a dedication to the public of any such areas, facilities, or amenities. The roads as shown on the maps of THE MOORINGS SUBDIVISION were constructed in accordance with the then existing standards specifications of the North Carolina Department of Transportation and will be dedicated to the State of North Carolina. The roads shall be maintained by the Association until such time as they are accepted by the State of North Carolina.

ARTICLE 12

WAIVER

No provision contained in these PROTECTIVE COVENANTS, the Articles or the By-laws, shall be deemed to have been waived, abandoned, or abrogated by reason of failure to enforce them on the part of any person as to the same or similar future violations no matter how often the failure to enforce is repeated.

ARTICLE 13

VARIANCES

The Board of Directors in its discretion may allow reasonable variances and adjustments of these PROTECTIVE COVENANTS in order to alleviate practical difficulties and hardship in their enforcement and operation. Any such variances shall not violate the spirit or the intent of this document to create a Subdivision of Lots owned in fee by various persons with each such Owner having an easement upon areas owned by the Association.

ARTICLE 14

DURATION, AMENDMENT AND TERMINATION

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

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

ARTICLE 15

CAPTIONS

The captions preceding the various Articles of these PROTECTIVE COVENANTS are for the convenience of reference only, and shall not be used as an aid in interpretation or construction of these PROTECTIVE COVENANTS. As used herein, the singular includes the plural and where there is more than one Owner of a Lot, said Owners are jointly and severally liable for the obligations herein imposed. Throughout this Declaration, references to the masculine shall be deemed to include the feminine, the feminine to include the masculine and the neuter to include the masculine and feminine.

ARTICLE 16

ASSIGNABILITY OF RIGHTS AND LIABILITIES

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

ARTICLE 17

LIBERAL CONSTRUCTION

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

IN TESTIMONY WHEREOF, DUNCAN HARRISON has caused this instrument to be executed and the undersigned Owner has put his hand and seal as of the day and year first above written.

(original signed by Duncan Harrison (SEAL)

DUNCAN HARRISON

STATE OF NORTH CAROLINA,

COUNTY OF Carteret

I, a Notary Public of the county and state aforesaid, certify that DUNCAN HARRISON, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 26th day of 1996,

(original signed by Julia L. Eskew)

Notary Public

My commission expires 09/28/99

STATE OF NORTH CAROLINA

COUNTY OF CRAVEN

The following certificate of (Julia L. Eskew) is certified to be correct. This instrument was presented for registration and recorded in this office in Book _____, page _____.

This 2 day of July, 1996 at 4:10 o'clock P.M.

Register of Deeds

STATE OF NORTH CAROLINA

COUNTY OF CRAVEN

FIRST AMENDMENT TO DECLARATION OF PROTECTIVE
COVENANTS OF THE MOORINGS

THIS AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS, made and entered into this the 26th day of September, 1996, by Duncan Harrison, (hereinafter referred to as "Developer").

WITNESSETH THAT:

WHEREAS, DEVELOPER is the owner of the majority of Lots 1 through 17, Section One in THE MOORINGS SUBDIVISION located in Craven County, North Carolina, which is more particularly shown and described on that map recorded in Plat Cabinet G, Slides 9 D & E, Craven County Registry, plat Cabinet G, Slides 16 F and G, . Craven County Registry; and

WHEREAS, DEVELOPER to insure the use of said property for attractive residential purposes only, to prevent the impairment of the attractiveness of the property, to maintain the desired tone of the community, and thereby to secure to each lot owner the full benefit and enjoyment of each lot owner's home with no greater restriction upon the free and undisturbed use of each lot than is necessary to insure the same advantages to the other lot owners caused to be recorded that declaration of Protective Covenants of THE MOORINGS IN Book 1522, pages 430-450, Craven County Registry.

NOW, THEREFORE the undersigned pursuant to Article 14 of said covenants amends them as follows:

1. The Declaration of Protective Covenants of record in Book 1522, pages 430-450, Craven County registry shall apply to the lots shown on the revised Maps' of THE MOORINGS Section One as shown in Plat Cabinet G Slides 16 F & G.
2. Article 9 E of the Declaration of Protective Covenants, is amended to reflect the easements for ingress, egress and regress being recorded in Book 1517 pages 779-782 Craven County Registry and Plat Cabinet G Slides 9 B & C Craven County Registry.

STATE OF NORTH CAROLINA

COUNTY OF CRAVEN

SECOND AMENDMENT TO DECLARATION OF PROTECTIVE
COVENANTS OF THE MOORINGS

THIS SECOND AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS of THE MOORINGS made and entered into this the 15 day of May, 1997, by Duncan Harrison (hereinafter referred to as "DEVELOPER").

WITNESSETH THAT:

WHEREAS, DEVELOPER has previously recorded a Declaration of Protective Covenants of THE MOORINGS in Book 1522, Page 430. et seq, and an Amendment to Declaration of Protective Covenants of THE MOORINGS in Book 1535, Page 052, et seq, both of the Craven County Registry; and

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

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

NOW, THEREFORE, the above described Declaration of Protective Covenants of THE MOORINGS shall govern the use of all property described in Exhibit "A" hereto, which properties are specifically subjected to said Declaration of Protective Covenants.

WHEREAS, pursuant to Article 14 of the Declaration of Protective Covenants of THE MOORINGS recorded in Book 1522, Page,430 et seq, Craven County Registry, a majority of owners may amend said Declaration; and

WHEREAS, Developer is the owner of a majority of the lots and has voted to amend said Declaration as relates to THE MOORINGS, SECTION ONE, SECTION TWO, and all other further Sections thereof, said amendment being effective as of the recordation hereof as is set forth as follows:

1. The Declaration of Protective Covenants of THE MOORINGS of record in Book 1522, page 430, et seq, and the First Amendment to Declaration of Protective Covenant of THE MOORINGS of record in Book 1535, page 052 et seq, both of the Craven County Registry shall apply to the lots shown on the map of THE MOORINGS, SECTION TWO, as shown in Plat Cabinet G, Slides 29 D & E Craven County Registry.
2. Article 1L of the Declaration of Protective Covenants is amended to reflect the revised map of THE MOORINGS, SECTION ONE, as shown in Plat Cabinet G, Slides 16 F & G, Craven County Registry.

IN TESTIMONY WHEREOF, Duncan Harrison, the Developer, has caused this instrument to be executed and the undersigned Owner has put his hand and seal as of the day and year first above written.

EXHIBIT A

In Township Number Five, Craven County, North Carolina, being all of Lots 39 through 42, inclusive, as shown on the map of record in Plat G, Slides 29 D & E, Craven County registry.

STATE OF NORTH CAROLINA

COUNTY OF CRAVEN

THIRD AMENDMENT TO DECLARATION OF PROTECTIVE
COVENANTS OF THE MOORINGS

THIS THIRD AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS of THE MOORINGS made and entered into this the 3rd day of July, 1997, by Duncan Harrison (hereinafter referred to as "DEVELOPER").

WITNESSETH THAT:

WHEREAS, DEVELOPER has previously recorded a Declaration of Protective Covenants of THE MOORINGS in Book 1522, Page 430, et seq, and an Amendment to Declaration of Protective Covenants of THE MOORINGS in Book 1535, Page 052, et seq, and an Amendment to the Declaration of Protective Covenants of THE MOORINGS in Book 1567, Page 533, et seq, all of the Craven County Registry; and

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

WHEREAS, to this end, Developer now desires to subject additional property to the said Declaration of Protective Covenants pursuant to Article 9 Section H of said Declaration.

The Declaration of Protective Covenants of THE MOORINGS of record in Book 1522, page 430, et seq, and all Amendments thereto of record in the Craven County Registry shall apply to Lots 20 through 27 inclusive and Lots 43 and 44 as shown on the map of THE MOORINGS, SECTION THREE, as shown in Plat Cabinet G, Slides 31 F & G, Craven County Registry.

IN TESTIMONY WHEREOF, Duncan Harrison, the DEVELOPER, has caused this instrument to be executed and the undersigned Owner has put his hand and seal as of the day and year first above written.

STATE OF NORTH CAROLINA

COUNTY OF CRAVEN

FOURTH AMENDMENT TO DECLARATION OF PROTECTIVE
COVENANTS OF THE MOORINGS

THIS FOURTH AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS OF THE MOORINGS made and entered into this the 30th day of October, 1997, by Duncan Harrison (hereinafter referred to as "DEVELOPER").

WITNESSETH THAT:

WHEREAS, DEVELOPER has previously recorded a Declaration of Protective Covenants of THE MOORINGS in Book 1522, Page 430, et seq, and an Amendment to Declaration" of Protective Covenants of THE MOORINGS in Book 1535, Page 052, et seq, and an Amendment to the Declaration of Protective Covenants of THE MOORINGS in Book 1567, Page 533;et seq, and an Amendment to the Declaration of Protective Covenants of THE MOORINGS in Book 1576, Page 071, et seq, all of the Craven County Registry; and

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

WHEREAS, to this end, Developer now desires to subject additional property to the said Declaration of Protective Covenants pursuant to Article 9 Section H of said Declaration.

The Declaration of Protective Covenants of THE MOORINGS of record in Book 1522, page 430, et seq, and all Amendments thereto of record in the Craven County Registry shall apply to Lots 18. 19 & 31 through 38 inclusive as shown on the map of THE MOORINGS, SECTION FOUR, as shown in Plat Cabinet G Slides 41 C&D, Craven County Registry; except the square footage provided for in Article 3B of the original Declaration is amended to be 1500 square feet for a one story house and 1700 square feet for any house in excess of one story.

The amended square footage for homes in SECTION FOUR, THE MOORINGS, shall also be applicable to SECTIONS TWO and THREE, THE MOORINGS, as hereinbefore platted and recorded in the Craven County Registry.

IN TESTIMONY WHEREOF, Duncan Harrison, the Developer, has caused this instrument to be executed and the undersigned Owner has put his hand and seal as of the day and year first above written.

STATE OF NORTH CAROLINA

CRAVEN COUNTY
ADDITIONAL COVENANTS, MOORINGS MARINA, MARINA WALKWAY
EASEMENT & PARKING AREA FOR THE MARINA

THIS DECLARATION OF ADDITIONAL PROTECTIVE COVENANTS FOR THE MOORINGS MARINA, PARKING AREA FOR THE MARINA & WALKWAY EASEMENT TO THE MARINA, made and entered into this the 25 day of February 1998, by Duncan Harrison, (hereinafter referred to as "DEVELOPER").

WHITNESSETH THAT:

WHEREAS, DEVELOPER is the owner of THE MARINA, WALKWAY EASEMENT TO THE MARINA, AND PARKING AREA FOR THE MARINA IN THE MOORINGS SUBDIVISION, located in Craven County, North Carolina, which is more particularly shown and described on that map recorded in Plat Cabinet G, Slides 41 E, Craven County Registry; and

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

NOW THEREFORE, the undersigned does hereby covenant, agree and declare to and with all persons, firms or corporations now owning or hereafter acquiring a boat slip at THE MOORINGS MARINA, rights to that walkway easement to said marina and parking area for the marina as shown on map recorded in Plat Cabinet G, Slide 41 E, of the Craven County Registry. That they are hereby made subject to the following protective covenants (hereinafter "Protective Covenants") . These additional protective covenants shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in and to the boat slips or any part or parts thereof or any right, title or interest in lots in The Moorings Subdivision.

1. Other than the walkway, pier and pilings as shown on the map of record in Plat Cabinet G, Slides 41 E, no other structures, whether floating or stationary, may become a permanent part of this structure without permit modification. No non-water dependent uses of structures may be conducted on, in, or over public trust waters without permit modification.
2. No sewage, whether treated or untreated, shall be discharged at any time from boats using the marina. Any sewage discharge at the marina shall be considered a violation of the permit for which the offending party is responsible and liable for. This prohibition shall be applied and enforced throughout the entire existence of the marina.

3. The marina will display a sign showing the location of the nearest pump out facility, and other appropriate waste disposal information, at the entrance and exit from the main pier.
4. The marina will enforce a closed head policy. A sign indicating that the marina enforces a closed head policy shall be posted at the entrance and exit from the main pier.
5. No persons will be allowed to live aboard their boat or any boat at the marina.
6. No excavation, either by conventional methods or by prop wash or "kicking" is authorized.
7. No vegetated wetlands will be excavated or filled.
8. No attempt will be made by the boat slip owner, the developer, or owners' association to prevent the full and free use by the public of all navigable waters at or adjacent to the marina. Use of the marina must not interfere with the public's right to free navigation on all navigable waters of the United States.
9. There must be installed and maintained, at the owners' association expense, any signal lights or signals prescribed by the U.S. Coast Guard, through regulation or otherwise, on the authorized structure. At a minimum, the water-ward corners of the pier will be permanently marked with reflectorized material to preclude collision by boats during periods of darkness or inclement weather.
10. Developer and his successors will maintain the marina and walkway in good condition and in conformance with governmental regulations.
11. As provided in the Articles of Incorporation the Type B members are those members who are boat slip owners at the marina. As provided in the Declaration of Protective Covenants of The Moorings a separate assessment and accounting for and use of assessment is provided for the marina boat slip owners. To clarify the relationship between the general membership in the association and Type B members, the Type B members shall function as an unincorporated association within the owners' association and at the Type B members option may become a separate incorporated owners' association. As such, its members shall have the exclusive use of the marina, walkway easement to the marina and parking area for the marina and as a group shall be responsible for setting its dues and assessment, expenditures and accounting therefore and shall have the exclusive control over the marina, walkway easement to the marina, and parking area for the marina. Their affairs shall be conducted in a manner consistent with the manner in which the owners' association is conducted as provided in the Articles of Incorporation, By-laws and the original Declaration of Protective Covenants for The Moorings of record in Book 1522, Page 430, Craven County Registry. The dues,

assessments, regulations and other affairs so conducted shall have the same rights of enforcement as the owners' association possesses.

12. Under storm conditions each slip owner is required to remove his boat from the slip to a safe anchorage. Failure to do so makes the slip owner liable for any and all damages resulting there from. The Owners' Association shall have the right, but not the obligation, in its sole discretion, to cause boats to be removed during storm conditions to a safe anchorage and any expenses related thereto shall be assessed against the boat slip owner.

IN TESTIMONY WHEREOF, DUNCAN HARRISON has caused this instrument to be executed and the undersigned Owner has put his hand and seal as of the day and year first above written.