

STATE OF NORTH CAROLINA

COUNTY OF BEAUFORT

AMENDMENT TO PROTECTIVE COVENANTS
CYPRESS LANDING - CYPRESS RIDGE

THIS AMENDMENT TO THE PROTECTIVE COVENANTS, CYPRESS LANDING, is dated for purposes of reference only this 20th day of December, 1996, and is submitted for recordation by WEYERHAEUSER REAL ESTATE COMPANY, a corporation qualified to do business in the State of North Carolina (hereinafter "Declarant").

RECITALS:

Declarant has prepared a master development plan for a predominantly residential community named Cypress Landing. The development plan for Cypress Landing is set out in the Protective Covenants for Cypress Landing recorded in Book 997, Pages 228 through 272, and rerecorded in Book 998, Pages 2 through 61, Beaufort County Registry ("Master Covenants"). Certain properties described in the Master Covenants were subjected to its provisions. Declarant reserved the right, in Paragraph 2 of the Master Covenants, to subject described additional properties to the terms and conditions of the Master Covenants. Declarant further reserved the right to impose new or different development guidelines and restrictions on the additional properties made subject to the Master Covenants. The purpose of this Amendment to Protective Covenants (the "Amendment") is to subject additional properties to the terms and conditions of the Master Covenants, and to specify particular restrictions and easements applicable to the properties described herein.

Therefore, the Master Covenants are hereby amended as follows:

1. ADDITIONAL PROPERTIES. Except as specifically set out hereinafter, the provisions of the Master Covenants shall apply fully to that portion of the property described on the plat entitled Weyerhaeuser Real Estate Company, Cypress Ridge, recorded in Slide Cabinet F, Slide 3-4, Beaufort County Registry (the "Cypress Ridge Plat"), including numbered residential subdivision lots 1 through 19 depicted thereon. All of the terms and provisions of the Master Covenants shall be fully binding and applicable to such property, except as specifically modified herein. The lots shown on the Cypress Ridge Plat shall be referred to as "Cypress Ridge Lots."

2. BUILDING RESTRICTIONS. The Cypress Ridge Lots are part of a planned unit development. As such, Declarant shall prepare, or cause to be prepared, plans and specifications for construction of two (2) or more Cypress Ridge prototype homes. The purchaser of each Cypress Ridge Lot, and his heirs, successors and assigns, shall be bound and obligated to construct on the purchased Cypress Ridge Lot one of the approved prototype Cypress Ridge

homes. Furthermore, each Cypress Ridge home must be constructed on the purchased Cypress Ridge Lot in the location specified by Declarant. There shall be no material change in the exterior appearance of any Cypress Ridge home, in the approved location for construction of any Cypress Ridge home or in any approved landscaping plan without the prior permission of Declarant. There shall be no restriction on interior alterations within any Cypress Ridge home which does not impact the exterior appearance of the Cypress Ridge home. Declarant may assign its approval right to the Association or to the Cypress Ridge Homeowners Association, Inc.

It shall be the responsibility of Declarant to procure approval from the Architectural Control Committee (the "Committee") of the Cypress Landing Homeowners Association, Inc. (the "Association") for all Cypress Ridge home prototype plans, to the extent such approval is required by the Master Covenants. Therefore, the purchaser from Declarant of a Cypress Ridge Lot shall not be required, notwithstanding any other provision of the Master Covenants, to submit for and be granted Committee approval for construction of a Cypress Ridge home in accordance with a prototype plan. Furthermore, all building restrictions contained in the Master Covenants, including, but not limited to, the establishment of minimum building lot sizes and minimum building setbacks, shall not be applicable to Cypress Ridge Lots. Specifically, there shall be no minimum building lot size requirements and all building setbacks shall be deemed fully satisfied upon construction of approved prototype Cypress Ridge homes in the locations specified by Declarant, within the Lots shown on the Cypress Ridge Plat. Declarant has in its possession, and shall make available upon request to the owner of any Lot, a plat showing the approved building site location on each Lot.

3. CYPRESS RIDGE HOMEOWNERS ASSOCIATION. As set out in the Master Covenants, the owner of each Cypress Ridge Lot shall be a member of the Association. Each owner of each Cypress Ridge Lot shall be fully bound by the provisions of the Master Association in regard to membership in the Association, and the payment of dues thereto, subject to the provisions of paragraph 7 of this Amendment. In addition, the owner of each Cypress Ridge Lot shall further be a member of the Cypress Ridge Homeowners Association, Inc. The owner or owners of every Cypress Ridge Lot shall be a voting member of the Cypress Ridge Homeowners Association. However, only one vote shall be allowed per Cypress Ridge Lot; to the extent that there is more than one owner of any one Cypress Ridge Lot, said owners shall determine among themselves, and designate, one voting member, which voting member shall cast the vote allocated. If the owners cannot agree among themselves, the Board of Directors of the Cypress Ridge Homeowners Association shall determine and designate a voting member from among the owners. The Cypress Ridge Homeowners Association shall be governed

by a Board of Directors, selected in accordance with the By-Laws of the Cypress Ridge Homeowners Association, and the Cypress Ridge Homeowners Association shall operate and do business in accordance with the terms of its By-Laws.

4. CYPRESS RIDGE HOMEOWNER'S ASSOCIATION RESPONSIBILITIES. The Cypress Ridge Homeowners Association shall be conveyed by Declarant ownership of all of the properties subjected hereto other than those properties within a specified Cypress Ridge Lot (Lots 1 - 19) as shown on the Cypress Ridge Plat. This ownership shall include, but is not limited to, the access road (Ridge Road) leading from Potomac Drive and providing access to each of the Cypress Ridge Lots, and the access easement leading therefrom. The Cypress Ridge Homeowners Association shall maintain and keep in good condition at all times all properties owned by it. Furthermore, there is hereby reserved for the benefit of the Cypress Ridge Homeowners Association a perpetual right of ingress and egress over all portions of every Cypress Ridge Lot other than those portions covered by a Living Unit constructed thereon. In addition to the obligation to maintain in good condition and repair all properties owned by the Cypress Ridge Homeowners Association, the Cypress Ridge Homeowners Association shall further maintain at all times in good and sightly condition all exterior portions of each and every Cypress Ridge Lot, and specifically including any common area access easements as shown on the Cypress Ridge Plat, but excluding any responsibility to maintain the condition of individual driveways located on any Lot. This obligation shall specifically include the obligation to maintain grass in a neat and well cut condition, and to maintain shrubbery, plantings and the like in a sightly condition. The Cypress Ridge Homeowners Association shall not, however, be responsible for watering any exterior landscaping, including grassed area, nor shall the Cypress Ridge Homeowners Association be responsible for the cost of replacing damaged, diseased or dead vegetation. The cost of such replacement plants or vegetation shall be borne by the owner of the Cypress Ridge Lot upon which such planting requires replacement, and such shall be billed to said owner, and shall be collectable as a charge in the nature of dues. The Cypress Ridge Homeowners Association shall plant or install such replacement plants or vegetation as required. The owner of each Cypress Ridge Lot shall, to the extent necessary, water exterior vegetation and landscaped areas on his Cypress Ridge Lot as necessary to maintain the same in a good and healthy condition.

Nothing contained herein shall obligate the Cypress Ridge Homeowners Association to provide any building maintenance, including the repair or maintenance of any Living Unit, or the repair of any driveway on any Cypress Ridge Lot. Furthermore, the Cypress Ridge Homeowners Association shall have no obligation to maintain any utility system, even if a component thereof is located outside of a Living Unit, nor shall the Cypress Ridge Homeowners Association have any obligation to maintain any exterior

structures, such as light fixtures or poles, mailboxes or pumps. The owner of each Cypress Ridge Lot shall, however, have an affirmative obligation to maintain in a good and sightly condition all such exterior structures, as well as the exterior of each Living Unit, and if the owner fails to do so, after written demand therefore given by the Cypress Ridge Homeowners Association to said owner, the Cypress Ridge Homeowners Association can and is hereby specifically given the right to perform such maintenance or repair, and to assess the cost thereof, plus a fifteen percent (15%) administrative fee, against the owner of the Cypress Ridge Lot having failed to perform his maintenance and upkeep obligation, with such charge being collectable by the Cypress Ridge Homeowners Association in the same manner as a Special Assessment, without necessity of vote.

To the extent that the owner of any Cypress Ridge Lot disagrees with the notification given by the Cypress Ridge Homeowners Association to require maintenance or upkeep, the owner of such Lot may appeal said decision to the Committee, by giving written notice to the Cypress Ridge Homeowners Association and the Committee within five (5) days following receipt of notice of correction, and the Committee shall then, as soon as possible, make a determination as to the appropriateness of the required repair or maintenance and the decision of the Committee shall be binding on the parties hereto.

Nothing contained herein shall remove the obligation of the owner of each Cypress Ridge Lot from procuring from the Committee approval of any change in the exterior of any Cypress Ridge Living Unit, or on any approved landscaping plan, as required by the Master Covenants, following completion of the construction of a prototype Cypress Ridge home. In addition to approval by the Committee, approval must also be granted by the Board of Directors of the Cypress Ridge Homeowners Association. The procedures for submitting for approval to both the Committee and the Cypress Ridge Homeowners Association shall be those procedures established by the Master Covenants, and the standards for approval shall be as set out therein (Paragraph 5 of the Master Covenants).

5. UTILITIES. The owner of each Cypress Ridge Lot shall bear any utility expense for lawn and landscape irrigation, and for exterior lighting, to the extent that the same is shown on the prototype Cypress Ridge home plan selected by said owner, and to the extent that the same is metered to said owner. To the extent that there is irrigation and/or street lighting that is not metered to an individual Living Unit, the Cypress Ridge Homeowners Association shall bear the utility costs for such utility services, and shall further maintain such irrigation system and/or street lighting in good condition and repair. The Master Covenants

prohibit the installation of an automated irrigation system with water supplied from the Town of Chocowinity's water supply by any owner of any Cypress Ridge Lot for purposes of irrigation on said owner's Cypress Ridge Lot.

6. CYPRESS RIDGE HOMEOWNERS ASSOCIATION OPERATIONS. The Cypress Ridge Homeowners Association, Inc. shall be entitled to employ assistance, and to establish dues and assessments in the same manner as the Association is authorized and empowered to do so in accordance with the provisions of Paragraph 6 of the Master Covenants, and shall further have full authority and authorization to collect such dues and assessments as such rights are granted to the Association in paragraph 6G of the Master Covenants.

The initial monthly assessment payable to the Cypress Ridge Homeowners Association (which shall be an assessment over and above the assessments payable to the Association in accordance with the Master Covenants) shall be SIXTY-FIVE AND 00/100 DOLLARS (\$65.00) per improved lot and SIXTEEN AND 25/100 DOLLARS (\$16.25) per unimproved lot. A lot shall be considered improved as of January 1st following issuance of a building permit for a residence on said lot. The Cypress Ridge Homeowners Association is hereby granted the same rights to make special assessments, and the same rights to enforce and collect such assessments, as are reserved to the Association in accordance with the Master Covenants.

7. DUES. Dues to both the Association and the Cypress Ridge Homeowner's Association, Inc. shall become due and payable at such time as any of such Lots are conveyed to a third party for purposes of personal use or construction of a home thereon, except that no dues shall be due and payable by a contractor holding such a Lot for purposes of resale, or for purposes of constructing thereon a model home. Notwithstanding this provision, dues shall be due and payable as to any such Lot conveyed to a contractor January 1 following the expiration of twelve months from acquisition of title to said Lot by said contractor, except that, for any Lot upon which is located a model home, dues shall not be due and payable until January 1st following twenty-four months from acquisition of title to said Lot. Declarant's decision as to the application of this provision to a third party contractor shall be binding on the Association and the Cypress Ridge Homeowner's Association, Inc.

8. STORMWATER RESTRICTIONS. The Cypress Ridge Lots are restricted by regulations adopted in accordance with the Coastal Stormwater Regulations of the State of North Carolina, which regulations limit the amount of land mass on each Lot which can be constructed upon, altered or used so as to create impervious surfaces as defined from time to time by the regulations enacted by the Department of Environmental Management of the State of North Carolina in the implementation of North Carolina's Coastal Stormwater Regulations. The construction on all nineteen (19)

Cypress Ridge Lots of prototype houses is consistent with the limitations imposed by the State of North Carolina in accordance with the Coastal Stormwater Regulations. Therefore, no additional utilization of land mass on any Cypress Ridge Lot or on the property to be conveyed to the Cypress Ridge Homeowners Association shall be allowed, which utilization creates any impervious surface, without prior approval of the Cypress Ridge Homeowners Association, which homeowners association shall have the responsibility for determining compliance with applicable regulations. The State of North Carolina is hereby expressly granted the right and authority to enforce this provision of this Amendment by legal or equitable means. If the State of North Carolina elects to bring legal action to enforce this provision of the Amendment, the State of North Carolina shall have all rights of enforcement available to the Cypress Ridge Homeowners Association, as incorporated herein by reference from the Master Covenants, as well as any other and additional rights permitted by law. The State of North Carolina may enforce the provisions of this Amendment notwithstanding whether or not any enforcement action has been brought by the Association.

Furthermore, the Cypress Ridge Homeowners Association shall be allowed to create or establish on any common area subject to the provisions of this Amendment a maximum total of 4,000 square feet of impervious surface, including the construction in the future of a gazebo, a shelter, or any other recreational space, structure or improvement. To the extent that the Cypress Ridge Homeowners Association elects to do so, it may allocate all or any portion of the 4,000 square feet of impervious surface to the owner of any Lot for the purpose of constructing improvements, including structures, thereon, but to the extent that such utilization is made, the amount of utilization so approved for utilization on the Lot shall be subtracted from the square footage of impervious surface allowed for utilization by the Cypress Ridge Association on common areas. The Cypress Ridge Homeowners Association shall further maintain all of its common area, other than the limited amount allowed for utilization as specified in this paragraph, in a vegetated state in order to encourage percolation through the soil of surface water.

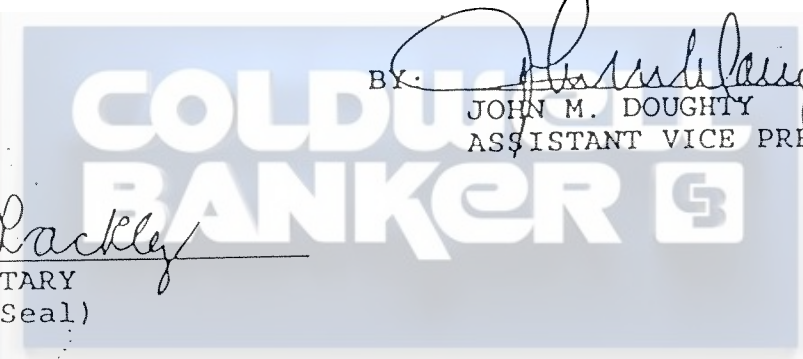
9. LIMITATIONS. Declarant reserves the right to submit other properties within the Cypress Landing Development, as more fully described in the Master Covenants, to the terms and provisions contained herein, such that all such designated properties shall be members of the Cypress Ridge Homeowners Association for all purposes. Declarant shall only submit properties to membership in the Cypress Ridge Homeowners Association, which properties require construction thereon of homes substantially similar to those homes required to be constructed within Cypress Ridge. In order to exercise the rights reserved herein, Declarant shall record an amendment to Protective Covenants specifically subjecting the properties described therein to the

terms, provisions, and conditions of this Amendment to Protective Covenants for Cypress Landing - Cypress Ridge, which amendment must be filed of record in the Office of the Register of Deeds on or before December 31, 2001.

10. SURVIVAL. Except as specifically amended by this Amendment, all provisions of the Master Covenants, as the same may be amended from time to time, shall be fully applicable to all Cypress Ridge Lots, and the terms and conditions of the Master Covenants shall remain in full force and effect as to all lots encumbered thereby.

IN WITNESS WHEREOF, the undersigned have executed this instrument under authority duly given as of the day and year first above written.

WEYERHAEUSER REAL ESTATE COMPANY



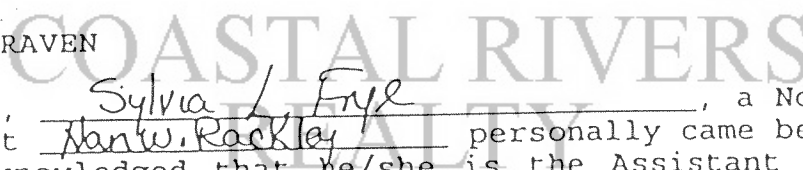
BY: [Signature]
JOHN M. DOUGHTY
ASSISTANT VICE PRESIDENT

ATTEST:

[Signature]
ASST. SECRETARY
(Corporate Seal)

STATE OF NORTH CAROLINA

COUNTY OF CRAVEN



I, Sylvia L. Frye, a Notary Public, certify that [Signature] personally came before me this day and acknowledged that he/she is the Assistant Secretary of WEYERHAEUSER REAL ESTATE COMPANY, a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by John M. Doughty, its Assistant Vice President, sealed with its corporate seal, and attested by himself/herself as its Assistant Secretary.

WITNESS my hand and notarial seal, this the 29th day of January, 1997.

[Signature]
Notary Public

My Commission Expires:

2-9-98
Cypress/Cyp-Ridg. Cov
1-27-97

North Carolina
Beaufort County

The foregoing Certificate of Sylvia L. Frye

Notary Public/Notaries Public are certified to be correct
This 29 day of Jan, 1997 at 12:30 o'clock AM
D. Jennifer Leggett
Register of Deeds
By [Signature]
Asst./Deputy Register of Deeds

Kip Derogay
500 Patomac Dr.
Choco. 27817