

Pamlico Bluffs

BK 1161 PG 914

PREPARED BY: STEPHEN F. HORNE, II, P.A.

NORTH CAROLINA

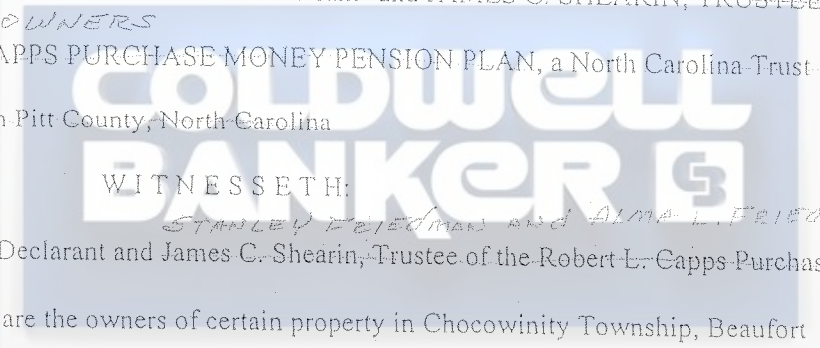
RESTRICTIVE COVENANTS

BEAUFORT COUNTY

THIS DECLARATION, made on the date hereinafter set forth by ^{FRIEDMAN} LONGSTREET

DEVELOPMENT COMPANY, INC., a ^{DELAWARE} corporation with its principal offices in ^{WILMINGTON,} Pitt County, North Carolina, hereinafter referred to as "Declarant" and ^{FRIEDMAN OWNERS} JAMES C. SHEARIN, TRUSTEE OF

THE ROBERT L. CAPPS PURCHASE MONEY PENSION PLAN, a North Carolina Trust with its principal offices in Pitt County, North Carolina



WITNESSETH:

^{STANLEY FRIEDMAN AND ALMA L. FRIEDMAN}

WHEREAS, Declarant and James C. Shearin, Trustee of the Robert L. Capps Purchase

Money Pension Plan are the owners of certain property in Chocowinity Township, Beaufort

County, North Carolina, which is more particularly described as follows:

Tract One: Lying and being in the Chocowinity Township, Beaufort County, North Carolina and being all of that 61.055 acre tract as shown on that map entitled "Survey for George H. Cadwell, Jr.", a copy of which is recorded in Plat Cabinet E, Slide 94-6 of the Beaufort County Registry.

THERE IS SPECIFICALLY EXCLUDED FROM TRACT ONE the following described property: Lying and being in Chocowinity Township, Beaufort County, North Carolina and beginning at an iron pipe set at the northwest corner of Lot 6, Bristol Moor as shown on that plat recorded in Plat Book F, Slide 54-6 of the Beaufort County Registry, and running thence along the northern right of way line of Bristol Moor Drive along the arc of a curve having a radius of 250 feet, N 77-44-09 W a chord distance of 238.32 feet to an existing iron pipe, and continuing thence along the northern right of way line of Bristol Moor Drive, S 77-04-40 W 430.36 feet to the POINT OF BEGINNING, and running from said POINT OF BEGINNING, N 26-51-26 W 395.26 feet to an existing iron pipe, a corner; thence N 54-26-08 E 543.59 feet to an existing iron pipe, a corner; thence S 41-52-57 E 90.45 feet to an existing iron pipe, thence S 41-43-35 E 66 feet to an existing iron pipe, thence S 08-54-01 E 457.74 feet to a point in the northern right of way line of Bristol Moor Drive, a corner; thence along the northern right of way line of

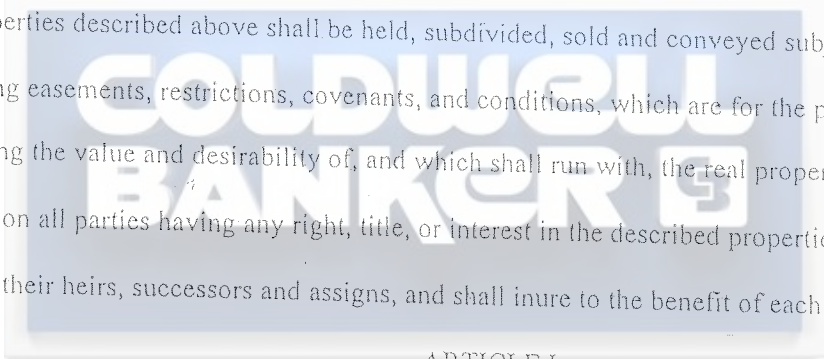
Bristol Moor Drive and the arc of a curve, S 79-05-20 W a chord distance of 19.65 feet to a point in the northern right of way line of Bristol Moor Drive, and continuing thence along the northern right of way line of Bristol Moor Drive, S 77-04-40 W 430.36 feet to the POINT OF BEGINNING.

Tract Two: Lying and being in Chocowinity Township, Beaufort County, North Carolina and being all of Lots 6, 7, 8, 9 and 10 as shown on that map entitled "Property of Ralph H. Hodges" as recorded in Map Book 8, Page 97 of the Beaufort County Registry.

STANLEY & NINA I. FRIEDMAN, OWNERS

NOW, THEREFORE, Declarant and James C. Shearin, Trustee hereby declare that all of

the properties described above shall be held, subdivided, 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 property and be binding on all parties having any right, title, or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.



ARTICLE I

Section 1: "Association" shall mean and refer to Bristol Moor Homeowners Association, Inc. its successors and assigns.

Section 2: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Properties, including contract sellers, but 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, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4: "Common Area" shall mean all real property (including the improvements

thereto) owned by the Association to be reserved to the Association at the time of the conveyance of the first lot described as follows:

Tract One: Lying and being in Chocowinity Township, Beaufort County, North Carolina and being all of Bristol Moor Drive as shown on that map entitled "Final Plat Lot 17 Bristol Moor Subdivision, Easement Area Tracts A and B and C and Bristol Moor Drive" as recorded in Plat Cabinet F, Slide 27-4 of the Beaufort County Registry.

Tract Two: Easement Area Tracts A, B and C as shown on that map entitled "Final Plat Lot 17 Bristol Moor Subdivision, Easement Area Tracts A and B and C and Bristol Moor Drive" as recorded in Plat Cabinet F, Slide 27-4 of the Beaufort County Registry.

Section 5: "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area, and shall be known when platted as lots 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 and 20..

Section 6: "Declarant" shall mean and refer to Longstreet Development Company, Inc., its successors and assigns, if such successors or assigns should acquire more than four undeveloped Lot from the Declarant and James C. Shearin, Trustee for the purpose of development.

Section 7: "Member" shall mean and refer to every person or entity who holds membership, as a lot Owner, in the Association.

ARTICLE II

Section 1: Owner's Easement 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 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 members. No such dedication or transfer shall be effective

unless an instrument agreeing to such dedication or transfer signed by 2/3rds of each class of members has been recorded.

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

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 membership shall be all Owners, with the exception of the Declarant, 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 then determined, 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 and shall be entitled to three (3) votes for each Lot owned, and notwithstanding any other provisions herein, shall not be assessed at any rate. Class B membership shall cease and be converted to the Class A membership when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership, and in all events no later than February 1, 2001.

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 therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessment or charges for all common area and the pier, 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, 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 interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time of the assessment. Such assessment shall not pass to his successors in title unless expressly assumed by them.

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 of the Properties and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including but not limited to, pier maintenance and operation, the cost of repairs, replacements and additions, the cost of labor, equipment, materials management and supervision, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

Section 3. Basis and Maximum of Annual Assessments. No assessments shall be made on any lot until the platted lot shall have been conveyed by deed. The maximum annual assessment shall be \$500.00 per originally platted lot. In addition to the maximum annual assessment, the common costs of the operation and maintenance of the pier shall be assessed to each lot owner on an equal basis, after accounting for any individual lot owner expense in regard to any particular boat kept at the pier.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington D.C.) from the preceding month of July.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment for the next succeeding two (2) years may be increased above that established by the Consumer Price Index formula by a vote of the members, and for each succeeding period of two (2) years thereafter, provided that any such change shall have the assent of two-thirds (2/3rds) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

© The Board of Directors may fix an annual assessment 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 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 two-thirds (2/3rds) of the votes of each class of members who are voting in person or by proxy at the meeting duly called for this purpose.

Section 5: Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) per cent 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 requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6: Uniform Rate of Assessment. Except as provided for Class B members, both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7: Date of Commencement of Annual Assessments and 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. 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 assessments 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 Assessment and 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 per cent per annum. 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 or deny liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

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: Exempt Property. All property dedicated to and accepted by, a local authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina, shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE V

PIER COMMITTEE

The Board of Directors of the Association shall appoint an pier committee composed of three (3) representatives appointed by the Board. The purpose of this committee is to set out the rules and regulations regarding the use of the Easement Areas A and B and the Common Pier to be constructed in the Pamlico River. It shall be the purpose of the pier committee, in its sole discretion, to designate and assign various boat docking rights, docking locations and such other pier uses as it deems necessary, taking into account such factors as the size and draft of boats, other available access to the water, and a desire to have all lot owners have fair and reasonable access to said pier. The pier committee shall have the right to assess individual lot owners for any electrical, water or sewer expense that is directly attributable on any usage of the pier.

ARTICLE VI

PEDESTRIAN EASEMENT

All land lying north of the mean high water mark of the Pamlico River and north of the property line of river front lots, belongs to the State of North Carolina. All members of the association shall have the right to use the land and water of the Pamlico River up to its mean high water mark. Nothing herein however shall authorize any member to utilize a private pier constructed by

a member on their own lot or over the river. Any member use of the property lying north of the mean high water mark of the Pamlico River and north of the property line of river front lots shall be limited to activities that do not constitute a nuisance to other members, or adversely affect the usage of any owned by another member.

ARTICLE VI

USE RESTRICTIONS

Section 1: Use. No lot shall be used except for residential purposes.

Section 2: No commercial use. The purpose herein described shall be used for residential purposes only and no business or commercial enterprise may be carried on upon the premises.

Section 3: Plan approval. No building may be constructed on any lot or parcel of land in this subdivision without the prior approval of the building plans and exterior materials by the Declarant or its successors or designees. Every building shall contain a minimum of ~~1,800~~ ²⁰⁰⁰ heated square feet, except those lots abutting the Pamlico River which shall contain a minimum of 2,000 heated square feet. It is the intent of the parties that all exteriors of the structures shall be harmonious with all of the other structures in Bristol Moor Subdivision. Nor shall any structure of any type be started on any of the above-described lots until a plot plan showing the location of such structure have been approved by the Declarant or its successors or designees. *AND CARRIED MAIL.* Such approval in both events must be in writing. If no approval or rejection has been given for such planned use or for such plans which have been deposited or delivered to the Declarant, its successors or designees within thirty (30) days after written application, the plan shall be deemed to have been approved.

Section 4: Setbacks. No buildings shall be located on any residential building plot nearer to any lot line than as shown on the recorded plat. No building shall be located nearer than 10 feet to any side lot line.

Section 5: Nuisance. No noxious or offensive trade or activity shall be carried on upon any lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

Section 6: Temporary structures. No trailer, basement, tent, shack, garage, barn or other outbuilding erected in the tract shall at any time be used as a residence temporarily or permanently nor shall any structure of a temporary character be used as a residence.

Section 7: Horses. No barns, stables, and outbuildings for the purpose of maintaining horses shall be permitted on any lot, except lots 4, 5, 11, 12, 13, 14, 15, 16 and 18.

Section 8: Entire agreement. Nothing herein contained shall be construed as imposing any covenants or restrictions on any property of the owners of this tract of land other than those properties to which these Restrictive Covenants specifically apply.

Section 9: Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat as above referred to. The easement area of each tract and all improvements in it shall be maintained continuously by the owner of the tract except for those improvements for which a public authority or utility company is responsible. Furthermore, an easement of five feet in width for the installation and maintenance of underground utilities and drainage is reserved along every front and side lot line and an easement of ten feet in width for the installation and maintenance of underground utilities and drainage is reserved along every rear lot line. There is reserved herein, a five foot easement for

the benefit of and to be conveyed to the Association; along all lot lines abutting the outside property lines of Bristol Moor Subdivision for the purpose of constructing and maintaining a privacy fence owned by the Association.

Section 10: Parking. Adequate off-street parking shall be provided by the owners of each building site for the parking of automobiles owned by the said owners, and owners of building sites agree not to park their automobiles on the Common Area streets in the Bristol Moor development. No vehicle required by the State of North Carolina to have a current license may be kept on any property for more than 10 days without a current valid license plate.

Section 11: Clotheslines. No outside clotheslines shall be erected or kept on any lot.

Section 12: Satellite dishes. No satellite dish or comparable communication device having a size larger than eighteen (18) inches in diameter may be located on any lot; further any such satellite dish or comparable communication device must be located in the back yard of any lot.

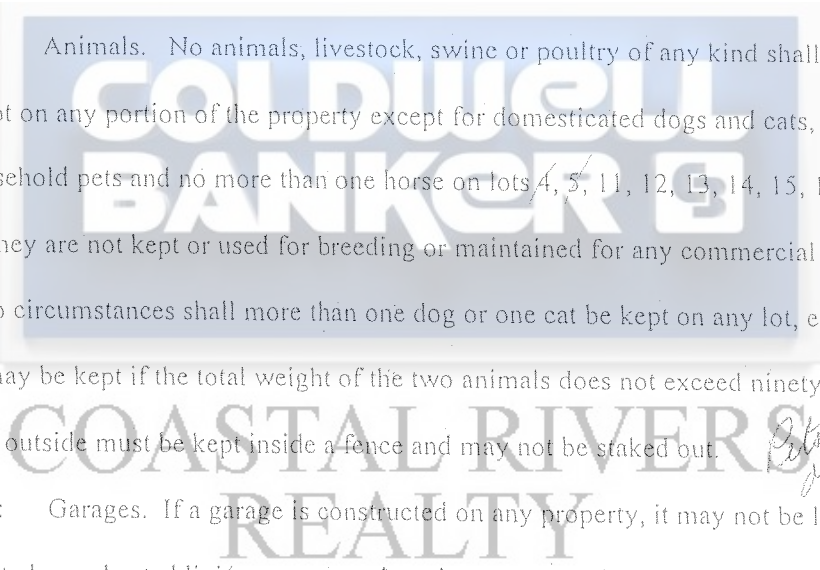
Section 13: Fences. No fence may be located on any lot in the front yard and may not be any closer to the front yard than 25 feet from the front wall of the house.

Section 14: Debris. During the construction of any building on a lot in Bristol Moor the owners will insure that all debris is cleaned daily. Declarant reserves the right to assess a \$100.00 cleaning charge to any lot owner for failure to comply with this provision. Declarant shall have the right to file a lien for all sums assessed hereunder in the office of the Clerk of Court of Beaufort County and to enforce said lien pursuant to the provisions of N.C.G.S. 44A.

Section 15: Lot Coverage Restrictions: No more than 20,500.00 square feet of any lot, including that portion of the right of way between the edge of pavement and the front lot line,

shall be covered by impervious structures, including asphalt, gravel, concrete, brick, stone, slate or similar material, not including wood decking or the water surface of swimming pools. This covenant is intended to ensure compliance with the stormwater permit issued by the State of North Carolina. This covenant may not be changed or deleted without the consent of the State of North Carolina.

Section 16: Animals. No animals, livestock, swine or poultry of any kind shall be raised, bred, or kept on any portion of the property except for domesticated dogs and cats, small non-offensive household pets and no more than one horse on lots 4, 5, 11, 12, 13, 14, 15, 16 and 18, provided that they are not kept or used for breeding or maintained for any commercial purpose. Under no circumstances shall more than one dog or one cat be kept on any lot, except two dogs or cats may be kept if the total weight of the two animals does not exceed ninety pounds. Pets kept outside must be kept inside a fence and may not be staked out.



*Pets can not be removed from
off owner property*

Section 17: Garages. If a garage is constructed on any property, it may not be later converted into heated or unheated living space or otherwise permanently closed in any manner. Garage doors must remain closed except when garage is in use.

Section 18: Lawn maintenance: All lawns must be kept neat and clean and no grass shall be allowed to grow more than six inches high.

Section 19: Vegetation Maintenance: Any lot owner desiring to alter the current slope or vegetation within 100 feet of the high water mark of the Pamlico River, must do so without detriment to adjoining lot owners, in compliance with all State and Federal Laws and Regulations and with the written consent of the Declarant.

Section 20: Structure Type: No mobile home, pre-fab, modular home, package home

or other pre-built home shall be placed on any lot to be used as a residence. Any residence built on any lot shall be "stick built" except that pre-fabricated roof trusses and pre-fabricated fireplaces and chimneys may be utilized in a residence built on any lot.

ARTICLE VII

EASEMENTS

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements.

Declarant shall have a reasonable construction easement across the Common Area for the purpose of constructing improvements on the lots.

ARTICLE VIII
COASTAL RIVERS
GENERAL PROVISIONS
REALTY

Section 1: Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in 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 affect any other provisions which shall remain in full force and effect.

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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 (90) per cent of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five (75) percent of the Lot Owners. Any amendment must be recorded.

Section 4: Annexation. Additional residential property and Common Area may be annexed to the Properties within two years from the recordation of this instrument in the Beaufort County Registry. The property which may be added is more particularly described as follows:

Lying and being in Chocowinity Township, Beaufort County, North Carolina and beginning at an iron pipe set at the northwest corner of Lot 6, Bristol Moor as shown on that plat recorded in Plat Book F, Slide 54-6 of the Beaufort County Registry, and running thence along the northern right of way line of Bristol Moor Drive along the arc of a curve having a radius of 250 feet, N 77-44-09 W a chord distance of 238.32 feet to an existing iron pipe, and continuing thence along the northern right of way line of Bristol Moor Drive, S 77-04-40 W 430.36 feet to the POINT OF BEGINNING, and running from said POINT OF BEGINNING, N 26-51-26 W 395.26 feet to an existing iron pipe, a corner; thence N 54-26-08 E 543.59 feet to an existing iron pipe, a corner; thence S 41-52-57 E 90.45 feet to an existing iron pipe, thence S 41-43-35 E 66 feet to an existing iron pipe, thence S 08-54-01 E 457.74 feet to a point in the northern right of way line of Bristol Moor Drive, a corner; thence along the northern right of way line of Bristol Moor Drive and the arc of a curve, S 79-05-20 W a chord distance of 19.65 feet to a point in the northern right of way line of Bristol Moor Drive, and continuing thence along the northern right of way line of Bristol Moor Drive, S 77-04-40 W 430.36 feet to the POINT OF BEGINNING.

IN WITNESS WHEREOF, ^{FRIEDMAN} Longstreet Development Company, Inc, the Declarant, and ~~James C. Shearin~~ ^{ALAN L. FRIEDMAN} OWNERS ~~James C. Shearin~~, Trustee of the Robert L. Capps Purchase Money Pension Plan have caused this instrument to be executed in their name by corporate authority duly given or has set their hand and seal hereto and adopted the word "SEAL" appearing after their name as their own, this the 8th day of March, 2000.

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BY-LAWS
OF
BRISTOL MOOR HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is Bristol Moor Homeowners Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 300 Cotanche Street, Greenville, NC 27858, but meetings of the members and directors may be held at such places within the State of North Carolina, County of Pitt, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1: "Association" shall mean and refer to Bristol Moor Homeowners Association, Inc., its successors and assigns.

Section 2: "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions for Bristol Moor Subdivision, and such additions thereto as may hereafter be bought within the jurisdiction of the Association.

Section 3: "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4: "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision made of the Properties with the exception of the Common Area.

Section 5: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6: "Declarant" shall mean and refer to Longstreet Development Company, Inc., its successors and assigns, if such successors or assigns should acquire more than three undeveloped Lots from the Declarant for the purpose of development.

Section 7: "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Register of Deeds of Beaufort County, North Carolina.

Section 8: "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 9: "Mortgagee" shall mean and refer to persons, firms or corporations holding a recorded lien appearing of record in the Beaufort County Registry against any Lot as defined in Section 4 hereof.

COLDWELL
ARTICLE III
BANKER §
MEETING OF MEMBERS

Section 1: Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporating of the Association, and each subsequent regular annual meeting of the members shall be held on the same day and the same month of each year thereafter, at the hour of 8:00 o'clock p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2: Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3: Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4: Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at

any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 8: Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1: Number. The affairs of this Association shall be managed by a Board of three (3) directors, who need not be members of the Association.

Section 2: Term of Office. At the first annual meeting the members shall elect one director for a term of one year and one director for a term of two years and one director for a term of one year. At each annual meeting thereafter the members shall elect directors for vacant positions for a term of three years each.

Section 3: Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4: Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5: Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 1: Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members to

serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2: Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1: Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2: Special Meetings. Special Meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3: Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1: Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right of use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment

levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; provided always, any contract for professional management must contain a clause requiring not more than 90 days termination notice.

(f) procure, maintain and pay premiums on a master policy of hazard insurance on the buildings standing on the "lots" on the "properties" in an adequate amount, and to equitably assess the owners of the same for their pro-rata portion of such expenses.

Section 2: Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a

certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain, at all times, adequate hazard insurance on the property owned by the Association and sufficient liability insurance to adequately protect the Association;

(f) cause all officers or employees, including officers and employees of professional management, having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained and to set such rules and regulations for its use as the Board deems appropriate;

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ARTICLE VII
OFFICERS AND THEIR DUTIES**

Section 1: Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2: Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3: Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year or until his successor is elected and qualified, unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4: Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, having such authority, and perform such duties as the Board may, from time to time, determine.

Section 5: Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to made it effective.

Section 6: Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer herein replaced.

Section 7: Multiple Officer. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article.

Section 8: Duties: The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President

(b) The vice-president shall act in the place and stead of the president in the event of his absence; inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and all of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board. He shall maintain a registry for mortgagees or properties of members of the Association, and, upon satisfactory arrangements for reimbursement of expenses incurred, advise such mortgagees of an owner or any delinquency of as much as thirty (30) days of the payment of such owner's annual assessment, and to furnish to such mortgagee annual reports and other financial data; and he shall notify such mortgagee of any condemnation procedures filed against the Association and to advise them if such action results in an award for damages to the Association's property of \$10,000.00 or more.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the

completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE VIII

MORTGAGEES OR LIENHOLDERS

Any Mortgagee or lienholder on, any lot may file with the Homeowners Association a declaration of his interest therein. Thereafter, the consent of seventy-five percent (75%) of the mortgagees or lienholders on all lots in Bristol Moor Subdivision, then under mortgagees or lien, shall be required in order for the association to:

(a) Remove, abandon, or substantially alter any property taken under its control for the use and benefit of the owners of properties in Bristol Moor Subdivision from its original use and purpose, or from its status for common use.

(b) Diminish the voting interest of any lot owner to less than one vote for each lot in Bristol Moor Subdivision, or increase the total votes to a larger number than the total number of lots in Bristol Moor Subdivision.

(c) Dedicate any common areas to any public agencies other than for normal utility easements.

(d) Substantially alter the terms of the By-Laws of the Bristol Moor Subdivision, or the Declaration of Covenants, Conditions and Restrictions of Bristol Moor Subdivision.

(e) Abridge the right of a mortgagee of lots in Bristol Moor to protect the common area from jeopardy for unpaid taxes, liens and assessments, and in the event any mortgagee shall pay overdue taxes, insurance premiums or assessments on common property, impair the right to such mortgage to immediate reimbursement from the Association for all sums so expended in the protection of the common elements.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member or a mortgagee of any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eight (8%) per cent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waiver or otherwise escape liability for the assessment provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Bristol Moor Homeowners Association, Inc. and the words: "CORPORATE SEAL", in the center thereof.

ARTICLE XIII

AMENDMENTS

Section 1: These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2: In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV

INSURANCE AND CASUALTY LOSSES

Section 1: Insurance. The Association's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements constructed on the Common Property against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief, in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board of Directors of the Association or its manager shall also obtain a public liability policy covering the Common Property and facilities thereon in such amounts and in such form as shall be determined by the Board of Directors of the Association covering the Association, the Board of Directors and officers of the Association, all agents and employees of the Association, and all Lot Owners and other persons entitled to use the Common Property and facilities thereon. Premiums for all such insurance shall be common expenses paid for by the Association. Such insurance shall be governed by the following provisions:

(a) All policies shall be written with a company licensed to do business in the State of North Carolina.

(b) Exclusive authority to negotiate and accept settlement under policies hereafter in force on the Common Property shall be vested in the Association's Board of Directors.

(c) The Association's Board of Directors or its manager shall conduct an annual insurance review which shall include a replacement cost appraisal, without respect to depreciation, of all insurable improvements constructed on the Common Property.

(d) The Association's Board of Directors or its manager shall be required to make every reasonable effort to secure insurance policies that will provide for the following: (1) a waiver of subrogation by the insurer as to any claims against the Association, its Board of Directors, its manager, or its members and their respective families, tenants, agents and guests, with respect to property coverage, except for arson and fraud; (2) a waiver by the insurer of its right to repair or reconstruct instead of paying cash; (3) that the policies cannot be cancelled, invalidated or suspended on account of the conduct of any one or more members or on account of the conduct of any director, officer or employee of the Association or its manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time

thereafter within which the defect may be cured by the Association, its agent, mortgagee or any member.

Section 2: Insurance Trustee. All casualty insurance policies purchased by the Association shall provide that proceeds covering property losses shall be paid to an insurance trustee, which shall be the Association or a bank or other financial institution having trust powers with offices in North Carolina, as may from time to time be approved by the Board of Directors of the Association, which insurance trustee in herein sometimes referred to as the "Depositary". In the event the Association shall act as insurance trustee, then the provisions of this Declaration which by their context contemplate the "Depositary" as a party separate from the Association shall not apply. The duty of the Depositary shall be to receive such proceeds as are paid and hold the same for the purposes elsewhere stated herein.

Section 3: Damage and Destruction.

(a) Immediately after any damage or destruction by fire or other casualty to all or any part of the Common Property and common facilities, the Association's Board of Directors or its manager shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damages or destroyed property. Repair or reconstruction, as used in this Article means repairing or restoring the property to substantially the same condition in which it existed prior to the fire or other casualty. Subject to subsection (b) and (d) hereof, all such damage or destruction shall be repaired or reconstructed as soon as practicable after any such casualty shall occur.

(b) If the estimated cost to repair or reconstruct the property which is damaged or destroyed exceeds the amount of insurance proceeds and other funds, if any, available to meet the same, then, subject to the assent of at least two-thirds (2/3rds) or the votes of each Class of members in the Association who are voting in person or by proxy at a meeting duly called for such purpose, the Association's Board of Directors may levy a special assessment against the Lot Owners to provide the additional funds needed for such repair or reconstruction. Unless the estimated cost to repair or reconstruct is \$5,000.00 or less, the proceeds from insurance and special assessments, if any, shall be deposited with the Depositary and disbursed as hereinafter provided.

(c) In the event that the insurance proceeds and assessments, if any, paid to the

Depository are in excess of the Depository's expenses and cost of repair or reconstruction, such excess shall be disbursed to the Association as hereinafter provided.

(d) Any such damage or destruction to the Common Property and common facilities shall be repaired or reconstructed unless a special assessment requiring membership approval shall be required and the members of the Association shall fail to approve the same within sixty (60) days after the casualty, in which event the damaged or destroyed area or areas shall not be repaired or reconstructed, but rather shall be cleaned up and maintained in a neat and attractive condition. If, for any reason, the amount of the insurance proceeds to be paid as a result of such damage or destruction is not made available to the Association within thirty (30) days after the casualty, then said sixty (60) day period shall be extended correspondingly until such information shall be made available to the Association. In all cases, the Depository may rely upon a certificate signed by the manager of the Association, if any, or by the President and Secretary of the Association, to determine whether damage or destruction is to be repaired or reconstructed.

Section 4: Disbursement of Proceeds.

(a) If the damage or destruction is not to be repaired, then, after paying or making provision for the expenses of the Depository, the net proceeds of any insurance paid to the Depository shall be disbursed to the Association to pay for the cost of cleaning up the Common Property and for such other purposes as the Board of Directors of the Association shall determine.

(b) If the damage or destruction for which the insurance proceeds are paid to the Depository is to be repaired or reconstructed, then, after paying or making provision for the expenses of the Depository, the remaining proceeds shall be disbursed to defray the cost of such repairs or reconstruction as herein provided. Any proceeds remaining after defraying such costs shall be disbursed to the Association for such purposes as the Board of Directors of the Association shall determine.

(i) Minor Damage. If the amount of the estimated cost of reconstruction and repair is \$5,000.00 or less, then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon written request to the Depository by the holder of any mortgage affecting that portion of the Common Property being

repaired or reconstructed, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage. Under the latter circumstances, any special assessments collected by the Association for repair or construction shall also be deposited with the Depository and disbursed in the same manner.

(ii) Major Damage. If the amount of the estimated cost of reconstruction and repair is more than \$5,000.00, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of a registered architect or licensed professional engineer selected and employed by the Board of Directors of the Association to supervise work, or upon approval of a builder selected and employed by the Board of Directors of the Association to supervise or perform the work provided such builder is approved by the holder of any mortgage affecting that portion of the Common Property being repaired or reconstructed.

(iii) Certificate. Notwithstanding the provisions herein, the Depository shall not be required to determine whether or not sums paid by Lot Owners upon assessment shall be deposited by the Association with the Depository, nor to determine whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of any third party, nor whether a disbursement is to be made from the construction fund, nor to determine any other fact or matter relating to its duties hereunder. Instead, the Depository may rely upon a certificate of the Association made by its President and Secretary or manager, if any, as to any or all of such matters and stating the name of the payee and the amount to be paid; provided that when the holder of any mortgage encumbering that portion of the Common Property which is being repaired or reconstructed shall specifically request the Depository to do so in writing, the approval of a registered architect, licensed professional engineer or approved builder shall be first obtained by the Association.

ARTICLE XVI
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the Incorporators of the Bristol Moor