

**BY-LAWS
OF
ASHTON LANDING
HOMEOWNERS' ASSOCIATION**

**ARTICLE I
NAME, LOCATION AND PURPOSE**

Section 1: Name. The name of the nonprofit corporation is ASHTON LANDING HOMEOWNERS' ASSOCIATION, hereinafter referred to as the "Association."

Section 2: Principal Office. The principal office of the Association shall be located at 150 East Arlington Blvd., Suite E, Greenville, North Carolina, 27858.

Section 3: Registered Office. The registered office of the Association required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

Section 4: Purpose. This Association is charged with the operation and management of Ashton Landing located in Beaufort County, North Carolina. Said operation and management shall be carried out consistently with the provisions of these By-Laws, the Declaration for Ashton Landing that is or shall be recorded in the Register of Deeds in Beaufort County, North Carolina as well as the Articles of Incorporation for said Association.

**ARTICLE II
DEFINITIONS**

Section 1: "Association" shall mean and refer to ASHTON LANDING HOMEOWNERS' ASSOCIATION, its successors and assigns.

Section 2: "Common Area" shall mean and refer to all real property owned by the Association for the common use and enjoyment of the owners, and specifically shall mean any storm water control or disposal improvements, piers, walkways and streets, if any, which may be constructed.

Section 3: "Declarant" shall mean and refer to GREENVILLE TIMBERLINE, L.L.C., its successors and assigns, if such successors or assigns should acquire all remaining undeveloped lots from the Declarant for the purpose of development in the ordinary course of business, or as evidenced by an assignment instrument recorded by Declarant in the public records of Beaufort County, North Carolina.

Section 4: "Declaration" shall mean and refer to the Declaration for Ashton Landing Subdivision applicable to the properties as the same is or shall be recorded in the Office of the Register of Deeds in Beaufort County, North Carolina.

Section 5: "Lot" shall mean and refer to any plot of land or condominium unit as defined in N.C.G.S. § 47C-1-103 designated for separate ownership, shown upon any recorded subdivision map of the Properties with the exception of the Common Area, and includes any improvements thereon, if any.

Section 6: "Member" shall mean and refer to lot owners and the Declarant as the same are defined by the Declaration of Ashton Landing and these By-Laws.

Section 7: "Mortgagee" shall mean and refer to persons, firms or corporations holding a recorded lien appearing of record in the Beaufort County Registry against any lots as defined in Section 5 hereof.

Section 8: "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 9: "Properties" shall mean and refer to that certain real property described in the Declaration for Ashton Landing that is or shall be recorded in the Register of Deeds in Beaufort County, North Carolina and such additions thereto as hereafter may be brought within the jurisdiction of the Association.

ARTICLE III ASSOCIATION MEMBERS

Consistent with and as more particularly defined in the Declaration for Ashton Landing, every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record, or to be recorded, to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

Section 1: Annual Meeting of Members. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, at the principal office of

the Association, at an hour to be fixed by the President, 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 principal office of the Association, at an hour to be fixed by the President for the purpose of electing Directors and for the transaction of such other business as may be brought before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day.

Section 2: Substitute Annual Meetings. If the annual meeting shall not be held on the day designated in these By-Laws, a substitute annual meeting at the principal office of the Association may be called in accordance with the provisions of Section 3 of this Article III. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 3: Special Meetings of Members: Special meetings of the members may be held in the principal office of the Association, or elsewhere by consent of the members, whenever called by the President, the majority of the Board of Directors, or upon written request of the members representing ten percent (10%) of the membership entitled to vote.

Section 4: Notice of Meetings. Except as otherwise provided for by the Declaration, 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, not less than ten (10) nor more than sixty (60) days in advance of any 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 5: Quorum. At any meeting of the members, one-fourth (1/4) of the members entitled to vote, present and in person or represented by proxy, shall constitute a quorum of the membership for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. If a quorum is not present, the meeting may be recessed from time to time by announcement from the chair at the time such meeting was set and such shall be sufficient notice of the time and place of the recessed meeting. In addition, if a quorum is not present, the majority of members entitled to vote thereat shall also have power to adjourn the meeting from time to time by affirmative vote.

Section 6: Organization. The President, or in his absence, the Vice-President shall preside over all meetings of members and the Secretary of the Association shall act as Secretary at all meetings of members; provided, however, in the Secretary's absence the President may appoint a Secretary for a meeting of the members.

Section 7: Voting. The Association shall have two classes of voting membership.

a. Class I. Class I members 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 they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

b. Class II. Class II members shall be the Declarant as defined in the Declaration, and shall be entitled to ten votes for each lot owned. The Class II membership shall cease and be converted to Class I membership on the happening of either of the following events, whichever occurs earlier: i) sale of the last lot by the Declarant in the subdivision, ii) on that date which is seven (7) years from the date the Declaration is recorded, or iii) at the discretion of the Declarant.

c. Each lot owner, being a member of the Association, shall be entitled to one (1) vote for each lot owned, except the Declarant, which shall be entitled to ten (10) votes for each lot owned on each matter submitted to a vote at a meeting of members. The vote of a majority of the members at a meeting of members at which a quorum is present shall be the act of the members on that matter, unless the vote of a greater number is required by law, the Articles of Incorporation, or the Declaration. Cumulative voting shall not be allowed.

Section 8: Voting by Proxy. The vote allocated to a member may be cast pursuant to a dated, written proxy signed by the member and filed with the Secretary. Every proxy shall be revocable by a written notice delivered to the Secretary or person presiding over a meeting of the Association. Every proxy shall automatically cease upon conveyance by the member of their lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1: Number. The affairs of this Association shall initially be conducted by the Declarant through one (1) Director appointed by Declarant, in its sole discretion, until

such time as seventy-five percent (75%) of all lots have been sold in the subdivision. Following the sale of seventy-five percent (75%) of the lots, no more than seven (7) and not less than three (3) Directors shall be elected by the Association and have such terms in office as set forth in Section 2 below. The Directors shall be entitled to act on behalf of the Association in all routine, day to day operations of the Association.

Section 2: Term of Office. Members shall elect Directors for a term of three (3) years. The term of office for each Director shall be until the successors to such offices shall have been duly elected and qualified as hereinafter stated.

Section 3: Removal. Any Director, other than one appointed by the Declarant, may be removed from the Board, with or without cause, by a majority vote of all the members of the Association present and entitled to vote at a meeting of the members at which a quorum is present. 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 Board shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all of the Board members to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as that taken at a meeting of the Board.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1: Nomination. Except for the initial Director chosen by Declarant and the first Directors elected by the Association after seventy-five percent (75%) of the lots have been sold, 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 nonmembers.

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 and these By-Laws. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1: Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly 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 VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1: Powers. Subject to the provisions contained herein, applicable law, the Declaration, and the Articles of Incorporation, the Board shall have the power and authority to exercise all of the rights and powers of the Association, including, but not limited to the following powers:

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. To 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; and to suspend such rights, after notice and hearing, for infraction of published rules and regulations for a period not exceed sixty (60) days;

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

d. To employ a manager, an independent contractor, or other employees as is deemed necessary, and to prescribe their duties; provided, that any contract for professional management must contain a clause requiring not more than ninety (90) days termination notice;

e. To procure, maintain and pay premiums on a master policy of hazard insurance as the Board, in its discretion, deems advisable in an adequate amount to be determined by the directors, and to equitably assess the owners of the same for their prorata portion of such expenses;

f. To impose and receive any payments, fees, or charges for the use, rental or operation of the common areas or elements other than for service provided to members;

g. To exercise all other powers that may be exercised in this State by legal entities of the same type as the Association;

h. To exercise any other powers necessary and proper for the governance and operation of the Association; and

i. To have and to exercise any and all power, rights and privileges which a corporation organized under the nonprofit corporation law of the State of North Carolina may now or hereafter have or exercise.

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

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 I 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 levy and

collect assessments, as well as foreclose on any assessment lien.

d. Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether 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, said amount of insurance to be determined by the Directors in their discretion;

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

h. Cause the exterior of the dwellings to be maintained.

ARTICLE VIII 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, 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 by 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 make 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 replaced.

Section 7: Multiple Officer. The offices of Vice-President and Secretary 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: Officer Duties. The duties of the officers are as follows:

a. **President.** 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 cosign all checks and promissory notes.

b. **Vice President.** 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.

c. **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and 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. The Secretary shall also maintain a registry for mortgages or properties of members of the Association, and, upon satisfactory arrangements for reimbursement of expenses incurred, advise such mortgagees of any owner of 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 shall notify such mortgagee of any condemnation procedures filed against the Association and advise them if such action results in an award for damages to the Association's property of \$10,000.00 or more.

d. **Treasurer.** 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 and, consistent with the Declaration, 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 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 IX MORTGAGEES OR LIENHOLDERS

Any Mortgagee of or lienholder on any lot may file with the Association a declaration of their interest therein. Thereafter, the consent of seventy-five percent (75%) of the mortgagees or lienholders on all lots in the Ashton Landing, then under mortgages 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 Ashton Landing 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 the Ashton Landing, or increase the total votes to a larger number than the total number of lots in Ashton Landing.

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 Association, or the Declaration of Ashton Landing.

e. Abridge the right of a mortgagee of lots in Ashton Landing 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 mortgagee to immediate reimbursement from the Association for all sums so expended in the protection of the common elements.

ARTICLE X COMMITTEES

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

**ARTICLE XI
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 XII
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 Association may file a lien of record against the lot for which such assessment is delinquent, bring an action at law against the owner personally obligated to pay the sum, and/or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the common area or abandonment of his Lot.

The annual maintenance assessment may be increased as provided for and consistent with the Declaration.

As more fully provided in the Declaration, the Declarant shall be exempt from any and all assessments, including annual and special, for any lot owned by it, either now or in the future.

**ARTICLE XIII
CORPORATE SEAL**

The Association shall have a seal in circular form having within its circumference the words: Ashton Landing Homeowners' Association, and the words: "Corporate Seal," in the center thereof.

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 the common area against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief, in an amount sufficient to cover, after application of any deductible, eighty percent (80%) of the replacement cost in the event of damage or destruction from any such hazard. The Board of Directors of the Association or its manager shall also obtain public liability insurance covering the common area and facilities thereon in such amounts and in such form as shall be determined by the Board of Directions 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 area and facilities thereon. Premiums for all such insurance shall be common expenses paid for by the Association. Such insurance shall be consistent with and governed by the following provisions:

- a. North Carolina General Statute § 47F-3-113.
- b. All policies shall be written with a company licensed to do business in the State of North Carolina.
- c. Exclusive authority to negotiate and accept settlement under policies hereafter in force on the common area shall be vested in the Association's Board of Directors.
- d. 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 area.
- e. 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 the loss;
 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 is herein sometimes referred to as the "Depositary." In the event the Association shall act as insurance trustee, then the provisions of these By-Laws 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 purpose 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 area 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 promptly and as soon as practicable after any such casualty shall occur and consistent with North Carolina General Statute §47F-3-113.

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, 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 Depositary 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 area and common facilities shall be repaired or reconstructed unless the members decide not to repair or reconstruct by an eighty percent (80%) vote 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 compatible with the remainder of the subdivision. 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 area 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.

1. **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 area 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.

2. **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 the 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 area being repaired or reconstructed.

3. **Certificate.** Notwithstanding the provisions herein, the Depositary shall not be required to determine whether or not sums paid by lot owners upon assessment shall be deposited by the Association with the Depositary, 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 Depositary 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 area which is being repaired or reconstructed shall specifically request the Depositary 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 XV AMENDMENTS

Except as otherwise provided herein, applicable law, the Articles of Incorporation, or the Declaration, these By-Laws may be amended or repealed and new By-Laws may be adopted by an affirmative vote of a majority of a quorum of the members present in person or by proxy at a regular or special meeting of the members.

ARTICLE XVI DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by members representing eighty percent (80%) of the votes which are allocated to the Members of the Association, as more specifically provided herein.

ARTICLE XVII MISCELLANEOUS

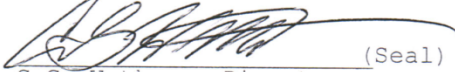
The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year,

except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XVIII
EFFECT

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.

IN WITNESS WHEREOF, C.G. Watkeys being the Director of **ASHTON LANDING HOMEOWNERS' ASSOCIATION**, has hereunto set his hand and seal, this the 16th day of JANUARY, 2006.



C.G. Watkeys, Director (Seal)

Ashton Landing Board of Directors Meeting notes reflecting late fees for association dues that are 30 days overdue.

**ASHTON LANDING HOME OWNERS' ASSOCIATION
BOARD OF DIRECTORS' MEETING**

Date: September 15, 2010

Board Members in Attendance: Dennis Belluomini, George Venuto & Don Budlong

A teleconference meeting commenced at 7:00 p.m.

Don reported on the status of HOA dues payments. To date, Lots 13, 18 and 21 have not paid 2010 dues. Lot 21 was also in arrears for their 2009 HOA dues. The dues for lot 17, which had been foreclosed upon by BB&T in December 2009 have been paid for 2010. BB&T also paid the 2009 lot 17 dues from the date of foreclosure only, which appears to be the bank's standard policy. It was also reported that Lot 5 was in also in the foreclosure process and lot 13 in "pre-foreclosure".

A discussion ensued regarding reducing Association expenses and offsetting the loss of revenue from unpaid association dues. Following the discussions, Don made a motion to impose a \$20.00 per month late fee upon property owners that are 30 days overdue in paying their current association dues, beginning with the 2011 dues. The motion was seconded by George and the motion carried.

To save the Association approximately \$400.00 per year, a motion was made by George to discontinue the electrical power to the Ashton Landing Entrance Sign. The motion was seconded by Don and the motion carried.

In another effort to reduce association costs, it was decided that instead of renting a hall and purchasing food for the Annual Meeting, the associate would have this year's annual meeting at Don's house. The date of the meeting will be November 6, 2010 at 2:00 p.m. To encourage more participation at the meeting, it was also decided that teleconferencing will be offered to the members that are unable to attend the meeting in person. George will draft the agenda and Don will send a Notice to association members in accordance with the association By-Laws.

The common area mowing was discussed and agreed upon that Aaron Kennedy was doing a very good job and at a reduced price from previous years.

From a neighborhood security standpoint, closing off the unofficial road cutting through lots 1 & 2 was discussed. The Board did not make any specific decisions or recommendation.

The meeting adjourned at 7:55 p.m.

Respectfully submitted,

Don Budlong
Secretary Treasurer

BK 1492 PG 806

FOR REGISTRATION REGISTER OF DEEDS
JENNIFER LEGGETT WHITEMURST
BEAUFORT COUNTY NC
2005 DEC 08 11:07:57 AM
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THIS INSTRUMENT DRAFTED BY: GREENVILLE TIMBERLINE, LLC

AFTER RECORDING, MAIL TO: GREENVILLE TIMBERLINE, LLC

INDEXED IN GRANTEE INDEX:

ASHTON LANDING SUBDIVISION
ASHTON LANDING HOMEOWNERS' ASSOCIATION

INDEXED IN THE GRANTOR INDEX:

GREENVILLE TIMBERLINE, L.L.C.
C. G. WATKEYS

GREENVILLE TIMBERLINE, L.L.C.

ASHTON LANDING HOMEOWNERS' ASSOCIATION

NORTH CAROLINA
BEAUFORT COUNTY

**DECLARATION OF RESTRICTIVE
AND PROTECTIVE COVENANTS**

ASHTON LANDING SUBDIVISION

THIS DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS is made pursuant to the North Carolina Planned Community Act, Chapter 47F of the North Carolina General Statutes and is entered this the 16th day of December, 2005, between GREENVILLE TIMBERLINE, LLC, a Delaware Limited Liability Company, acting by and through its Attorney-in-Fact, C. G. WATKEYS (hereinafter "Declarant") and ASHTON LANDING HOMEOWNERS' ASSOCIATION, INC., a North Carolina Non-Profit Corporation (hereinafter "Association"), a community services association with an Architectural Control Committee having powers as described herein, and all parties hereafter acquiring any of the property described hereinafter;

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WITNESSETH:

WHEREAS, Declarant owns the real property described in Paragraph 1 of this Declaration and desires to subject said real property to the restrictive and protective covenants hereinafter set forth in order to provide for the preservation of values, amenities, desirability and attractiveness of said property, and for the continued maintenance and operation of any recreational and/or Common Areas.

WHEREAS, it is in the best interest, benefit, and advantage of the Declarant, each Owner of such property, and every party hereafter acquiring such property that these restrictive and protective covenants, which shall regulate the use and occupancy of the property, be established, which restrictive and protective covenants is and are for the benefit of the property as well as each Owner thereof, and shall inure to the benefit of and pass and run with said property, and each and every Lot or parcel thereof, and shall apply to and bind the successors in interest and any Owner thereof.

NOW THEREFORE, in consideration of the premises, Declarant hereby declares and agrees with all parties hereafter acquiring any of the property that the property hereinafter described is and shall be held, transferred, sold and conveyed subject to the restrictive and protective covenants herein set forth, which restrictive and protective covenants shall be binding on all parties acquiring any right, title or interest in any of the property and which shall inure to the benefit of each Owner thereof, as well as their successors in interest.

1. DESCRIPTION OF REAL PROPERTY:

The real property which is, and shall be held, transferred, sold and conveyed subject to the protective covenants set forth in the articles of this Declaration is located in the County of Beaufort, State of North Carolina, and is more particularly described as follows:

BEING all of that property known as Ashton Landing, as more particularly shown on that certain survey of Hood Richardson, P.A. dated July 18, 2005 and entitled "Property of Ashton Landing" said survey being recorded in Plat Cabinet G, Slide 63-8, Beaufort County Registry.

Declarant hereby subjects the heretofore described property to this Declaration and the jurisdiction of the Association in order to provide enforceable standards of improvement and development whereby aesthetics, living conditions and property values may be enhanced.

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2. DEFINITIONS:

Section 1. "Association" shall mean and refer to Ashton Landing 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 a 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 hereinafter described, and such additions thereto as hereafter be brought within the jurisdiction of the Association, and specifically includes all of that subdivision known generally as Ashton Landing, Beaufort County, North Carolina.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners, and specifically shall mean any storm water control or disposal improvements, piers, walkways and streets, if any, which may be constructed.

Section 5. "Lot" shall mean and refer to any plot of land or condominium unit as defined in N.C.G.S. 47C-1-103 designated for separate ownership, shown upon any recorded subdivision map of the Properties with the exception of the Common Area, and includes any improvements thereon, if any.

Section 6. "Declarant" shall mean and refer to Greenville Timberline, LLC, its successors and assigns, if such successors or assigns should acquire all remaining undeveloped Lots from the Declarant for the purpose of development in the ordinary course of business, or as evidenced by an assignment instrument recorded by Declarant in the public records of Beaufort County, North Carolina.

Section 7. "Project Property or Area" shall mean all of the real property made subject to this Declaration. The Project Area made subject to the provisions of this Declaration is described in Paragraph 1 above.

Section 8. "Parcel" shall mean and refer to a portion or part of real property, together with the improvements located thereon, which becomes subject to this Declaration. This term shall include any additions to the existing Properties as herein provided.

Section 9. "Living Unit" or "Unit" shall mean and refer to any portion of a structure situated upon the Properties designed and intended for use and occupancy as a residence by a

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single family, including without limitation detached single family homes, townhouse homes, patio homes and condominium units.

2.1 SUPPLEMENTAL DECLARATIONS:

Declarant shall have the right, from time to time, to record Supplemental Declarations for portions ("Parcels") of the Properties which may designate specific use and other restrictions within said Parcel, may create Common Areas within such Parcel for the use only of Owners of Lots in said Parcel, and may create an internal owners association within said Parcel; provided, however, no Supplemental Declaration shall avoid membership in the Association by Owners of Lots in said Parcel, nor shall any Supplemental Declaration modify or amend the terms of this Declaration or of any prior Supplemental Declaration for another Parcel.

3. GENERAL RESTRICTIONS:

Section 1. "Residential Use": All lots shall be used exclusively for residential purposes of a single family, with the exception of the "A" Lots and Lot X which shall be used as septic areas. No business, trade, garage sale, moving sale, rummage sale, or similar activity shall be conducted upon a lot without the prior written consent of the Board of Ashton Landing Homeowners' Association. An Owner or occupant residing in a dwelling on a lot may conduct business activities within the dwelling so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the dwelling; (ii) the business activity conforms to all zoning requirements for the lot; (iii) the business activity does not involve regular visitation of the dwelling or lot by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the subdivision; and (iv) the business activity is consistent with the residential character of the subdivision and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the subdivision, as may be determined in the sole discretion of the Board of Ashton Landing Homeowners' Association.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.

The leasing of a dwelling or lot shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by the

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Declarant or a Builder approved by the Declarant with respect to its development and sale of the Properties or its use of any lots which it owns within the subdivision, including the operations of a timeshare or similar program.

Section 2. "Built Upon Area": Consistent with the Storm Water Management permit from DEHNR for ASHTON LANDING SUBDIVISION, the allowable built upon area per lot in ASHTON LANDING SUBDIVISION is listed and shown on Exhibit "B". "Built upon area" shall mean that portion of the Lot which is covered by impervious or partially pervious cover including right of way, buildings, pavement, walkways or patios of brick, stone or slate, but not including wood decking. This requirement as to built upon area shall not be waivable. This requirement shall not, however, apply to the "amenity area or site" common area. This covenant is intended to ensure continued compliance with the storm water permit issued by the State of North Carolina. All lots shall be crowned such that the grade at the dwelling location is a minimum of 6.5 and the finished floor elevation of the dwelling is a minimum of 7.5.

Section 3. "Compliance with Wetlands Regulations, CAMA Regulations, and any other and all Governmental Setbacks and other Regulations": It shall be the responsibility of each Owner to determine what portions of their Lot are regulated by wetland regulations, CAMA regulations, Beaufort County Nutrient Easement or other governmental setbacks and other regulations. It shall also be the responsibility of each Owner, prior to alteration of any Lot, to determine if any Lot shall have been determined to meet the requirements for designation as a regulatory wetland and if any such Lot is subject to any of the regulations referred to above. Any subsequent fill or alteration of this wetland shall conform to the requirements of state wetland rules adopted by the State of North Carolina in force at the time of the proposed alteration. The intent of this restriction is to prevent additional wetland fill, so the property Owner should not assume that a future application for fill will be approved. The property Owner shall report the name of the subdivision in any application pertaining to wetland rules. This covenant is intended to insure the continued compliance with wetland rules adopted by the State of North Carolina; therefore, benefits may be enforced by the State of North Carolina. This covenant is to run with the land and shall be binding on all parties and all persons claiming under them.

Section 4. "On-site Sewage Systems": Each property Owner is required to provide private on-site sewage systems and comply with all regulatory agency requirements for the installation, maintenance and operation. The costs of these systems will be the responsibility of the Lot Owner and may differ from Lot to Lot.

Section 5. "Roadside Swale": No one may fill in, pipe, or alter any roadside swale except as necessary to provide a minimum driveway crossing.

Section 6. "Allowable/Prohibited Structure": All structures must be approved by Declarant or Architectural Control Committee. No structure shall be erected, altered, placed or

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permitted to remain on any Lot other than a single, one family dwelling not to exceed three stories in height, a private garage which may contain living quarters for occupancy by domestic servants of the lot occupant only and such other outbuildings as may be provided for elsewhere herein. Each dwelling shall contain a minimum of 1800 heated square feet. This covenant shall not be construed as prohibiting the use of a new dwelling as a model home for sales/rental purposes.

No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence either temporary or permanently. No trailer, mobile home, camper or like vehicle shall be allowed on the property at any time, or any other structure which is finished or partially finished at a manufacturing unit or plant and transported for quick assembly and which is designed to be disassembled and relocated shall be allowed. It is specifically the intention and purpose of this covenant to prohibit the location of any manufactured home as defined in NCGS 143-145 and any structure for which a "Label of Compliance" as defined in NCGS 143-145 is issued, including but not limited to those structures which are generally referred to as mobile homes, trailers, relocatable houses, or similar type structures on the property.

"Modular construction" of walls, floor systems, roof trusses and other portions of the structure shall be permitted providing that it is a full floor joist system not supported by chassis or steel frame. Fabrication shall not be limited to the building lot.

This covenant shall not be construed as prohibiting the use of such a structure as a sales/rental model or office or construction site facility.

No more than one outbuilding may be constructed on any Lot without the express written approval of the Architectural Control Committee. Said outbuilding shall be only for the purposes of housing boats, cars, and RV's as well as lawn and garden equipment.

No structure with a roof pitch of less than 6-12 feet is permitted upon any Lot.

The Properties shall not be used as a campground. Permanent residence in any type of camping equipment is strictly prohibited.

Section 7. "Structure Location": No structure, other than fence, may be built within ten (10) feet from any property line without written approval from Declarant or Ashton Landing Architectural Control Committee.

Section 8. "Construction Debris": During construction of improvements on any Lot, adequate portable sanitary toilets must be provided for the construction crew and the Lot must be

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cleaned of excess debris at least once per week. Each Lot Owner shall be obligated to collect and dispose of all rubbish and trash resulting from construction on his Lot.

Section 9. "Nuisances": No noxious, offensive, or illegal activity shall be carried on or conducted upon any Lot, nor shall anything be done on any Lot that shall be or become an unreasonable annoyance or nuisance to the neighborhood. No trade, commerce, or other activity, which may be considered a nuisance to the neighborhood, shall be carried on upon any Lot. No trade materials or inventories may be stored upon any Lot. No tractor-trailer type trucks, house trailers, or mobile homes may be stored or regularly parked on any Lot. No junk or unsightly vehicles of any type or description may be placed upon any Lot.

Section 11. "Animals": No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that household pets may be kept provided they are not kept for breeding or commercial purposes. Any such household pet shall not be allowed off the Lot of the Owner of said pet unless said pet is attended and on a leash. Owners shall be solely and absolutely liable for the acts of any pet kept on their Lot. Pet pens, dog runs, and "boxes", if allowed, must be approved by the Association prior to construction or placement and must be screened from adjacent rights-of-way and lots.

Improvements constructed for the maintenance of animals shall be kept in good repair and must conform generally in appearance with any dwelling upon a Lot, although such improvements need not be constructed of materials identical to an existing dwelling. Each Lot Owner shall maintain any such improvements placed upon any Lot, and no unsightly or dilapidated buildings or other structures shall be permitted on any Lot. Improvements must be approved by Declarant or Architectural Control Committee.

Section 11. "Signs": No sign or billboard of any kind shall be erected or allowed to remain on any Lot including a "For Sale" or "For Rent" sign without prior written approval of Declarant, until such time as at least ninety percent (90%) of the Lots are sold.

Section 12. "Subdivision": 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. In no event, shall any Lot be subdivided if the result of each subdivision is separate ownership of less than a whole Lot. However, Declarant, its successors or assigns, reserves the right to relocate any Lot boundary line and make major and minor boundary line adjustments between Lots so long as said relocation does not create an additional Lot and further provided that one Lot may be combined with another Lot or Lots or a portion thereof to create a larger Lot, in which cases these covenants shall be construed to apply to the larger Lot so created. Upon the recombination of any Lots to reduce the total number of allowable building Lots, for purposes of membership in the Association and for purposes of the payment of dues and

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assessments, any recombined Lots shall be considered a single Lot upon recordation of a plat so showing in the office of the Register of Deeds.

Section 13. "Piers and Bulkheads": Piers and bulkheads 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/or local authority. All improvements must be approved by Declarant and/or Ashton Landing Architectural Control Committee.

Section 14. "Roads, Rights of Way and Driveways": The roads and rights of way constructed throughout the Properties are for the common uses of Declarant, Lot Owners, and Lot Owners of the future development of the Properties and their respective heirs, successors and assigns. There will be no on-street parking allowed within the Properties. All driveways constructed on any Lots shall be paved with either asphalt or concrete for a distance of at least 20 feet from the adjoining paved roadway. Concrete or HDPE plastic culvert pipes are to be used and the ends of the culvert pipes used for driveways must be capped to prevent erosion. All culvert pipe sizes must be a minimum of fifteen inches (15") and must be approved by Declarant or Architectural Review Board prior to installation. Any damage by driveway connections to the private road shown upon said plats, or to the ditches or shoulders of the road, or to the flow of drainage water along said road, shall be repaired at the expense of the Owners connecting such driveways, within thirty (30) days of notification. The Ashton Landing Homeowners' Association will maintain the paved subdivision roads shown on the plat recorded in Plat Cabinet G, Slide 63-8. That portion of Ashton Drive from Lots 7 and 19A to the culdesac and the Declarant's interest in the unpaved easement leading from the subdivision to North Carolina State Road 1732 will be deeded to the Association.

Section 15. "Road/Street Expansion": Declarant hereby reserves unto itself the right to use any Lot, prior to it being sold to a third person, for ingress and egress to any other adjoining property and said adjoining property owners shall have the right to use any and all of the roads within Ashton Landing Subdivision.

3.1 CONSTRUCTION TIME AND ACTIVITY:

Section 1. No construction of any kind, including but not limited to, the clearing or grading of any Lot for building purposes, or the building of any wall, fence, landscaping, berm or hedge which act as a fence or privacy inducing structure, pier, dock, ornamentation, or other structure or improvements of any nature shall be erected, placed or altered on any Lot until: 1) the construction plans and specifications and a plan showing the location of the structure and landscaping have been approved in writing by the Architectural Control Committee, as provided elsewhere herein; and 2) the owner of said Lot shall have deposited or caused to be deposited with the Association a deposit to defray the cost of repair of any common facilities damaged by

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the proposed construction in the minimum amount of \$5,000.00 for home construction and a minimum of \$250.00 for any other improvements or such higher amount as the Association may set. The deposit requirement shall not be waivable.

Once construction of a dwelling or other improvements is started on any Lot, the improvements must be substantially completed in accordance with the approved plans and specifications within twelve (12) months from commencement. If construction is not completed within (12) months the Association shall provide notice of the violation of this covenant and shall conduct a hearing in accordance with its By Laws and may levy such maximum fine as may be allowed by law until the home is complete in accordance with the covenants. The Construction activity shall be confined within the boundaries of each Lot. Each owner shall be responsible for any damage done to any streets, roadways, access ways, common areas, or property of other Owners within the subdivision which may be caused by any owner, his agents, employees, guests, licensees or invitees, during construction and at any other time.

The Association shall have the right to assess any owner for such damage and such charge shall be an assessment against the owner and the Lot and shall be subject to collection as any other regular assessment. The ends of culverts are to be capped to prevent erosion.

Section 2: 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 per week. Each lot owner shall be obligated to collect and dispose of all rubbish and trash resulting from construction on his lot.

Section 3: No dwelling or other improvement shall be constructed which shall have an exterior of concrete blocks, asbestos or asphalt siding. Outdoor, uncovered living areas should be constructed with materials and colors that are compatible with the exterior materials and detailing of the house. Railings should be consistent with the architectural character of the house. Patio and terrace surfacing materials should be concrete, stone, or pavers.

4. MEMBERSHIP AND VOTING RIGHTS:

Section 1. "Association": A non-profit corporation named ASHTON LANDING HOMEOWNERS' ASSOCIATION has been or will be chartered pursuant to the Nonprofit Corporation Act and the North Carolina Planned Community Act of the General Statutes of North Carolina. Its purposes are to enforce the restrictive and protective covenants herein, including but not limited to the architectural control standards established herein; maintain ASHTON LANDING in a clean and attractive condition; own, manage and maintain certain of the amenities as are more fully described herein; provide an organization for the benefit of the Lot Owners within ASHTON LANDING and hold and administer funds derived from assessments. Every Owner of a Lot 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. The Association shall be comprised of all Lot Owners and Declarant.

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Section 2. "Organization and Administration": The Association shall organize, elect officers, and operate freely within the restrictions herein contained. Declarant, either through its employees, agents or assigns, will administer the Association until seventy-five percent (75%) of all Lots have been sold in the subdivision. Following the sale of seventy-five percent (75%) of the Lots, the Association will elect its own administrators of the Association. When seventy-five percent (75%) of the Lots as shown on the above mentioned plats have been sold, the Association shall take over any and all responsibilities and obligations of the Association, including but not limited to any and all maintenance of the roads and Common Areas.

Section 3. Every Owner of a Lot 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 4. The Association shall have two (2) classes of voting membership:

Class I: Class I members 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 they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class II: The Class II member(s) shall be the Declarant and shall be entitled to ten (10) votes for each Lot owned. The Class II membership shall cease and be converted to Class I membership on the happening of either of the following events, whichever occurs earlier.

- (1) The sale of the last lot by the Declarant in the subdivision.
- (2) On that date which is seven (7) years from the date of this document recorded.
- (3) At the discretion of the Declarant.

5. COVENANTS FOR MAINTENANCE ASSESSMENTS:

Section 1. Creation of the Lien and Personal Obligations of Assessment: 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 assessments or charges;

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(2) Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided;

(3) to the appropriate governmental taxing authority, a pro rata share of ad valorem taxes levied against the Common Area if the Association shall default in the payment therefor for a period of six (6) months, all as hereinafter provided.

The annual and special assessments, together with interest thereon and costs of collection thereof, as hereinafter provided, 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 and costs, and reasonable attorneys' fees (as provided in North Carolina General Statutes Section 6-21.2) incurred by the Association in collecting delinquent assessments shall also be the personal obligation of the person or entity who was the Owner at the time when the assessment became due. The personal obligation of an Owner for delinquent assessments shall not pass to his successors or assigns in title.

Section 2. Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the health, safety, and welfare of the residents in the Properties, and for the improvements and maintenance of the Common Area, and specifically any storm water control or disposal improvements.

Section 3. Minimum Annual Assessment: The initial minimum annual assessment shall be \$200.00 per year per lot. Assessments shall commence as to each lot beginning on the date of closing from the Declarant to an owner other than the Declarant so long as there exists Class II membership, the Declarant shall pay no dues or assessments but in lieu thereof the Declarant covenants and agrees to defray such deficit as may be required for maintenance up to the amount of the current operating budget.

Section 4. Collection of Assessments:

(a) The first pro rata payment of the balance of the current year assessment shall be due and payable beginning on the day of closing. In addition thereto, at closing, the Declarant shall cause to be collected from the purchaser, an amount equal to two-twelfths of the then current minimum annual assessment for said lot. This shall be used for the sole purpose and use as a working capital fund.

The Board of Directors shall fix the amount of the assessment against each lot at least thirty days in advance of the 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 of the Association and the Board of Directors shall have the authority to require the assessment to be paid in pro-rata monthly installments, quarterly and semi-annually as well as

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annually. 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.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum assessment may be increased each year not more than fifteen percent (15%) above the maximum assessment for the previous year without a vote of the membership.

(c) 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 above fifteen percent (15%) by a vote of fifty-one percent (51%) of members of each class who are voting in person or by proxy, at a meeting duly called for this purpose. Except, however, increases attributable solely to the annexation of new areas, including new Common Areas, shall not be subject to this limitation.

(d) If an additional property owner's association(s) is established on any property which is or may become subject to this Declaration by a supplemental declaration hereto, then, notwithstanding anything contained therein to the contrary, all assessments made by and for any such association shall be paid to the Ashton Landing Homeowners' Association, Inc., for bookkeeping and record keeping purposes, and shall then be transferred as necessary to the appropriate association. Ashton Landing Homeowners' Association, Inc. may charge a reasonable fee for its record keeping services and deduct same from assessments collected.

Section 5. Special Assessments for Insurance and Capital Improvements: In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any increase in insurance costs, or the 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 fifty-one percent (51%) of the votes of the members of each class who are voting in person or by proxy at a meeting duly called for this purpose.

Section 6. Notice and Quorum for any Action authorized under Sections 4 or 5: Written notice of any meeting called for the purpose of taking any action authorized under Section 4 or 5 shall be sent to all members not less than thirty (30) days or more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or proxies entitled to cast fifty-one percent (51%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting shall be called subject to the same notice requirement, and there shall be no required quorum. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

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Section 7. Remedies for Non-Payment of Assessments: Any assessment which is not paid when due shall be delinquent. The assessment shall bear interest from the due date at the rate established by the Board of Directors of the Association, or if not set by the Board, at the highest rate allowed by law, together with such late fees as may be set by the Board. The Association may file a lien of record against any lot where there remains an assessment unpaid for a period of thirty (30) days or longer. Any such lien shall be filed in the office of the clerk of superior court of Beaufort County in a manner provided therefore by Article 8 of Chapter 44 of the North Carolina General Statutes. No Owner may waive or otherwise escape liability for the assessments provided for herein by the non-use of the Common Area or abandonment of his dwelling unit or Lot.

The Association may bring an action at law against the Owner personally obligated to pay any assessments and interest. Costs and reasonable attorneys' fees for the prosecution of any such action shall be added to the amount of such assessment. In the event of such action at law and in the further event that such action results in a judgment being entered against the Owner and in favor of the Association, then, and in that event, the Association shall collect on such judgment in such manner and to the extent provided and permitted by the laws of the State of North Carolina.

The Association's lien may be foreclosed in like manner as a mortgage on real estate under power of sale under Chapter 45 of the North Carolina General Statutes. All fees, charges, late charges, fines, and interest are enforceable as assessments.

In any foreclosure action brought under the power of sale provisions, the Association shall be deemed to be the holder and owner of the obligation secured by this Declaration. The Registered Agent of the Association shall be the Trustee for all purposes of the foreclosure proceeding and the Association shall have the power to appoint a substitute trustee if for any reason the Association desires to replace the trustee, and the said substitute trustee shall succeed to all rights, powers and duties thereof. The Association shall request of the trustee to sell the land subject to the lien at public sale for cash, after having first given such notice and advertising the time and place of such sale in such manner as may then be provided by law for mortgages and deeds of trust, and upon such sale's and upon compliance with the law then relating to foreclosure proceedings under power of sale to convey to the purchaser in as full and ample manner as authorized by Chapter 45. The Trustee shall be authorized to retain an attorney to represent him in such proceedings. The proceeds of the sale shall, after the Trustee retains his commission, together with any additional attorney's fees incurred by the Trustee, be applied to the costs of the sale, including but not limited to costs of collection, taxes, assessment, costs of recording, service fees, and incidental expenditures, the amount due on any note secured by the property, and any advancements made by the Association in the protection of the security.

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Section 8. Effect of Default in Payment of Ad Valorem Taxes of Assessments for Public Improvement by Association: Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area and/or Right-of-Way or assessments for public improvements to the Common Area and/or Right-of-Way, which default shall continue for a period of six (6) months, each owner of a Lot in the development shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by dividing the total taxes and/or assessments due the governmental authority by the total number of Lots in the development. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien subject to the lien of the governmental authority levying said ad valorem taxes on the Lot of the then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot or the Owner.

Section 9. Subordination of the Lien to Mortgages: The lien of the assessments provided for herein shall be subordinate to the lien of any 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 assessment as to payments which become 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. Rights of Mortgagees: (a) Notice of action: A holder or insurer of a mortgage, upon written request to the Association (such request to state the name and address of such holder or insurer and the description of secured properties) will be entitled to timely written notice of:

- (1) Any condemnation or casualty loss that affects either a material portion of the project or the Lot securing its mortgage.
- (2) Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Lot upon which it holds a mortgage.
- (3) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
- (4) Any proposed amendment to the project instruments effecting a change in the boundaries of any Lot, ownership of Common Elements, if any, the number of votes in the Association pertaining to any Lot or any proposed change in the restrictions on the properties.

Section 11. Declarant shall be exempt from payment of annual or special assessments for any property owned within Ashton Landing.

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6. ARCHITECTURAL CONTROL COMMITTEE:

Section 1. Submission of Plans and Specifications: Except for original and initial construction and subsequent modification of improvements by the Declarant on any Lot which such construction is and shall be exempt from the provisions of this provision, no building, wall, fence, landscaping, berm or hedge which acts as a fence or privacy inducing structure, pier, dock, ornamentation, or other structure or improvements of any nature shall be erected, placed or altered on any Lot until: 1) the construction plans and specifications and a plan showing the location of the structure and landscaping have been approved in writing by the Architectural Control Committee; and 2) the owner of said Lot shall have deposited or caused to be deposited with the Association a deposit to defray the cost of repair of any common facilities damaged by the proposed construction in the minimum amount of \$5,000.00 for home construction and a minimum of \$250.00 for any other improvements or such higher amount as the Association may set. The deposit requirement shall not be waivable.

The Association Board of Directors may adopt from time to time Architectural Guidelines for use by the Architectural Control Committee and such guidelines shall be mandatory for use by the Architectural Control Committee except as the Board of Directors shall authorize upon appeal of the Committee decision.

Each building, wall, fence or other structure or improvements of any nature, together with any ornamentation or landscaping, shall be erected, placed or altered upon the premises only in accordance with the plans and specifications and plot plan so approved.

Any change in the appearance of any building, wall, fence or other structure or improvements and any change in the appearance of the landscaping (excepting the planting of flowers and shrubs indigenous to the area), shall be deemed an alteration requiring approval.

Section 2. Procedure: (a) The Architectural Control Committee shall make all efforts to cooperate with the Owner or agent in effecting a prompt and reasonable response to any submission. Within fifteen (15) days after receipt of all required information, the Architectural Control Committee shall submit in writing to the Owner of the Lot a response stating whether or not the requested improvements are approved. If a response is not given by the Architectural Control Committee within fifteen (15) days, the plan shall be deemed approved. The Architectural Control Committee shall have the power to promulgate reasonable rules and regulations designed to carry out the provisions and intent of this paragraph. Any such rules and regulations shall be approved by the Board of Directors prior to implementation.

EX 1492 PG 8 2 2

(b) Action of the Architectural Control Committee may be based upon any reasonable ground, including aesthetic grounds. Requirements of any governmental authority shall not be considered by the Committee. The response of the Architectural Control Committee must be:

- (1) An approval; or
- (2) An approval with conditions; or
- (3) An approval with conditions together with a request for additional information; or
- (4) A denial.

A denial is an extreme response and not to be made unless an approval with conditions can not be made. A denial prohibits or delays construction of the proposed improvements.

A request for additional information shall be made only with a conditional approval and will not delay construction unless the information requested involves a matter which will need to be approved prior to construction. A request for additional information shall not be used by the Committee to enlarge the required response time. If an approval with conditions is granted and thereafter construction begins, the construction shall be deemed approved by the owner of the lot of the conditions imposed.

(c) The Architectural Control Committee may not deny the submission unless it makes at least one of the following findings:

- (1) That the improvements sought to be constructed will have a negative economic impact on any other lot within the subdivision.
 - (2) That a required specific buildings standard or other condition contained within the Restrictive Covenant documents have not been met.
 - (3) That the improvements are architecturally incompatible with proposed or constructed improvements on other lots within the subdivision.
 - (4) That the natural features of the lot will be disturbed to an extent more than reasonably necessary to construct the proposed improvements.
- In addition to the above required finding, in order to deny a submission, the Architectural Control Committee must provide a specific and detailed response of why an approval with conditions was not a reasonable alternative to the denial.

Section 3. Exceptions: The paint, coating, stain and other exterior finishing colors and roof shingles/exterior on all buildings may be maintained as that originally installed, without

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prior approval of the Architectural Control Committee, but prior approval by the Architectural Control Committee shall be necessary before any such exterior color is changed.

Section 4. Committee Membership: Until such time as the sale of the last numbered lot in the subject property is evidenced by the recordation of a deed therefore, all rights, privilege, powers and authority granted herein to the initial Architectural Control Committee, to whom the specific power to act hereunder is expressly conveyed, shall be exercised by the Declarant, its successors or assigns. The Declarant may assign its powers hereunder to an Architectural Control Committee, but so long as Class II membership shall exist, the Declarant shall appoint a majority of the Architectural Control Committee. Thereafter, all representatives shall be appointed by the Board of Directors of the Association. Except as set out above, the Architectural Control Committee shall be composed of three (3) Owners appointed by the Board and shall serve at the pleasure of the Board.

Section 5. Committee Procedure: A majority of the Architectural Control Committee may take any action said Committee is empowered to take, may designate a representative to act for the Architectural Control Committee, and, with approval of the Association Board, may employ personnel and consultants to act for it. In the event of death, disability or resignation of any member of the Architectural Control Committee, the Association Board shall designate a successor. The members of the Architectural Control Committee shall not be entitled to any compensation for services performed pursuant to this covenant. The Association may establish a fee to cover the expense of reviewing plans and related data at the time plans are submitted for review in order to compensate any consulting architects, landscape architects, urban designers or attorneys.

Section 6. Appeal of Committee Action: Any Owner may appeal the decision of the Architectural Control Committee provided that all parties involved comply with the decision of the Architectural Control Committee until such time, if any, as the Board of Directors amends, or reverses the Architectural Control Committee's decision. Appeals petitions must be legibly written and state the grounds for appeal and be submitted to the Board of Directors within thirty (30) days of the decision of the Architectural Control Committee. The Board of Directors shall act upon the appeal by amending, reversing or confirming the decision of the Architectural Control Committee within twenty-five (25) days of receipt of the petition. The Board of Directors' decision shall be by majority vote. Any Owner must exhaust this avenue of appeal prior to resorting to a court of law or equity for relief.

Section 7. Notice: Submissions for approval may be made to the Architectural Control Committee c/o the Association to any of the following:

- (1) The address to which an owner is directed to send assessments or dues as appears on the most recent billing statement,

1492 PG 824

(2) The address of the Association Registered Agent as it is listed in the Office of the Secretary of State, or

(3) At such address as may be provided in writing (on the letterhead of the Association and signed by the managing agent or officer of the Association) to the applicant upon request for instructions regarding submission.

Section 8. Mail to Owner: Any requirement for mail service shall be complied with by mailing said notice to the address shown on the county tax records for the respective lot owner.

7. UTILITY AND DRAINAGE EASEMENTS:

Easements for installation and maintenance of utilities and drainage facilities are reserved ten (10) feet in width over all side Lot lines and twenty-five (25) feet along any road and as may be shown upon any recorded plats of the Properties. No building, residence, garage or other permitted accessory building may be constructed within said easements. In addition, the Properties are subject to easements, setbacks, and road right of ways as shown on the recorded plats referenced above. Declarant hereby reserves unto itself, its successors and/or assigns, the following:

- (1) The right to erect and maintain utilities and drainage facilities over the areas described in this paragraph; and
- (2) The right to grant Lot Owners easements within these areas and under subdivision roads for utilities including, but not limited to cable, electric, septic systems and water; and
- (3) The right to grant easements for the purposes described hereinabove, in paragraphs (1) and (2) over and across, any unsold Lot still owned by Declarant.

8.

The "A" Lots and Lot X as shown on the Plat referred to in Paragraph 1 will be used to provide septic repair areas to various lots within the Ashton Landing Subdivision if necessary to comply with governmental regulations. If any portion of this area is not so required then it may become a lot or lots at the sole discretion of the Declarant or may be deeded to the Homeowners' Association.

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9. 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:

- (1) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area,
- (2) The right of the Association to limit the number of guests of members,
- (3) The right of the Association to suspend the voting right and use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations, and
- (4) The right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon, regulations may further restrict the use of the Common Area.

10. GENERAL PROVISIONS:

Section 1. "Term": These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five (25) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years.

Section 2. "Enforcement": In the event of a violation or breach of any of these restrictions, covenants, agreements and conditions by any person or concern claiming by, through or under the undersigned, or by virtue of any judicial proceedings, the Association, its successors and assigns and the Owners of the Lots in the subdivision, or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel compliance with the terms hereof, to prevent the violation or breach of any of them, and/or recover damages, if appropriate. Costs and reasonable attorneys' fees shall be recoverable by the Association as part of any judgment or order to enforce these covenants. The failure to enforce any right, reservation, restriction or condition contained herein, however long continued, shall not be deemed a waiver

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of the right to do so thereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement.

Section 2.1. Remedies Extended to the State of North Carolina: To ensure that this subdivision is maintained consistent with the laws of the State of North Carolina, the State of North Carolina is specifically empowered to take such acts necessary by and through its officers to enforce any of these covenants against an Owner or the Association. The State of North Carolina is specifically made a beneficiary of these covenants.

Section 3. "Modification of Restrictive Covenants": These restrictive and protective covenants are subject to being altered, modified, canceled or changed at any time as to said subdivision as a whole or as to any subdivided Lot or part thereof during the first twenty-five (25) year period from the date of recording hereof by written document executed by the Declarant or their successors in title after affirmative vote or written agreement signed by Lot Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated. Declarant, or its successors and assigns, shall be allowed to amend these restrictive and protective covenants, notwithstanding any other provision contained herein and without joinder of any other party, for the purpose of correcting any discovered error contained herein, clarifying any ambiguity contained herein, or adding or deleting any incidental provisions deemed in the sole discretion of Declarant to be in the best interest of ASHTON LANDING SUBDIVISION and the Owners therein. Further, Declarant reserves, in the sole discretion of Declarant, the right to amend, modify or add to these covenants and restrictions on an individual basis pursuant to individual purchaser requests and requirements. Such modifications or amendments in accordance with this section will be accomplished by specific language in the individual deeds or supplementing these covenants by separate recorded instrument.

Section 3.1 "Litigation": No judicial or administration proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five percent (75%) of each of the Classes of members and a majority of the Board of Directors. This Section shall not apply, however to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of personal assessments, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the Declarant or is approved by the percentage votes and pursuant to the same procedures necessary to institute proceedings as provided above.

Section 4. "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 and the failure of any person or persons to take action to restrain the violation of

EX 1492 PG 8 27

any of these covenants and restrictions shall not be construed as a waiver of any enforcement rights and shall not prevent the enforcement of such covenants.

Section 5. "Variances": The Association may allow reasonable variances and adjustments of the restrictions set forth in this Declaration in order to overcome practical difficulties and prevent unnecessary hardships in the application of the provisions contained herein; provided however, that any such variance granted must be done in conformity with the intent and purposes of the general development scheme and provided also that in every instance such variance or adjustment shall not materially be detrimental or injurious to other property or improvements within the Properties.

IN WITNESS WHEREOF, as the above date, Grantor (whether person, corporation, limited liability company, general partnership, limited partnership, or other entity) has signed this instrument in the ordinary course of business, by the signature(s) below if its duly authorized representative(s), as the act of such entity.

GREENVILLE TIMBERLINE, LLC

BY:

C. G. Watkeys, Attorney in Fact

STATE OF NORTH CAROLINA
COUNTY OF Pitt

I, the undersigned Notary Public, do hereby certify that C. G. Watkeys, Attorney-in-Fact for Greenville Timberline, LLC, personally appeared before me this day and being by me duly sworn says that he executed the foregoing and annexed instrument for and on behalf of Greenville Timberline, LLC, and that his authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged and recorded in the Office of Register of Deeds for Beaufort County, North Carolina, on 12/5/05 and recorded in Book 1492, Page 7 and that this instrument was executed under and by virtue of the authority duly given by said instrument granting him the power of attorney; that the said C. G. Watkeys acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and on behalf of the said Greenville Timberline, LLC.

WITNESS my hand and official seal, this the 6th day of December, 2005.

Anthony P. Rogers
NOTARY PUBLIC

My Commission Expires



BK 1492 PG 808

Exhibit "B"

SCHEDULE OF ALLOWABLE PERMITTED AREAS

<u>LOT #</u>	<u>AREA (ACRES)</u>	<u>PERMITTED IMPERVIOUS</u>
1	1.12	14,538
2	1.36	17,653
3	1.33	17,264
4	1.43	18,173
5	1.34	17,394
6	1.26	16,355
7	1.72	22,327
8	2.74	35,567
9	2.23	28,947
10	2.16	28,038
11	2.09	27,130
12	2.02	26,221
13	1.85	24,014
14	1.60	20,769
15	1.41	18,303
16	1.89	24,533
17	1.77	22,976
18	1.65	21,418
19	1.54	19,990
20	1.31	17,004
21	4.05	52,572
A	.71	9,216
B	.66	8,567
C	.60	7,788
D	.78	10,125
*Road	<u>.77</u>	<u>9,995</u>
	45.45 Acres	12.35 Acres

*That part of the road not included in lots. The area of Lots 8 thru 21 includes the road right-of-way.

REK 1492 PG 828



JENNIFER LEGGETT WHITEHURST
 BEAUFORT COUNTY REGISTER OF DEEDS
 COURTHOUSE BUILDING
 112 W. 2ND STREET
 WASHINGTON, NC 27889

 Filed For Registration: 12/08/2005 11:07:57 AM
 Book: RE 1492 Page: 806-828
 Document No.: 2005010134
 RESTR COV 23 PGS \$0.00
 Recorder: PATRICIA COLUMBUS

David Francisco

2005010134

2005010134

BK 1507 PG 239

FOR REGISTRATION REGISTER OF DEEDS
JENNIFER LEGGETT WHITEHURST
BEAUFORT COUNTY, NC
2006 MAR 01 09:23:02 AM
BK:1507 PG:239-242 FEE:\$20.00
INSTRUMENT # 2006001803

THIS INSTRUMENT DRAFTED BY: GREENVILLE TIMBERLINE, LLC

AFTER RECORDING, MAIL TO: GREENVILLE TIMBERLINE, LLC

INDEXED IN GRANTEE INDEX:

ASHTON LANDING SUBDIVISION
ASHTON LANDING HOMEOWNERS' ASSOCIATION

INDEXED IN THE GRANTOR INDEX:

GREENVILLE TIMBERLINE, L.L.C.
C. G. WATKEYS

GREENVILLE TIMBERLINE, L.L.C.
ASHTON LANDING HOMEOWNERS' ASSOCIATION
NORTH CAROLINA
BEAUFORT COUNTY
ASHTON LANDING SUBDIVISION
**AMENDMENT TO
DECLARATION OF RESTRICTIVE
AND PROTECTIVE COVENANTS**

THIS AMENDMENT TO DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS is made pursuant to the North Carolina Planned Community Act, Chapter 47F of the North Carolina General Statutes and is entered this the 21st day of February, 2006, between GREENVILLE TIMBERLINE, LLC, a Delaware Limited Liability Company, acting by and through its Attorney-in-Fact, C. G. WATKEYS (hereinafter "Declarant") and ASHTON LANDING HOMEOWNERS' ASSOCIATION, INC., a North Carolina Non-Profit Corporation (hereinafter "Association"), a community services association with an Architectural Control Committee having powers as described herein, and all parties hereafter acquiring any of the property described hereinafter;

BK 1507 PG 240

Exhibit "B"

**SCHEDULE OF ALLOWABLE PERMITTED AREAS
REVISED JANUARY 8, 2006**

<u>LOT #</u>	<u>AREA (ACRES)</u>	<u>PERMITTED IMPERVIOUS</u>
1	1.12	12,171
2	1.36	14,779
3	1.33	14,453
4	1.43	15,214
5	1.34	14,562
6	1.26	13,692
7	1.72	18,692
8	2.74	29,852
9	2.23	24,234
10	2.16	23,640
11	2.09	22,713
12	2.02	21,952
13	1.85	20,104
14	1.60	17,387
15	1.41	15,323
16	1.89	20,539
17	1.77	19,235
18	1.65	17,931
19	1.54	16,735
20	1.31	14,235
21	4.05	44,013
A	.71	7,308
B	.66	6,765
C	.60	6,113
D	.78	8,069
*Road	<u>.77</u>	<u>9,995</u>
	41.39 Acres	10.32 Acres

*That part of the road not included in lots. The area of Lots 8 thru 21 includes the road right-of-way.

BR 1507 PG 241

WHEREAS, GREENVILLE TIMBERLINE, LLC previously executed that certain Declaration of Restrictive and Protective Covenants, the same being recorded in Book 1492, Page 806 of the Beaufort County Registry; and

WHEREAS, the purpose of this Amendment is to correct the listing regarding impervious areas for each lot within said subdivision as shown on Exhibit "B". This listing was in error and needs to be corrected.

NOW THEREFORE, the undersigned is amending said Declaration of Restrictive and Protective Covenants as recorded in Book 1492, Page 806, Beaufort County Registry by attaching a correct impervious structure schedule which will replace the one attached as Exhibit "B" to the Declaration of Restrictive and Protective Covenants as recorded in Book 1492, Page 806, Beaufort County Registry.

IN WITNESS WHEREOF, Greenville Timberline, L.L.C. has caused this instrument to be signed in its corporate name by its duly appointed Attorney-in-Fact, all by authority of its Board of Directors first duly given, this the day and year first above written.

GREENVILLE TIMBERLINE, LLC

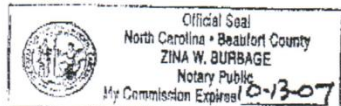
BY:

C. G. Watkeys, Attorney in Fact

STATE OF NORTH CAROLINA
COUNTY OF Beaufort

I, the undersigned Notary Public, do hereby certify that C. G. Watkeys, Attorney-in-Fact for Greenville Timberline, LLC, personally appeared before me this day and being by me duly sworn says that he executed the foregoing and annexed instrument for and on behalf of Greenville Timberline, LLC, and that his authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged and recorded in the Office of Register of Deeds for Beaufort County, North Carolina, on December 5, 2005 and recorded in Book 1492, Page 007 and that this instrument was executed under and by virtue of the authority duly given by said instrument granting him the power of attorney; that the said C. G. Watkeys acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and on behalf of the said Greenville Timberline, LLC.

WITNESS my hand and official seal, this the 27th day of Feb., 2006.



Zina W. Burbage
NOTARY PUBLIC



BR 1507 PG 242

JENNIFER LEGGETT WHITEHURST
 BEAUFORT COUNTY REGISTER OF DEEDS
 COURTHOUSE BUILDING
 112 W. 2ND STREET
 WASHINGTON, NC 27889

 Filed For Registration: 03/01/2006 09:23:02 AM
 Book: RE 1507 Page: 239-242
 Document No.: 2006001803
 AMEND 4 PGS \$20.00
 Recorder: PATRICIA COLUMBUS

Fred Holcher

2006001803

2006001803



NORTH CAROLINA

Department of The Secretary of State

To all whom these presents shall come, Greetings:

I, **ELAINE F. MARSHALL**, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION

OF

ASHTON LANDING HOMEOWNERS' ASSOCIATION

the original of which was filed in this office on the 15th day of December, 2005.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 15th day of December, 2005

Elaine F. Marshall
Secretary of State

Document Id: C20053480036
5

State of North Carolina
Department of Secretary of State
ASHTON LANDING HOMEOWNERS' ASSOCIATION
Articles of Incorporation
Nonprofit Corporation

Pursuant to §55A-2-02 of the General Statutes of North Carolina, the undersigned corporation does hereby submit these Articles of Incorporation for the purpose of forming a nonprofit corporation.

ARTICLE I

The name of the corporation is: **Ashton Landing Homeowners' Association** (hereinafter referred to as the "Association").

ARTICLE II

The street address and county as well as the mailing address of the initial registered office and principal office of the Association is as follows:

**150 East Arlington Blvd., Suite E
Greenville, NC 27858**

Pitt County

ARTICLE III

The name of the initial registered agent is **C. G. WATKEYS**.

ARTICLE IV

The name and address of the incorporator is as follows:

**FRANZ F. HOLSCHER
320 North Market Street
Post Office Box 1747
Washington, NC 27889**

ARTICLE V

The Association will have members.

ARTICLE VI

Upon dissolution of the Association, other than incident to merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for

purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be distributed, granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE VII

The Association elects to include the following provisions:

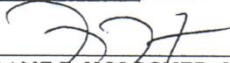
A. This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are as follows:

1. To operate and manage the planned subdivision development known as Ashton Landing located in Beaufort County, North Carolina;
2. To provide for maintenance, preservation, and architectural control of the resident lots and common areas within the above named subdivision and any additions thereto;
3. To promote the health, safety and welfare of the residences within the above named subdivision and any additions thereto;
4. To exercise all of the power and privileges as well as to undertake the performance of, and carry out the acts, duties, and obligations incident to the administration of the operation and management of the Association in accordance with the terms, provisions, conditions and authorizations contained in these Articles, any By-Laws hereafter adopted and amended from time to time by the Association, as well as the Declaration set forth and applicable to the subdivision that is or shall be recorded in the office of the Register of Deeds in Beaufort County, North Carolina and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if fully set forth.
5. To possess and exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Law of the State of North Carolina may now or hereafter have or exercise.

ARTICLE VIII

These Articles will be effective upon filing.

This is the 13th day of December, 2005.


_____(SEAL)
FRANZ F. HOLSCHER, Incorporator

RODMAN, HOLSCHER, FRANCISCO
& PECK, P.A
320 North Market Street
Post Office Box 1747
Washington, NC 27889
Telephone: (252) 946-3122