

file

STATE OF NORTH CAROLINA

COUNTY OF BEAUFORT

RESTRICTIVE COVENANTS
WINDSONG PHASE III
SINGLE FAMILY SUBDIVISION

THIS DECLARATION OF PROTECTIVE COVENANTS, RESTRICTIONS, AND EASEMENTS, dated for purposes of reference only this 5 day of October, 1999, by WEYERHAEUSER REAL ESTATE COMPANY, a corporation of the State of Washington, and duly qualified to do business in the State of North Carolina (hereinafter "Declarant").

RECITALS:

Declarant has, by recordation of a subdivision plat, subdivided certain property shown on said plat into lots intended for utilization for construction of single family homes. The subdivision plat is recorded in Plat Cabinet F, Slides 46 9+10 through 47 1,2,3, Beaufort County Registry, and all property shown thereon is hereinafter referred to as the "Subdivision". Each numbered lot shown on the recorded plat is referred to herein as a "Lot".

The roads within the Subdivision are constructed to state standards and will be included in the road system of the State of North Carolina. Access to each Lot within the Subdivision is over the roads shown on the recorded plat of the Subdivision.

In order to maintain the roads providing access to the Subdivision as shown on the recorded plat, and in order to enforce

these Restrictive Covenants and to provide an organization for the benefit of the owner of each Lot within the Subdivision, Declarant has chartered a North Carolina non-profit corporation named Campbell Creek at Windsong III Homeowners Association, Inc., (the "Association"). The owner of each Lot is a member of the Association, and the owner of each Lot is obligated to pay dues and assessments to the Association for the benefit of the Association and the owner of each Lot within the Subdivision. The organization and operation of the Association is described in these Restrictive Covenants and in the By-Laws of the Association.

It is the desire and intention of Declarant, for its benefit and with the intent of preserving the value of each Lot, to restrict the utilization of and improvements on each Lot within the Subdivision in accordance with guidelines established herein. Therefore, Declarant hereby subjects the property described hereinafter to the terms and provisions of these Restrictive Covenants for the use and benefit of all present and future Lot owners within the Subdivision.

1. DESCRIPTION. This Declaration shall run with the land and shall bind and inure to the benefit of the owner of each Lot within the Subdivision, and the property made subject to these Restrictive Covenants is all of the property shown on that plat of Windsong III Subdivision recorded in Plat Cabinet F, Slides 46 9+10 through 47 1,2,3, Beaufort County Registry, as the same may be amended from time to time, and being more particularly described as follows:

All of Lots One (1) through Thirty-six (36) and the Common Area as they are shown on that map prepared by Norwood Martin Mayo, Registered Land Surveyor, dated June 19, 1999, and identified by the following legend: "SURVEY FOR: WINDSONG PHASE III." This map is duly of record in Plat Cabinet F, Slides 46 9+10 through 47 1,2,3 in the Office of the Register of Deeds of Beaufort County. Further reference is hereby made to said map for a more complete and accurate description of this property by metes and bounds.

2. ADDITIONAL PROPERTIES. Declarant reserves the right to subject additional property to the terms and provisions of these Restrictive Covenants.

3. SINGLE FAMILY UTILIZATION. These Restrictive Covenants restrict all numbered Lots subjected to their terms to use only for single family residential purposes. No home or other structure constructed within the Subdivision shall be utilized for commercial purposes, except that Declarant or its assigns shall be entitled to use any structure located within the Subdivision for purposes of assisting in the sale of Lots within the Subdivision.

4. BUILDING AND SITE RESTRICTIONS. The Architectural Control Committee must give prior approval of any removal of any tree of a size of six inches in diameter or greater from any Lot or the construction of any improvement or structure on any Lot in accordance with the procedures described in Paragraph 5 of these Restrictive Covenants. In addition, the following restrictions shall apply:

(a) No detached garage, storage shed, or carport or other structures shall be permitted unless architecturally compatible with the primary dwelling structure on the Lot.

(b) No more than one (1) single family house shall

be allowed per Lot.

(c) All living units must be constructed in accordance with standards for single family homes included in the North Carolina Uniform Residential Building Code, notwithstanding whether or not such homes are constructed in whole or in part on site. No homes may be moved onto any Lot if such home has previously been occupied and used as a residential living unit elsewhere. No mobile home (home built in accordance with manufactured home standards imposed by the Federal Construction and Safety Standards Act) or other structure designed for transportation on attached axles and wheels shall be located on any Lot.

(d) No "For Rent" or similar sign shall be allowed on any Lot, or shall be placed so as to be visible from any public or private street.

(e) No "For Sale" sign shall be allowed, unless said sign is of a size no greater than four (4) square feet in size, and the number of such signs shall be limited to one (1) sign per adjoining road front and one (1) sign per adjoining navigable waterway, each such allowed sign to face a different road or a waterway.

(f) The minimum square footage of heated, enclosed living space for each approved residential structure shall be 1,600 square feet ; a minimum of 1,000 square feet of such space must be located in the first living floor of the residential structure. Carports, garages, attics, porches, patios and decks

shall not be considered heated, enclosed living space.

(g) There are no absolute building setback requirements other than those that may be imposed by a local government or those shown on the recorded plat of the subdivision. However, no structure will be allowed within fifty (50') feet of any street right of way, ten (10') feet of any side Lot line or seventy-five (75') feet of any waterway unless the Architectural Control Committee determines that a variance with these suggested setbacks will impose no hardship on any owner of any other Lot, and further finds that the particular features of the Lot upon which the structure is sought to be constructed is best utilized by allowing construction at variance with the suggested setbacks contained herein. Notwithstanding any suggested setback, the Architectural Control Committee shall have complete authority to determine the appropriate building site on each and every Lot. Accordingly, there is no presumption that such approved building location shall be within ten (10') feet of any side Lot line, within fifty (50') feet of any street right of way or within seventy-five (75') feet of any waterway.

(h) Bulkheads, piers and the utilization of other riparian rights by construction of improvements or structures shall only be allowed after approval by the Architectural Control Committee and all applicable governmental agencies, and no such structures will be allowed unless said structures are compatible with similar or proposed improvements on other Lots and after a finding that the construction of such structures will not unduly

interfere with the riparian rights or reasonable property expectations of the owners of other Lots within the Subdivision. The type of construction utilized for bulkheads may be controlled by the Architectural Control Committee based on appearance, function and environmental engineering criteria.

It is expressly understood that the purchaser of a Lot on the water can have only one pier located on the Lot (that is running out into Campbell Creek or its tributaries from the Lot) and this pier can have no more than two (2) boat slips. The boat slips shall be for the sole use of Lot owners and their guests.

(i) The heights of structures shall be subject to approval of the Architectural Control Committee in accordance with the standards set out in Paragraph 5 hereunder.

(j) Fences are subject to the complete jurisdiction of the Architectural Control Committee as to location, style, materials, and height. As used herein, fences shall include walls, barricades, shrubbery or other impediments to reasonable mobility and visibility. Absent an extraordinary showing of need by the owner of a Lot, no fence shall be allowed along any Lot line or closer to any water line than the nearest residential structure. The Architectural Control Committee shall only approve the construction of a fence upon a determination that the fence is aesthetically pleasing; does not detract from the reasonable value of any Lot and does not unreasonably impede the view of any water course or other attractive feature from any other Lot.

(k) No satellite receiving dish, radio antennae or

other similar device shall be located on any Lot except in a location approved by the Architectural Control Committee. The Architectural Control Committee shall approve the location of such device only upon making an affirmative finding that the location of the device on the Lot is in the area of minimum visibility from any surrounding Lot or from any street, and upon a further finding that the proposed location will not significantly detract from the aesthetic values of the Subdivision.

(L) A barn may be constructed on Lot One (1), Lot Fifteen (15), and Lot Thirty-six (36) after written approval by the Architectural Control Committee. Site location and access for the barn on any of these lots shall be per the Building Guidelines site plan. Following the construction of a barn on Lot One (1), or Lot Fifteen (15), or Lot Thirty-six (36) horses may be maintained on any of these lots on which a barn has been constructed for personal use only. Commercial activity involving horses is expressly prohibited.

(M) No activity, whether active or passive, that is reasonably considered a nuisance by the Association shall be allowed on any Lot. This prohibition includes any activities within any structure, on any Lot or on any street or common area. The Association is specifically authorized by Paragraph 16 of these Restrictive Covenants to adopt rules regarding conduct and use of any Lot; however, the Association may find any conduct or use of a Lot to be a nuisance notwithstanding the fact that such conduct is not specifically prohibited by these Restrictive

Covenants or by an adopted rule. If any conduct is deemed by the Association to be a nuisance, and to the extent that such conduct is not specifically prohibited by the provisions of these Restrictive Covenants or by an adopted rule, the Association shall give written notice to the offending owner specifying the nature of the nuisance, and requesting that such nuisance be terminated.

5. ARCHITECTURAL CONTROL COMMITTEE PROCEDURES. At least thirty (30) days prior to the anticipated commencement of any landscaping or construction of any structure or improvement on any Lot, the owner of such Lot (or his duly appointed agent) shall submit to the chairman of the Architectural Control Committee a survey of the Lot, showing each Lot corner. There shall further be shown on said survey the proposed location of all proposed and existing structures or improvements, including driveways, bulkheads, piers, patios, decks and walkways, well and septic tank, including drain fields. There shall further be provided to the Architectural Control Committee sufficient building elevations and other site plans, including a statement of exterior building materials and proposed exterior colors, to allow the Architectural Control Committee to appropriately and accurately evaluate what is proposed for construction on the Lot. The survey site plan and building elevations shall be prepared in a professional manner and to scale. There shall be submitted two (2) copies of all information required to be submitted.

Within thirty (30) days after receipt of all required information, the Architectural Control Committee shall submit in

writing to the owner of the Lot whether or not the requested improvements are approved. Unless a response is given by the Architectural Control Committee within thirty (30) days, the plan shall be deemed approved. The response of the Association may be an approval, a denial, an approval with conditions or a request for additional information. A request for additional information shall be deemed a determination that the information submitted was inadequate, and the thirty (30) day time for response shall only commence upon receipt of the requested additional information. If approval with conditions is granted, and construction then begins, the construction shall be deemed approved by the owner of the Lot of the conditions imposed.

The Architectural Control Committee shall approve the plans as submitted, if all required information is submitted, and the following affirmative findings are made by the Architectural Control Committee:

(a) that the improvements sought to be constructed will not have negative economic impact on any other Lot within the Subdivision;

(b) that all required specific building standards and other conditions contained within the Restrictive Covenants and other applicable legal documents have been complied with;

(c) that the improvements are architecturally compatible with proposed or constructed improvements on other Lots within the Subdivision; and,

(d) the natural features of the Lot have been

retained to the maximum extent feasible.

Any owner of any Lot disagreeing with the finding of the Architectural Control Committee may appeal the decision to the Board of Directors of the Association by giving written notice of appeal to the President of the Association within fifteen (15) days following receipt of notice of denial. The Board of Directors of the Association shall then review the plans, giving the Chairman of the Architectural Control Committee the opportunity to present to the Board of Directors of the Association specific reasons why the plans were denied, in the presence of the owner of the Lot or his agent, and the owner of the Lot or his agent may present information challenging the findings of the Architectural Control Committee. The decision of the Architectural Control Committee shall only be overridden by unanimous vote of the Board of Directors of the Association.

All notices required to be given herein shall be given in writing, hand-delivered or mailed postage prepaid, return receipt requested, and the Architectural Control Committee shall be obligated to specify the particular grounds upon which denial of any application is founded. One set of plans, denoted as approved (or approved with specified conditions) shall be retained by the Architectural Control Committee and the other shall be returned to the applicant.

6. ASSOCIATION AND ASSOCIATION PROPERTY AND MAINTENANCE.

The owner or owners of every Lot shall be a voting member of the Association. However, only one vote shall be allowed per Lot; to

the extent that there is more than one owner of any Lot, said owners shall determine among themselves, and designate, one voting member, which voting member shall cast the vote allocated to said Lot. If the owners cannot agree among themselves, the Board of Directors of the Association shall determine and designate a voting member from among the owners of the Lot. The Association shall be governed by a Board of Directors, selected in accordance with the By-Laws of the Association, and the Association shall operate and do business in accordance with the terms of its By-Laws.

The Association shall have the responsibility of maintaining in good condition the road within the Subdivision.

The Association shall have the obligation to provide for itself and for the benefit of the owner of each Lot all necessary professional services to promote the proper maintenance of all streets and other common areas and to provide the smooth, proper and legal administration of the Association. These services may include services of an engineer, lawyer, accountant or other professional. The Association is specifically authorized to provide such other incidental services for the benefit of the Subdivision and in the management of the Association as deemed reasonably necessary by the Board of Directors of the Association. These purposes may include the stabilization or improvement of any shoreline. The Association shall also have an affirmative obligation to maintain all roads and other common elements in good condition, utilizing its funds to do so, notwithstanding the

utilization or lack of utilization of such facilities by any of all Lot owners.

The Board of Directors of the Association may maintain a capital reserve fund if deemed necessary by said Association, but shall be under no obligation to do so if, in the reasonable opinion of the Board of Directors of the Association, annual maintenance of streets and other common areas is sufficient to make unlikely significant and unexpected expenditures within a five (5) year period from the due date of the current regular assessment.

In order to fund its obligations, the owner of every Lot is obligated and bound, whether or not expressly stated in any instrument of conveyance, to pay to the Association the following:

- (a) annual charges or dues; and
- (b) special assessments.

All such assessments, charges, and dues, together with any interest thereon, shall be a charge on the land and shall be a continuing lien upon the Lot against which such assessments are made. Liens shall be perfected in the manner of a mechanics or materialmen's lien under North Carolina General Statutes, and any lien for dues unpaid shall be filed within nine (9) months after the due date of the payment of such assessment. The due date shall be the first day of the fiscal year of the Association, as to annual dues; and the date established for payment of a special assessment, as more fully set out hereinafter. Any such lien may be enforced in the manner of a deed of trust with power of sale.

as allowed by North Carolina General Statutes, through a foreclosure proceeding. This instrument shall be deemed to give to the President of the Association said power of sale.

Annual assessments shall be in an amount determined by a majority vote of the Directors of the Association. Except as hereinafter set out, the initial annual assessment per Lot shall be as follows:

Three Hundred Fifty and NO/100 Dollars (\$350.00).

The fiscal year of the Association shall be the calendar year; dues for the first year of the Association, prorated by date of closing, shall be payable to the Association at closing. Declarant shall pay dues for all unsold Lots beginning on the first day of the month following the first conveyance of a Lot to a third party by Declarant.

A special assessment may be levied from time to time by vote of a minimum of seventy (70%) percent of the total votes cast in any regular or special meeting, called in accordance with the By-Laws. A special assessment may be made for any purpose for which expenditures are allowed in accordance with this Declaration. The resolution approving a special assessment shall specify the date payable.

Notwithstanding any provisions of these Restrictive Covenants, including this Paragraph 6, the Board of Directors shall have authority to levy any special assessment if, in the sole discretion of said Directors, the assessment is reasonably required to protect properties impacted in case of an emergency,

such as a storm causing severe erosion. In such event, the Directors shall give written notice to the members so affected as promptly as possible after the determination of said assessment and the action shall be binding as though ratified by the requisite vote of the owners of Lots.

As used herein the term "Association Property" shall mean any property deeded to the Association. Association Property shall specifically include, without limitation, the Common Area designated on the map heretofore referred to, no matter for what purpose said properties are to be utilized, and shall further include all improvements constructed by Declarant or the Association thereon. The Association shall have the responsibility of maintaining in good condition all Association Property and improvements thereon when and if conveyed to the Association in accordance with the provisions of these Restrictive Covenants, and thereafter shall be responsible for adopting rules and regulations governing utilization of such Association Property (subject to the limitations contained herein). To the extent deeded to the Association, the Association shall be obligated to accept ownership as Association Property the Common Area designated on the Map of Windsong Phase III, heretofore referred to, and the improvements located thereon as well as adjacent thereto. The Association shall also maintain in good condition any signage and landscaping approved by the Association within the Easement located at the entrance to Windsong III. Declarant covenants to and with the Association that it will construct on the Common Area

as the same is shown on the map heretofore referred to a pier running into Campbell Creek, access thereto and limited parking, and a shelter. Further, the Declarant warrants and represents that such improvements will be constructed and operational no later than December 31, 2000.

7. ENFORCEMENT. These Restrictive Covenants, including any amendment hereto, may be enforced by any individual Lot Owner; by the Association, upon action by its Board of Directors; or by Declarant, as long as Declarant owns any Lot within the Subdivision. Appropriate remedies shall include, but not be limited to, specific performance. In any action to enforce these Restrictive Covenants, including any action to collect assessments, either regular or special, or to foreclose upon any real property for payment of such assessment, all costs associated with said collection, including court costs and reasonable attorney's fees, shall be collected as an additional assessment. In addition, interest at the highest rate allowed by the Laws of the State of North Carolina shall be collected from the due date of any assessment, until the assessment is paid in full.

8. SETBACKS. All setback and building restriction areas, and allowable building areas, as shown on the recorded subdivision plat of the Subdivision, shall be incorporated herein by reference.

9. AMENDMENTS. These Restrictive Covenants shall continue in full force and effect until 12:00 noon on January 1, 2009, at which time they shall automatically extend for additional

successive periods of ten (10) years, unless a document terminating or modifying these Restrictive Covenants is recorded prior to any renewal date in the office of the Register of Deeds of Beaufort County, which amendment shall require approval of eighty (80%) percent of the Lots subjected to these Restrictive Covenants.

10. BINDING EFFECT. All covenants, restrictions, reservations, easements and privileges contained herein shall run with the land and the grantee, by accepting any deed to any portion of such land described herein, accepts the same subject to these Restrictive Covenants and its terms and conditions and agrees for himself, his heirs, successors and assigns, to be fully bound by each and all of the terms and conditions of these Restrictive Covenants, jointly, separately, and severally.

11. RESERVATION OF RIGHTS. Declarant hereby reserves the right to utilize all streets and roads within the Subdivision for purposes of ingress and egress to Lots within such Subdivision owned by it, or for purposes of providing access to other contiguous properties owned by it. This right shall be assignable by Declarant to successors in interest to it of other contiguous properties. However, the Assignee of any such Assignment or Assignments shall have the responsibility to pay for their use of said streets and roads in proportion to their use of same. Any utility easements reserved as shown on any recorded plat (and all roadways shall be deemed for this purpose a utility easement) shall be available for utilization by Declarant, authorized

utility companies, or by the owner of any Lot within the Windsong III Subdivision, for purposes of providing utility services or necessary drainage.

The utility lines located on the entrance road and the roads within the Windsong III Subdivision will be overhead, except where Declarant determines otherwise in the initial installation. The utility lines running from the point of delivery by Declarant in the initial installation to the various Lots will be underground.

12. RESUBDIVISION. No resubdivision of any single Lot shall be allowed, if any resulting Lot will be smaller in size than any of the Lots resubdivided, prior to resubdivision. Nothing contained herein shall prohibit conveyance of more than one Lot, or portions of contiguous Lots, as long as the resulting Lot or Lots are greater in size than those originally subdivided. The deed of conveyance of any such resubdivided or recombined Lots shall restrict the construction thereon to one (1) single family residential home per redivided Lot, so that the maximum number of homes which can be constructed within the Subdivision shall not increase. Upon the recombination of any Lots to reduce the total number of allowable building Lots within the Subdivision, for purposes of membership in the Association and for purposes of the payment of dues and assessments, any recombined Lots shall be considered a single Lot. Furthermore, should any Lot be determined by Declarant to be unbuildable, and should such Lot then be deeded to the Association as common area, or dedicated by

Declarant as a recreation or open space area for the benefit of the Association, all by document duly recorded in the office of the Register of Deeds of Beaufort County, there shall be no further dues owed from the date of such recordation; however, any dues prepaid shall not be reimbursed.

13. UTILITY EASEMENTS. There is hereby reserved for the benefit of the Association and the owner of each Lot within the Subdivision a utility and drainage easement running parallel to each street a width of sixteen (16') feet, and parallel to each side and rear Lot line a width of five (5') feet. Utilization of such easement by anyone other than the Lot owner across which such easement runs shall be made only upon approval of the Board of Directors of the Association.

14. STORM WATER RUNOFF. No more than (please see the attached table identified as exhibit "A" for the maximum allowable square feet of impervious area for each Lot) square feet of any lot, including that portion of the right-of-way between the edge of pavement and the front lot line, shall be covered by impervious structure including asphalt, gravel, concrete, brick, stone, slate or similar material but not including wood decking or the surface of swimming pools. This covenant is intended to insure continued compliance with the storm water permit issued by the State of North Carolina. The covenant may not be changed or deleted without the consent of the State of North Carolina.

No one may fill in, pipe, or alter any roadside swale except as necessary to provided a minimum driveway crossing.

This restriction may be enforced by Declarant, the Campbell Creek at Windsong III Homeowners Association, Inc., and the State of North Carolina, and is for the benefit of Declarant, the owners of all Lots within the Subdivision, and the State of North Carolina.

15. MINOR AMENDMENT. Declarant, or its successor or assign, shall be allowed to amend these Restrictive Covenants, notwithstanding any other provision contained herein, and without joinder of any other party, for the purpose of correcting any discovered and apparent 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 the Subdivision, and the owners therein. This right may be exercised, and shall be effective, only upon the recording of a "Corrected Declaration" in the office of the Register of Deeds of Beaufort County, which Corrected Declaration shall specifically reference this document, and the provision impacted.

16. RULES. The Board of Directors may from time to time establish rules for use of any property within the Subdivision in order to protect the value of Lots, the aesthetic qualities of the Subdivision and the tranquillity of the owners of Lots. Said rules may include, but are not limited to, reasonable restrictions on pets, rental use of homes, and parking of cars, trailers, boats, campers and other vehicles on Lots and streets. All such rules shall be effective after written notice of adoption is mailed to the record owners of all Lots. All such rules shall be

WINDSONG III SUBDIVISION
LOT SUMMARY

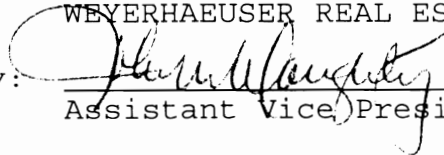
| <u>LOT #</u> | <u>LOT SIZE (ACRES)</u> | <u>MAXIMUM ALLOWABLE IMPERVIOUS AREA (SF)</u> | <u>% BUILT-UPON (IMPERVIOUS) AREA INCLUDING DRIVEWAY</u> |
|--------------|-------------------------|---|--|
| 1 | 21.0 | 19,000 | 2.08 |
| 2 | 5.8 | 10,000 | 3.96 |
| 3 | 5.9 | 10,000 | 3.89 |
| 4 | 3.5 | 10,000 | 6.56 |
| 5 | 2.9 | 10,000 | 7.92 |
| 6 | 4.0 | 10,000 | 5.74 |
| 7 | 6.3 | 14,000 | 5.10 |
| 8 | 4.6 | 10,000 | 4.99 |
| 9 | 1.9 | 10,000 | 12.08 |
| 10 | 3.4 | 14,000 | 9.45 |
| 11 | 3.5 | 16,000 | 10.49 |
| 12 | 4.5 | 10,000 | 5.10 |
| 13 | 8.0 | 10,000 | 2.87 |
| 14 | 9.8 | 20,000 | 4.69 |
| 15 | 13.0 | 14,000 | 2.47 |
| 16 | 7.7 | 10,000 | 2.98 |
| 17 | 2.0 | 10,000 | 11.48 |
| 18 | 2.2 | 10,000 | 10.43 |
| 19 | 2.8 | 10,000 | 8.20 |
| 20 | 2.7 | 10,000 | 8.50 |
| 21 | 5.0 | 12,000 | 5.51 |
| 22 | 5.4 | 14,000 | 5.95 |
| 23 | 3.4 | 12,000 | 8.10 |
| 24 | 2.0 | 10,000 | 11.48 |
| 25 | 2.2 | 11,000 | 11.48 |
| 26 | 1.4 | 11,000 | 18.04 |
| 27 | 1.6 | 12,000 | 17.22 |
| 28 | 3.2 | 11,000 | 7.89 |
| 29 | 3.7 | 11,000 | 6.83 |
| 30 | 6.2 | 12,000 | 4.44 |
| 31 | 5.6 | 17,000 | 6.97 |
| 32 | 2.0 | 12,000 | 13.77 |
| 33 | 1.2 | 10,000 | 19.13 |
| 34 | 3.3 | 10,000 | 6.96 |
| 35 | 3.7 | 11,000 | 6.83 |
| 36 | <u>27.4</u> | <u>19,000</u> | 1.59 |
| LOT TOTALS: | 192.80 | 432,000 SF | |

enforceable as though set out within these Restrictive Covenants.

IN TESTIMONY WHEREOF, Weyerhaeuser Real Estate Company has caused this instrument to be signed in its name by its Assistant Vice President, attested by its Assistant Secretary, with its corporate seal hereunto affixed, all by authority duly given, this the day and year first above written.

WEYERHAEUSER REAL ESTATE COMPANY

By:


Assistant Vice President

(CORPORATE SEAL)

ATTEST:


Assistant Secretary

STATE OF NORTH CAROLINA

COUNTY OF CRAVEN

I, Lori Ann Grady, Notary Public, certify that Nan W. Rackley, personally came before me this day and acknowledged that she is Assistant Secretary of Weyerhaeuser Real Estate Company, a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by John M. Doughty, its Assistant Vice President, sealed with its corporate seal, and attested by herself as its Assistant Secretary.

My commission expires 07-04-2005.

Witness my hand and official seal, this the 8th day of October, 1999.

Lori Ann Grady
Notary Public

(OFFICIAL SEAL)

North Carolina
Pamlico County

The foregoing Certificate of Lori Ann Grady

Notary Public/Notaries Public is/are certified to be correct
This 8th day of October, 1999 at 2:06 o'clock P.M.

By Jennifer Bryant
Deputy Register of Deeds

By Jennifer Bryant
Ass't/Deputy Register of Deeds

PREPARED BY:
R. THOMPSON, JR.
ATTORNEY AT LAW
WORA, NORTH CAROLINA

TR Thompson

STATE OF NORTH CAROLINA
 COUNTY OF BEAUFORT

FOR ANY INFORMATION RELATIVE TO
 REGISTERED LANDS OR INSTRUMENTS
 CONTACT THE
 BEAUFORT COUNTY, NC
 28502-0001 OR 843-541-1510
 OR 1-877-PC-623-624 TTY 843-541-1510
 INSTRUMENT # 20080080

AMENDMENT TO RESTRICTIVE COVENANTS
 WINDSONG PHASE III

This Amendment to Restrictive Covenants, Windsong Phase III, is dated for purposes of reference only this 5th day of November, 2008, by and between CAMPBELL CREEK AT WINDSONG III HOMEOWNERS ASSOCIATION, INC., a North Carolina non-profit corporation ("Association") with joinder of those parties set out on Exhibit A attached hereto ("Joining Parties").

R E C I T A L S :

WHEREAS Meyerhaeuser Real Estate Company ("WRECO"), as Declarant, subdivided a tract of land into single family residential lots, a plat of which is recorded in Plat Cabinet F, Slide 44-9 et seq, Beaufort County Registry ("Plat"); and

WHEREAS WRECO did execute and cause to be recorded Restrictive Covenants for Windsong Phase III, recorded in Book 1130, Pages 143 et seq, Beaufort County Registry ("Restrictive Covenants"); and

WHEREAS there is depicted on the Plat and referenced in the Restrictive Covenants a recreation area designated Windsong III Homeowners Association, located between Lots 31 and 32 ("Common Area"), which property was required to be conveyed by WRECO to the Association, for the common use of members of the Association, together with a pier, limited parking and a shelter, to be constructed by WRECO; and

WHEREAS WRECO has transferred and conveyed to a related entity, Meyerhaeuser Real Estate Development Company ("WREDCO") all of its interest in Windsong III and the Restrictive Covenants; and

WHEREAS WREDCO has requested of the Association, with the consent of all owners of lots as shown on the Plat, which owners are the Joining Parties, the right to construct additional facilities, at its expense, on and adjacent to the Common Area, and to establish a program for the use thereof; and

WHEREAS the Association and the Joining Parties have agreed to the program proposed by WREDCO, and have unanimously voted to amend the Restrictive Covenants as set out herein.

NOW, THEREFORE, the Restrictive Covenants above referenced are hereby amended by deleting the last two sentences of paragraph 4, and substituting therefore a new paragraph 17 as follows:

17. "RECREATION AREA. Meyerhaeuser Real Estate Development Company ("WREDCO"), successor in interest to Meyerhaeuser Real Estate Company's rights as Declarant under the Restrictive Covenants, shall cause to be permitted, and shall construct, at its expense, on and adjacent to the Common Area, boat docking facilities for ten (10) boats, as well as limited upland parking facilities. Such improvements shall be constructed on or before December 31, 2002.

WREDCO shall have full right and authority to enter into lease agreements with property owners within Windsong Phase III, for consideration as more fully set out hereinafter, granting to the owner of an interior lot within Windsong III (Lots 1-3, 9, 12-19, 28-30 and 33-36) exclusive right to utilize a designated boat slip. Two of the boat slips shall remain unassigned, and shall be available for utilization by property owners or guests within Windsong Phase III, subject to rules and regulations adopted from time to time by the Association.

WREDCO shall be authorized to charge for each initial lease entered by it and a property owner a sum not less than \$18,000.00. Of said amount WREDCO shall retain one-half and one-half shall be payable to the Association, to be utilized solely for road maintenance, dock and common area maintenance, and reserves for such purposes. WREDCO shall be entitled to retain its proceeds as reimbursement for expenses in permitting, planning and constructing the required facilities.

Each lease agreement shall expire upon the earlier to occur of the following:

- (a) default in any lease obligation;
- (b) termination in the Lessee's interest in a qualifying lot within Windsong Phase III, as above described; or
- (c) delivery to the Association of a written notice of termination by the Lessee.

The only right of assignment of such Lease a Lessee shall have shall be to direct that the Association enter into a new lease, for the same boat slip, to a successor in interest to the qualifying lot within Windsong Phase III, which successor in interest is or has acquired its Lot from the Lessee. No such assignment shall be allowed unless Lessee is in full compliance with all of its obligations under its applicable lease agreement. The Association may charge a transfer fee to transfer such lease, which fee shall not exceed in amount \$500.00 (increased annually by no more than 3% beginning January 1, 2005). Said lease agreement shall further obligate Lessee to abide by all rules and regulations imposed from time to time regarding utilization of the Common Area by the Association, and shall further obligate Lessee to pay its prorata expenses (not more than one-tenth) of all expenses of operation and maintenance of all of the improvements and facilities located on and adjacent to the Common Area, plus a \$50.00 per year maintenance and administrative fee.

To the extent that a lease terminates and is not caused to be assigned to a successor in interest to the Windsong Phase III Lot held by a Lessee, all of Lessee's rights in said lease and boat slip shall terminate, and the Association shall be fully authorized to enter into a new lease agreement with the owner of any other qualifying lot, and shall be entitled to charge for such lease agreement such consideration as the Association deems reasonable. The Association shall be entitled to retain all such funds, and shall utilize such funds for the purposes above set out. WREDCO shall have no rights to any proceeds other than the proceeds from the initial lease of eight boat slips.

The Common Area shall be conveyed by WREDCO to the Association within ninety (90) days following the execution of the 8th lease for boat slip utilization, or at such earlier date as WREDCO may determine. Should all of the qualifying lots above referenced be sold without eight owners electing to lease, WREDCO may lease boatslips to any other owner within Windsong Phase III.

Except as in conflict herewith, all of the terms, provisions and conditions of the Restrictive Covenants shall remain in full force and effect.

This Amendment shall be effective upon its recordation in the Office of the Register of Deeds of Beaufort County, North Carolina.

IN TESTIMONY WHEREOF, Campbell Creek at Windsong III Homeowners Association, Inc. has caused this instrument to be signed in its name by its President, attested by its Secretary, with its corporate seal hereunto affixed, all by authority duly given, this the day and year first above written.

CAMPBELL CREEK AT WINDSONG III HOMEOWNERS ASSOCIATION, INC.

By: John A. Wehrberg
President



Back

STATE OF NORTH CAROLINA

COUNTY OF Craven

I, Sylvia L. Flowers, a Notary Public of the aforesaid State and County, do hereby certify that ~~personally~~ personally came before me this day and acknowledged that ~~she is~~ she is ~~the~~ Secretary of Campbell Creek at Windsong III, a North Carolina Corporation, and that by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by its Secretary.

Witness my hand and official stamp or seal, this 5th day of November, 2002.

Sylvia L. Flowers
Notary Public



Expires: _____

EXHIBIT A

Weyerhaeuser Real Estate Development Company has caused this instrument to be signed in its name by its Vice President, attested by its Secretary, with its corporate seal hereunto affixed, all by authority duly given, this the day and year first above written.

WEYERHAEUSER REAL ESTATE
DEVELOPMENT COMPANY

[Signature]
Vice President



[Signature]
Assistant Secretary

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, Sylvia L. Flowers, Notary Public of the County and State aforesaid, certify that Dawn W. Beckley personally came before me this day and acknowledged that she is Assistant Secretary of Weyerhaeuser Real Estate Development Company, a corporation of the State of Washington, qualified to do business in North Carolina, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its ~~Assistant~~ Vice President, sealed with its corporate seal and attested by its Assistant Secretary.

Witness my hand and official stamp or seal, this 5th day of November, 2002.

[Signature]
Notary Public



Commission Expires: 12-04

100

BY-LAWS
OF
CAMPBELL CREEK AT WINDSONG III HOMEOWNERS ASSOCIATION, INC.

ARTICLE I. ASSOCIATION MEMBERS: MEETINGS

Section 1. Members and Voting Rights.

Each owner of a numbered subdivision lot described in the Restrictive Covenants Windsong III Subdivision, as recorded in Book 1150, Page 142, Beaufort County Registry (the "Covenants"), shall be a member of the Association. The membership of the Association shall consist of all of the owners of such numbered lots. Each owner shall be entitled to one vote for each lot (hereinafter referred to as the "lot") owned by him, but there shall be only one vote allowed per lot. There shall be one person with respect to each lot who shall be entitled to vote at any meeting of the Association. Such person shall be known as the "voting member." The voting member shall be selected by agreement of the owners of the affected lot, or by the Association if no agreement is reached among the owners of the individual lot.

Section 2. Transfer of Membership.

The Association shall not issue stock. Membership in the Association may be transferred only as an incident to the transfer of title to a lot and in the manner provided for by the Covenants and these By-Laws, and, upon compliance with all of the terms thereof, transfer of membership shall become effective if made in accordance with the foregoing, upon the recording of a deed of conveyance to the said lot, or upon the passing of legal ownership if transfer of ownership is accomplished other than by deed of conveyance.

Section 3. Annual Meeting.

The first annual meeting of the lot owners shall be held on the 15th day of May, 2000. An annual meeting shall be held each year thereafter, on a date established by the Board of Directors. Should no contrary date be established, and notification given, the annual meeting shall be on the 15th of the month of May of each year. The location of the meeting shall be at a designated location on the subdivision property unless the Association shall specify a different location in writing to the Lot owners. Voting by proxy shall be allowed. A quorum for any Association member meeting, regular or special, shall be twenty-five percent (25%) of the lots whether the same shall be present in person or by proxy.

Section 4. Special Meeting.

A special meeting of the Lot owners may be called at any time by the President or by a majority of the Board of Directors, and shall be held at such place as is designated by the President or a majority of the Board of Directors, and stated in a written notice. No special meeting

shall be called unless the Secretary of the Association shall have mailed to or served upon all of the lot owners written notice of the said meeting at least twenty (20) days prior to the date of the meeting. All notices shall be mailed to or served at the address of each lot owner as it appears on the books of the Association.

ARTICLE II - DIRECTORS

Section 1. Directors. The initial number of Directors of the Association shall be three (3), who need not be members of the Association.

Section 2. Selection. The directors named in the charter of this Association shall serve until the first annual meeting of the Association.

Beginning with the first annual meeting of the association, all directors, shall be selected by vote of all lot owners. Prior to the first annual meeting, the President, acting as a nominating committee, shall nominate an equal number of candidates as there are directors to be elected; each year thereafter, a nominating committee selected by the Board of Directors of the Association shall nominate an equal number of directors as there are directors to be elected. A list of nominees of the nominating committee shall be circulated to the owners with the notice of annual meeting. Each such nominee must have consented to stand for election. Additional nominations from the floor will be accepted prior to the election; however, no nomination from the floor will be accepted unless the nominee is in attendance personally at the meeting, or has given in advance of the meeting written agreement to serve if elected.

At the first annual meeting, the members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years; and at each annual meeting thereafter, the members shall elect one (1) director for a term of three (3) years. Directors may be re-elected.

Section 3. Removal and Vacancies. Directors elected at an annual meeting may be removed at any time upon affirmative vote of a majority of the lots entitled to vote, with or without cause. In the event of any removal, resignation or vacancy in any of the offices, the remaining members of the Board of Directors shall elect a person to serve as a successor to the removed, resigned or vacant office, who shall hold office for the balance of the unexpired term, and shall succeed to a membership in the Board of Directors for the same term. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board of Directors, and such election shall be subject to the requirements of Section 2 above.

Section 4. Annual Meetings. The annual meeting of the Board of Directors shall be held at such place as may be agreed upon by the Board of Directors, and shall be held immediately following the adjournment of the annual meeting of the lot owners. The Board of Directors may establish a schedule of regular meetings to be held at such place as the Board of Directors may designate, in which event no notice shall be required to be sent to the said Board of Directors of said regular meetings once said schedule has been adopted.

Section 5. Special Meetings. Special Meetings of the Board of Directors may be called by the President, and in his absence, by the Vice-President, or by a majority of the members of the Board of Directors, by giving three (3) days notice, in writing or by telephone call, to all of the members of the Board of Directors of the time and place of said meeting, said notice to be served on each member of the Board of Directors by the Secretary of the Association. By unanimous consent of the Board of Directors, a special meeting of the Board of Directors may be held without notice at any time or place. All notices of special meetings shall state the purpose of the meeting.

Section 6. Quorum. A quorum for the transaction of business at any regular or special meeting of the Board of Directors shall consist of a majority of the members of the Board. A majority of those present at any annual, regular or special meeting shall have the power to adjourn the meeting to a future time, provided that written notice of the new time, date and place shall be mailed to or personally served on each member of the Board of Directors by the Secretary of the Association at least three (3) days prior to the time fixed for said meeting.

Section 7. Compensation. The officers and directors of the Association shall serve without compensation solely for holding such office.

ARTICLE III. OFFICERS, POWERS AND DUTIES

Section 1. The President. He shall be the Chief Executive Officer of the Association; he shall preside at all meetings of the lot owners and of the Board of Directors. He shall have executive powers and general supervision over the affairs of the Association and other officers. He shall sign all written contracts of the Association and shall perform and have the powers necessary to perform all of the duties incident to this office and that may be delegated to him from time to time by the Board of Directors.

Section 2. The Vice-President. He shall perform all of the duties of the President in his absence and such other duties as may be required of him from time to time by the Board of Directors.

Section 3. The Secretary-Treasurer.

(a) He shall issue notices of all Board of Directors meetings and all meetings of the Lot owners; he shall attend and keep the minutes of the same; he shall have charge of all of the Association's books, records and papers.

(b) He shall have the custody of the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and he shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated from time to time by the Board of Directors.

(c) He shall disburse the funds of the Association as may be ordered by the Board in accordance with these By-Laws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meeting of the Board of Directors, or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the Association.

(d) He shall collect the assessments and shall promptly report the status of collections and of all delinquencies to the Board of Directors.

(e) He shall also give status reports to potential transferees, on which reports the transferees may rely. The liability of the Lot owners shall continue until the transfers have been approved, and all such transferees shall be deemed liable for past due assessments (other than institutional mortgages or purchasers at institutional mortgage foreclosure sales).

Section 4. The Secretary-Treasurer. The office of the Secretary-Treasurer may be divided between two individuals, one Secretary and one Treasurer.

Section 5. Manager. If the Association elects to hire a manager, any or all of the duties set out herein may be transferred to such manager, upon proper supervision and safeguards by the officers. These duties may only be transferred with the authorization and approval of the Board of Directors. However, the Association may not delegate to the manager the authority to borrow money or to sign conveyances.

Section 6. Bond. All officers or other employees who are authorized to sign checks may be bonded in an amount equal to the total anticipated assessment for a full year, and such bond shall be a common expense of the Association.

Section 1. Selection of officers. The officers shall be selected by the Board of Directors at the annual meeting of the directors, and may or may not be from the ranks of the directors. Each officer shall serve at the pleasure of the Board of Directors.

Section 2. Qualification of Officers. An officer need not be a Lot owner. At least two of the officers shall be Lot owners, except that Declarant or any named representative of Declarant may be an officer without being a Lot owner. No Lot owner shall be eligible for election as an officer if he is more than 15 days delinquent in the payment of any assessment. A transfer of title of his lot by an officer who is a Lot owner shall automatically operate as his resignation as an officer.

Section 3. Committees. The officers may establish any committees, standing or otherwise, consisting of either Lot owners or non-Lot owners, charged with those particular areas of responsibility deemed appropriate by the officers. No standing committee may be created without the approval of the directors.

ARTICLE IV. POWERS OF THE ASSOCIATION

The Association, acting through the Board of Directors, shall have the following powers:

Section 1. Covenants. All of the powers specifically set forth in the Covenants and all of the powers incidental thereto.

Section 2. By-Laws. All of the powers specifically set forth in these By-Laws and all of the powers incidental thereto.

Section 3. Miscellaneous Powers.
(a) to use and expend the assessments collected to carry out the purposes and powers of the Association.
(b) to employ attorneys, accountants and other professionals as the need arises.
(c) to employ and terminate the employment of workmen, janitors, gardeners, managers and such other agents and employees to carry out the powers of the Association, and to purchase supplies and equipments therefor.

ARTICLE V. FINANCE AND ASSESSMENTS

Section 1. Depository. The funds of the Association shall be deposited in a bank designated by the Board of Directors, in an account for the Association under resolutions approved by the Board of Directors, and shall be withdrawn only upon checks

and demands for money signed by any designated officer(s) or agents of the Association. All notes of the Association shall be signed by any two of the officers of the Association.

Section 2. Fiscal year. The Fiscal year for the Association shall begin on the first day of January of each year, provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America at such time as the Board of Directors deems it advisable.

Section 3. Determination of Assessments.

(a) The Board of Directors of the Association subject always to the terms and provisions of the Covenants recorded in Book 1116, Page 516, Beaufort County Registry, shall file and determine from time to time the sum or sums necessary and adequate for the common expenses of the Association. Common expenses shall include expenses for the operation, maintenance, repair, or replacement of the common areas and facilities, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, taxes until separately assessed, and any other expenses designated as common expense from time to time by the Board of Directors of the Association.

The Board of Directors is specifically empowered, on behalf of the Association, to make and collect assessments, and to issue, maintain, repair, and replace the common elements of the Association. Said assessments shall be payable monthly or quarterly, in advance, as ordered by the Board of Directors.

Special assessments, should they be required by the Board of Directors and subject always to the terms and provision of the Covenants recorded in Book 1150, Page 143, Beaufort County Registry, shall be levied and paid in the same manner as heretofore provided for regular assessments. The provisions of Section 4 of the Covenants are hereby incorporated by reference, and all assessments shall be charged in proportion, and in accordance with the procedures, set out herein.

(b) When the Board of Directors has determined the amount of any special assessment, the Secretary-Treasurer of the Association shall mail or present a statement of the assessment to each of the Lot owners or, in the case of limited Special Assessments, to each of the Lot owners affected or benefitted thereby. All assessments shall be payable to the Secretary-Treasurer of the Association and upon request, the Secretary-Treasurer shall give a receipt for each payment made to him.

(c) The Board of Directors, in preparing its annual budget, is expressly directed to establish a capital improvement and repair fund for utilization by the Association in the maintenance, improvement, and repair of the common properties or properties it maintains. It is expressly understood that special

assessments can be made by the Board of Directors for capital improvements or repairs, said special assessments to be in addition, if necessary, to the capital improvement fund set out herein.

(d) The Board of Directors shall provide a copy of the annual budget of the Association to each Lot owner no later than the end of the first month of each fiscal year of the Association. No owner approval of said budget shall be required.

Section 4. Delinquent Assessments. In the event an assessment is not paid within thirty (30) days of the date it is due and payable, the Association, through its Board of Directors, may proceed to enforce and collect the said assessment, plus interest at the highest rate allowed by the laws of the State of North Carolina against the Lot owner owing the same in any manner allowed by North Carolina Law, or as allowed by the Covenants or these By-Laws.

Section 5. Collection and Enforcement. In connection with any assessment, the Association shall have all of the powers, rights, privileges and legal remedies provided for by the Covenants and North Carolina law concerning collection and enforcement. Further, in this connection, each Lot owner shall be liable for his assessment in the same manner provided for by the Covenants, and shall likewise be responsible for reasonable attorney's fees, interest and cost incurred by the Association incident to the collection of such assessment or enforcement of any lien held by the Association for unpaid assessments.

Section 6. Foreclosure. Where the mortgagee of a first mortgage of record or other purchaser of a lot obtains title to a lot as a result of foreclosure of a first mortgage (or deed in lieu of foreclosure) such purchaser, including his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such lot which became due prior to the acquisition of title to such lot by such purchaser. Such unpaid share shall be deemed to be common expenses collectible from all of the lot owners, including such purchaser, his successors and assigns.

ARTICLE VI. VIOLATIONS.

In the event of a violation (other than the nonpayment of an assessment) by a Lot owner of any of the provisions of the Covenants, these By-Laws or any other rules of the Association, the Association, by direction of its Board of Directors, may notify the Lot owner of such by written notice, sent registered or certified mail, return receipt requested, and if such violation shall continue for a period of ten (10) days from the date of such notice, the Association, through its Board of Directors, shall

have the right to treat such violation as an intentional and inexcusable and material breach of the Covenants, the By-Laws, or the Rules of the Association, as the case may be, and the Association may then, at its option, have the following elections: (i) an action at law to recover for damages on behalf of the Association or on behalf of the other Lot owners; (ii) an action in equity to enforce performance on the part of the Lot owner; or (iii) an action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief. Failure on the part of the Association to maintain such an action at law or in equity within 45 days from date of a written request, signed by a Lot owner, sent to the Board of Directors, shall authorize any Lot owner to bring an action in equity or suit at law on account of the violation, in the manner provided for by North Carolina law. Any violations which are deemed by the Board of Directors to be a hazard to public health may be corrected immediately as an emergency matter.

ARTICLE VII. NOTICE.

Except as otherwise provided herein, whenever notices are required to be sent hereunder, the same shall be sent to the unit owners by the U. S. Mail, at their place of residence as listed with the Association. All notices to the Association shall be sent to the mailing address designated by the Board of Directors as their address for notices. All notices shall be deemed and considered sent when mailed. Any party may reserve the right to change the place of notice to him or it by written notice, in accordance with the terms and provisions of this Article. Each Lot owner shall keep on record with the Association a current mailing address and shall notify the Association of any changes therein.

ARTICLE VIII. AMENDMENTS TO BY-LAWS.

These By-Laws may be amended in the same manner as the Covenants may be amended, and with the same restrictions on amendment thereon.

ARTICLE IX. RULES.

SECTION 1. Nothing contained within these By-Laws or the rules established hereunder shall prohibit rental by the owner of a residential dwelling constructed on any Lot. However, it is understood that in order to maintain the value of the Lots conveyed, and to preserve the enjoyment of the property for owners and renters alike, certain guidelines can be established by the Association for the handling of renters, and for the protection of the Association and its members. These rental guidelines shall be included within the rules of the Association, and shall have the

same force and effect as other rules. It is expressly authorized (but not required) for the Association to adopt rules as to the following:

- (a) prohibiting rentals for a period of time less than one week;
- (b) limiting the number of occupants of any rental unit;
- (c) prohibiting pets in any rental unit; and
- (d) establishment of a procedure for screening renters within reasonable criteria to select renters of appropriate conduct and decorum.

Section 2. The owner of any lot shall be responsible for the conduct for all guests and renters. Each owner, by purchasing his lot, agrees to give to the Association the right to evict any tenant whose conduct is found detrimental to the Association and its member, in whole or in part. Such eviction shall only be taken after notification to the owner, and the owner shall, upon being given such notification, commence eviction proceedings himself within one week of receiving the notice requesting the same from the Association. The Association may then, acting in its own behalf or for the owner, after failure of the owner to act within this seven day period, commence eviction proceedings. The expenses of said proceeding shall be chargeable as an assessment to the owner of the lot, and such assessment may be collected as a delinquent assessment under Article V unless paid within thirty days of billing.

Section 3. The Association acting by its Board of Directors may adopt additional rules relating to utilization of any lots or any common property (including any streets), all as more specified in the Covenants. All rules adopted shall be enforceable as though said rule were specifically delineated within these By-Laws or the Covenants.

APPROVED AND DECLARED AS BY-LAWS OF
CAMPBELL CREEK AT WINDSONG III HOMEOWNERS ASSOCIATION, INC.


SECRETARY

(SEAL)

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BY LAWS
OF
CAMPBELL CREEK AT WINDSONG III HOMEOWNERS ASSOCIATION, INC.

ARTICLE I. ASSOCIATION MEMBERS: MEETINGS

Section 1. Members and Voting Rights.

Each owner of a numbered subdivision lot described in the Restrictive Covenants Windsong III Subdivision, as recorded in Book 1150, Page 142, Beaufort County Registry (the "Covenants"), shall be a member of the Association. The membership of the Association shall consist of all of the owners of such numbered lots. Each owner shall be entitled to one vote for each lot (hereinafter referred to as the "lot") owned by him, but there shall be only one vote allowed per lot. There shall be one person with respect to each lot who shall be entitled to vote at any meeting of the Association. Such person shall be known as the "voting member." The voting member shall be selected by agreement of the owners of the affected lot, or by the Association if no agreement is reached among the owners of the individual lot.

Section 2. Transfer of Membership.

The Association shall not issue stock. Membership in the Association may be transferred only as an incident to the transfer of title to a lot and in the manner provided for by the Covenants and these By-Laws, and, upon compliance with all of the terms thereof, transfer of membership shall become effective if made in accordance with the foregoing, upon the recording of a deed of conveyance to the said lot, or upon the passing of legal ownership if transfer of ownership is accomplished other than by deed of conveyance.

Section 3. Annual Meeting.

The first annual meeting of the lot owners shall be held on the 15th day of May, 2000. An annual meeting shall be held each year thereafter, on a date established by the Board of Directors. Should no contrary date be established, and notification given, the annual meeting shall be on the 15th of the month of May of each year. The location of the meeting shall be at a designated location on the subdivision property unless the Association shall specify a different location in writing to the Lot owners. Voting by proxy shall be allowed. A quorum for any Association member meeting, regular or special, shall be twenty-five percent (25%) of the lots whether the same shall be present in person or by proxy.

Section 4. Special Meeting.

A special meeting of the Lot owners may be called at any time by the President or by a majority of the Board of Directors, and shall be held at such place as is designated by the President or a majority of the Board of Directors, and stated in a written notice. No special meeting

shall be called unless the Secretary of the Association shall have mailed to or served upon all of the lot owners written notice of the said meeting at least twenty (20) days prior to the date of the meeting. All notices shall be mailed to or served at the address of each lot owner as it appears on the books of the Association.

ARTICLE II - DIRECTORS

Section 1. Directors. The initial number of Directors of the Association shall be three (3), who need not be members of the Association.

Section 2. Selection. The directors named in the charter of this Association shall serve until the first annual meeting of the Association.

Beginning with the first annual meeting of the association, all directors, shall be selected by vote of all lot owners. Prior to the first annual meeting, the President, acting as a nominating committee, shall nominate an equal number of candidates as there are directors to be elected; each year thereafter, a nominating committee selected by the Board of Directors of the Association shall nominate an equal number of directors as there are directors to be elected. A list of nominees of the nominating committee shall be circulated to the owners with the notice of annual meeting. Each such nominee must have consented to stand for election. Additional nominations from the floor will be accepted prior to the election; however, no nomination from the floor will be accepted unless the nominee is in attendance personally at the meeting, or has given in advance of the meeting written agreement to serve if elected.

At the first annual meeting, the members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years; and at each annual meeting thereafter, the members shall elect one (1) director for a term of three (3) years. Directors may be re-elected.

Section 3. Removal and Vacancies. Directors elected at an annual meeting may be removed at any time upon affirmative vote of a majority of the lots entitled to vote, with or without cause. In the event of any removal, resignation or vacancy in any of the offices, the remaining members of the Board of Directors shall elect a person to serve as a successor to the removed, resigned or vacant office, who shall hold office for the balance of the unexpired term, and shall succeed to a membership in the Board of Directors for the same term. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board of Directors, and such election shall be subject to the requirements of Section 2 above.

Section 4. Annual Meetings. The annual meeting of the Board of Directors shall be held at such place as may be agreed upon by the Board of Directors, and shall be held immediately following the adjournment of the annual meeting of the lot owners. The Board of Directors may establish a schedule of regular meetings to be held at such place as the Board of Directors may designate, in which event no notice shall be required to be sent to the said Board of Directors of said regular meetings once said schedule has been adopted.

Section 5. Special Meetings. Special Meetings of the Board of Directors may be called by the President, and in his absence, by the Vice-President, or by a majority of the members of the Board of Directors, by giving three (3) days notice, in writing or by telephone call, to all of the members of the Board of Directors of the time and place of said meeting, said notice to be served on each member of the Board of Directors by the Secretary of the Association. By unanimous consent of the Board of Directors, a special meeting of the Board of Directors may be held without notice at any time or place. All notices of special meetings shall state the purpose of the meeting.

Section 6. Quorum. A quorum for the transaction of business at any regular or special meeting of the Board of Directors shall consist of a majority of the members of the Board. A majority of those present at any annual, regular or special meeting shall have the power to adjourn the meeting to a future time, provided that written notice of the new time, date and place shall be mailed to or personally served on each member of the Board of Directors by the Secretary of the Association at least three (3) days prior to the time fixed for said meeting.

Section 7. Compensation. The officers and directors of the Association shall serve without compensation solely for holding such office.

ARTICLE III. OFFICERS, POWERS AND DUTIES

Section 1. The President. He shall be the Chief Executive Officer of the Association; he shall preside at all meetings of the lot owners and of the Board of Directors. He shall have executive powers and general supervision over the affairs of the Association and other officers. He shall sign all written contracts of the Association and shall perform and have the powers necessary to perform all of the duties incident to this office and that may be delegated to him from time to time by the Board of Directors.

Section 2. The Vice-President. He shall perform all of the duties of the President in his absence and such other duties as may be required of him from time to time by the Board of Directors.

Section 3. The Secretary-Treasurer.

(a) He shall issue notices of all Board of Directors meetings and all meetings of the Lot owners; he shall attend and keep the minutes of the same; he shall have charge of all of the Association's books, records and papers.

(b) He shall have the custody of the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and he shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated from time to time by the Board of Directors.

(c) He shall disburse the funds of the Association as may be ordered by the Board in accordance with these By-Laws, making proper vouchers for such disbursements, and shall render to the President and Board of Directors at the regular meeting of the Board of Directors, or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the Association.

(d) He shall collect the assessments and shall promptly report the status of collections and of all delinquencies to the Board of Directors.

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Section 5. Manager. If the Association elects to hire a manager, any or all of the duties set out herein may be transferred to such manager, upon proper supervision and safeguards by the officers. These duties may only be transferred with the authorization and approval of the Board of Directors. However, the Association may not delegate to the manager the authority to borrow money or to sign conveyances.

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Section 1. Selection of officers. The officers shall be selected by the Board of Directors at the annual meeting of the directors, and may or may not be from the ranks of the directors. Each officer shall serve at the pleasure of the Board of Directors.

Section 2. Qualification of Officers. An officer need not be a Lot owner. At least two of the officers shall be Lot owners, except that Declarant or any named representative of Declarant may be an officer without being a Lot owner. No Lot owner shall be eligible for election as an officer if he is more than 15 days delinquent in the payment of any assessment. A transfer of title of his lot by an officer who is a Lot owner shall automatically operate as his resignation as an officer.

Section 3. Committees. The officers may establish any committees, standing or otherwise, consisting of either Lot owners or non-Lot owners, charged with those particular areas of responsibility deemed appropriate by the officers. No standing committee may be created without the approval of the directors.

ARTICLE IV. POWERS OF THE ASSOCIATION

The Association, acting through the Board of Directors, shall have the following powers:

Section 1. Covenants. All of the powers specifically set forth in the Covenants and all of the powers incidental thereto.

Section 2. By-Laws. All of the powers specifically set forth in these By-Laws and all of the powers incidental thereto.

Section 3. Miscellaneous Powers.
(a) to use and expend the assessments collected to carry out the purposes and powers of the Association.
(b) to employ attorneys, accountants and other professionals as the need arises.
(c) to employ and terminate the employment of workmen, janitors, gardeners, managers and such other agents and employees to carry out the powers of the Association, and to purchase supplies and equipments therefor.

ARTICLE V. FINANCE AND ASSESSMENTS

Section 1. Depository. The funds of the Association shall be deposited in a bank designated by the Board of Directors, in an account for the Association under resolutions approved by the Board of Directors, and shall be withdrawn only upon checks

and demands for money signed by any designated officer(s) or agents of the Association. All notes of the Association shall be signed by any two of the officers of the Association.

Section 2. Fiscal year. The Fiscal year for the Association shall begin on the first day of January of each year, provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America at such time as the Board of Directors deems it advisable.

Section 3. Determination of Assessments.

(a) The Board of Directors of the Association subject always to the terms and provisions of the Covenants recorded in Book 1116, Page 516, Beaufort County Registry, shall file and determine from time to time the sum or sums necessary and adequate for the common expenses of the Association. Common expenses shall include expenses for the operation, maintenance, repair, or replacement of the common areas and facilities, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, taxes until separately assessed, and any other expenses designated as common expense from time to time by the Board of Directors of the Association.

The Board of Directors is specifically empowered, on behalf of the Association, to make and collect assessments, and to issue, maintain, repair, and replace the common elements of the Association. Said assessments shall be payable monthly or quarterly, in advance, as ordered by the Board of Directors.

Special assessments, should they be required by the Board of Directors and subject always to the terms and provision of the Covenants recorded in Book 1150, Page 143, Beaufort County Registry, shall be levied and paid in the same manner as heretofore provided for regular assessments. The provisions of Section 4 of the Covenants are hereby incorporated by reference, and all assessments shall be charged in proportion, and in accordance with the procedures, set out herein.

(b) When the Board of Directors has determined the amount of any special assessment, the Secretary-Treasurer of the Association shall mail or present a statement of the assessment to each of the Lot owners or, in the case of limited Special Assessments, to each of the Lot owners affected or benefitted thereby. All assessments shall be payable to the Secretary-Treasurer of the Association and upon request, the Secretary-Treasurer shall give a receipt for each payment made to him.

(c) The Board of Directors, in preparing its annual budget, is expressly directed to establish a capital improvement and repair fund for utilization by the Association in the maintenance, improvement, and repair of the common properties or properties it maintains. It is expressly understood that special

assessments can be made by the Board of Directors for capital improvements or repairs, said special assessments to be in addition, if necessary, to the capital improvement fund set out herein.

(d) The Board of Directors shall provide a copy of the annual budget of the Association to each Lot owner no later than the end of the first month of each fiscal year of the Association. No owner approval of said budget shall be required.

Section 4. Delinquent Assessments. In the event an assessment is not paid within thirty (30) days of the date it is due and payable, the Association, through its Board of Directors, may proceed to enforce and collect the said assessment, plus interest at the highest rate allowed by the laws of the State of North Carolina against the Lot owner owing the same in any manner allowed by North Carolina Law, or as allowed by the Covenants or these By-Laws.

Section 5. Collection and Enforcement. In connection with any assessment, the Association shall have all of the powers, rights, privileges and legal remedies provided for by the Covenants and North Carolina law concerning collection and enforcement. Further, in this connection, each Lot owner shall be liable for his assessment in the same manner provided for by the Covenants, and shall likewise be responsible for reasonable attorney's fees, interest and cost incurred by the Association incident to the collection of such assessment or enforcement of any lien held by the Association for unpaid assessments.

Section 6. Foreclosure. Where the mortgagee of a first mortgage of record or other purchaser of a lot obtains title to a lot as a result of foreclosure of a first mortgage (or deed in lieu of foreclosure) such purchaser, including his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such lot which became due prior to the acquisition of title to such lot by such purchaser. Such unpaid share shall be deemed to be common expenses collectible from all of the lot owners, including such purchaser, his successors and assigns.

ARTICLE VI. VIOLATIONS.

In the event of a violation (other than the nonpayment of an assessment) by a Lot owner of any of the provisions of the Covenants, these By-Laws or any other rules of the Association, the Association, by direction of its Board of Directors, may notify the Lot owner of such by written notice, sent registered or certified mail, return receipt requested, and if such violation shall continue for a period of ten (10) days from the date of such notice, the Association, through its Board of Directors, shall

have the right to treat such violation as an intentional and inexcusable and material breach of the Covenants, the By-Laws, or the Rules of the Association, as the case may be, and the Association may then, at its option, have the following elections: (i) an action at law to recover for damages on behalf of the Association or on behalf of the other Lot owners; (ii) an action in equity to enforce performance on the part of the Lot owner; or (iii) an action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief. Failure on the part of the Association to maintain such an action at law or in equity within 45 days from date of a written request, signed by a Lot owner, sent to the Board of Directors, shall authorize any Lot owner to bring an action in equity or suit at law on account of the violation, in the manner provided for by North Carolina law. Any violations which are deemed by the Board of Directors to be a hazard to public health may be corrected immediately as an emergency matter.

ARTICLE VII. NOTICE.

Except as otherwise provided herein, whenever notices are required to be sent hereunder, the same shall be sent to the unit owners by the U. S. Mail, at their place of residence as listed with the Association. All notices to the Association shall be sent to the mailing address designated by the Board of Directors as their address for notices. All notices shall be deemed and considered sent when mailed. Any party may reserve the right to change the place of notice to him or it by written notice, in accordance with the terms and provisions of this Article. Each Lot owner shall keep on record with the Association a current mailing address and shall notify the Association of any changes therein.

ARTICLE VIII. AMENDMENTS TO BY-LAWS.

These By-Laws may be amended in the same manner as the Covenants may be amended, and with the same restrictions on amendment thereon.

ARTICLE IX. RULES.

SECTION 1. Nothing contained within these By-Laws or the rules established hereunder shall prohibit rental by the owner of a residential dwelling constructed on any Lot. However, it is understood that in order to maintain the value of the Lots conveyed, and to preserve the enjoyment of the property for owners and renters alike, certain guidelines can be established by the Association for the handling of renters, and for the protection of the Association and its members. These rental guidelines shall be included within the rules of the Association, and shall have the

same force and effect as other rules. It is expressly authorized (but not required) for the Association to adopt rules as to the following:

- (a) prohibiting rentals for a period of time less than one week;
- (b) limiting the number of occupants of any rental unit;
- (c) prohibiting pets in any rental unit; and
- (d) establishment of a procedure for screening renters within reasonable criteria to select renters of appropriate conduct and decorum.

Section 2. The owner of any lot shall be responsible for the conduct for all guests and renters. Each owner, by purchasing his lot, agrees to give to the Association the right to evict any tenant whose conduct is found detrimental to the Association and its member, in whole or in part. Such eviction shall only be taken after notification to the owner, and the owner shall, upon being given such notification, commence eviction proceedings himself within one week of receiving the notice requesting the same from the Association. The Association may then, acting in its own behalf or for the owner, after failure of the owner to act within this seven day period, commence eviction proceedings. The expenses of said proceeding shall be chargeable as an assessment to the owner of the lot, and such assessment may be collected as a delinquent assessment under Article V unless paid within thirty days of billing.

Section 3. The Association acting by its Board of Directors may adopt additional rules relating to utilization of any lots or any common property (including any streets), all as more specified in the Covenants. All rules adopted shall be enforceable as though said rule were specifically delineated within these By-Laws or the Covenants.

APPROVED AND DECLARED AS BY-LAWS OF
CAMPBELL CREEK AT WINDSONG III HOMEOWNERS ASSOCIATION, INC.


SECRETARY

(SEAL)

STATE OF NORTH CAROLINA

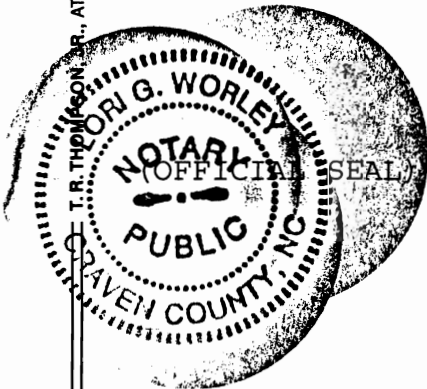
COUNTY OF CRAVEN

I, Lon G. Worley, Notary Public, certify that Sylvia L. Flowers, personally came before me this day and acknowledged that he/she is Assistant Secretary of Weyerhaeuser Real Estate ^{DEVELOPMENT} Company, a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by John M. Doughty, its Vice President, sealed with its corporate seal, and attested by herself as its Assistant Secretary.

My commission expires 07-05-2004

Witness my hand and official seal, this the 1th day of December, 2003.

Lon G. Worley
Notary Public



C. I. R. THOMPSON, ATTORNEY AT LAW, AURORA, NORTH CAROLINA

(4) By this deed the party of the first part conveys to the party of the second part, its successors and assigns, all of the right, title, and interest of the party of the first part in the property heretofore described.

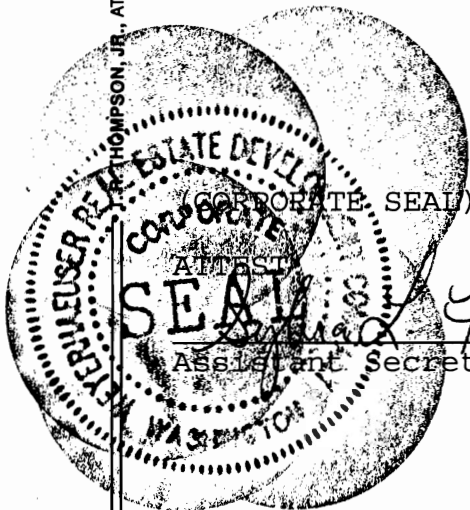
TO HAVE AND TO HOLD the aforesaid tracts or parcels of land together with all the rights, privileges and appurtenances thereunto belonging unto it, the said party of the second part, its successors and assigns, to their only use and behoof forever, subject to the mineral reservation and encumbrances as set out hereinabove.

IN TESTIMONY WHEREOF, Weyerhaeuser Real Estate Development Company has caused this instrument to be signed in its name by its Vice President, attested by its Assistant Secretary, with its corporate seal hereunto affixed, all by authority duly given, this the day and year first above written.

WEYERHAEUSER REAL ESTATE
DEVELOPMENT COMPANY

By: *John M. Daugherty*
Vice President

THOMPSON, JR., ATTORNEY AT LAW, AURORA, NORTH CAROLINA



ATTEST
Sandra Hawes
Assistant Secretary

The roads (Paradox Point Drive, Inverness Point, Carrie Creek Drive, Village Lane and Windsong Way) and that certain tract or parcel of land identified as "WINDSONG III HOMEOWNERS ASSOCIATION" containing 3.188 acres as the same are shown on that map prepared by Norwood Martin Mayo, Registered Land Surveyor, dated June 19, 1999, and identified by the following legend: "SURVEY FOR: WINDSONG PHASE III". The map herein referred to is duly of record in the Office of the Register of Deeds of Beaufort County in Plat Cabinet F, Slides 46-9, 46-10, 47-1, 47-2 and 47-3, and reference is hereby made to said map for a more complete and accurate description of this property.

This conveyance is made subject to the following mineral reservation and encumbrances:

- (1) This conveyance is made subject to the reservation of mineral rights which are retained by Weyerhaeuser Company and said reservation is stated in substance as follows:

"The Grantor hereby expressly saves, reserves and excepts out of the grant hereby made, unto itself, its successors and assigns, forever, all ores and minerals including but not limited to oil, gas, coal, distillates, and condensates, in and under said land. Top soil, sand, fill dirt, ground water, and other commonly occurring substances are expressly excluded. Notwithstanding the foregoing and notwithstanding any other legal or equitable right or remedy now existing or hereafter enacted or created, Grantor hereby agrees, for itself, its successors and assigns, that the rights hereby reserved and excepted shall not be exercised in a manner adversely affecting use of the surface at any time unless and until the Grantor or its successors or assigns, as the case may be, shall first make satisfactory written arrangements with the then owner of the property affected, and with the mortgagee or mortgagees of such property, as their respective interests may appear, to compensate said owner and mortgagee or mortgagees for damages incurred to the surface and any improvements thereon in exercising such rights."

- (2) The aforesaid property is conveyed subject to those easements of record and utility rights-of-way.
- (3) The property heretofore described is conveyed subject to those Protective Covenants of record in Book 1150, Page 142 and Book 1317, Page 623, Beaufort County Registry.

FOR REGISTRATION REGISTER OF DEEDS
JENNIFER LEGGETT WHITEHURST
BEAUFORT COUNTY, NC
2003 DEC 19 08:46:14 AM
BK:1370 PG:700-704 FEE:\$23.00
INSTRUMENT # 2003011907

3.18

NO REAL ESTATE
TAX PAID

T. R. THOMPSON, JR., ATTORNEY AT LAW, AURORA, NORTH CAROLINA

STATE OF NORTH CAROLINA

COUNTY OF BEAUFORT

THIS DEED, Made and entered into this 17 day of December, 2003, by and between Weyerhaeuser Real Estate Development Company, a corporation of the State of Washington, and duly authorized to do business in the State of North Carolina, party of the first part, and Campbell Creek at Windsong III Homeowners Association, Inc., a North Carolina Non-Profit Corporation, whose address is PO Box 1391, New Bern, NC 28560, party of the second part;

W I T N E S S E T H :

That the said party of the first part, for and in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS, and other good and valuable considerations to it in hand paid, by the party of the second part, the receipt of which is hereby acknowledged, has bargained and sold and by these presents does bargain, sell and convey unto the said party of the second part, its successors and assigns, subject to the mineral reservation and encumbrances as hereinafter set out, all of its right, title, and interest in and to those certain tracts or parcels of land lying and being in Richland Township, Beaufort County, State of North Carolina, and being more particularly described as follows:

BEAUFORT COUNTY LAND RECORDS
LR - FORM001 # 20321

M. H. C. ACCEPTED
Land Records Official Date 12-12-03