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**AMENDED AND RESTATED MASTER DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR ALBEMARLE
PLANTATION**

**MASTER DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR ALBEMARLE PLANTATION**

TABLE OF CONTENTS

<u>INDEX</u>	<u>PAGE</u>
RECITALS	4
ARTICLE ONE Definitions.....	5
ARTICLE TWO Plan of Development.....	9
Section 1 Recreational Amenities	9
Section 2 The Land Plan	9
Section 3 Supplemental Declaration.....	9
Section 4 Additions to the Development	9
Section 5 Recreational Amenities	10
Section 6 The Sewage Disposal System	10
Section 7 Notice	10
ARTICLE THREE Property Rights	10
Section 1 Members, Easements of Enjoyment in the Common Areas	10
Section 2 Title to the Common Areas.....	11
Section 3 Limitation of Members' Easements.....	11
Section 4 Easement for Governmental, Health, Water, Sewage Disposal, Sanitation and Emergency Services.....	11
Section 5 Easement for Association	12
Section 6 Changes in Boundaries; Additions to Designated Common Areas	12
Section 7 Easements for Utilities.....	12
Section 8 Maintenance Easement	12
Section 9 Environmental Easements.....	13
Section 10 Irrigation Easements	13
Section 11 Entry by Golfers.....	13
Section 12 Encroachments.....	13
Section 13 Use of Recreational Amenities	13
Section 14 Limited Common Areas for Marina Villas II	16
ARTICLE FOUR Membership, Voting Rights and Turnover	17
Section 1 Membership	17
Section 2 Voting Rights	17

Section 3	Turnover.....	18
Section 4	Membership Voting Requirements	18
ARTICLE FIVE	Covenant for Assessments	18
Section 1	Creation of the Lien and Personal Obligation of Assessments...	18
Section 2	Recreational Amenities	18
Section 3	Purpose of Assessments	18
Section 4	Date of Commencement of “Annual Assessments;” Due Date: Assessment Period.....	19
Section 5	Basis and Amount of the Annual Assessments.....	19
Section 6	Special Assessments	20
Section 7	Change in Basis of Annual Assessment.....	22
Section 8	Duties of the Board of Directors	23
Section 9	Effect of Non-Payment of Assessments, Lien and Enforcement	23
Section 10	Subordination of the Lien to Mortgages	24
Section 11	Procedures for a Claim of Lien.....	24
ARTICLE SIX	Maintenance	24
Section 1	Owner’s Responsibilities	25
Section 2	Association’s Responsibilities	25
ARTICLE SEVEN	Insurance and Casualty Losses	25
Section 1	Property and Crime Insurance	25
Section 2	General Liability, Marina Operations, and Automobile Liability Insurance	26
Section 3	Directors and Officers Liability Insurance	26
Section 4	Workers Compensation and Employer Liability Insurance.....	26
Section 5	Premiums	26
Section 6	Damage or Destruction to Common Areas.....	26
ARTICLE EIGHT	Condemnation of Common Areas	26
ARTICLE NINE	Administration of the Common Areas and Recreational Amenities	26
Section 1	Management.....	27
Section 2	Duties and Powers.....	27
Section 3	Agreements	27
Section 4	Restraint on Transfer.....	27
Section 5	Rules and Regulations.....	27

ARTICLE TEN	Architectural and Landscaping Standards and General Prohibitions.....	27
Section 1	Purpose.....	27
Section 2	Architectural Standards Committee (ASC)	28
Section 3	Preferred Builders Program	28
Section 4	Permitted Improvements	28
Section 5	Placement of Improvements	28
Section 6	Architectural Approval	29
Section 7	Landscaping Approval	31
Section 8	Approval not a Guarantee	32
Section 9	Temporary Structures.....	32
Section 10	Completion of Structures	32
Section 11	Animals and Pets.....	33
Section 12	Storage Receptacles	33
Section 13	Maintenance of Unoccupied Lots	33
Section 14	Offensive and Illegal Activities	33
Section 15	Repair or Removal of Buildings	34
Section 16	Outside Burning	34
Section 17	Division of Single Family Lots.....	34
Section 18	Motor Vehicles and Noise Level	34
Section 19	Exterior Maintenance of Buildings.....	34
Section 20	Additional Rules	34
Section 21	Signs.....	34
Section 22	Antennas	35
Section 23	Water.....	35
Section 24	Golf Course Areas.....	35
Section 25	Sales and Construction Activities	35
Section 26	Time Shares	35
Section 27	Prohibition on Solicitation	36
Section 28	Prohibition of Exterior Netting	37
Section 29	Private Septic Tanks	37
ARTICLE ELEVEN	Enforcement.....	37
Section 1	Rules and Regulations.....	37
Section 2	Invalidation	37
Section 3	Priority of Land Use Documents	37
Section 4	Duration	37
Section 5	Amendment.....	38
Section 6	Use	38
Section 7	Enforcement.....	38
Section 8	Interpretations	38
Section 9	Severability	39
Section 10	No Trespass.....	39
Section 11	Notices	39

**AMENDED AND RESTATED MASTER
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
ALBEMARLE PLANTATION**

This Amended and Restated Declaration of Covenants, Conditions and Restrictions for Albemarle Plantation is made as of the 1st day of August, 2012, by **Albemarle Plantation Property Owners Association, Inc.**, a North Carolina non-profit corporation ("APPOA" or "Association"), as successor to Albemarle Plantation Holdings, LLC, a North Carolina limited liability company, hereinafter referred to as "Declarant."

RECITALS

A. By virtue of a Deed to Declarant dated June 30, 2009, and recorded in Book 363, Page 504, Perquimans County Registry, Declarant is the successor developer and Declarant of certain real property more particularly described on Exhibit A, and any additional property which may have been made subject to the Original Declaration (the "Property") known as Albemarle Plantation, located in Perquimans County, North Carolina. The Property is encumbered by and subject to certain covenants, conditions and restrictions set forth in the Master Declaration recorded in Deed Book 130, Page 593, Perquimans County Registry (the "Declaration"), a First Amendment recorded in Book 151, Page 752, Perquimans County Registry, a Second Amendment recorded in Book 171, Page 773, Perquimans County Registry, a Third Amendment recorded in Book 225, Page 908, Perquimans County Registry, a Fourth Amendment recorded in Book 241, Page 366, Perquimans County Registry, a Fifth Amendment recorded in Book 270, Page 241, Perquimans County Registry, a Sixth Amendment recorded in Book 300, Page 517, Perquimans County Registry, a Seventh Amendment recorded in Book 312, Page 501, Perquimans County Registry, an Eighth Amendment recorded in Book 319, Page 641, Perquimans County Registry, a Ninth Amendment recorded in Book 381, Page 169, Perquimans County Registry, a Tenth Amendment recorded in Book 385, Page 783, Perquimans County Registry, an Eleventh Amendment recorded in Book 395, Page 569, Perquimans County Registry, a Twelfth Amendment recorded in Book 395, Page 596, Perquimans County Registry, a Thirteenth Amendment recorded in Book 396, Page 507, Perquimans County Registry, a Fourteenth Amendment recorded in Book 396, Page 511, Perquimans County Registry, and a Fifteenth Amendment recorded in Book 396, Page 754, Perquimans County Registry (the Declaration as amended by the First through the Fifteenth Amendments is herein collectively referred to as the "Original Declaration").

B. HPB Enterprises, a general partnership (the "Original Declarant") set up Albemarle Plantation Property Owners Association, Inc. for the purpose of carrying out the functions as contained in this Master Declaration, and Declarant has gone through Turnover as described in Article Four, Section 3 of the Original Declaration and under Section 5 of Article Eleven of the Original Declaration, APPOA, by and through its Board of Directors, is authorized to amend the Original Declaration provided any such amendment or modification may not materially alter the basic plan of development; and

C. The Common Areas are shown on the Map attached to the deed to the Association of the Common Areas dated July 9, 2012, and recorded in Book 402, Page, 150, Perquimans County Registry, together with additional property including the 31 acres known as the Mathews Tract, the Fire Department Parcel and the storage area which has been or will be conveyed by Declarant to APPOA; and

D. The Board of Directors of APPOA desire to amend and restate the Original Declaration by this Amended and Restated Declaration due to the length and difficulty of tracking all of the various changes to the Original Declaration as made by fifteen amendments (collectively, amendments One through Eight and Ten through Fifteen are referred to herein as the "Amendments"), and hereby incorporates all of the material terms of the Amendments into this Amended and Restated Master Declaration (the "Amended Declaration"), with the sole exception of the Ninth Amendment which remains unchanged by this Amendment because it contains specific provisions relating to Storm Water Management Permits (as defined therein) and which cannot be altered or rescinded without the express written consent of the State of North Carolina Division of Water Quality.

E. APPOA hereby amends and restates the Original Declaration and replaces the Original Declaration (with the exception of the Ninth Amendment, which is hereby incorporated by reference without change), it being the intent of APPOA to incorporate all changes made by the Amendments to the Master Declaration so that there is only the Amended Declaration and the Ninth Amendment (the "Ninth Amendment") which affects the Property (as defined hereinafter) and to make additional non-material changes to the Original Declaration to reflect that Declarant has made turnover to APPOA, and has conveyed substantially all of the Common Areas and all of the Recreational Amenities to APPOA as of the date hereof.

NOW THEREFORE, the Association hereby amends and restates the Original Declaration (with the exception of the Ninth Amendment) and hereby declares that the Property, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, reservations, charges and liens hereinafter set forth and those contained in the Ninth Amendment.

THIS AMENDED AND RESTATED DECLARATION AND THE NINTH AMENDMENT SHALL RUN WITH THE PROPERTY (UNLESS OTHERWISE SPECIFIED HEREIN) AND SHALL BE BINDING ON ALL PARTIES HAVING OR ACQUIRING ANY RIGHT, TITLE, OR INTEREST IN THE PROPERTY OR ANY PART THEREOF, AND SHALL INURE TO THE BENEFIT OF EACH OWNER THEREOF.

ARTICLE ONE

Definitions

The following words when used in this Master Declaration shall have the following meaning:

“Affiliate” means any person controlling or controlled by or under common control with the APH or APH II, including, without limitation: (i) any person who has a familial relationship, by blood, marriage or otherwise with any directors, members, partners, officer or employee of the company, its parent, or any affiliate thereof; and (ii) any person who receives compensation for administrative, legal or accounting services from the company or corporation, its parent or any affiliate. For purposes of this definition, “control” when used with respect to any specified person, means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Architectural Standards Committee” or “ASC” or “Committee” shall mean the committee appointed by the Board for the purpose of establishing and enforcing the architectural standards of the Community. The Committee shall consist of not less than three (3) nor more than five (5) “Members” as hereinafter defined

“Articles” means the Articles of Incorporation of Albemarle Plantation Property Owners Association, Inc.

“Assessment” shall mean an Owner's share of the common expenses or charges as established by the Association.

“Association” or “APPOA” shall mean the Albemarle Plantation Property Owners Association, Inc., a not-for-profit corporation whose purpose is to administer the property, which is subject to this Master Declaration.

“Board” or “Board of Directors” means the Board of Directors of the Association.

“Bylaws” shall mean the Bylaws of the Association as amended from time to time.

“Common Areas” shall mean all real and personal property (a) designated and shown on the map attached to the deed of the Common Areas to the Association referenced in Recital C; (b) the fire department parcel and the storage parcel to be conveyed to the Association for the use and benefit of the Association; (c) the 31 acres known as Mathews Tract; and (d) all common property held by Association for the benefit of the Association if any. Such real property may include, for example, roads, driveways, walkways, any rights-of-way reserved to the Association, open spaces (both landscaped and natural), lagoons, lakes or ponds.

Nothing contained in this definition shall limit the type of personal property which may be owned by the Association and constitute Common Areas.

“Common Expenses” shall mean all expenses and expenditures made by the Association in carrying out its duties to maintain and promote the Common Areas and the Albemarle Plantation Community, together with all funds assessed by the Association for the creation and maintenance of reserve under this Master Declaration.

“Declarant” shall mean Albemarle Plantation Holdings, LLC, (“APH”) a North Carolina Limited Liability Company. The Declarant may assign or pledge any or all of its rights.

“Development” or “Community” shall mean the property described on the attached Exhibit A together with all improvements located or constructed thereon and all additional property which heretofore was subjected to the Original Declaration or may hereafter be made subject to this Master Declaration.

“Dwelling” or “Dwelling Unit” shall mean any Dwelling quarters whether in a detached building, a unit in a condominium or in an attached unit.

“Invitational Member” shall mean a person who does not own a lot or dwelling in Phase I of Albemarle Plantation but who enjoys the member privileges of Recreational Amenities by virtue of paying the required dues and fees.

“Limited Common Area” shall mean a portion of the Common Areas allocated by the Declaration or by operation of law for the exclusive use of one or more but fewer than all of the Lots or Dwelling Units.

“Limited Common Expense” shall mean any Common Expense that exclusively benefits fewer than all of the Lots or Dwelling Units, including the expense of maintaining, constructing, reconstructing or unexpectedly repairing or replacing any Limited Common Area.

“Lot” shall mean a space on the earth’s surface to be used exclusively for a single family, detached Dwelling. A parcel of land shall be deemed a Lot rather than a Dwelling until the improvements constructed thereon are sufficiently complete to reasonably permit habitation thereof. Except in the case of a condominium where the completion of a condominium building does not constitute a “Dwelling Unit”, upon completion of the building, the Lot and the improvements thereon shall collectively be considered a “Dwelling” for purposes of this Master Declaration.

“Master Declaration” shall mean this Amended and Restated document, together with the Ninth Amendment, which includes the Covenants, Conditions and Restrictions for Albemarle Plantation together with all amendments which may be hereafter filed in the office of the Register of Deeds, Perquimans County, North Carolina.

“Member” shall mean a member of the Association, which shall include every person or entity who is an Owner of a Lot, a Dwelling situated in the Community, as well as any Recreational Amenity made subject to this Master Declaration. It shall not include any Owner of a Recreational Amenity that is not made subject to this Declaration. However, no person or

entity who holds an interest merely as security for the performance of an obligation shall be a member.

“Occupant” shall mean any person including, without limitation, any Owner, guest, invitee, lessee, tenant or family member of an Owner occupying or otherwise using a Dwelling within the Development.

“Owner” shall mean the record Owner, whether one or more persons or entities, of the fee simple title or contractual equitable title to any Lot or Dwelling Unit in the Community. “Owner” shall also mean any homeowners or property owners association that owns the common areas of a section in the Community that is designated for condominium, townhouse, or similar development. “Owner” shall also mean the owner of any property on which a Recreational Amenity is constructed only if said property is made subject to this Master Declaration. Notwithstanding any theory of the mortgage, “Owner” shall not mean or refer to the mortgagee, unless and until such mortgagee has acquired title pursuant to foreclosure or in any deed or proceeding in lieu of foreclosure.

“Person” shall mean a natural person, corporation, partnership, association, trust, limited liability company, limited partnership, limited liability partnership, limited liability limited partnership or other legal entity, or any combination thereof.

Phase II Developmental Property means the property located on the north side of Holiday Island Road partially adjacent to the Albemarle Plantation Property currently owned by the Albemarle Plantation Holdings II, LLC (“APH II”).

“Recreational Amenities” shall mean recreational facilities located within the Community operated as ongoing business entities on a fee basis such as, but not limited to, the 18-hole golf course and associated club house, marina and dock, pro shop, maintenance area, driving range with attendant facilities, swimming pool and pool house, the Dockside Restaurant (also previously known as the Hospitality Center and Ship’s Store) tennis courts, and Bocce Courts. “Recreational Amenities” shall include all recreational facilities of the Community, whether or not same are made subject to this Master Declaration. However, “Recreational Amenities” shall not include any recreational facilities provided by a homeowners association of an area of the Community which contains condominiums, townhouses, or other similar types of Residential Dwellings which are not traditional single family detached dwellings.

“Rules” shall mean any and all regulations of the Association promulgated by the Board pursuant to its power under this Master Declaration or any other land use document, as the same may be amended from time to time.

“Single Family Detached Dwelling Area” shall mean those areas restricted to the erection of a traditional single family detached Dwelling on a single Lot.

“Supplemental Declaration” shall mean a Declaration filed by Association or any other Developer of a parcel of property located in the Development establishing covenants, conditions

and restrictions for that particular parcel of property. Supplemental Declarations will be filed for all areas in the Development not covered by this Master Declaration.

ARTICLE TWO

Plan of Development

Section 1. RECREATIONAL AMENITIES: As of the date hereof, the Association owns all of the existing Recreational Amenities as specified in the Special Warranty Deed recorded in Book 401, Page 197 on June 15, 2012. The Association and Declarant may construct one or more other Recreational Amenities in the Community. The Association may assign the ownership and/or construction of any or all such additional Recreational Amenities to one or more third parties. All Recreational Amenities shall be operated as ongoing business enterprises on a fee basis for the private use of the Members and the Members' sponsored guests and Invitational Members who are permitted membership under Article 3, Section 13. The Restaurant, Marina and the Golf Course are open to the public for the payment of the current fees and/or charges. The Association reserves the right to close the Golf Course, Marina and Restaurant to the public in the future, at which time the Recreational Amenities may become common areas, provided such closing shall not affect the rights of any Invitational Members under Article 3, Section 13. Conveyance of any lot within the Community to any Owner shall also convey an automatic membership in all Recreational Amenities in operation at the time of the conveyance subject to the then current Recreational Amenities fees and dues.

Section 2. THE LAND PLAN: As of the date hereof, existing initial areas in the Community are designated to be used for traditional Single Family Detached Dwellings, condominiums and townhouses. Future areas may be designated by the APPOA, as successor to Declarant, to be used for traditional Single Family Detached Dwellings, condominiums, townhouses, or other similar types of Residential Dwellings which are not traditional Single Family Detached Dwellings. Certain future areas may be designated for commercial uses by APPOA. The land use plan may not be modified by APPOA unless affirmatively approved by sixty percent (60%) of the Members of the Association eligible to vote.

Section 3. SUPPLEMENTAL DECLARATION: A Supplemental Declaration will be filed for the various sections prior to conveyance of the first Lot or Dwelling unit in the section. The Supplemental Declaration shall be subordinate to this Master Declaration. A plat of the areas to which the Supplemental Declaration applies shall be filed preceding or simultaneously with the Supplemental Declaration. The plat for such area shall clearly show the Common Areas, if any, located thereon.

Section 4. ADDITIONS TO THE DEVELOPMENT: Should any additional property be added to Albemarle Plantation and become subject to this Master Declaration, and subject to the provisions of Article Three Section 13 below, the Owner shall have the right to designate the boundaries of the various land use categories to be located therein as well as to designate the Common Areas and Recreational Amenities if any are added to the Development in the additional property. Any such additional property shall be submitted to this Master Declaration and become a part of Albemarle Plantation by APPOA filing an amendment to this

Master Declaration together with a map of the area being added to the Development. Should additional properties be added to the Development and thereby become subject to this Master Declaration, the number of votes to be assigned to the Recreational Amenities located therein shall be assigned by APPOA as it deems appropriate and shall be set out in the Amendment bringing such additional property into the Development.

Section 5. RECREATIONAL AMENITIES: The Recreational Amenities are owned by APPOA and operated as an ongoing business enterprise within the Community, whether or not they may be subsequently owned by an entity or person other than the Association. The Association is the sole owner of Albemarle Plantation Properties, Inc., a North Carolina corporation ("APP"), which manages the Recreational Amenities on behalf of the Association and its Members pursuant to a management agreement with the Association. No Lot or Dwelling Owner shall obtain any right, title or interest, either equitable or legal, in any of the Recreational Amenities by reason of his purchase of such Lot or Dwelling. However, each new Owner at the time he or she purchases a Lot or Dwelling in the Community shall receive an automatic membership in all Recreational Amenities in operation at the time of the conveyance, as described in Article Two, Section 1 above subject to paying the then applicable initiation fees, dues and other applicable fees and charges. At all times, all Owners shall continue to enjoy the use of all Recreational Amenities, upon payment of the then required fees and adherence to the then existing Rules and Regulations, regardless of changes in ownership of the Recreational Amenities.

Section 6. THE SEWAGE DISPOSAL SYSTEM: Declarant, its affiliates, successors or assigns may (but is not obligated to) retain ownership of the sewage disposal facilities serving the development, including all lines, pumps, pipes, water towers or tanks, treatment plants, or other systems related thereto which are located within the Development and which are not a portion of a Lot or Dwelling or Recreational Amenity. As long as Declarant (or any other Person other than APPOA) retains ownership of the sewage disposal systems, it shall operate such systems pursuant to authority granted by the North Carolina Public Utilities Commission and it shall charge fees for such services as approved by such regulatory authority. Notwithstanding the foregoing, however, Declarant, its affiliates, successors or assigns owning such facilities shall have the right, but not the obligation, at any time to transfer ownership of all or any part of such systems to either the Association as a portion of the Common Areas or to any public or utility or governmental entity for operation.

Section 7. NOTICE: Every purchaser of a Lot, Dwelling or Recreational Amenity shall purchase and hold title thereto with notice of the Association and Declarant's plan of development as herein set out.

ARTICLE THREE

Property Rights

Section 1. MEMBERS, EASEMENTS OF ENJOYMENT IN THE COMMON AREAS: Subject to the provisions of Section 4 of this Article and any additional provisions of this Master Declaration, every Member, his agent, licensees, invitees, and members of his

household, shall have a permanent and perpetual easement for the use and enjoyment of the Common Areas and each easement shall be appurtenant to and shall pass with a title to every Lot or Dwelling Unit. Such easements of enjoyment shall include but not be limited to the Members' right of ingress and egress over the streets, roadways and walkways over the Common Areas for the purpose of access to the Owners' Lot or Dwelling Unit.

Section 2. TITLE TO THE COMMON AREAS: Declarant has conveyed, to the Association, legal title of the major portion of the Common Areas by deed recorded in Book 402, page 150, Perquimans County Registry free and clear of all liens and encumbrances except this Master Declaration and any supplements and amendments thereto. The Mathews Tract is also held under the Common Area and owned by the APPOA through deed recorded in the Perquimans Registry, Book 401, Page 638. Declarant has also agreed to convey the lot reserved for a fire house and the Boat Storage area which may become part of the Common Areas upon conveyance. The Association covenants that it will accept a conveyance of future Common Areas.

Section 3. LIMITATION OF MEMBERS' EASEMENTS: The rights and easements of use and enjoyment created hereby shall be subject to the following:

- (a) The right of the Association, in accordance with the Master Declaration, its Articles and Bylaws, to borrow money for the purpose of maintenance, repair and improvement of the Common Areas and in aid thereof to mortgage such properties;
- (b) The right of the Association to set specific charges for the use and maintenance of the Common Areas;
- (c) The right of the Association as provided in its Articles and Bylaws to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid, or for a period that may be determined by the Board of Directors for any violation of this Master Declaration, the Association's Articles, Bylaws or published rules and regulations; provided however, that the right of a member of ingress and egress over the streets shall not be abrogated;
- (d) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purpose;
- (e) The right of the Association, without approval of any Owner, to add to or delete part of the Common Areas and to dedicate easements and rights-of-way over the Common Areas in accordance with the terms of this Master Declaration; and
- (f) The right of the Association to adopt and enforce, at any time, rules and regulations governing the use of the Common Areas and all facilities situated thereon. Any rules and/or regulations so adopted shall apply until rescinded or modified the same as if originally set forth at length in this Master Declaration.

Section 4. EASEMENT FOR GOVERNMENTAL, HEALTH, WATER, SEWAGE DISPOSAL, SANITATION AND EMERGENCY SERVICES: A non-exclusive easement is

hereby granted to the appropriate governmental authorities and to the appropriate private organizations supplying health, sanitation, police services and any emergency services such as fire, ambulance and rescue services, for purpose of ingress and egress over the Common Areas. Association and Declarant further reserves an easement over the Common Areas as needed for the installation, maintenance and operation of the central water and sewage disposal systems which will serve the Development. There is also hereby reserved for the benefit of the Association, Albemarle Utility Company, any other public utility or governmental unit providing central sewer services in the development, and their respective agents, successors and assigns, an easement upon, over, under and across any portion of all of the Common Areas and any portion of all of the Lots in the Community, for the purpose of installing, replacing, servicing, maintaining testing, inspecting, and repairing all components of the central sewer system, including but not limited to sewer lines, up to each individual property cut off valve. A similar easement is also reserved in areas designated for condominiums, townhouses, and all other development, whether residential, commercial or any other development in the Community.

Section 5. EASEMENT FOR ASSOCIATION: APPOA reserves to itself, its successors and assigns the right of temporary roads, utility services and drainage systems as are necessary in its sole discretion for the proper development and administration of the Community. Such right shall extend over, through, under, and across the Common Areas and the Recreational Areas.

Section 6. CHANGES IN BOUNDARIES; ADDITIONS TO DESIGNATED COMMON AREAS: APPOA expressly reserves for itself and its successors and assigns the right to change and realign the boundaries of any designated Common Area within the Development, and to make additions thereto without, however, infringing on a Member's property.

Section 7. EASEMENTS FOR UTILITIES: There is hereby reserved for the benefit of the Association, any public utility or governmental unit providing services in the development, and their respective successors and assigns, an Easement upon, over, under and across all of the Common Areas and all land located within 10 feet of any Lot line as shown on all plats of record, for the purpose of installing, replacing, maintaining and operating all utilities. A similar Easement is also reserved in areas designated for condominiums, townhouses, and other similar development, over all portions of such areas on which Dwelling Units are not constructed or erected.

Section 8. MAINTENANCE EASEMENT: APPOA reserves for itself and its agents and employees an Easement to enter upon any unimproved area in the Community for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, stumps or other unsightly growth and removing trash therefrom so as to maintain reasonable standards of health, fire safety and appearance within the Development. This reservation shall not impose any duty or obligation upon the Declarant or the Association to perform any such action. Furthermore, APPOA hereby reserves for its benefit an Easement but not the obligation to enter upon any unimproved area which is located within thirty feet from the water's edge of any lagoon, pond, water course and waterway, whether natural or man-made, within the Development for the

purpose of maintaining such area and keeping the area clear and free from unsightly growth and trash and the maintenance of reasonable water quality standards.

Section 9. ENVIRONMENTAL EASEMENTS: APPOA reserves for its benefit and its agents and employees an Easement on, over and across any and all unimproved areas in the Community for the purpose of taking any action necessary to effect compliance with environmental rules, regulations, procedures promulgated or instituted by the Board of Directors or by any governmental entity. Such Easement shall include, without limitation, the right to implement erosion control procedures and practices, the right to drain standing water, and the right to dispense pesticides and herbicides within the Development.

Section 10. IRRIGATION EASEMENTS: There is hereby reserved for the benefit of APPOA and any future Owner of the golf course, their affiliates, agents, employees, successors and assigns, a permanent exclusive easement and right (a) to pump water from the lagoons, ponds, waterways, basins, water dependant structures and other bodies of water located in the Development for the purpose of irrigating any portion of the Development including the golf course, and (b) to drill, install, locate, maintain and use wells, pumping stations, water towers, filtration basins and tanks and related water facilities and systems within the Common Areas and or lands within the property owned by APPOA. Except as herein contained, the pumping of any water from any lagoon, pond, lake, or body of water for any purpose other than fire fighting is prohibited without express written permission of the Association.

Section 11. ENTRY BY GOLFERS: All Lots, Dwellings, and areas adjacent to a golf fairway or green are hereby made subject to an Easement in favor of the registered golf course players to enter upon such property to remove a golf ball or, if such golf ball is not out of bounds, to play the golf ball. Once a residential unit is constructed on such property this easement shall be limited to the recovery of the golf ball. This Easement is for pedestrian access only and the player shall not use a golf cart or other vehicle for the purpose of entry on any such adjoining property and shall not commit a nuisance while on such property.

Section 12. ENCROACHMENTS: No encroachment shall be erected upon any pond, lagoon or other body of water within or adjacent to the Development unless specifically permitted by APPOA or the Architectural Standards Committee.

Section 13. USE OF RECREATIONAL AMENITIES.

13.01 Albemarle Plantation Holdings II, LLC ("APH II") and Declarant, their successors and assigns, shall have the right for any residents of the prospective Phase II property, (the property across Holiday Island Road currently owned by APH II hereinafter called the "Phase II Property") to become Invitational Members ("Invitational Members") with the right to the use of the Recreational Amenities on the same terms and conditions as are then offered to new members in Phase I, except that such Phase II members shall pay a Five hundred dollars (\$500.00) annual membership fee together with the appropriate monthly dues in place at that time. This right commences at the time of the first sale of a lot in Phase II to a third party. This right shall terminate at the earlier to occur of five

(5) years from the date of the commencement of this right, or the date that is ten (10) years from the date of the closing of the sale or disposition of the Phase II Property (the "Invitational Membership Ending Date"). Notwithstanding the foregoing, Association's obligation to extend Golf Invitational Memberships shall expire if and when the total golf membership of Association reaches five hundred (500). Any owner in Phase II who has purchased such an Invitational Membership shall be grandfathered until the Invitational Membership Ending Date, notwithstanding that golf memberships have reached five hundred (500) or greater.

13.02 Neither Declarant nor APH II nor any party (a "Subsequent Developer") who acquires a total of 40 or more Phase I lots from Declarant and/or APH II or who purchases the Cole tract (as used herein, the Cole Tract refers to a tract of 58.68 acres more or less shown on sketch plan entitled "Albemarle Plantation Cole Tract" prepared by Bissell Professional Group dated 2-4-11 and subsequently referred to as Waterleaf on plats approved by the County, and being bounded by Pasquotank Blvd., Matthews Road, Holiday Island Road and Woodside section) for development will be required to pay assessments, either annual or special, on any lots or tracts of land any of them continue to own in Phase I of Albemarle Plantation after the turnover of the Phase I common area to the Association. Any such lots or tracts of land owned by the Subsequent Developer shall be subject to assessments at the same rate as other lots at such time as they are conveyed by the Subsequent Developer to an unrelated third party (other than to a Subsequent Developer).

13.03 Upon the completion of any Recreational Amenities in Phase II, the Association, Declarant and APH II agree to reciprocal membership rights for a period of ten (10) years after such Phase II amenities are open. The reciprocal pricing for such membership services will be mutually agreed upon annually by the governing bodies of each club. This means that residents of one Phase shall have the right, during that period, upon payment of the mutually agreed upon pricing, to utilize the recreational facilities available on the other Phase of Albemarle Plantation.

13.04 At the time of the sale of an individual lot or house by Declarant or APH II in Phase I of Albemarle Plantation, the Purchaser of said lot shall be required to purchase a mandatory social initiation fee in an amount not to exceed Two thousand Five hundred dollars (\$2,500.00) from the Association. Said Purchaser shall also have the option to purchase a golf initiation fee at The Association's then current rate for such a golf initiation fee. Notwithstanding the foregoing, no such mandatory social initiation fee shall be due from any Purchaser who purchases five (5) or more lots (an "Investor") from Declarant or APH II. Additionally, such mandatory social initiation fee shall not exceed Two thousand, Five hundred dollars (\$2,500.00) for any Purchaser who closes on the purchase of a lot from an Investor within two (2) years after the date of recording the deed conveying said lot from Declarant and/or APH II to said Investor.

13.05 Declarant, APH II, Subsequent Developers and Investors shall be exempt from paying any Transfer fees upon the resale of any lot or house in Phase I of Albemarle Plantation, provided that the Purchaser of such property shall be required to pay the initiation fees as spelled out in Paragraph 13.04, if applicable.

13.06 No provision in this Section 13 (including Sections 13.01 - 13.12 inclusive) nor in Section 25 of Article Ten (SALES AND CONSTRUCTION ACTIVITIES) may be amended, modified or deleted, whether before turnover or after turnover without the written consent of Albemarle Plantation Holdings, LLC (and, additionally, by APH II if said amendment, modification or deletion affects the rights reserved herein to APH II.)

13.07 Declarant, for itself, and any Subsequent Developer, reserves the right at any time, to submit all of the Cole Tract to this Master Declaration at any time and to make such additional property a part of The Albemarle Plantation Community. If all or any part of such additional property is added to Albemarle Plantation and become subject to this Master Declaration, the Declarant shall have the absolute right to designate the boundaries of the various land use categories to be located therein, subject to the building restrictions and architectural review provisions set forth in Article Ten hereof applicable to all portions of Albemarle Plantation. In connection with the development of the Cole Tract, Declarant, shall have the right to dedicate easements and rights-of way over the Common Areas as are reasonably necessary to serve said areas. The party which develops such tracts, shall be required to complete all improvements of any streets shown on any plats of portions of the Cole Tract, such as paving and installation of curb, gutter and sidewalks consistent with all applicable codes prior to turning the same over to the Association for maintenance as a Common Area.

13.08 Declarant reserves for itself, its successors and assigns, the right to change and realign the boundaries of any Common Area within the Cole Tract, until such time as the Common Area within such tract is conveyed to the Association, and further reserves the right to make additions to said Common Area from the Cole Tract.

13.09 So long as the Declarant is the owner of one (1) Lot or Dwelling Unit governed by the Association (including any Lot or Dwelling Unit in the Cole Tract if the Cole Tract has been made subject to the Master Declaration), the Declarant shall be entitled to appoint one (1) member to the Board of Directors of the Association. Such right to appoint a Board member is not transferrable except to an Affiliate of Declarant, and may be terminated at the option of the Declarant.

13.10 If all or any portion of the Cole Tract becomes subject to the Master Declaration, Declarant shall have the right to alter the landscaping of grounds of said tract without approval of the Architectural Standards Committee, the Association, or any other party; provided, however, that any such landscaping

changes shall be reasonably consistent with other landscaping within Albemarle Plantation.

13.11 Declarant, APH II or any Subsequent Developer, reserves the right to re-plat any two (2) or more Single Family Detached Lots shown on a plat thereof, prior to the delivery of a deed to a third party in order to create a modified Single Family Detached Dwelling Lot. Alternately, Declarant, APH II or a Subsequent Developer may create a modified Single Family Detached Dwelling Lot by the sale of two (2) or more adjacent Lots to a third party, followed by the construction thereon of a Dwelling Unit in such a manner as to require the total Lots to be treated as one modified Lot in order to meet the setback and sideline requirements, without the necessity of re-platting. The restrictions and covenants herein apply to each Lot so created.

13.12 Declarant, APH II or a Subsequent Developer shall have the right to display one (1) sign on the Cole Tract to advertise its availability for sale or development. Any such permitted sign shall not exceed three feet by four feet (3' x 4'), nor shall its highest point be more than six feet (6') above ground level.

Section 14. LIMITED COMMON AREAS FOR MARINA VILLAS II: That portion of the Common Areas shown on that certain plat entitled "Limited Common Area For Marina Villas II" (excepting therefrom, the Unit Ownership areas and common areas or limited common areas allocated to the owners of Marina Villas II show in Condominium Book 1, Pages 29-38 inclusive) filed in Plat Cabinet 3, Slide 41, Map No. 1, Perquimans County Registry, shall be and is hereby declared to be a Limited Common Area, allocated for the exclusive use of the Owners of Units in Marina Villas II at Albemarle Plantation, A Condominium (Marina Villas II). Notwithstanding anything to the contrary in this Master Declaration:

- (a) The use of the Limited Common Area for Marina Villas II shall not be available for use by Owners except those Owners of Units in Marina Villas II. Every Owner of a Unit in Marina Villas II, his agent, licensees, invitees, and members of his household, shall have a permanent and perpetual easement for the use and enjoyment of the Limited Common Areas for Marina Villas II, and each easement shall be appurtenant to and shall pass with the title to every Unit in Marina Villas II.
- (b) The Association shall have the sole and exclusive responsibility for the upkeep, maintenance, repair and replacement of the Limited Common Area of Marina Villas II. Except as provided otherwise in this Master Declaration, neither the Owners of Units in Marina Villas II nor the Marina Villas II Association, Inc. shall have any right, duty or authority to make any improvements, modifications, replacements, repairs or changes to the Limited Common Area of Marina Villas II without the advance written consent of the Association in each instance.
- (c) The Association shall have the right to assess each Owner of Units in Marina Villas II, (1) Annual Assessments for the Limited Common Area of Marina Villas II, and (2) Special Assessments for capital improvements

and other assessments to be fixed, established, and collected from time to time as hereinafter provided, for the Limited Common Area of Marina Villas II, representing the Associations' Limited Common Expense to fulfill its responsibilities to maintain the Limited Common Area of Marina Villas II under this Master Declaration. The Limited Common Expense shall be allocated among each Owner of a Unit in Marina Villas II according to each Owner's Fractional Share of Common Expense shown in the Declaration of Marina Villas II as amended. All terms, conditions and provisions of Article Five pertaining to the covenant for assessments shall also apply to the Association's assessment of Limited Common Expense on each Owner of a Unit in Marina Villas II, unless by their reasonable context or application such terms, conditions and provisions would not reasonably be applicable.

- (d) The rights, reservations, restrictions, conditions and limitations to the rights of owners and other in and to the Common Areas as set forth in Article Three of the Master Declaration shall also apply to the Owners of Lots or Dwelling Units with respect to any Limited Common Area allocated to such Lots or Dwelling Units, unless by their reasonable context or application such rights, reservations, restrictions, conditions and limitations would not reasonably be applicable.
- (e) The provisions of Articles Seven, Eight, Nine and Ten of the Declaration with respect to the Common Area shall also apply to any Limited Common Area unless by their reasonable context or application such provisions would not reasonably be applicable.
- (f) The Association is authorized (but not required) to delegate by formal written assignment, all of the Association's rights, duties and responsibilities under this Section 14 of Article Three to the Marina Villas II Association, Inc., but only if the Marina Villas II Association, Inc. consents to such assignment. Such Assignment shall be recorded with the Perquimans County Registry and shall contain the signed approvals of both the Association and Marina Villas II Association, Inc.

ARTICLE FOUR

Membership, Voting Rights and Turnover

Section 1. **MEMBERSHIP:** Every person or entity who is an Owner of a Lot or a Dwelling subject to this Master Declaration, which is situated in the Development, shall be a Member of the Association, provided that any such person or entity who holds an interest merely as security for the performance of an obligation shall not be a member.

Section 2. **VOTING RIGHTS:** The Association shall have one class of voting membership. Members shall be entitled to one vote for each Lot or Dwelling Unit in which they hold the interest required for membership by Section 1 of this Article. When more than one person holds such interest in any Lot or Dwelling Unit, all such persons shall be members and the vote for such Lot or Dwelling Unit shall be exercised as they among themselves determine,

but in no event shall more than one vote be cast with respect to any Lot or Dwelling Unit. The Bylaws of APPOA may establish procedures for voting when the title to a Dwelling Unit or Lot is held in the name of a corporation or more than one person or entity.

Section 3. TURNOVER: The Turnover meeting has been accomplished pursuant to the Original Declaration, and so long as the Declarant is the owner of one lot or dwelling unit governed by the Association, the Declarant shall be entitled to appoint one member to the Board of Directors, which right is not transferrable or assignable to any other person or entity except for an Affiliate of Declarant.

Section 4. MEMBERSHIP VOTING REQUIREMENTS. Unless otherwise provided in the Master Declaration, all votes for approval of any action by the Association, for which a vote of the members is required, shall require the affirmative vote of fifty percent (in person or by proxy) at a duly called meeting at which there is a quorum.

ARTICLE FIVE

Covenant For Assessments

Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS: Each owner of a Lot or Dwelling Unit owned by it which is subject to this Master Declaration, hereby covenants and each Owner of any Lot or Dwelling Unit, by acceptance of a deed therefore, whether or not it shall be so expressed in the particular deed of conveyance, shall be deemed to covenant and agree to pay to the Association: (1) Annual Assessments and (2) Special Assessments for capital improvements and other assessments to be fixed, established, and collected from time to time as hereinafter provided. The Annual and Special Assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. Each Member expressly covenants, by acceptance of a deed, that liens may be placed against the Owner's Lot or Dwelling Unit for nonpayment of assessments.

Section 2. RECREATIONAL AMENITIES: So long as the Recreational Amenities are owned by the Association, the Recreational Amenities are not subject to assessments, either Annual Assessments or Special Assessments. The Board of Directors of the Association may, in their sole discretion, impose reasonable social dues to the Owner of any property, and such social dues may differ in amounts depending on whether it is an unimproved Lot or has a dwelling on it. The Board of Directors, in its reasonable discretion, may also modify the assessment of social dues to Owners of multiple properties.

Section 3. PURPOSE OF ASSESSMENTS: The assessment levied by the Association for common expenses shall be used exclusively for the general purpose of promoting the recreation, health, welfare, common benefit and enjoyment of the Owners and occupants of the Development and marketing and maintaining the development and improvements therein, all as may be more specifically authorized from time to time by the Board of Directors. The common expenses to be funded by the annual assessments may include but shall not necessarily

be limited to the following: (a) management fees and expenses of administration; (b) utility charges for utilities serving the common areas and charges for other common services for the development including trash collection; (c) the cost of insurance coverage as the Board of Directors determine to be in the interest of the Owners; (d) the expenses of maintenance, operation and repair of the common areas; (e) the expenses of the Architectural Standards Committee which are not defrayed by plan review charges; (f) any real or personal property taxes assessed or levied against the Common Areas; (g) the expense of maintenance, operation, repair and reconstruction of any and all roadways, pathways, trails, lagoons, waterways and landscaped areas within the property which have been or will be conveyed to the Association; (h) all expenses associated with providing security services to the Development; (i) the establishment and maintenance of a reasonable reserve fund for maintenance, repair and replacement of the Common Areas, to cover emergency repairs as a result of casualties which are not covered by insurance and to cover unforeseen operating contingencies or deficiencies arising from unpaid assessments; and (j) such other expenses as may be determined from time to time by the Board of Directors of the Association to be common expenses.

Section 4. DATE OF COMMENCEMENT OF "ANNUAL ASSESSMENTS"; DUE DATE; ASSESSMENT PERIOD: The annual assessment provided herein for members shall commence upon conveyance of a Lot or Dwelling to the member. Once the assessment period has commenced the assessments shall thereafter be due on the first day of every assessment period as this term is defined in the Bylaws of the Association.

Section 5. BASIS AND AMOUNT OF THE ANNUAL ASSESSMENTS: The total annual assessments shall be divided among the Lots, Dwellings and Recreational Amenities made subject to this Declaration. The maximum percentage increase in the annual assessment for each Dwelling Unit shall be the percentage increase, if any, for the then current year in the Consumer Price Index – All Urban Consumers, U.S. City Average, All Items, 1982 – 84 = 100 (the "CPI-U") as calculated in accordance with the following sentence. The maximum percentage increase in the annual assessment shall be calculated by multiplying the annual assessment in effect at the end of the last calendar year by a fraction, the numerator of which shall be the CPI-U for the month of October for the last calendar year, and the denominator of which shall be the CPI-U for the month of October for the calendar year immediately preceding the last calendar year. For example, to calculate the maximum percentage increase for 2012, the numerator for the fraction would be the CPI-U for October, 2011, and the denominator would be the CPI-U for October, 2010. Reductions in the CPI shall not require a reduction in the annual assessment. This limitation shall not apply to special assessments levied before or after Turnover.

The Owner of each Lot in the Development shall pay an assessment in an amount equal to eighty percent (80%) of the annual assessment for the Dwelling Unit. For the purpose of this assessment, a property will be classed as a Lot and not as a Dwelling Unit until a certificate of occupancy is issued for the Dwelling. The assessment as a Dwelling Unit shall begin on the first day of the next billing cycle thereafter.

The Board can increase the Annual Assessment above the CPI-U as prescribed above. To increase the Annual Assessment, the Budget Committee must recommend the increase and

the Board must approve it with a affirmative vote of at least a two thirds majority of all Board Directors.

Section 6. SPECIAL ASSESSMENTS:

- (a) General. In addition to the Annual Assessment authorized by this Article V, the Board may levy in any Assessment Year a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Areas including the necessary fixtures and personal property related thereto, for the acquisition of any Recreational Amenities or any and all private utilities which serve the Property (the "Utilities"), or for other purposes deemed appropriate by the Association, including, but not limited to setting up a reasonable reserve for future capital outlays required to operate or maintain the Amenities or to address deferred maintenance issues to maintain the Recreational Amenities in reasonable condition. The due date of any Special Assessment under this Article shall be fixed in a resolution authorizing such assessment, and if authorized by the Board of Directors, a special assessment may be paid in installments and allocated to different categories of Owners as set forth in Section 6(c), below, based on a reasonable determination in the sole discretion of the Board of Directors of the relative benefit and burden of each such special assessment. The Association may, in the reasonable discretion of the Board, apportion the Special Assessment differently between various categories of members and Owners so as to more fairly allocate the cost of such assessment to each member or Owner category based on an analysis of the relative benefits and burdens and the purpose of the special assessment. The Association may, in the discretion of the Board, permit any special assessment to be payable either in full, or in installments, together with interest on any installment not to exceed eighteen percent (18%) per annum as determined by the Board, and, as set forth in Subsection 6(a), supra, to provide for special installment plans for Owners of multiple properties. As reasonably required, the Board shall provide all Members with a proposed budget for capital repairs and restoration of any Common Areas and a notice of meeting to consider ratification of such special budget, including a statement that the special budget and special assessment may be ratified without a quorum. The Board shall set a date for a meeting of the Members to consider ratification of the budget, such meeting to be held not less than ten (10) nor more than sixty (60) days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless sixty (60%) of all the Members in the Association eligible to vote reject the budget. For clarification, Members who fail to vote will not be treated as a vote against the ratification. In addition, in its reasonable discretion, the Board and the Association may provide for the payment of any special

assessment in installments over one or more years to Members (either of record or an entity in which such Owner is the beneficial Owner) of multiple properties, either improved or unimproved, upon application by any such Member requesting installment treatment. The Board of Directors shall also have the right, upon application of any Member, to make adjustments to Owners of multiple properties that are contiguous or have been recombined into one by a duly recorded recombination plat and is recognized as a single tax parcel by the Perquimans County Tax Department for ad valorem tax purposes as of January 1 of the year of the special assessment.

- (b) Recreational Amenities or Utilities. Either before or after Turnover, the Board of Directors of the Association may authorize the Association to purchase all or any part of the Recreational Amenities or Utilities at prices which are not in excess of the fair market value of such facilities, including the right of the Board of Directors to purchase all or any part of the Recreational Amenities or Utilities at a foreclosure or public sale pursuant to any security instrument or deed of trust. Notwithstanding anything in the Master Declaration to the contrary, any approval of the Purchase (as defined hereinafter) of the Recreational Amenities or Utilities referenced in the previous sentence, if such purchase occurs after Turnover (as described in Article IV, Section 3 of the Master Declaration), a vote of fifty percent (50%) of the Members eligible to vote shall be required to authorize a purchase and any loan reasonably required by the Association (as determined in the reasonable judgment of the Board of the Association) in order to finance the purchase thereof.

As used in this Section 6, the term "Purchase" shall mean either (i) the execution of a binding purchase contract to the Recreational Amenities or Utilities by the Association which complies with the provisions of this Section as to price and terms, or (ii) a binding bid at a public auction of the Recreational Amenities or Utilities pursuant to a power of sale under a deed of trust or other security instrument. At any time, the Association may sell, transfer or convey all or any part of the Amenities, and, except for the sale of the golf course, such sale or transfer shall require a vote of fifty percent (50%) of the Members to authorize same. Any sale of the golf course shall require approval by seventy five percent (75%) of the Members of the Association eligible to vote. Notwithstanding anything hereinbefore to the contrary, the Association may convey the Recreational Amenities or Utilities to Albemarle Plantation Properties, Inc. ("APP") a wholly owned subsidiary of APPOA for purposes of title ownership and operation of the Recreational Amenities or Utility, but any sale or transfer by APP to any third party shall be subject to approval by the Board of Directors of APPOA and a positive vote of fifty percent (50%) of the Members of the Association eligible to vote as set forth in the preceding sentence.

- (c) Categories of Assessment for Recreational Amenities. For purposes of a special assessment to purchase the Recreational Amenities as described in this Section 6, the Association hereby establishes two categories of Dwelling or Lot Owners for which Assessments may be allocated based on the relative benefit of the purpose of a special assessment, and initially, there may be two (2) categories of Owners. Category 1 Owners ("Category 1 Owners") will consist of Owners of unimproved lots. This refers to any Lot on which no house or dwelling has been built. For the purpose of this assessment, a property will be classed as a Lot and not as a Dwelling Unit until construction is completed on the Dwelling. Category 1 Owners may be assessed a lesser amount of a special assessment at the discretion of the Board of Directors after taking into account the relative benefit and burden of the purpose of a specific assessment and its specific purpose. Category 2 ("Category 2 Owners") will consist of Owners of a Dwelling. Category 1 Owners will be assessed eighty percent (80%) of the amount of the special assessment to a Category 2 Owner in connection with the acquisition of the Amenities. Nothing contained herein shall limit the right of the Board of Directors, in the case of future special assessments of creating more than two (2) categories of special assessments.
- (d) Refund of Recreational Assessment by Future Owners. The Association shall keep a record of all special assessments which have been paid by each Owner. If the Association purchases the Recreational Amenities, and a special assessment is approved by both the Board of Directors and the requisite approval by the Members (the "Recreational Assessment"), an Owner paying his or her assessment (whether Category 1 or 2) shall be entitled to a refund of the Recreational Assessment paid by such Owner (or his or her successor in title) by the Association (less any outstanding obligations to the Association or the Recreational Amenities of such Member including dues or otherwise and monies of a special assessment designated for operational reserve). Such payment shall be only out of funds received by the Association (or the Recreational Amenities) paid by the purchaser of such property. Alternatively, the selling member may obtain a direct refund of the Recreational Assessment from the purchaser of his property at closing, but such payment will not discharge such member to be obligated to pay any outstanding obligations to either the Association or the Recreational Amenities thereafter. The Association, as owner of the Recreational Amenities, will require each new Owner to pay an amount equal to the Recreational Assessment of the prior owner, in addition to any initiation fees due to the Recreational Amenities.
- (e) Relationship to Section 13.02 of Article Three. Nothing in this Section 6 is intended to modify or revoke the provisions in Section 13.02 of Article Three.

Section 7. CHANGE IN BASIS OF ANNUAL ASSESSMENT. Within thirty (30) days after the adoption of a proposed budget as a basis of setting Annual Assessments by the

Board, the Board shall provide to all Members a summary of the budget and a notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The Board shall set a date for a meeting of the Members to consider ratification of the budget, such meeting to be held not less than ten (10) nor more than sixty (60) days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget shall be deemed ratified unless at that meeting a 60% majority of all the Members of the Association eligible to vote reject the budget, and Members failing to vote will not be counted as a no vote. In the event the proposed budget is rejected, the periodic budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board. Any past-due common assessment or installment thereof shall bear interest at the rate established by the Board not exceeding eighteen percent (18%) per year.

Section 8. DUTIES OF THE BOARD OF DIRECTORS: The Board of Directors of the Association shall prepare a roster of Owners and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner. Written notice of the assessment for each Assessment Year shall be sent to every Owner subject thereto at least thirty (30) days prior to the commencement of the Assessment Year.

The Association shall, upon demand at any time, furnish to any Owner liable for an assessment a certificate in writing signed by an officer of the Association setting forth whether the Assessment has been paid. The certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. EFFECT OF NON-PAYMENT OF ASSESSMENTS, LIEN AND ENFORCEMENT. Except for assessments caused by the negligence or misconduct of any Owner or occupant, which may be assessed exclusively against that Owner or occupant's lot, any assessment levied against a lot remaining unpaid for a period of ninety (90) days or longer shall be considered overdue and a lien on that property for such unpaid assessment shall be filed with the office of the Clerk of Superior Court for Perquimans County in the manner provided herein. Prior to filing a claim of lien, the Association must make reasonable and diligent efforts to ensure that its records contain the Owner's current mailing address. No fewer than fifteen (15) days prior to the filing of the lien, the Association shall mail a statement of the assessment amount due by first-class mail to the mailing address of record with the Association, and, if different, to the address for the Owner as shown on the Perquimans tax and real property records. If the Owner is an entity (either a corporation, limited liability company or other entity having a registered agent), the statement shall also be sent by first-class mail to the mailing address of the registered agent for such entity. The Association may foreclose the claim of lien in like manner as mortgage on real estate under power of sale under Article 2A of Chapter 45 of the North Carolina General Statutes, and is not prohibited from taking other actions to recover sums or take a deed in lieu of foreclosure. Notwithstanding the foregoing to the contrary, if the debt securing the lien consists solely of fines imposed by the Association, interest on unpaid fines or attorneys fees incurred by the Association solely associated with fines and the lien of such fees may be enforced by judicial foreclosure as provided in Article 29A of the North Carolina General Statutes. A judgment, decree or order in any action brought under this section shall include costs and reasonable attorneys for the prevailing party. If the Owner of a lot does not contest the

collection of debt and enforcement of a lien after the expiration of the 15 day period following notice, then reasonable attorneys' fees shall not exceed one thousand two hundred dollars (\$1,200), not including costs or expenses (or such other amount as permitted by N.C.G.S. 47F-3-116(e)). The collection of debt and enforcement of a lien remain uncontested as long as the Owner does not dispute, contest, or raise any objection, defense, offset or counterclaim as to the amount or validity of the debt and lien asserted or the Association's right to collect the debt and enforce the lien as provided in this Section 9. The attorneys' fee limitation does not apply to judicial foreclosures or actions other than a foreclosure of the lien of an assessment as a mortgage under a power of sale pursuant to Article 2A of Chapter 45 of the North Carolina General Statutes. The Association, acting through its Board and in the Board's sole discretion, may agree to allow payment of an outstanding balance in installments. Neither the Association nor an Owner is obligated to offer or accept any proposed installment schedule. Reasonable administrative costs for accepting and processing may be added to the outstanding balance and included in the installment payment schedule.

Section 10. SUBORDINATION OF THE LIEN TO MORTGAGES: The lien for the assessments provided for in this Declaration shall be subordinate to the lien of any mortgage now or hereafter placed upon an Owner's property subject to assessment, unless such assessment is secured by a Claim of Lien that is recorded prior to the recording of such mortgage.

Section 11. PROCEDURES FOR A CLAIM OF LIEN. A claim of lien under Section 9 shall set forth the name and address of the Association, the name of the record owner of the property at the time the lien was filed, a description of the lot or property, and the amount of lien claimed. The first page of the claim of lien shall contain the following statement in print that is in boldface, capital letters and no smaller than the largest print used elsewhere in the document: "THIS DOCUMENT CONSTITUTES A LIEN AGAINST YOUR PROPERTY, AND IF THE LIEN IS NOT PAID, THE PROPERTY OWNERS ASSOCIATION MAY PROCEED WITH FORECLOSURE AGAINST YOUR PROPERTY IN LIKE MANNER AS A MORTGAGE UNDER NORTH CAROLINA LAW." The person signing the claim of lien on behalf of the Association shall attach to and file with the claim of lien a certificate of service attesting to the attempt of service on the record owner, which service shall be attempted in accordance with N.C.G.S. 1A-1, Rule 4(j) for service of a copy of a summons and complaint. If the actual service is not achieved, the person signing the claim of lien on behalf of the Association shall be deemed to have met the requirements of this Section 10 if service has been attempted pursuant to both of the following: (i) N.C.G.S. 1A-1, Rule 4(j)(1)c., d., or e.; and (ii) by mailing a copy of the lien by regular, first-class mail, postage prepaid to the physical address of the lot and the lot owner's address of record with the Association, and, if different, to the address for the lot owner shown on the county tax and real property records for the lot. In the event that the lot owner of record is not a natural person, and actual service is not achieved, the person signing the claim of lien on behalf of the Association shall be deemed to have met the requirements of this Section 10 if service has been attempted once pursuant to the applicable provisions of N.C.G.S. 1A-1, Rule f(j)(3) through N.C.G.S. 1A-1, Rule 4(j)(9).

ARTICLE SIX

Maintenance

Section 1. OWNER'S RESPONSIBILITIES: Maintenance and repair of Lots, Dwellings and Recreational Amenities, together with all improvements thereon and all lawns, landscaping and grounds shall be the responsibility of the Owner. Each Owner shall maintain their Lot or Dwelling (to include the right-of-way from property line to street or road), Common Area or Recreational Amenity in a neat, clean and sanitary condition. Such responsibility shall include the maintenance and care on all exterior surfaces of all Dwellings, buildings and other structures as well as lawns, trees, shrubs, hedges, grass and other landscaping. Each Owner shall also be obligated to pay for any costs incurred by the Association for repairing, replacing, maintaining or cleaning any items which they fail or refuse to discharge. Except for the Declarant or the Owners of any Recreational Amenities, no Owner shall decorate, change or otherwise alter the appearance of any portion of the exterior of any Dwelling or building or the landscaping, grounds or other improvements unless such decoration, change or alteration is first approved in writing by the Architectural Standards Committee as hereinafter established.

Section 2. ASSOCIATION'S RESPONSIBILITIES: Unless otherwise provided, the Association shall maintain and keep in good repair the Common Areas and Recreational Amenities including any improvements or structures located thereon and in addition it shall provide lawn and landscaping maintenance to the individual lots or units in any multi-family area provided that the Supplemental Declaration for such area requires the Association to provide this service. No diminution or abatement of assessments, fees or charges, however, shall be claimed or allowed by any Owner by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by it under this Declaration.

In the event the Board determines that any Owner has failed or refused to carry out its duties under this Article, the Association shall take such action as is necessary to restore the property to the conditions required under this Article. Entry upon any property for this purpose by the Association, its agents or employees shall not be deemed a trespass. Except in emergency situations, however, the Association shall give such Owner 15 days' notice prior to its entry on the premises to perform such work. This right in favor of the Association shall not impose any obligation upon the Association to undertake any particular corrective action. In the event the Association does take any corrective action regarding any property, the Owner thereof shall promptly reimburse the Association for all costs and expenses incurred in such corrective action.

ARTICLE SEVEN

Insurance and Casualty Losses

Section 1. PROPERTY & CRIME INSURANCE: Property Insurance covering structures and personal property owned by the Association, its subsidiaries and affiliates shall be maintained with limits adequate to replace such structures and personal property subject to deductibles agreed upon by the Board. Due to the nature and lower value of some structures, such as, but not limited to, fences, small buildings, swimming pools and cart path bridges, etc., these structures may be self-insured if the Board has set up an adequate loss reserve fund to cover these types of items as well as property insurance deductibles. A professional appraisal of structural replacement values shall be conducted from time to time as determined by the APPOA Board of Directors, to assure that insured structures are insured to full replacement value.

Section 2. GENERAL LIABILITY, MARINA OPERATIONS & AUTOMOBILE LIABILITY INSURANCE: Liability insurance, commonly referred to in the insurance industry as “Commercial General Liability,” “Marina Operators Liability” and “Business Automobile” or similar coverage shall be purchased to cover the premises and operations of the Association, its subsidiaries and affiliates. Other liability insurance coverage as may be available may be considered for the good of the Association.

Section 3. DIRECTORS AND OFFICERS LIABILITY INSURANCE: Directors and Officers liability coverage shall be purchased by the APPOA Board to protect the Association, the personal assets of the Board members, officers and managers of the Association, its subsidiaries and affiliates.

Section 4. WORKERS COMPENSATION AND EMPLOYER LIABILITY INSURANCE: At all times employees shall be covered by Workers Compensation Insurance with Employers Liability.

Section 5. PREMIUMS: The premiums for all insurance policies purchased by the Association shall be deemed to be general expenses of the Association and shall be budgeted and paid by the Association through the appropriate budget.

Section 6. DAMAGE OR DESTRUCTION TO COMMON AREAS: Should any part of the Common Areas or the Recreational Amenities be damaged or destroyed the Association shall cause it to be repaired or replaced if the insurance proceeds together with available reserves are sufficient to do so. If the Board determines these funds are insufficient and therefore a special assessment is necessary to complete the repair or replacement, then the Association shall implement a special assessment as prescribed in Article 5 Section 6 of this Declaration.

ARTICLE EIGHT

Condemnation of Common Areas

Should any portion of the Common Areas be taken through eminent domain or conveyed by deed in lieu of condemnation by the Association, the award or proceeds made or collected by the Association shall be disbursed or held as follows: (a) to the extent practical in the discretion of the Board, the funds shall be used for the restoration of the condemned facility, if feasible, and if not, the replacement of the condemned facility on some other part of the Common Area; (b) if replacement at some other location within the Common Area is not feasible then these funds shall be added to the reserves held by the Association; and (c) used for any improvement deemed appropriate by the Board.

ARTICLE NINE

Administration of the Common Areas and Recreational Amenities

Section 1. MANAGEMENT: The Association shall be responsible for the exclusive management and control of the Common Areas and Recreational Amenities (so long as the Association owns all or any part of them) and all improvements located thereon.

Section 2. DUTIES AND POWERS: The duties and powers of the Association shall be those set forth in (a) Chapter 55A of the North Carolina General Statutes as it applies to nonprofit Corporations, (b) this Declaration, (c) the Bylaws and (d) the Articles of Incorporation of this Corporation. Should there be conflicts or inconsistencies between any of these documents then the order of authority shall be the General Statutes, this Declaration, the Articles of Incorporation, and the Bylaws

Section 3. AGREEMENTS: All Agreements and actions lawfully authorized by the Board of Directors shall be binding upon all Owners, their heirs, successors and assigns. The Association may perform its duties and responsibilities through its Board of Directors and further shall have the authority to delegate to persons of its choice such duties as may be determined by the Board of Directors to be expedient. The Board shall have the power to employ such managers, agents and employees as necessary in its discretion to carry out its functions under this Declaration. In addition the Association may pay for and the Board of Directors may hire and contract for such legal, accounting and other professional services as are necessary or desirable in connection with the operation of the Development or enforcement of this Declaration or the Bylaws or the rules and regulations of the Association.

Section 4. RESTRAINT ON TRANSFER: The shares of the Owners in the funds and assets of the Association cannot be individually assigned, hypothecated or transferred in any manner except to the extent that a transfer of ownership of a Lot, Dwelling or Recreational Amenity also transfers the membership in the Association which is an appurtenance to such Lot, Dwelling or Recreational Amenity.

Section 5. RULES AND REGULATIONS: The Association, acting through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of all Lots, Dwellings, Common Areas, Recreational Amenities, and all other areas in the Community. These rules and regulations shall be consistent with the rights and duties established by this Declaration.

ARTICLE TEN

Architectural and Landscaping Standards and General Prohibitions

Section 1. PURPOSE: In order to preserve the natural setting and beauty of the Development, to establish and preserve a harmonious and aesthetically pleasing design for the Development, to protect and promote the value of the Development, the Lots, Dwellings, Recreational Amenities made subject to this Declaration, areas designated for condominium, townhouse, or similar development, and all improvements located therein or thereon, including landscaping, shall be subject to the restrictions set forth in this Article. Every Grantee of any interest to any property subject to this Master Declaration, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article.

Section 2. ARCHITECTURAL STANDARDS COMMITTEE (ASC): The Board of Directors, at its first meeting, shall establish an Architectural Standards Committee (ASC). The ASC shall consist of not less than three (3) or more than five (5) members. The members of the ASC shall serve at the pleasure of the Board of Directors. The ASC is authorized to retain the services of consulting architects, landscape architects, engineers, inspectors, attorneys and or any other professionals it deems appropriate in order to advise and assist it in performing its functions under this Article.

Section 3. PREFERRED BUILDERS PROGRAM: The APPOA is specifically authorized to designate and define a limited number of licensed North Carolina construction contractors authorized to construct residential structures within Albemarle Plantation, and to determine and impose the criteria for construction contractors to qualify for such designation. APPOA may further limit the number of such qualified construction contractors. The purpose of this authorization is to enhance the likelihood that a good quality of construction will be maintained within Albemarle Plantation, and that construction sites will be maintained in a clean and sightly condition. An authorized construction contractor, designated as a "Preferred Builder" for the residential construction within Albemarle Plantation, shall have its privileges to construct revoked upon a finding by the APPOA that said construction contractor is not building an acceptable quality residential structure, is not successful in maintaining good customer relations, or is failing to maintain its construction sites in a clean and slightly condition. APPOA shall maintain at all times a list of "Preferred Builders," which shall be made available upon request to any lot owner or prospective lot owner, and each lot owner by accepting title to a lot agrees to utilize only an authorized "Preferred Builder."

Section 4. PERMITTED IMPROVEMENTS: No improvements of any nature whatsoever, specifically including landscaping, shall be constructed, altered, added to, placed or maintained upon any part of the Development except (a) such improvements as are approved by the Committee in accordance with this Article, or (b) any Dwelling or other improvements including Recreational Amenities which are constructed by the Association or Declarant, or (c) any other improvements which under this Article does not require the consent of the Committee.

Section 5. PLACEMENT OF IMPROVEMENTS:

- (a) Except for construction by the Association, all buildings, structures or other improvements built in the Community shall be built under the supervision of the Committee. The Committee, to assure that Dwellings and other structures will be located so that the maximum view, privacy and breezes will be available, shall take into consideration the topography of each Lot and also the location of trees, vegetation, other aesthetic and environmental considerations, as well as the precise site and location of any other Dwellings or structures within the Development. Should the Committee elect to require specific setback lines, they shall be shown on the plat of the Lots or parcels to which these specific requirements apply. Even when specific setback lines are shown on the plat, the Committee shall have the right, in its discretion, to grant a variance if it deems

appropriate in order to protect some particular environmental or aesthetic consideration.

- (b) The Committee, in its discretion, may require any Owner or contractor for any planned improvement within the Development to post a payment and or performance bond with it to assure satisfactory completion of such improvement. The bond shall be in form and amount as deemed satisfactory to the Committee. The Committee may, in lieu of requiring the posting of a payment or performance bond, accept a sum satisfactory to it to be held by the Committee in escrow in order to assure the completion of all of the improvements, including landscaping, in accordance with the approved plans and specifications and within the time periods provided within this Article.
- (c) The exterior of any improvement permitted under this Article shall be completed within the time specified in Section 10 of this Article, unless the Committee allows a longer time period. Should the improvements, including landscaping, not be completed within the provided time periods, the Committee shall be entitled to collect on or enforce payment under the bonds. If the Committee has accepted funds in escrow in lieu of the bonds, it shall be entitled to retain any such sums as a penalty for failure to complete the work within the allotted time. Any escrow funds held by the Committee shall be invested in an interest bearing account and the interest thereon shall be the property of the Owner should he become entitled to a return of the escrow funds, or be the property of the Association's in the event of forfeiture.
- (d) No structure may be temporarily or permanently occupied until a Certificate of Occupancy has been issued by the appropriate governmental authority. No temporary structure of any kind shall be permitted within the development except in connection with an ongoing building project. Any such temporary structure shall be immediately removed from the development when the building is completed. Temporary structures for social functions may be permitted by the Board for specific functions, provided such structures are immediately removed from the development after the function is terminated. Unless otherwise specifically permitted by recorded Supplemental Declarations applicable to specific sections within the development, no stable, poultry house or yard, dog pen or other similar structure may be allowed on any property within the development. No outside clothes drying facilities may be allowed within the development except as may be allowed in any Supplemental Declaration. During construction, the owner shall require his contractor to maintain the property in a reasonably clean and uncluttered condition. To the extent possible, all construction trash and debris shall be kept within refuse containers. Upon completion of the structure, the owner and the contractor shall cause immediate removal of all equipment, tools and construction materials including debris from the lot.

Section 6. ARCHITECTURAL APPROVAL:

- (a) To preserve the architectural and aesthetic appearance of the Development, all plans and specifications for any structure or improvement whatsoever (except as permitted in Section 4 of this Article) to be erected in the property, including the proposed location thereof, shall be subject to and shall require the written approval of the Committee before any such work is commenced. Such structures or improvements include, without limitation, the construction material to be used, the roofs and exterior color schemes, any later changes or additions after initial approval thereof, or any remodeling, reconstruction, alterations or additions thereto.
- (b) The Owner shall submit to the Committee such plans and specifications for any and all proposed improvements as may be required by the Committee. The plans shall show the location on the Lot or parcel of the structures proposed to be constructed, altered, placed or maintained together with the proposed construction material, color schemes exterior elevations and any other details required by the Committee.
- (c) The ASC shall approve or disapprove plans, specifications, and details within thirty (30) days from the receipt thereof. One (1) set of said plans and specifications and details with the approval or disapproval endorsed thereon, shall be returned to the person submitting them and the other copy thereof shall be retained by the Committee for its permanent files.
- (d) The Committee shall establish written architectural and aesthetic criteria to be used in reviewing all plans, specifications and details submitted for its approval. The criteria shall be subject to revision by the Committee. In addition, the ASC may establish such administrative procedures and rules as it deems expedient to facilitate the administration of this Article.
- (e) The Committee shall have the right to disapprove any plans, specifications or details submitted to it if, in the opinion of the ASC, (1) same are not in accordance with any of the provisions of this Master Declaration, the written criteria established by the ASC, or the general plan of the Development, or (2) the design or color scheme of the proposed structure(s) is not in harmony with the general surroundings of such Lot or parcel or with the adjacent structures, or (3) the plans and specifications submitted are incomplete, or (4) the Committee deems the plans, specifications or details, or any part thereof, to be contrary to the interests, welfare or rights of all or any part of the Development subject hereto, or the Owners thereof.
- (f) Prior to commencement of construction, a building certificate must be obtained from the Committee. The Committee or its agent shall have the right to inspect all construction to ensure that the structure is in accordance with the approved plan specifications and details. No structure or improvement shall be made unless it conforms strictly to the approved plan specifications and details. These required certificates are in addition to those required by the local, county or state authorities.

- (g) As part of the building permit application, the Owner must submit, if needed, plans for installing a culvert in the drainage ditch where his driveway is to cross the drainage ditch between the roadway and Lot or parcel. The cost of the culvert and covering is to be borne by the Owner and the construction specifications must meet the ASC's approval. The culvert must be installed before any construction may begin on the Lot or parcel.
- (h) Building Restrictions. All Single Family Detached Dwellings must comply with the most current edition of the Albemarle Plantation Architectural Standards Handbook. In addition, all Single Family Detached Dwellings and related structures constructed on a Lot shall be constructed according to the architectural and landscaping plans which have been approved by the Architectural Standards Committee as to architectural style, exterior materials, color schemes, placement on the Lot, and landscaping. Unless otherwise provided in the Supplemental Declaration of a particular Section of Albemarle Plantation, all Single Family Detached Dwellings with a single floor shall have a minimum of 1,800 square feet of living space (heated dwelling space). Unless otherwise provided in the Supplemental Declaration of a particular section of Albemarle Plantation, all Single Family Detached Dwellings constructed on Lots within The Property which possess multiple floors shall contain a minimum of 2,000 square feet of living space (heated dwelling space).

Section 7. LANDSCAPING APPROVAL:

- (a) To preserve the aesthetic appearance of the Development, no landscaping, grading, excavating, or filling of any nature shall be implemented or installed by anyone other than the Association and the Declarant, unless and until the plans therefore have been submitted to and approved in writing by the Committee.
- (b) The procedure outlined in Section 6 of this Article shall apply in all respects to this section.
- (c) The landscape and grading plans shall be reviewed and approved with consideration of the harmony of the proposed landscaping design, the environmental character of the surrounding area, the preservation of natural drainage patterns, the visual impact on the surrounding areas, and the establishment of adequate shading and buffering in regard to individual Lots. The landscaping plan shall be in general conformity with the overall landscaping plan of the golf course.
- (d) Unless located within fifteen (15) feet of a building or parking area, no tree, shrub, bush or other vegetation having a trunk diameter of six (6) inches or more at a point of four (4) feet above ground level shall be cut, removed or mutilated, provided this does not apply to dead or diseased trees or shrubs. This only applies to homes in the process of construction. Any tree removal after the Landscaping Plan has been submitted and

approved must be approved by the ASC. If any such tree, bush or shrub is removed without approval of the Committee, the Owner shall replace it with a tree, bush or shrub of comparable value. In the event the Owner fails, within thirty (30) days, to satisfactorily replace the tree, bush or shrub removed, the Owner shall pay the Association a damage fee (as set by the ASC) upon demand of up to \$2,500.00 per lost or removed tree, bush or shrub. The Association through its agents and employees, shall have the right to enter the property for the purpose of replacing the tree, bush or shrub. Liquidated damages provided for herein shall become a lien on the property of the Owner.

- (e) The Committee shall promulgate standards and criteria for the landscaping plans in general. A copy of the criteria may be obtained from the Committee.
- (f) No single Lot developed for traditional single-family detached dwellings shall be covered by structures and/or paved surfaces, including walkways or patios of brick, stone, slate or similar materials that exceed the specified impervious surface area standards contained in the Ninth Amendment of this Master Declaration. This covenant is intended to ensure continued compliance with storm water runoff rules adopted by the State of North Carolina and therefore benefits may be enforced by the State of North Carolina. This covenant shall not apply to parcels upon which may be constructed condominiums, townhouses or other multi-family dwellings, but shall only apply to parcels upon which traditional single-family detached dwellings may be constructed.
- (g) Vegetative Buffers. The Association may decide in its sole discretion the composition of the "vegetative buffer" shown on the various plats of sections of the Development. Such composition may include, for example, trees, plants, and limited improvements such as leisure or walking trails (whether paved or unpaved).

Section 8. APPROVAL NOT A GUARANTEE: Approval of plans, specifications and the publication of architectural and landscaping standards shall not be considered as representing or implying that the plans, specifications or standards if followed will result in properly designed improvements. Neither the Declarant, the Association, the Committee nor any architect or agent thereof shall be responsible or liable in any way for defects in any such plans or specifications submitted, revised or approved pursuant to the terms of this Article.

Section 9. TEMPORARY STRUCTURES: No temporary house, trailer, tent, garage, or other building shall be placed or erected on any Lot or Parcel. However, the Association may grant permission for any such temporary structure for storage of materials during construction. No such temporary structure as may be approved shall be used at any time as a Dwelling place.

Section 10. COMPLETION OF STRUCTURES: Once construction or improvement is started on any Single Family Detached Dwelling, it must be substantially completed in accordance with the plans and specifications as approved within eighteen (18) months after date

of commencement. Once construction or improvement is started on any building containing condominium or townhouse units, it must be completed within 12 months from date of commencement. Landscaping shall be completed within six (6) months after occupancy in any case.

Section 11. ANIMALS AND PETS:

- (a) No animals, livestock or poultry of any kind shall be kept or maintained on any portion of the Community or in any Dwelling Unit except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes, that they do not create a nuisance (in the judgment of the Board), such as, but without limitation, by number, noise, odor, damage or destruction of property, or refuse and further provided that they are kept and maintained in compliance with (i) all laws and ordinances of the State of North Carolina, Perquimans County, or other applicable governmental entity relating thereto; and (ii) such rules and regulations pertaining thereto as the Board may adopt from time to time.
- (b) Notwithstanding the foregoing, the following dog breeds (whether pure bred or mixed breed) are expressly prohibited: American Pit Bull Terrier, Rottweiler and Doberman Pinscher. The Association shall have the right to prohibit or require the removal of any dog or animal, which after consideration of factors such as size, breed, disposition of the animal, interference by the animal with the peaceful enjoyment by other Owners of their Lots, and the security measures taken by the Owner with respect to such animal, the Association, in its sole discretion, deems to be undesirable, a nuisance or a safety hazard.
- (c) Every person owning or having possession, charge, care, custody, or control of any dog shall keep such dog exclusively upon his own Lot; provided, however, that such dog may be allowed off of the Lot if it is under the control of a competent person and restrained by a chain, leash or other means of adequate physical control.

Section 12. STORAGE RECEPTACLES: Every fuel storage tank shall be buried below the surface of the ground or screened to the satisfaction of the ASC. Receptacle for ashes, trash, rubbish or garbage shall be buried below the surface of the ground or screened to the satisfaction of the ASC.

Section 13. MAINTENANCE OF UNOCCUPIED LOTS: All unoccupied Lots and areas shall be well maintained, and no unattractive growth or accumulation of rubbish or debris shall be permitted. Owners of unimproved Lots shall have the responsibility for cleaning and maintaining their Lots following severe weather or major storms.

Section 14. OFFENSIVE AND ILLEGAL ACTIVITIES: No noxious, offensive or illegal activities shall be carried on within the Development nor shall anything be done that shall be or become an unreasonable annoyance or nuisance.

Section 15. REPAIR OR REMOVAL OF BUILDINGS: Any building which may be destroyed in whole or in part by fire, windstorm or from any other cause or act of God must be rebuilt or all debris removed and the Lot or area restored to a slightly condition with reasonable promptness. However, in no event shall such debris remain longer than three (3) months.

Section 16. OUTSIDE BURNING: No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted, except in accordance with a validly issued burning permit from Perquimans County and the Association.

Section 17. DIVISION OF SINGLE FAMILY LOTS: No Single Family Detached Dwelling Lot shall be subdivided, or its boundary lines changed by its Owner, except with the written consent of the Association and Perquimans County. However, the Association hereby expressly reserves to itself, its successors or assigns, the right to replat any two (2) or more Single Family Detached Lots shown on a plat thereof prior to delivery of a deed in order to create a modified Single Family Detached Dwelling Lot. The Association may also create a modified Single Family Detached Dwelling Lot by the sale of two or more adjacent Lots to one party, followed by the construction thereon of a Dwelling Unit in such a manner as to require the total Lots to be treated as one modified Lot in order to meet the set back and side line requirements. The restrictions and covenants herein apply to each Lot so created.

Section 18. MOTOR VEHICLES AND NOISE LEVEL: No motorcycle or motorbike shall be used on the streets except for the purpose of coming to or from the state highway to a particular Lot or Dwelling. No dirt bike, go-cart, or similar vehicle may be used within the Development at all under any circumstances. No recreational vehicles, campers, trailers, or commercial vehicles shall be parked in plain view within the Development at any time, except in closed garages or in parking areas designated for such vehicles. All motor vehicles operated in the Development shall have quiet mufflers. Further, no person shall operate any motor vehicle in the Development unless he holds a valid driver's license.

Section 19. EXTERIOR MAINTENANCE OF BUILDINGS: The exterior portion of all buildings or structures located on any Lot or Dwelling, together with the yards, shrubbery and common area associated therewith, if any, shall be maintained in a neat and slightly condition. Should the Association deem affirmative enforcement of this provision necessary, it shall appoint an aesthetic committee. Upon recommendation of the aesthetic committee and concurrence by the Board of Directors of the Association, the Association shall notify the offending Owner of the aesthetic deficiency, and the action necessary to correct the deficiency, whereupon the Owner shall correct the deficiency within 15 days. If the Owner fails to correct the deficiency, the Association may do so and the Owner shall reimburse the Association for the cost of such repair immediately upon receipt of the bill.

Section 20. ADDITIONAL RULES: Since Turnover has occurred, the Board of Directors of the Association, may establish such additional rules and regulations as may be deemed for the best interest of the Owners in the subdivision.

Section 21. SIGNS: Political signs shall not be displayed on any Lot, Dwelling, or anywhere else in the Development. Except as may be required by legal proceedings, no signs or

advertising poster of any kind (specifically including for sale or for rent) shall be maintained or permitted within any windows, on the exterior of any improvements or on any Lot or Dwelling located within the Development. Notwithstanding the foregoing, however, the restrictions of this section shall not apply to the Association. In addition, the Board of Directors shall have the right to erect reasonable and appropriate signs on any portion of the Common Areas. Notwithstanding the foregoing, however, the Architectural Standards Committee may allow (a) one temporary sign during construction displaying the name of the General Contractor and the Architect, and (b) a permanent name identification sign displaying the name of the Owner of the lot or unit.

Section 22. ANTENNAS: Except as prohibited by applicable law, no television, satellite, or radio antennas or other similar device shall be attached or installed on any Dwelling or located within any portion of the Development without permission of the ASC which permission will not be unreasonably withheld or delayed. The ASC may, but need not, approve such application. The Association may install equipment necessary for master antennas for security, cable television, mobile radio or other similar systems within the Development.

Section 23. WATER: No private water wells may be drilled or maintained on any lot or supply water to any dwelling. Potable water services are provided by the Perquimans County Water Department or any future utility providing the water service. Notwithstanding anything in the Master Declaration or herein to the contrary, irrigation wells shall be permitted.

Section 24. GOLF COURSE AREAS: Owners of Lots and Dwellings adjacent to the golf course fairways and greens, as well as their families, tenants, guest, invitees and pets shall be obligated to refrain from any action which would distract from the playing qualities of the golf course. The Owners shall be responsible for their pets and shall not allow the pets to make loud noises such as barking or run loose or walk on the fairways, pick up the ball or otherwise interfere with play.

Section 25. SALES AND CONSTRUCTION ACTIVITIES: The Declarant, its Affiliates, agents, employees, successors and assigns may maintain such facilities and carry on such activities as may be reasonably convenient or incidental to the completion, improvement and sale of Lots or Dwellings within the Development including without limitation the right to install and operate construction trailers, sales offices, signs and model Dwellings. The right to maintain such facilities and carry on such activities shall include the right to use Dwellings as model homes and to use any Dwelling as an office for the sale of Lots or Dwellings and related activities. In addition, the Declarant shall have the right to construct, maintain, and operate a sales and/or rental office at any site it deems expedient in the Development. In addition, builders on the Declarant's and the Association's approved builder list and/or preferred builder's list may construct, lease and maintain Dwellings for use as model homes.

Section 26. TIME SHARES:

- (a) No Dwelling, Dwelling Unit, or Lot, and no area designated for condominium or townhouse development, may be subdivided to permit the creation of a time share or time shares as same is defined by Chapter 93A, Article 4 of the North Carolina General Statutes, or any subsequent

legislation affecting time shares, unless such creation of a time share or time shares is approved as described below.

- (b) The Association must approve such creation of a time share or time shares in its sole discretion; provided, however, that if the events described in Article Four, Section 3 herein have occurred, then the creation of a time share or time shares may be approved by both a three-quarters majority vote of the Directors of the Association, and by a simple majority vote of the members of the Association at any annual or special meeting of members.
- (c) If the creation of a time share or time shares is approved as outlined above, an appropriate supplement or amendment to this Master Declaration shall be executed and filed with the Perquimans County Registry, designating both the approval and the property or properties which are affected by said approval.

Section 27. PROHIBITION ON SOLICITATION: Solicitation of any kind is prohibited on subject property. This prohibition shall apply to any person situated on subject property, including, but not limited to members, guests, invitees, licensees, employees of the APPOA and Recreational Amenities, and trespassers. For the purposes of this provision, solicitation includes:

- (a) Door to door sales or solicitation.
- (b) On the street, or outdoor sales or solicitations.
- (c) Advertisement of any article of any kind for sale by crying out the same on streets, or in buildings or sidewalks situated on subject property.
- (d) Advertising in any way on the street, sidewalks or buildings by marking or painting or posting any bills or posters, signs or pamphlet advertisements.
- (e) Distribution of handbills or advertisements of any kind by placing the same on any property.
- (f) Distribution of handbills or advertisements of any kind by placing the same in envelopes or clipped to or placed under the door or in the mail box or slot of any residence or building.
- (g) The uninvited approach of property owners or guests by any peddler, hawk or itinerant merchant, transit vendor or solicitor, or sales person, for the purpose of engaging that member or guest in a discussion about the sale of merchandise, periodicals or any other type of property, real or personal.

For purposes of this Section, itinerant merchant, salesperson, promoters, drummers, peddlers or hawkers engaging in business activities, shall mean and include all persons, firms, corporations or other entities, and all agents of the same, that engage in or conduct a business of selling or soliciting orders for the sale of goods, wares, merchandise, real property or other property.

It shall be a violation of these covenants for any itinerant merchant, salesperson, promoters, drummers, peddlers or hawkers for the sale of merchandise, periodicals or any other

type of property, real or personal, to go in or upon subject property for the very purpose of soliciting the sale of that merchandise or property not having been specifically requested or invited to do so by the owner(s) thereof.

Notwithstanding the above prohibition, limited forms of sales activities on the property shall be allowed. These activities are limited to the activities of licensed real estate salespeople, both those working for Albemarle Plantation Realty and other outside agencies, involving accompaniment of potential purchasers throughout the subject property in the real estate sales process. Notwithstanding this allowance, it shall be against the rules for real estate sales people, both those working for Albemarle Plantation Realty and other outside agencies, to approach parties on subject property, with whom they are unacquainted, to engage in any of form of solicitation noted in paragraphs a through g of this Section 27 above.

These prohibitions shall not apply to any activity conducted with the explicit written approval of the Association.

Section 28. PROHIBITION OF EXTERIOR NETTING: No type of exterior netting, whether for purposes of safety, protection of a Lot or Dwelling from golf balls, aesthetics, or any other reason, and regardless of design, color or materials used for its manufacture, shall be kept, constructed, erected, installed or maintained on any Lot or Dwelling in the Community.

Section 29. PRIVATE SEPTIC TANKS: No private individual septic tanks are allowed. All Dwellings must be connected to the Subdivision's central sewerage system through an Albemarle Utility Company approved septic pump out tank. Notwithstanding the foregoing, however, private individual septic tanks shall be permitted on Lots in Section HH, Plantation Estates.

ARTICLE ELEVEN

Enforcement

Section 1. RULES AND REGULATIONS: The Board of Directors is specifically granted the power to pass rules and regulations for purposes of enforcing this Declaration.

Section 2. INVALIDATION: Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 3. PRIORITY OF LAND USE DOCUMENTS: This Master Declaration shall take precedence over conflicting provisions in the Articles of Incorporation or the Bylaws of the Association and the Articles shall take precedence over the Bylaws.

Section 4. DURATION: This Master Declaration shall affect and run with the land and shall exist and be binding upon all parties and all persons claiming under them until December 31, 2022, and shall continue in full force and effect thereafter. After December 31, 2022, the Members may, by vote of a majority of the Members existing at the time, agree to

amend the Master Declaration, or, by a vote of eighty percent (80%) of the Members, agree to terminate the Master Declaration.

Section 5. AMENDMENT: Except as limited by Article Three (3) and Section 13.06, APPOA reserves the right to modify or amend this Master Declaration at any time without prior notice and without the consent of any person or entity for any purpose whatsoever, (with the exception of a modification affecting the Ninth Amendment, which requires the approval of the North Carolina DENR) provided any such amendment or modification may not materially alter the basic plan of development. Once the Master Declaration has been amended or modified such amendment or modification shall extend to and be applicable to the Lots and Dwellings that were sold prior to or subsequent to such amendment or modification. Any such amendment or modification of the Master Declaration by the Association shall not require the joinder of any Lender. The Board of Directors of the Association, after the first Association meeting as herein provided, may modify or restate and amend this Master Declaration provided any such amendment, restatement or modification may not materially alter the basic plan of development. Notwithstanding anything contained in this Section, to the contrary, any amendment or termination of this Declaration which shall materially and adversely affect the validity or priority of the lien of or the rights of Institutional Lenders (as hereinafter defined) holding first mortgage loans on property located within the Development shall be required to have the prior approval of such Institutional Lenders. "Institutional Lender" shall mean and refer to banks, savings and loan associations, insurance companies, other firms or entities customarily affording loans secured by first liens on residences and eligible insurers and governmental guarantors.

Section 6. USE: No Lot or Dwelling subject to this Master Declaration shall appear to be used except for residential purposes unless otherwise allowed herein. Any business conducted from a lot or dwelling shall not be evident from the outside, including the parking of vehicles and equipment. Obvious commercial uses shall be confined to those sections that have been designated as commercial use by a supplemental declaration.

Section 7. ENFORCEMENT: Failure of an Owner, his licensees, invitees, guests or members of his household to comply with a provision of this Master Declaration or a provision in the Bylaws, Articles of Incorporation or Rules and Regulations of the Association shall provide the Association with the right to levy a fine and/or bring legal action at law or in equity, including but not limited to an action for injunctive relief, damages, or a combination thereof against the Owner. All costs and expenses incurred by the Association in terminating or resolving a violation of this Declaration, inclusive of attorneys' fees (whether or not litigation is instituted) and Court costs, shall be the responsibility of the Owner determined by the Association to be in violation. Collection of such attorneys' fees costs and damages may be enforced by any method described in this Master Declaration providing for the collection of Annual Assessments, or by a civil action to collect the debt. The Association shall further have the right to enforce rules and regulations as may be promulgated by the individual condominium and/or townhouse associations situated in the Development by compelling them to enforce their own bylaws and restrictions.

Section 8. INTERPRETATIONS: In all cases, the provisions of this Master Declaration shall be construed together and given that interpretation or construction which, in the

opinion of the Board of Directors, will best effect the intent of the general plan of development. The provisions of this Master Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes which are less restrictive.

Section 9. SEVERABILITY: Whenever possible, each provision of this Declaration shall be interpreted in such a manner as to be effective and valid. However, if the application of any provision to any person or property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application and to this end the provisions of this Declaration is declared to be servable.

Section 10. NO TRESPASS: Whenever the Association, the Architectural Standards Committee and their respective successors, assigns, agents or employees are permitted by this Declaration to enter upon or correct, repair, clean, maintain, preserve or do any other action within any portion of the Development, the entering thereon and the taking of such action shall not be deemed a trespass.

Section 11. NOTICES: Notices to Members and the Declarant may be sent in any manner as permitted under N.C.G.S. 47F-3-108(a), as the same may be modified from time to time; provided, however, that the Association shall not have been deemed to adopt any other provision of Chapter 47F unless formally adopted by the Association.

Deputy

EXHIBIT A

LEGAL DESCRIPTION FOR ALBEMARLE PLANTATION, PHASE I

TRACT ONE: That certain 125 acre parcel known as the William A. Bagley land, as described in Deed from C. Walton Lane et al to HPB Enterprises, dated December 1, 1987, and filed in Book 123, Page 352, Perquimans County Registry.

TRACT TWO: Being Tract One, 52.85 acres; Tract Two, 354.29 acres; and Tract Four, 37.76 acres, as described in Deed from Yeopim Properties to HPB Enterprises, dated November 16, 1987, and filed in Book 123, Page 102, Perquimans County Registry. See also plat filed in Plat Cabinet 1, Slide 178.

TOGETHER WITH all of the properties annexed to Albemarle Plantation recorded in the following Books and Pages in the Perquimans Register of Deeds to which reference is made for a more complete description: Book 271, Page, 599, Section V, "Inglewood", Section FF "Broomfield"; Book 270, Page 245, Section V, "Inglewood", Section FF, "Broomfield"; Book 225, Page 291, Section Y, "Randolph Village", "Soundview Phase 1"; Book 204, Page 377, Section Y, "Randolph Village", "Soundview Phase 1"; Book 134, Page 480, Section N "Forks of Cypress"; Book 134, Page 472, Section E, "Evergreen"; Book 134, Page 489, Section O, "Beech Point"; Book 209, Page 360, Section S, "Evergreen 3"; Book 134, Page 497, Section T, "Woodburn"; Book 141, Page 225, "Middleton"; Book 146, Page 87, "Fairview", "Waverly"; Book 179, Page 377, Section D, Phase 1, "Woodside II"; Book 100, Page 214, "Woodside"; Book 164, Page 103, "Berkley"; Book 167, Page 245, "Fairview 2"; Book 169, Page 83, "Evergreen 2"; Book 177, Page 758, Section C, Phase 1, "Oakland"; Book 182, Page 236, Section P, "Perry's Cove"; Book 196, Page 695, Section F, "Woodfield", Section H, "Greenwood"; Book 216, Page 431, Section DD, "Mathews Grove", Section EE, Phase 1, "Bosher's Point"; Book 216, Page 439, Section B, "Lakeside"; Book 229, Page 622, Section K, "Somerset", Section EE, Phase 2, "Bosher's Point"; Book 244, Page 19, Section J, "Wynfield", Section EE, Phase 3, "Bosher's Point", Section GG, "Quaker Meadows"; Book 313, Page 684, Section JJ, "Belmont", Block Two, Lots 71-97; Book 381, Page 15, "Soundview at Albemarle Plantation", Phase 2, Section L-3, Lot 8; Book 396, Page 822, Section HH, "Plantation Estates"; Book 216, Page 449, Section HH, "Plantation Estates"; Book 296, Page 510, Section JJ, Belmont, Block One, Lots 1-70; Book 317, Page 557, Section JJ, Belmont, Block Two, Lots 98-114, Block Three, Lots 115-145, Block Four, Lots 146-178; Mathews Tract, Book 401, Page 638.

TOGETHER WITH Recreational Amenities as described in Exhibit A of the Warranty Deed recorded in the Perquimans Register of Deeds, Book 401, Page 197.

TOGETHER WITH the Legal Description of the Common Areas as described in Exhibit A of the Non Warranty Deed recorded in the Perquimans Register of Deeds, in Book 402, Page 150.