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Onslow County, NC
Rebecca L. Pollard Reg. of Deeds
BK 3872 PG 288-289

Prepared By: DONALD G. WALTON, JR., ATTORNEY
722 New Bridge Street
Jacksonville, North Carolina 28540

NORTH CAROLINA
OF
ONSLow COUNTY

AMENDED DECLARATION
COVENANTS, CONDITIONS AND
RESTRICTIONS OF TALLPINES OF
NEW RIVER formerly known as
MURRILL HILL ESTATES

THIS DECLARATION is made this 25 day of October, 2012, by
JES BUILDERS, INC. :

WITNESSETH:

WHEREAS, Declarant is the fee simple owner of all of Murrill Hill Estates a subdivision of real property located in Jacksonville Township, Onslow County, North Carolina being more particularly described on those Maps prepared by John L. Pierce & Associates, P.A. and recorded in Map Book 64, Page 33 and Map Book 65, Page 60, Onslow County Registry;

WHEREAS, Declarant desires to change the name of the aforesaid subdivision to Tallpines of New River and to amend the Declaration of Conditions, Reservations and Restrictions executed by Declarant and recorded in Deed Book 3856, Page 254 Onslow County Registry to reflect the aforesaid change of name;

WHEREAS, Declarant has caused a new subdivision map to be recorded entitled "Final Plat (revised) Tallpines of New River, Section I, prepared for James E. Silance & wife, Amanda H. Silance & Isiac D. Silance & wife, Zonnie K. Silance, Jacksonville Township, Onslow County, North Carolina" as recorded in Map Book 65, Page 82, Onslow County Registry and Final Plat (revised) Tallpines of New River, Section II, prepared for JES Builders, Inc., Jacksonville Township, Onslow County, North Carolina prepared by John L. Pierce & Associates, P.A., dated October 10, 2012. And recorded in Map Book 65, Page 91, Onslow County Registry;

WHEREAS, Declarant further desires to amend the Declaration of Conditions, Reservations and Restrictions executed by Declarant and recorded in Deed Book 3856, Page 254 Onslow County Registry to incorporate the aforesaid revised Maps and subject the same to all of the terms contained therein;

NOW THEREFORE, JES BUILDERS, INC. do hereby declare that the Declaration of Conditions, Reservations and Restrictions executed by Declarant and recorded in Deed Book 3856, Page 254 Onslow County Registry (hereinafter referred to as Declaration of Conditions, Reservations and Restrictions) are hereby amended to state the following:

1. That in the heading of the Declaration of Conditions, Reservations and Restrictions "MURRILL HILL ESTATES" shall be removed and replaced with "TALLPINES

OF NEW RIVER”.

2. That the legal description of the real property subjected to the aforesaid Declaration of Conditions, Reservations and Restrictions is as follows:

Final Plat (revised) Tallpines of New River, Section I, prepared for James E. Silance & wife, Amanda H. Silance & Isiac D. Silance & wife, Zonnie K. Silance, Jacksonville Township, Onslow County, North Carolina” as recorded in Map Book 65, Page 82, Onslow County Registry and Final Plat (revised) Tallpines of New River, Section II, prepared for JES Builders, Inc., Jacksonville Township, Onslow County, North Carolina prepared by John L. Pierce & Associates, P.A., dated October 10, 2012. And recorded in Map Book 65, Page 91, Onslow County Registry;

3. ARTICLE I, DEFINITIONS, SECTION I, ASSOCIATION, “Murrill Hill Estates Homeowner’s Association, Inc.”, shall be removed and replaced with “Tallpines of New River Homeowner’s Association, Inc.”

3. ARTICLE I, DEFINITIONS, SECTION 6, COMMON ASSESSMENTS. “Murrill Hill Estates” shall be removed and replaced with “Tallpines of New River”.

4. ARTICLE XV, MISCELLANEOUS RESTRICTIONS, Paragraph (E). “Murrill Hill Estates” shall be removed and replaced with “Tallpines of New River”.

5. ARTICLE XIX, MURRILL HILL ESTATES HOMEOWNER’S ASSOCIATION, INC. This Heading and Paragraph A. shall be revised to remove “Murrill Hill Estates Homeowner’s Association, Inc.” and replace the same with “Tallpines of New River Homeowner’s Association, Inc.”

Except as specifically amended herein, the remaining provisions contained in the Declaration of Conditions, Reservations and Restrictions for Murrill Hill Estates Subdivision, now known as Tallpines of New River as recorded in Deed Book 3856, Page 254, Onslow County Registry, and any subsequent amendments or documents appurtenant thereto shall continue to remain in full force and effect.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed in its name, the date and year first above written.

JES BUILDERS, INC.

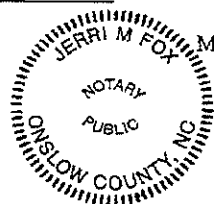
BY: [Signature]
James E. Silance, President

STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

I, a Notary Public of the aforesaid County and State, do hereby certify that James E. Silance personally came before me this day and acknowledged that he is President of JES Builders, Inc., a North Carolina Corporation, and that by authority duly given and as the President of the aforesaid Corporation, executed the foregoing instrument on behalf of the corporation, JES BUILDERS, INC.

Witness my hand and official stamp or seal, this the 05 day of October, 2012.

[Signature]
NOTARY PUBLIC (SEAL)



My commission Expires: March 4, 2014

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Onslow County, NC
Rebecca L. Pollard Reg. of Deeds

EK 3856 PG 254-269

DECLARATION OF
CONDITIONS, RESERVATIONS, AND RESTRICTIONS
FOR

MURRILL HILL ESTATES

THIS DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS is made
this the 31st day of August, 2012 JES BUILDERS, INC., hereinafter called Declarants.

WITNESSETH:

WHEREAS, Declarants are the owners of certain property located in Jacksonville
Township, Onslow County, North Carolina, which is more particularly described as follows:

BEING all of that property as shown on that map entitled, "Final Plat, showing Murrill Hill
Estates, Section I, prepared for James E Silance and wife, Amanda H. Silance, Isiac D.
Silance and wife, Zonnie K. Silance, Jacksonville Township, Onslow County, NC" as
recorded in Map Book 64, Page 33, Cabinet N, Onslow County Registry and that map
entitled, "Final Plat showing Murrill Hill Estates, Section II, prepared for JES Builders, Inc.,
Jacksonville Township, Onslow County, NC" and recorded in Map Book 65, Page 60,
Cabinet N, Onslow County Registry.

WHEREAS, Declarants desire to provide for the preservation and enhancement of the
property values and to provide for the maintenance of certain improvements located thereon, and
to this end desires to subject the Project property to the covenants, restrictions, easements,
charges and liens as are hereinafter set forth, each and all of which are for the benefit of said real
property and each present and future owner thereof;

NOW THEREFORE, Declarants hereby declare that all of the Property described above
shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and
conditions which are for the purpose of protecting the value and desirability of, and which shall
run with the Property, and shall be binding on all parties having a right, title or interest in the
described properties or any part thereof, their heirs, successors and assigns, and shall inure to the
benefit of each owner thereof.

ARTICLE I
DEFINITIONS

SECTION 1. ASSOCIATION shall mean and refer to "Murrill Hill Estates Homeowner's Association, Inc.", its successors or assigns.

SECTION 2. BOARD shall mean and refer to the Board of Directors of the Association.

SECTION 3. COMMON EXPENSES shall mean and refer to:

a. The actual and estimated expenses of operating the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Articles of Incorporation of the Association and its By-Laws;

b. All amounts expended by the Association in accordance with ARTICLE XVII in holding and being responsible for the obligations of the Stormwater Management Permit SW8 120307 overseeing, supervising, administering, managing, repairing, replacing and insuring all Stormwater Management Facilities located within the Property as required by this Declaration and all amounts expended in enforcing the provisions of the Permit;

c. All amounts expended by the Association associated with managing, repairing, replacing, improving, and paying all taxes imposed on and insuring the improvements, including landscaping within the common areas or the "Sign Easement" area as described on the above referenced map.

SECTION 4. DECLARATION shall mean the covenants, conditions, restrictions and easements and all other provisions set forth in this entire document, as may from time to time be modified or amended.

SECTION 5. DECLARANT shall mean and refer to JES BUILDERS, INC. or any successors in title or any successors in interest of JES BUILDERS, INC. or all of the Property then owned by Declarants, or if it is provided in writing by the Declarant that the successors in title or successors in interest is to assume the rights and obligations of the Declarant, then to any successors in title or successors in interest to any portion of the Property then subject to this Declaration.

SECTION 6. COMMON ASSESSMENTS shall mean and refer to all charges, fees, costs and expenses to be collected from the Lot owners of Murrill Hill Estates as shown on the recorded plat of the Subdivision for Common Expenses.

SECTION 7. LOT shall mean any separately described parcel of land, other than streets, roadways or areas designated as easements, shown on any recorded subdivision map of the property.

SECTION 8. PERMIT shall mean the State of North Carolina Stormwater Management Permit number SW8 120307 issued by the Division of Water Quality under NCAC 2H.1000, and any subsequent modification thereto or other Stormwater management permit hereafter issued for any property annexed to the Subdivision by the Declarant.

SECTION 9. PROPERTY OR PROPERTIES shall mean and refer to any real property which is, or may be, subject to this Declaration, or any Supplemental Declaration.

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SECTION 10. SUPPLEMENTAL DECLARATION shall mean and refer to any declaration of covenants, restrictions, easements, charges and liens recorded by the Declarant, or its successors and assigns, which applies to a specific Parcel within the Development Area.

ARTICLE II
PURPOSES

No Lot or Lots shall be put to any use other than for residential purposes.

ARTICLE III
LAND USE AND BUILDING TYPE

No building shall be used except for residential purposes. No structure shall be erected, placed, altered or permitted to remain on any such lot other than single family dwellings not to exceed two and one-half stories in height, a private garage which may contain living quarters for occupancy by domestic servants of the lot occupant only, and such other outbuildings as may be reasonable appurtenant to the dwelling, provided that the same are constructed in line with general architectural design and construction standards used as the dwelling itself. These covenants shall not be construed as prohibiting the use of a new single family dwelling as a model home for sales purposes.

ARTICLE IV
DWELLING QUALITY AND SIZE

The ground floor area of the main structure, exclusive of one-story porches and garages, shall be not less than 1,000 square feet for a one-story dwelling, nor less than 700 square for a dwelling of more than one story. All exterior colors of the structure (i.e. exterior walls, window frames, soffit and shingles) and mailbox designs must be approved by the Declarant or its assigns prior to construction.

ARTICLE V
BUILDING LOCATION

No building shall be located on any corner lot nearer to the front line or any side street line than as shown on the recorded plat nor nearer than 15 feet to the rear lot line. No building shall be located with respect to interior side lot lines so as to be nearer than 8 feet to either such line. No garage or other permitted accessory building shall be located nearer than 15 feet to any rear lot line. For the purposes of this covenant, eaves, steps, open porches, and carports shall not be considered a part of a building provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot. An error of not more than ten percent (10.0%) in the location of a building on the lot with respect to the minimum set back lines shall not be considered a violation of this covenant.

ARTICLE VI
NUISANCES

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

ARTICLE VII
EASEMENTS

Easements for installation and maintenance of utilities, including, but not limited to septic system facilities, and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority, or utility company is responsible.

The Declarant reserves for itself, its successors and assigns, an easement and right at any time in the future to grant a right of way under, over, and along the side, rear and front property lines of each and every Lot in the subdivision described herein, for the installation and maintenance of poles, lines, conduits, pipes, and other equipment necessary to or useful for furnishing electric power, gas, telephone services, drainage or other utilities, including water and sewer services.

Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation, maintenance or repair of the sanitary sewer pipes and fixtures therein. Said easements shall be appurtenant to and run with title to said Lots regardless of whether or not the granting of said easements are included in the deeds of conveyance of said Lots.

ARTICLE VIII
ANIMALS, LIVESTOCK, AND POULTRY

No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats, or other customary household pets may be kept provided they are not kept, bred or maintained for commercial purposes. Owners shall be obligated to construct fences in compliance with the fence requirements set forth in Article X, infra, or invisible fencing, to insure pets remained confined on the owner's lot. Pets shall not be restrained on lots by any chains, ropes, or other leash type device anchored or fastened to a temporarily or permanently immovable object or structure. Any and all pets shall not be allowed off the owner's lot, unless same are leashed, under the direct physical control of the owner at all times, and are not creating a nuisance to the other owners within the subdivision.

ARTICLE IX
BUILDING PLANS AND SPECIFICATIONS

No dwelling or other building shall be erected upon any lot unless the plans and specification thereof meet or exceed the requirements of "minimum property standards for one and two living units" (FHA No. 300), Federal Housing Administration.

ARTICLE X
ERECTION OF FENCES

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Fences, not to exceed six (6) feet in height, constructed of wood or vinyl materials may be constructed between the front of the primary dwelling and the rear lot line. No chain link fences shall be permitted. No fence shall be erected between the front of the primary dwelling and the street right of way, unless such fence shall be of an ornamental nature. Brick and split rail shall be deemed to meet the requirements of this restriction. Fencing transversing a lot shall be parallel to the front lot line. Provided, however, that with respect to corner lots, no fencing shall be erected or maintained without the prior written approval of the Declarant, their successors or assigns.

ARTICLE XI
GARBAGE AND REFUSE DISPOSAL

No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

ARTICLE XII
SIGHT DISTANCE AT INTERSECTION

No fences, wall, hedge or shrub planting which obstructs sight lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property line and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply upon any lot within 10 feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersection, unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

ARTICLE XIII
TEMPORARY STRUCTURES

No structure of a temporary character such as trailer, basement, tent, shack, garage, barn or other outbuilding shall be permitted, whether temporarily or permanently. No trailer, mobile home, or camper shall be parked on any lot at any time for any purpose, nor shall any recreational vehicle be allowed to remain on any lot at any time for any purpose, unless it is parked behind the main dwelling structure or placed inside the carport or garage.

ARTICLE XIV
DRAINAGE

All driveways shall have drainage tile in the streets installed and sized in accordance with NC State Highway recommendation.

ARTICLE XV
MISCELLANEOUS RESTRICTIONS

(A) No boat or boat trailer shall be parked in the area between the front of the dwelling situated on any lot and the street right of way.

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(B) No Trampoline(s) or other large recreational equipment or devices shall be permitted in the area between the front of the dwelling situated on any lot and the street right of way.

(C) No portable basketball goals shall be permitted on any lot or within the right of way adjacent to such lot.

(D) Each Lot Owner shall be responsible for repairing, and restoring to its original condition, the non-paved portion of the street right of way adjacent to any Lot damaged by the parking of the owners', their family members', or guests' motor vehicles in that area.

(E) Lots 1 and 2 on the recorded plat of Murrill Hill Estates are served by a common private roadway, shown on the plat as a "40x40 Easement, Shared Drive" (hereinafter, the "Common Driveway"). The owners of said Lots and their guests and invitees, and providers of either essential or emergency services (e.g. police, fire, ambulance, etc) shall be entitled to use the Common Driveway for purposes of ingress and egress to their lots at all times and without interference from the other. The owners of said Lots, shall, amongst themselves, determine the nature, extent, and cost of all repairs, maintenance, improvements, and services required or advisable with respect to the Common Driveway.

ARTICLE XVI STORMWATER MANAGEMENT

(A) The following covenants and restrictions set forth in this Article XVII are intended to insure continued compliance with the State Stormwater Management Permit Number SW8 120307 as issued by the Division of Water Quality under NCAC 2H.1000.

(B) The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the Stormwater Management Permit.

(C) The covenants set forth in this Article XVII pertaining to Stormwater may not be altered or rescinded without the express written consent of the State of North Carolina Division of Water Quality.

(D) Alteration of the drainage as shown on the approved plans may not take place without the concurrence of the Division of Water Quality.

(E) The maximum built upon area ("BUA") per lot is 5,600 square feet. This allotted amount includes any built-upon area constructed within the Lot property boundaries, and that portion of the right of way between the front lot line and the edge of the pavement. Built upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, late, coquina and parking areas, but does not include raised, open wood decking or the water surface of swimming pools.

(F) In case of a Lot within CAMA's regulated Area of Environmental Concern, where the Division of Coastal Management calculates a different maximum built upon area for that Lot than as shown herein, the governing maximum built-upon area for that Lot shall be the most restrictive of the two amounts.

(G) Filling in or piping of any vegetative conveyances (such as ditches, swales, etc) associated with the development, except for the minimum amount necessary under driveways to provide access to lots and the minimum amount necessary to direct runoff beneath an impervious surface such as a road, is strictly prohibited by any person.

(H) Each Lot will maintain a fifty (50) foot wide vegetated buffer adjacent to impounded structure, rivers and streams and tidal waters.

(I) All roof drains shall terminate at least fifty (50) feet from the normal pool of impounded structures, the bank of each side of rivers and streams, and the mean high water line of tidal waters.

(J) Built upon area in excess of the permitted amount requires a state Stormwater permit modification prior to construction.

(K) These covenants are to run with the land and be binding on all persons and parties claiming under them.

(L) Placement of dredged or filled material, or development within the waters of the United States and/or wetlands without a Department of the Army permit may constitute a violation of Section 301 of the Clean Water Act. This also requires notification to the Division of Water Quality, Stormwater and Wetlands Sections.

(M) All permitted runoff from future development of the Property shall be directed into the permitted Stormwater control systems. These connections to the Stormwater control system shall be performed in a timely manner that maintains the integrity and performance of the Stormwater control systems as permitted.

(N) Declarant, the Association, the State of North Carolina and their respective successors and assigns, reserve and retain the right to go upon any Lot to inspect for the compliance of such Lot with the Permit and to maintain, repair, replace and construct ditches and devices necessary to insure that such Lot is in compliance with the Permit.

ARTICLE XVII
RESERVATION OF EASEMENTS AND RIGHTS BY DECLARANT

Declarant hereby reserves for itself, its successors and assigns, and the Association, for any purposes it deems useful to its development of the Subdivision, the development of the property now owned, or which may be owned in the future by Declarant, or the development of other property to which Declarant may grant the benefit of such easements, those easements shown on any recorded map of the Subdivision, or subsequently annexed property, and the following additional easements and rights:

a. A perpetual easement for ingress, egress, regress, access, the installation and maintenance of utilities, including sanitary sewer, further subdivision, and the right to dedicate to public use, over, under and upon all streets and drainage and utility easements shown on any recorded map of the Subdivision or lying within the Subdivision and the water and sewer easements shown on any recorded map of the Subdivision or lying within the Subdivision and the water and sewer easements lying within the Subdivision.

b. The right to grant easements for the purposes of ingress, egress, regress, access, the installation, use and maintenance of utilities and further subdivision, over, under, and upon (i) all streets shown on any recorded map of the subdivision and (ii) drainage and utility easements for the water and sewer systems located within the Subdivision, to any property outside the Subdivision to which the Declarant deems the grant of such easements desirable, whether or not the property to which the easements are granted is owned by Declarant;

c. A perpetual easement over, under and upon all streets and drainage, utility, including, but not limited to sanitary sewer and access, easements shown on any recorded map of the Subdivision for the purpose of establishing, constructing and maintaining any underground utility, conduits, and wires for telephone, electric power and other purposes of laying, installing and maintaining facilities for sewage, potable and non-potable water, gas, storm drainage and other utilities herein. This reservation shall not be construed as an obligation of Declarant to provide or maintain any such activity or services.

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ARTICLE XVIII
OWNER'S MAINTENANCE OBLIGATIONS AND RIGHT OF DECLARANT AND
ASSOCIATION TO PERFORM CERTAIN MAINTENANCE

A. On each Lot, the rights of way and easement areas reserved by the Declarant, except for dedicated public utilities, shall be maintained continuously by the Lot owner. No structure, plantings, or other material shall be placed or permitted to remain, or other activities undertaken which may damage or interfere with the installation or maintenance of utilities, or which may change the direction of the flow of water through drainage channels in the easements, or which damage or interfere with established slope ratios or which create erosion problems. It is provided, however, that where the existing location of an easement or drainage channel reserved in this Declaration or shown on any recorded subdivision map of the Property would hinder the orderly development of the Lot on which the easement is located, the easement or drainage channel may be relocated by Declarant. Improvements within such areas also shall be maintained by the Lot owner, except for those for which a public authority or utility is responsible.

B. In the event the owner of any Lot shall fail to maintain the Lot and/or the improvements situated thereon in a manner in keeping with this Declaration, in addition to any other rights set forth herein or provided by law, the Declarant and the Association shall have the right, but not the obligation, through their agents and employees, to enter upon said Lot and clear, clean, repair, maintain and restore the Lot, the exterior any building and any other improvements located thereon. There is included in the authority herein granted the power to clear Lots of undergrowth, rubbish, debris, weeds or grass. In the event the owner of any Lot shall damage or through negligent failure to act allow damage to occur to Stormwater Management Facilities located on said owner's lot, or fail to comply with all applicable North Carolina Sedimentation and Erosion Control Permits, in addition to any other rights set forth herein or provided by law, the Declarant and the Association shall have the right, but not the obligation, through their agents and employees to enter upon said Lot and clear, clean, repair, maintain and restore the Stormwater Management Facilities, and to bring the Lot into compliance with the applicable North Carolina Sedimentation and Erosion Control Permits. There is included in the authority herein granted the power to clear Lots of undergrowth, rubbish, debris, weeds or grass.

The costs of the maintenance or repair authorized by this Article shall be considered the legal obligation of the Lot Owner. The Declarant, or the Association, as applicable, may maintain an action in court having jurisdiction for such costs, together with all collection costs, including reasonable attorney's fees, and expenses incurred in pursuing such action. The costs shall not constitute a lien on said Lot, unless and until final judgment of such court shall be entered in the Office of the Clerk of Court of Onslow County. Any such lien obtained shall be subordinate to any first deed of trust.

ARTICLE XIX
MURRILL HILL ESTATES HOMEOWNER'S ASSOCIATION, INC.

A. Murrill Hill Estates Homeowner's Association, Inc. has been or will be formed at the direction of the Declarant pursuant to the rules and requirements of the Non-profit Association Act (Chapter 55A) of the General Statutes of North Carolina as an association of the owners of the Lots. Its purposes are to: (1) oversee, inspect, maintain, repair and replace the Stormwater Management Facilities constructed pursuant to the Permit; (2) enforce the provisions

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of the Permit; (3) enforce each Lot owner's obligations with respect to the Stormwater Management Facilities pursuant to this Declaration; and (4) enforce each Lot owner's obligations with respect to all applicable North Carolina Sedimentation and Erosion Control Permits; said authority to be exercised, if and only if, and when and only when, Declarant transfers the Permit to the Association. The Association shall have no authority with respect to the Lots located in the Subdivision until such time as Declarant transfers such right to the Association.

B. The Declarant shall have the right, but not the obligation, to annex into the Subdivision additional property now, or in the future, owned by Declarant. From and after the date of such annexation, the annexed Lots shall be subject to the jurisdiction of the Association and the owners of the annexed Lots shall be members of the Association.

C. Each owner of each Lot within the Subdivision shall be a member of the Association. The Declarant, by this Declaration, and the owners of each individual Lot, by acceptance of a deed thereto, covenant and agree with respect the Association:

(1) That for so long as each is an owner of a Lot within the subdivision, each will perform all acts necessary to remain in good and current standing as a member of the Association; and

(2) That any unpaid assessment, whether general or special, levied by the Association in accordance with this Declaration, the Articles of Incorporation (herein called the "Articles") or the Bylaws of the Association (herein called the "By-Laws") shall be a lien upon the Lot upon which was such assessment was levied and also shall be the personal obligation of the person who was the owner of the Lot at the time the assessment fell due.

D. Each membership in the Association shall relate to and have a unity of interest with an individual Lot which may not be separated from the ownership of said Lot. The books and all supporting documentation, the Declaration, the Articles, the Bylaws, and all amendments thereto shall be available for examination by all Lots owners, and their lenders or their lender's agents during normal business hours at the principal office of the Association.

E. The Association shall have one (1) class of members. The members shall be all the owners of Lots, and they shall be entitled to one vote for each Lot owned; provided, however, when more than one person holds an interest in any Lot, all such persons shall be members; however, the vote for such Lot shall be exercised as they, manage themselves, determine, but in no event shall more than one vote or any fraction of a vote be cast with respect to any Lot.

F. The Declarant shall, at its sole cost and expense, initially construct all Stormwater Management Facilities required to be located upon the Lots and Property or upon any property annexed into the Subdivision by the Declarant to the standards required by the applicable Permit. Upon completion of the construction of said Stormwater Management Facilities located in the Subdivision, the Declarant shall transfer the applicable Permit to the Association and the Association shall accept the transfer of the applicable Permit from the Declarant upon the earlier to occur of (i) the date of the North Carolina Department of Environmental and Natural Resources allows such transfer to occur; or, (ii) the date upon which at least fifty percent (50%) of the Lots in the Subdivision are conveyed to owners, other than Declarant. Prior to any such transfer, the Stormwater Management Facilities for the Subdivision, including any property annexed by Declarant into the Subdivision, shall be certified, either by state inspection or by a licensed engineer, as being in compliance with the applicable Permit prior to such assignment or transfer. The Association shall indemnify and hold Declarant harmless from any loss, cost, claim, fee, fine, suit, damage or expense, including reasonable attorneys' fees, incurred by Declarant in the defense of any action against Declarant as the holder of the Permit occurring after Declarant tenders transfer of the Permit to the association following the approval of such transfer by the North Carolina Department of Environmental and Natural Resources and the certification of compliance as set forth above. Further, Declarant may bring an action for

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specific performance of the obligations of the Association pursuant to this paragraph. From and after the transfer of the Permit from the Declarant following the approval of the North Carolina Department of Environment and Natural Resources, the oversight, supervision, management and administration of the Permit shall be sole responsibility of the Association. The Association's duties with regard to the Permit shall be carried out in accordance with the terms and conditions of this Declaration, the Articles, the Bylaws and the Permit. The Association hereby is granted and conveyed an easement over, under and upon each Lot and future lots in the Subdivision for the purpose of access to and inspection, maintenance, repair and replacement of all Stormwater Management Facilities located upon each Lot and future subdivided lots. In the event the Declarant annexes additional property into the Subdivision and transfers the applicable Permit to the Association, the Association shall have, and hereby is granted and conveyed, an easement over, under and upon each annexed Lot for the purpose of access to and for inspection, maintenance, repair and replacement of all Stormwater Management Facilities located upon each annexed lot.

G. The expenses of the Association shall include:

(1) All amounts expended by the Association in holding and being responsible for the obligations of the Permit and overseeing, supervising, administering, managing, repairing, replacing and insuring all Stormwater Management Facilities and Sedimentation and Erosion Control facilities located within the Subdivision as required by this Declaration; all amounts expended by the Association in enforcing the provision of this Declaration, as may be amended; all amounts expended by the Association in the performance of its duties hereunder engineering or architectural fees and all similar fees which may be incurred by the Association from time to time in performing the functions delegated to the Association by this Declaration.

(2) All amounts expended by the Association in carrying out any duty amounts expended by the Association in operating, administering or obligation as may be required or allowed by this Declaration, the Articles or the Bylaws.

Each owner of any Lot by acceptance of a deed for the same (whether or not it shall be so expressed in such deed) is deemed to covenant and agree, to pay to the Association annual general assessments or charges as hereinafter provided. The annual general assessments, together with interest, costs and reasonable attorney's fees, shall be a separate charge and lien on the land and, subject to the limitations set forth herein, shall be a continuing lien upon the property against which each such assessment is made. Furthermore, each such assessment, together with interest, costs, and reasonable attorneys' fees shall also be the personal obligation of the person who was the owner of the Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to a successor in title to a Lot, unless expressly assumed by them, but, subject to the provisions of this Declaration, delinquent assessments shall continue to be a lien upon such Lot.

(i) Until January 1 of the year immediately following the conveyance of the first Lot to a residential homeowner, the annual general assessment shall be Seventy Five Dollars (\$75.00) per Lot.

(ii) Every calendar year thereafter, the annual general assessment and annual limited common assessment may be increased upon the vote of a majority of the Board of Directors of the Association by no more than fifteen percent (15%) of the annual general assessment, or annual limited common assessment, for the preceding year.

(iii) Any increase of the annual general assessment exceeding fifteen percent (15%) of such assessment for the preceding year must be approved by the owners of at least two-thirds (2/3) of the Lots subject to such assessment who are voting in person or by proxy at a meeting called for this purpose.

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(iv) Once the annual general assessment has been set, notice of the annual general assessment shall be given to all Lot owners. It is provided, however, that no owner is relieved from the obligation to pay the assessment because of failure to give such notice. After the initial notice of the assessment, no bills for such assessment will be forwarded to any owner, but such assessment thereafter shall become due and payable as provide by the Board of Directors.

(v) As provided in the Bylaws, and subject to the restrictions and limitations provided herein, the Board of Directors shall establish an Annual Budget in advance for each fiscal year. Such budget shall project all expenses for the forthcoming fiscal year which may be required for the proper operation, management and maintenance of the Stormwater Management Facilities, the North Carolina Sedimentation and Erosion Control Permits, and the Association, including a reasonable allowance for contingencies and reserves. The budget shall take into account any projected or anticipated income. Upon adoption of such Annual Budget by the Board of Directors, copies of the Budget shall be delivered to each owner together with a statement of the applicable assessment(s) for each Lot as provided herein, based upon such budget; however, the non-delivery of a copy of said Budget shall not affect the liability of any owner for such assessment(s).

(vi) All monies collected by the Association shall be treated as the separate property of the Association and such monies may be applied by the Association to the payment of any expense of operating and managing the Association or the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles and the Bylaws. As monies for any assessment are paid into the Association by an owner, the same may be commingled with monies paid to the Association by the other owners. Although all funds and any increments thereto or profits derived thereto shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer said owner's membership interest therein, except as an appurtenance of said owner's membership interest therein, except as an appurtenance of said owner's Lot. When the owner of a Lot shall cease to be a member of the Association by reason of said owner's divestment of ownership of such Lot, by whatever means, the Association shall not be required to account to such owner for any share of the fund or assets of the Association, including any monies which said owner may have paid to the Association, as all monies which any owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Association.

H. Both annual and special assessments must be fixed at a uniform rate for all Lots and shall be collected on a regular basis. However, notwithstanding this section or any other sections contained herein, Declarant shall not be obligated to pay the Uniform Assessment provided the Lot is unoccupied and has not been conveyed from the Declarant.

L. The annual assessments provided for herein shall commence as to each Lot, on the date of recordation of the deed for such Lot in the Office of the Register of Deeds of Onslow County and shall be prorated on a calendar year basis through the date of such recordation. Excepted from this requirement are those Lots, owned by Declarant, and being conveyed by Declarant, upon which has no residential dwelling constructed upon the same. The annual assessments shall be assessed for each calendar year thereafter and shall be payable annually, or more frequently, with the due date for such payments and payment frequency, being as established by the Board of Directors.

J. The annual assessment levied by the Association shall be used exclusively to oversee, inspect, maintain and repair the Stormwater Management Facilities, to enforce the

provisions of this Declaration relating to the Stormwater Management Facilities, the Permit, the applicable North Carolina Sedimentation and Erosion Control Permit; to pay the expenses of the Association from and after the time, if ever, Declarant transfers the Permit to the Association. The Association's functions shall be to oversee, inspect, maintain and repair the Stormwater Management Facilities, Sign Easement and Fence Easement areas, if applicable, and other common areas. The powers of the Association may not be expanded beyond those purposes. Nothing herein relieves the owner of a Lot from said owner's obligation to maintain the areas upon said owner's Lot upon which the Stormwater Management Facilities and access easements are located as provided herein and not to damage or allow damage to occur to said Stormwater Management Facilities and to comply with the provisions of all applicable North Carolina Sedimentation and Erosion Control Permits.

K. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on Lot is binding upon the Association as of the date of its issuance.

L. General assessments and specific special assessments may be levied against Lots for such reasons as are provided in this Declaration, the Articles or the Bylaws, and on such terms as provided by the directors and the members. Upon a two-thirds (2/3) vote of the Directors and a two-thirds (2/3) vote of the owners of Lots who are voting in person or by proxy at a meeting duly called for this purpose, the Association may levy and impose special assessments. The purpose for which special assessments may be levied are limited to providing funds to pay for the oversight, inspection, maintenance and repair of Stormwater Management Facilities, to enforce the provisions of this Declaration relating to the Stormwater Management Facilities, the Permit and all applicable North Carolina Sedimentation and Erosion Control Permits, areas which exceed the general assessment funds, and limited common assessment funds, then on hand to pay same and to provide a contingency fund for capital improvements and extraordinary expenses. General assessments shall be levied at a uniform rate for all Lots to which such assessments may be charged as set forth in this Declaration. Specific special assessments may be assessed against the owner of a Lot after written notice has been given by the Association to the owner of said Lot at the address of the owner appearing upon the records of the Association by United States mail, postage prepaid, that the Stormwater Management Facilities located on said Lot have been damaged by the act or negligent failure to act of said owner or that said owner has failed to comply with all applicable North Carolina Sedimentation and Erosion Control Permits, and as a result such Stormwater Management Facilities are in need of repair or replacement in order to comply with the Permit or actions must be taken in order to comply with the applicable North Carolina Sedimentation and Erosion Control Permits and the owner of said Lot has not taken the necessary action to bring the Stormwater Management Facilities located on said owner's Lot into compliance with the Permit or to comply with the provisions of all applicable North Carolina Sedimentation and Erosion Control Permits within thirty (30) days after the mailing of said notice. If said owner commences the necessary action to repair or replace the Stormwater Management Facilities located on said owner's Lot and to bring the Stormwater Management Facilities into compliance with the Permit or to bring the Lot into compliance with the applicable North Carolina Sedimentation and Erosion Control Permits, within the thirty (30) day period set forth above, the imposition of a specific special assessment shall be deferred by the Association for the period during which said owner diligently pursues to completion the repair or replacement of the Stormwater Management Facilities located on said Lot or compliance with the applicable North Carolina Sedimentation and Erosion Control Permits. Specific special

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assessments shall be limited to the amount of funds actually expended, or in the discretion of the Board of Directors, the amount of funds reasonably estimated by the Board of Directors will be expended, by the Association to repair or replace the Stormwater Management Facilities located upon the Lot or to comply with the applicable North Carolina Sedimentation and Erosion Control Permit applicable to the Lot. Special assessments, either general or specific, and common assessments, together with interest, costs and reasonable attorney fees, shall be a charge and lien on the land and, subject to the provisions set forth in this Declaration, shall be a continuing lien upon the Lot against which each such assessment is made. The personal obligation of an owner of a Lot for delinquent special assessments, whether general or specific, or common assessment, shall not pass to a successor in title to a Lot, unless expressly assumed by the successor, but, subject to the provisions of this Declaration, delinquent special assessments shall continue to be a lien upon such Lot.

M. Any annual general assessment, general special assessment, or specific special assessment, if not paid within thirty (30) days after the date such assessment is due together with interest at the rate of ten percent (10%) per annum, costs of collection, court costs, and reasonable attorneys' fees shall constitute a lien against the Lot upon which such assessment is levied. The Association may record notice of the same in the Office of the Clerk of Superior Court of Onslow County or file a suit to collect such delinquent assessments and charges. The Association may file Notice of Lis Pendens, bring an action at law against the owner personally obligated to pay the same and/or bring an action to foreclose the lien against the Property. The lien of any assessment provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a first mortgage or any proceeding in lieu therefore, shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. No owner may waive or otherwise escape liability for the assessments provided for herein.

N. In the event the Articles of Incorporation and/or Bylaws of the Association are amended to expand the rights and duties of the Association, those amendments shall have no effect on the Lots or the Subdivision unless, by recorded amendment to this Declaration, is joined in by Declarant.

ARTICLE XX
WETLANDS

It shall be the responsibility of each Owner, prior to alteration of any Lot, to determine if any portion of the Lot shall have been determined to meet the requirements for designation as regulatory "wetlands". Any subsequent fill or alteration of the "wetlands" shall conform to the requirements of the wetlands rules adopted by the State of North Carolina and in force at the time of the proposed alteration. The intent of this restriction is to prevent additional fill or alteration of designated "wetlands", so the property Owner should not assume that a future application for fill or alteration will be approved. The property Owner shall report the name of the subdivision in any application pertaining to "wetlands" rules. These covenants and restrictions are intended to insure the continued compliance with "wetlands" rules adopted by the State of North Carolina, therefore compliance may be enforced by the State of North Carolina or authorized agency or department thereof.

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ARTICLE XXI
REMEDIES

In the case of failure of a Lot owner to comply with the terms and provisions contained in this Declaration, the Articles or the Bylaws of the Association, the following relief shall be available:

A. The Declarant (whether or not the Declarant is the owner of any Lot), the Association, any Lot owner and any party to whose benefit this Declaration inures, including but not limited to the State of North Carolina or its assignees with respect to the Permit, may proceed at law and in equity to prevent the violation of any Term or provision of this Declaration, the Articles and Bylaws and also recover damages for such violation and the court in any such action may award the successful party said party's reasonable expenses and costs in prosecuting such action, including reasonable attorney's fees.

B. The remedies hereby specified are cumulative and this specification of them shall not be taken to preclude an aggrieved party's resort to any other remedy at law, in equity or under any statute. No delay or failure on the part of the Association, the Declarant or an aggrieved party to invoke an available remedy with respect to a violation of any of this Declaration, the Articles and Bylaws shall be held to be a waiver by that party of (or an estoppel of that party to assert) any right available to that party upon the reoccurrence or continuation of said violation or the occurrence of a different violation.

ARTICLE XXII
COMPLIANCE WITH DEPARTMENT OF TRANSPORTATION TRAFFIC
MAINTENANCE STANDARDS

Driveway head walls, fences, mailboxes, newspaper delivery boxes, basketball goals or other roadside obstructions, constructed or placed within the right of way of any street as shown on the recorded plat of the subdivision in a location or out of materials determined to be a traffic safety hazard by the North Carolina Department of Transportation or the Declarant, shall not be permitted. It shall be the duty of the Owner of any Lot to remove such obstruction, at the Owner's sole expense, within thirty (30) days following written notification of such objection by the North Carolina Department of Transportation or Declarant. In the event any Owner fails, or refuses, to remove such obstruction or obstructions within the thirty (30) day period following written notification thereof, the Declarant or the Association shall have the right, but not the duty, to remove the obstruction or obstructions and to charge the Owner the costs thereof which shall be a lien against the Owner's Lot and may be enforced in the same manner as provided in Article XIX (N), above.

ARTICLE XXIII
STREET LIGHTING AGREEMENT

The Declarant reserves the right to subject the real property in this subdivision to a contract with an electric utility company for the installation of underground electric cables and/or the installation of street lighting, and/or entrance sign lighting, either or all of which may

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require an initial payment and/or a continuing monthly payment to an electric company by the owner of each dwelling.

ARTICLE XXIV
ANNEXATION OF ADDITRIONAL PROPERTY INTO DEVELOPMENT AREA

The Declarant, for itself and its successors and assigns, hereby expressly reserves the right, but shall in no way be obligated, to expand the real property which is subject to this Declaration without the consent or joinder of any Owner or Owners of any Lot or Lots or person or entities having a lien or security interest in such Lot or Lots, by annexing other appurtenant property owned by Declarant.

An amendment to this Declaration shall be made and recorded in the office of the Register of Deeds of Onslow County, North Carolina, to include each portion of the real property which is to be subject to this Declaration, and each such portion of the real property shall constitute an addition to the Subdivision. The right of the Declarant, or its successors and assigns, to expand the Subdivision as herein provided shall expire fifteen (15) years following the date of recordation of this Declaration.

ARTICLE XXV
SUPPLEMENTAL DECLARATION(S)

The Declarant shall have the right, from time to time, to record Supplemental Declarations for a Parcel or Parcels of the Development Area which may designate specific use and other restrictions within said Parcel, may create Common Areas within such Parcel for the use of all owners in the Subdivision, as may be expanded, and may create a separate owners associations exclusively for such Parcel; provided, however, no Supplemental Declaration shall avoid membership in the Association by Owners of Lots in said Parcel, nor shall any Supplemental Declaration modify or amend the terms of this Declaration or any prior Supplemental Declaration for another Parcel, without the required consent of Owners of all Parcels constitute the then existing Project.

ARTICLE XXVI
ENFORCEMENT

Enforcement shall be by proceedings at law or in equity against any person or person violating or attempting to violate any covenant, either to restrain violations or to recover damages. In the event any proceeding is commenced to enforce the provisions of this Declaration, the non-prevailing party shall be obligated to pay, in addition to any monetary damages or other award granted by the court, the expenses and costs of such proceeding, including reasonable attorneys' fees of the prevailing party.

ARTICLE XXVII
MODIFICATION

These restrictions are subject to being altered, modified, canceled or changed at any time as to said subdivision as a whole, or as to any subdivided lot or part thereof, by written document executed by the Declarant or its successors in title and by the owners of not less than

sixty percent (60%) of the subdivided lots or parts of said subdivision to which these restrictions apply, and recorded in the Office of the Register of Deeds of Onslow County, North Carolina. If the Declarant owns sixty (60%) percent or more of the subdivided lots, the Declarant may alter or amend these covenants without the consent of any other owner.

ARTICLE XXVIII
TERM

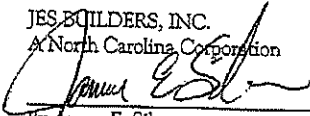
These Covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five (25) years from the date these Covenants are recorded, after which such time such Covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the lots has been recorded, agreeing to change said Covenants in whole or in part, with the exception of Article XVI.

ARTICLE XXIX
SEVERABILITY

Invalidation of anyone of these covenants by judgment or Court Order shall in no way affect any of the other provisions which shall remain in full force and effect.

IN WITNESS WHEREOF, the Declarants have caused this instrument to be signed in their name, the date and year first above written.

JES BUILDERS, INC.
A North Carolina Corporation

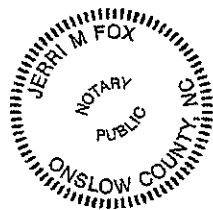


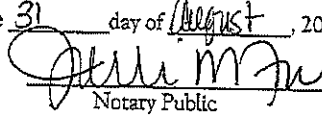
(SEAL)
By: James E. Silance
Title: President

STATE OF NC
COUNTY OF ONSLOW

I, Jeri M Fox, the undersigned a Notary Public for the County of ONSLOW State of NC for the county and state aforesaid, certify that James E. Silance, personally came before me this day and acknowledged that (s)he is the President of JES Builders, Inc., and that he as President, being authorized to do so, executed the foregoing on behalf of JES Builders, Inc.

Witness my hand and official seal, this the 31 day of August, 2012.





Notary Public
My Commission Expires: March 4, 2014

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Walton



Doc ID: 010082430012 Type: CRP
Recorded: 03/26/2012 at 04:08:15 PM
Fee Amt: \$25.00 Page 1 of 12
Onslow County, NC
Rebecca L. Pollard Reg. of Deeds
BK 3856 PG 270-281

Prepared By: DONALD G. WALTON, JR., ATTORNEY
722 New Bridge Street
Jacksonville, North Carolina 28540

Index in the Grantor Index:
MURRILL HILL ESTATES

JES BUILDERS, INC.

BYLAWS
OF
MURRILL HILL ESTATES HOMEOWNER'S ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the Association is MURRILL HILL ESTATES HOMEOWNER'S ASSOCIATION, INC. hereinafter referred to as the "Association". The principal office of the Association shall be in Jacksonville, North Carolina, but meetings of members and directors may be held at such places within the State of North Carolina, as may be designated by the Board of Directors of the Association.

ARTICLE II
DEFINITIONS

1. "Association" shall mean and refer to MURRILL HILL ESTATES HOMEOWNER'S ASSOCIATION, INC., its successors and assigns.
2. "Common Area" shall mean all real property owned and managed by the Association, including the limited common areas, if any.
3. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of MURILL HILL ESTATES, all sections and phases, including the Declarant so long as any lot or lots are still in its name, but excluding those having such interest merely as security for the performance of an obligation.
4. "Declarant" shall mean and refer to JES BUILDERS, INC. and any assigns of its role as Declarant.
5. "Declaration" shall mean and refer to the Declaration of Conditions, Reservations, and Restrictions for MURRILL HILL ESTATES as recorded in the Onslow County Register of Deeds.
6. "Member" shall mean and refer to those persons entitled to membership in the Association, by virtue of ownership of one or more Lot in the Project.
7. "Assessment" shall mean and refer to a member's share of the common expenses assessed against each member.
8. "Properties" shall mean and refer to that certain real property which is a part of MURRILL HILL ESTATES, all phases.

**ARTICLE III
MEMBERSHIP AND PROPERTY RIGHTS**

Section 1.

Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. There shall be one (1) class of members, as set forth in the Declaration.

Section 2.

Management of the affairs of the Association shall be carried out in accordance with the terms and conditions of the Declaration and the terms and conditions of the Articles of Incorporation and the By-Laws of the Corporation as adopted.

Section 3.

In the event of the dissolution of Declarant at the time it is owner of a lot, then the rights of the Declarant shall pass to and may be exercised by its successors receiving ownership of any such lot in dissolution.

Section 4.

Any representative of Declarant serving on the Board of Directors of the Association shall not be required to disqualify himself from any vote upon management contract or any other contract between Declarant and Association where said Declarant shall have a pecuniary or other interest. Similarly, Declarant as a member of the Association, shall not be required to disqualify itself in any vote which may come before the membership of the Association upon any management contract or any other contract between Declarant and Association where the said Declarant may have a pecuniary or other interest.

**ARTICLE IV
MEETING OF MEMBERS**

1. Annual Meeting.

The first annual meeting of the members to be held within one hundred eighty (180) days following the conveyance of one-hundred percent (100%) of the lots from the Declarant to Lot Owners, and each subsequent regular annual meeting of the members shall be held at such time and date as the Board shall determine.

2. Special Meetings.

Special meetings of the members may be called at any time by the President of the Association or by a majority of the Board of Directors or upon written request of the members entitled to vote ten percent (10%) of all of the votes of the Association.

3. Notice of Meetings.

Written notice of each meeting of the member shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least thirty (30) days before each meeting to each member entitled to vote there at, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting. Waiver by a member in writing of the notice required herein, signed by him before, at or after such meeting, shall be equivalent to the giving of such notice.

4. Quorum.

The presence at a meeting of members entitled to cast, or of proxies entitled to cast, fifty-one (51%) percent of the votes of the Association shall constitute a quorum for any action except as otherwise provided in these By-Laws. If, however, such quorum shall not be present or represented at any meeting, a second meeting may be called subject to the same proper notice, at which there shall be no quorum requirement for such meeting to be held.

5. Proxies.

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

6. Ballots By Mail.

When authorized by the Board of Directors, there shall be sent with notices of regular or special meetings of the Association, a statement of certain motions to be introduced for the vote of the members and a ballot on which each member may vote for or against such motions. Each ballot presented at such meeting shall be counter in calculating the quorum requirements for the meeting to be held, but shall not be counted for determining whether a quorum is present for any other matter of business.

ARTICLE V
BOARD OF DIRECTORS

1. Number.

The affairs of the Association shall be managed by the Declarant until such time as the Declarant sells one-hundred percent (100%) of the lots in the subdivision. Upon Declarant selling one-hundred percent (100%) of the lots in Murrill Hill Estates then the affairs of the Association shall be managed by a Board of three (3) Directors, all of whom shall be elected by and shall be members of that Association.

2. Term of Office.

At the first annual meeting the members shall elect two (2) Directors for a term of one (1) year, all other Directors for term of two (2) years, and at each annual meeting

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thereafter, the members shall elect the appropriate number of Directors to fill the upcoming vacancies.

3. Removal.

Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a Director, a successor shall be elected by the remaining members of the Board, and shall serve until the next annual meeting. If the Director who has died, resigned, or been removed shall have one or more years remaining in his term at the time of the next annual meeting, a successor shall be elected at such meeting to serve for the remainder of the vacated term.

4. Compensation.

No Director shall receive compensation for any service he may render to the Association in his capacity as a Director. However, any Director shall be reimbursed for his actual expenses incurred in the performance of his duties; provided, however, the Board may employ a Director to manage the business affairs of the Association, and may pay the Director for his services as Manager.

5. Action Taken Without a Meeting.

The Directors and the Declarant shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination.

Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members only.

In the event that Declarant in accordance with the rights herein established, selects any person or persons to serve on any Board of Directors of the Association, Declarant shall have the absolute right at any time, in its sole discretion, to replace such person or persons with another person or persons to serve on said Board of Directors. Replacement of any person or persons

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designated by Declarant to serve on any Association Board of Directors shall be made by written instrument delivered to any Officer of the Association, which instrument shall specify the name or names of the person or persons to be replaced and the name or names of the person or persons designated as successor or successors to the persons so removed from said Board of Directors. The removal of any Director and designation of his successor shall be effective immediately upon deliver of such written instrument by Declarant to any Officer of the Association.

Section 2. Election.

Election to the Board of Directors shall be by written ballot. At such election, the voting members or their proxies may cast one (1) vote for each vacancy. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII
MEETINGS OF DIRECTORS

1. Regular Meetings.

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

2. Special Meetings.

Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three days notice to each Director.

3. Quorum.

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

ARTICLE VIII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

1. Powers.

The Board of Directors shall have the power to :

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

(b) suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended, after notice of hearing, for a period not to exceed sixty (60) days for

infraction of published rules and regulations; but provided, however, that the right of an owner to ingress to and egress from his unit shall not be impaired;

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

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

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

(f) employ attorneys, accountants or other professional personnel to represent and assist the Association when deemed necessary;

(g) enter into contracts with others to provide necessary supplies and services to the project;

(h) to bring an action in summary ejection on behalf of any owner whose lessee is in violation of any of the aforesaid rules and regulations, the Declaration, or these By-Laws.

2. Duties.

It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-third (1/3) of the members entitled to vote;

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

(c) to fix the amount of assessment and the manner of payment thereof against each member to send written notice of any change in assessment or manner of payment of same to every owner subject thereto at least thirty (30) days in advance of such assessment payment period.

(d) foreclose the lien, and sell, under a power of sale and in the manner prescribed by law for foreclosures with powers of sale, and property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same;

(e) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

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

(i) maintain or cause to be maintained the common area and facilities and the exterior of the Lot(s), in accordance with the terms of the Declaration;

(j) to establish the Fiscal year of the Association.

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ARTICLE IX
OFFICERS AND THEIR DUTIES

1. Enumeration of Officers.
The officers of the Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.
2. Election of Officers.
The officers shall be elected by the Board of Directors at the first meeting of the Board following each annual meeting of the members.
3. Term.
The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.
4. Special Appointments.
The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.
5. Resignation and Removal.
Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving notice to the Board, the President, or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
6. Vacancies.
A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.
7. Multiple Officer.
The officers of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other officers except in the case of special officers created pursuant to Section 4 of this Article IX.
8. Duties.
The duties of the officers are as follows:

(a) President.

The President shall preside at all meetings of the Board of Directors and shall serve as Chairman at all meetings of the members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice-President.

The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary.

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as may be required by the Board.

(d) Treasurer.

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures which shall be mailed to the membership at least fifteen (15) days but not more than forty-five (45) days prior to the annual meeting.

ARTICLE X
COMMITTEES

The Association shall appoint an Architectural Review Committee, of whom at all times must be either Directors or Officers of the Association as provided in this Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI
BOOKS AND RECORDS

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

ARTICLE XII
ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association such sums as are assessed against the members under the terms of said Declaration, which assessments are secured by a continuing lien upon the property against which the

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assessment is made. Any assessments which are not paid when due shall be deemed delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the highest rate allowed by law, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, with costs of such action, including reasonable attorney's fees, to be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his Lot.

**ARTICLE XIII
COMPLIANCE, ENFORCEMENT, FINES AND PENALTIES**

1. Default and Remedies.

A default in or failure to comply with any of the terms, conditions, obligations, and provisions of the Declaration, these By-Laws, the Articles, or the rules and regulations, as the same may be amended from time to time, by any Lot Owner or Occupant, shall be grounds for relief that may include, without intending to limit the same or to constitute and election of remedies, and action to recover fines and penalties as set in these By-Laws, sums due for damages, an injunction, or any combination thereof, and which relief may be sought by the Association, an aggrieved Lot Owner, or by any person or class of persons adversely affected. Also, if any member fails to perform any obligation under the Declaration, these By-Laws, the Articles or such rules and regulations, then the Association may, but is not obligated to, perform the same for the member's account, and for such purpose may enter upon his Unit, may make necessary repairs, advance expenses or other sums necessary to cure the default, and for such expenses and costs may collect all such sums against the Unit owned by such defaulting member.

The association also shall be entitled to suspend the right of a defaulting Lot Owner to vote as a member of the Association until the default is cured and may suspend the voting rights of and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended, after notice of hearing as hereinafter set forth, for a period not to exceed sixty (60) days for infraction of published rules and regulations; but provided, however, that the right of an owner to ingress to and egress from his lot shall not be impaired;

2. Remedy of Abatement in Additional to Other Remedies.

In the event a member fails to effect the cure specified by the Board where the default is a structure, thing, or condition existing in or on the premises of the member's Lot, the Board, or its duly authorized representative, shall have the right to enter upon the premises of the member's Lot in which, on which, or as to which, such default exists, and summarily to abate and remove, at the defaulting member's expense (and collect the costs as if an assessment), the structure, thing, or condition constituting the default, and the Board, the Association, and their agents, employees, and representatives shall not thereby be deemed guilty of any manner of trespass.

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3. Injunction.

Any person, class of persons or the Association is entitled to seek relief for any such default or failure and may obtain a temporary restraining order, injunction or similar relief, without first using the procedure established herein, if such default or failure creates an emergency or a situation dangerous to persons or property.

4. Fine.

Any owner who shall violate the Declaration, By-Laws, the articles or the Rules and Regulations may be fined the sum of \$100.00 for each day of such violation. Such fine shall be enforced and collected as an assessment. Prior to the implementation of any fine, or the suspension of voting rights for the infraction of published rules and regulations, a hearing pursuant to the following procedure shall be undertaken:

(a) The Board shall mail to the defaulting member, a written notice specifying the nature of the default, the cure thereof, and the time within which the cure shall be effectuated. Within the time limit specified in the notice, the defaulting member may cure the default specified, or mail a written notice to the Board requesting a hearing before the Board. If a hearing is so requested, the Board shall thereafter mail to the defaulting member a notice specifying the time and place for such hearing. At the hearing, the Board shall take such evidence and hear such testimony as it deems necessary or desirable.

(b) Upon taking such evidence and hearing such testimony, the Board, at the hearing or at a later time, shall determine, in writing, and at its sole option, to waive the default in whole or in part, to extend the time within which the default may be cured, or to proceed immediately to levy a fine or penalty, or to exercise any remedy. The Board shall mail to the defaulting member a copy of its determination. If the defaulting member (i) does not cure the default or request a hearing within the time limit specified in the original notice of default given pursuant to this Section, or (ii) requests a hearing but fails to cure the default (to the extent not waived by the Board) within the extended time, if any, granted by the Board after hearing, then the Board shall mail to the defaulting member a written notice of such member's nature to effect a cure, and the Board may then implement such fine or suspend such voting rights or to take such other action as it deems necessary to obtain relief.

5. Recover of Attorneys' Fees and Costs.

In any proceeding arising because of an alleged default by a member, the person, class of persons or Association bringing an action against an alleged defaulting member shall be entitled to recover the costs of such proceeding and such reasonable attorneys' fees and costs as may be allowed by the Court, with interest thereon at the highest rate allowed by law.

6. Non-waiver of Covenants.

The failure of the Association or of any member thereof to enforce any terms, provision, right, covenants or condition that may be granted by the Declaration, these By-Laws, the Articles, the rule sand regulations, as the same may from time to time be amended, shall not constitute a waiver or abrogation of the right of the Association or a member to

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enforce such term, provision, right, covenants, or condition in the future, irrespective of the number of violations or breaches thereof that may have occurred.

- 7. Costs and fines enforced as Assessment Liens.
Any fines, costs or expenses hereunder shall be enforced as if an assessment lien.

ARTICLE XIV
AMENDMENTS

- 1. These By-Laws may be amended at any regular meeting or at a special meeting of the members, providing that notice of such special meeting shall state the content of such amendment, by a quorum of members present in person or by proxy.
- 2. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XV

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

IN WITNESS WHEREOF, the undersigned, being the Declarants and the Directors of Murrill Hill Estates Homeowner's Association, Inc., hereunto set their hands and seals, this 31 day of August, 2012.

JES BUILDERS, INC.

James E. Silance (SEAL)
BY James E. Silance
Title: President

STATE OF NC
COUNTY OF Onslow

I, Jerri M Fox, the undersigned a Notary Public for the County of Onslow State of NC for the county and state aforesaid, certify that James E. Silance, personally came before me this day and acknowledged that (s) he is the President of JES Builders, Inc., and that he as President, being authorized to do so, executed the foregoing on behalf of JES Builders, Inc.
Witness my hand and official seal, this the 31 day of August, 2012.



Jerri M Fox
Notary Public
My Commission Expires: March 4, 2014

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