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STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVERDECLARATION OF
ARTICLES OF COVENANTS
CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made this 20 day of JANUARY, 1985, by Ocean Forest Lakes Associates, a North Carolina Limited Partnership, with its principal place of business being located in the County of New Hanover, State of North Carolina, hereinafter referred to as "THE PARTNERSHIP":

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, THE PARTNERSHIP is the fee simple owner of that tract of real property located in Federal Point Township, New Hanover County, North Carolina, and being described as follows:

See Exhibit "A"

And from this tract the Partnership has designated the following for development as "Ocean Forest Lakes", and being more particularly described as all of Ocean Forest Lakes, Phase I, as the same is shown on a map thereof recorded in Map Book 24, Page 44, in the Office of the Register of Deeds of New Hanover County, North Carolina, reference to which is hereby made for a more particular description of Ocean Forest Lakes.

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WHEREAS, The Partnership desires to establish certain restrictions, covenants, conditions and easements with respect to the hereinabove described "Phase I" tract of the development known as Ocean Forest Lakes for the purposes of protecting the value and desirability of said property for attractive residential purposes only, to prevent the impairments of the attractiveness of the property, to maintain the desired tone of the community and to thereby secure to each lot owner the full benefits and enjoyment of his property with no greater restriction to insure the same advantages to other lot owners, said restrictions, covenants, conditions and easements to run with said properties and which shall be binding on all persons and entities, including the Partnership having any right, title, or interest in the lots hereinabove described as "Phase I" of the development of Ocean Forest Lakes, being the real properties in Ocean Forest Lakes or any portions thereof, their grantees, heirs devisees, successors and assigns, and which shall inure to the benefit of each lot owner thereof;

NOW, THEREFORE, the undersigned does hereby covenant, agree and declare to and with all persons, firms or corporations now owning or hereafter acquiring a lot in Ocean Forest Lakes that all the lots in said subdivision as shown on a map recorded in Map Book 24, Page 44 of the New Hanover County Registry, are hereby made subject to the following, and shall henceforth be held, sold and conveyed subject to the following ARTICLES OF COVENANTS, CONDITIONS AND RESTRICTIONS;

RETURNED TO



ARTICLE I

DEFINITIONS:

For the purposes of these Articles the following definitions shall apply:

A. ASSOCIATION: Shall mean and refer to Ocean Forest Lakes Homeowners Association, to be incorporated as a nonprofit North Carolina corporation.

B. MEMBER: Shall mean and refer to each and every person and entity who or which holds a membership with voting rights in said Association.

C. LOT: Shall mean and refer to any one of those forty-nine (49) parcels of real property which have been subdivided from the hereinabove described real property known as Ocean Forest Lakes and which are intended for single family residential purposes only, as set forth hereinbelow, and which are designated on the map of Ocean Forest Lakes hereinabove reference by the numbers 1 through 49, inclusive.

D. PROPERTY: Shall mean and refer to all of that real property described hereinabove, and known collectively as Ocean Forest Lakes as shown upon the map thereof referred to hereinabove, as well as such additions thereto as may hereafter be brought within the jurisdiction of the Association through the development of the additional phases, if any, of the Ocean Forest Lakes Development, as may be subdivided and platted in the future as subsequent phases of Ocean Forest Lakes.

E. OWNER: Shall mean and refer to the owner or holder (by purchase, devise, inheritance, decree or otherwise) whether one or more persons or entities, of a fee simple title to or interest in any platted lot, but excluding those having such interest merely as security for the performance of an obligation or the payment of an indebtedness.

F. COMMON AREAS: Shall mean and refer to any and all property, whether real or personal, which is owned by the Association for the common use and enjoyment of the owners, as well as any and all property, whether real or personal, whether owned by the Association or not, which the owners have a mutual or common right or privilege to use and enjoy as provided by these Articles as well as any amendment hereto.

ARTICLE II

USE RESTRICTIONS:

The following use restrictions shall apply to lots:

1 through 49

B. No business, trade, vocation or occupation shall be permitted to be conducted at or pursued from any office, formal or informal, on any lot. However, this restriction shall not restrain The Partnership in any way from pursuing its rightful business of developing, marketing and selling any and all lots.

C. No trailer, tent or other structure of a temporary character shall be placed or stored upon any lot at any time

nor shall such be used as a residence at any time; provided, however, that this prohibition shall not apply to shelters used by contractors during the construction of a single family residential dwelling, it being clearly understood that such temporary shelters may not be used, at any time, as a residence or permitted to remain on any lot after the completion of said construction.

D. Prior to the occupancy of a single family residence on any lot, proper and suitable provision shall be made for the disposal of sewage by means of a tie-on to the Ocean Forest Lakes Sewerage Disposal System constructed by an independent utilities company, and provided that such tie-on must first be approved by the appropriate state and/or county health authorities.

E. Each lot owner shall prevent the development of any unclean, unsightly or unkempt conditions of any buildings or grounds on his lot which would tend to substantially decrease the beauty of the neighborhood as a whole or the specific area. This beauty of the neighborhood as a whole or the specific area. This restriction includes, but is not limited to, the prohibition of the storage on any lot of anything unclean, unsightly or unkempt.

F. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to The Partnership or any owners. There shall not be maintained any plants or animals, or device or anything of any sort whose normal activities or existence are in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the owners thereof.

G. No animals, other than domesticated pet dogs, cats and birds, may be kept or housed on any lot or any structure thereon. It is understood that the control of such pets is the responsibility of the owner, and all such pets shall be kept inside or within an approved fenced area or upon a leash when outside.

H. No advertising signs or billboards shall be erected on any lot or displayed to the public on any lot subject to these restrictions except that one sign of not more than square feet in area may be used to advertise a completed dwelling for sale. No "For Sale" signs are allowed on any vacant lots. This covenant shall not apply to signs erected by The Partnership used to identify and advertise the subdivision as a whole, by a contractor for an item of work being performed on a given lot, by a homeowner for the purposes of identifying the homeowner as the resident on said lot. Said identification sign shall not exceed in size a total of 4 square feet.

I. No lot may be subdivided, or its boundary lines changed, except with the prior written consent of the Partnership. However, The Partnership hereby expressly reserves to itself, its successors and assigns, the right to replat any two or more lots in order to create a modified building lot or lots; and, to take such steps as are reasonably necessary to make such replatted lot or lots suitable and fit as a building site or sites, said steps to include, but not be limited to, the relocation of easements, walkways and rights of way to conform to the new boundaries of the said replatted lots.

ii. Construction activity on a lot shall be confined within the boundaries of said lot. Each lot owner shall have the obligation to collect and dispose of all rubbish and trash resulting from construction on his lot. All requests for approval of plans and construction of any house on any lot as hereinafter provided shall be accompanied by a \$100.00 deposit against clean-up to be held in escrow by The Partnership or the Architectural Control Committee. Upon completion of construction and the completion of clean-up, the \$100.00 deposit shall be returned to the depositor thereof. Upon a lot owner's failure to collect and dispose of such trash within 30 days after receipt of a written notice from The Partnership or the Architectural Control Committee, the company or Architectural Control Committee may collect and dispose of such rubbish and trash and deduct the costs thereof from the clean-up deposit.

ii. The exterior of any structure under construction on any lot must be completed within six months after the beginning of construction, acts of God notwithstanding.

ARTICLE III

DESIGN AND ARCHITECTURAL CONTROL

The following design and architectural control restrictions shall apply for all lots:

A. No structure shall be erected, altered, placed or permitted to remain on any lot other than a detached single family dwelling not to exceed stories in height, above floor or piling level; provided, however, that Ocean Forest Lakes Associates and assigns may maintain an office building on the premises for the sale of property.

B. Small accessory buildings (which may include a detached garage, but not garage apartments) are allowed, provided such buildings are not used for any activity normally conducted as a business, or a residence, and provided further that any such buildings shall be constructed of similar materials and design as the main structure upon said lot. No accessory buildings as defined above shall be constructed prior to the construction of the main building on any lot, and none shall be constructed without the prior approval by the Partnership or the Architectural Control Committee.

C. No single family dwelling design or plan will be approved by the Partnership or the Architectural Control Committee unless the proposed dwelling will have the minimum required square footage of "enclosed dwelling areas". No dwelling smaller than 1250 square feet for one story structures, nor smaller than 900 square feet on the first level of structures in excess of one story shall be allowed on any lot. Said measurements shall be by exterior finish, which said square footage shall be exclusive of porches, steps, walks, garages, carports, storage areas and the like.

D. Any structure erected on the lots shall be of wood frame, brick or stucco exteriors and the design, as well as the materials used, as stated hereinafter, shall be subject to the prior written approval of the Partnership or the Architectural Control Committee. No concrete block, concrete brick, asbestos siding, cinderblock or aluminum siding shall

be used for the exterior of any residence constructed on any lot nor shall composition tar paper exterior dwellings be permitted.

E. Since the establishment of standard inflexible building setback lines for location of houses on lots tends to force construction directly to the side of other homes with detrimental effects on privacy, view preservation of important trees and other vegetation, ecological and related considerations, no specific setbacks lines are established by these restrictions, as long as said structures meet the minimum setback and sideline limitations established from time to time by the New Hanover County Board of Commissioners. In order to assure, however, that the foregoing considerations are given maximum effect, the Partnership or the Architectural Control Committee reserves the right to control and approve absolutely the site and location of any house or dwelling or any structure upon any lot, subject to the limitations herein set forth.

F. No trees of any size exceeding twelve inches in diameter measure three feet above the ground, may be removed from any lot without the prior written approval of The Partnership or the Architectural Control Committee, said approval to be based upon a site plan, landscaping plan, or planting plan submitted to The Partnership or the Architectural Control Committee by the lot owner or his agent.

G. Architectural Control Committee:

i. The Partnership in conjunction with the Ocean Forest Lakes Home Owners Association, shall create and establish an Architectural Control Committee for the purpose of reviewing and approving any and all proposed buildings and improvements as to conformity and harmony of external design and consistency with plans of existing residences or other buildings and site locations.

ii. In addition to its duties of review and approval of external harmony and design, the Architectural Control Committee shall monitor the compliance with all use restrictions, design and architectural control provisions and conditions and other restrictions, including (but not by way of limitation) prohibited activity, building setbacks, minimum floor areas, natural growth preservation and utility easements, and all improvements. The Architectural Control Committee shall report such violations as may come to its attention to The Partnership or the Homeowners Association for appropriate actions of enforcement.

iii. The Architectural Control Committee shall be composed of a minimum of three representatives, appointed by the Partnership with the advice of the Board of Directors of the Home Owners Association, and as soon as is practical, the Committee shall include at least one permanent resident of the Ocean Forest Lakes Development. Until such time as the Architectural Control Committee has been established, the Partnership shall perform the functions as outlined above and elsewhere herein; The Architectural Control Committee shall be created by The Partnership in conjunction with the Board of Directors of the Home Owners Association as soon as is reasonably practical, at which time the Architectural Control Committee shall undertake the performance of the duties outlined above. Where the terms "The Partnership" or "The Architectural Control Committee" has been used, this term

shall be construed to mean that only one of the two entities will perform the duties and function, and when the Architectural Control Committee is established, that Committee will perform the duties and functions as outlined above. Upon the appointment and organization of the Architectural Control Committee, the Committee shall adopt such administrative procedures as will insure the submission, review and approval of any and all buildings and/or improvements constructed.

H. No fence, wall or hedge in excess of five feet in height shall be erected or permitted on any lot. No fence, wall or hedge, or any portion of a fence erected shall be closer to the front line of any lot than the rear corner of any dwelling erected on said lot. All fences shall be of wood, and no wire or chain fence of any nature shall be permitted.

I. No buildings, fence, wall or other structure shall be erected, placed or altered on any lot until the proposed building plans, specifications, exterior finish, site plan showing location of each building or structure, general grading and landscaping plan and construction schedule shall have been approved in writing by the Partnership or the Architectural Control Committee. Refusal or approval of any such plans, location or specifications may be based by the approving authority on any ground, including purely aesthetic and environmental considerations that in the sole and uncontrolled discretion of the approving authority shall deem sufficient. Failure of the Architectural Control Committee to issue a written approval or denial for properly submitted plans within twenty days after submission shall be construed as an approval of said plans. The proposed building plans shall include the specifications, finishes, materials, site and grading plan (showing the proposed location of such buildings or structures, drives, parking areas, fences, walls, mail receptacles, and any proposed alterations to the grade, elevation or physical characteristics of the site) and said building plans shall include the construction schedule.

J. Each lot owner shall provide receptacles for garbage in a screened area on his lot not generally visible from any street or road or other lots, or shall provide underground garbage receptacles for similar facilities. Garbage receptacles shall not be visible from the street, except on garbage pick-up days.

K. No fuel tanks or similar storage facilities may be exposed to view on any lot. Any such facility must be installed only within the main residential dwelling, within an accessory building, within a screen area, or buried under ground.

L. Each lot owner shall provide adequate space on his lot for off street parking for not less than two passenger automobiles prior to the occupancy of any single family dwelling constructed on said lot. Said parking areas and driveways thereto shall be in accordance with reasonable standards and shall be constructed of asphalt, crushed stone or crushed shells, or any other material approved by the Partnership or the Architectural Control Committee as provided above. To maintain proper traffic control, curb side parking is not allowed. In addition, all boats not in slips must be stored in carports or driveways.

ARTICLE IV.

EASEMENTS AND PROPERTY RIGHTS:

A. THE PARTNERSHIP, by these presents, hereby establishes, grants, gives and conveys to each and every future owner of a lot in Ocean Forest Lakes and to each and every future owner of lots created under future phases of development of Ocean Forest Lakes if any, an easement of ingress, egress and regress over and across all of the private roads and streets of Ocean Forest Lakes as shown on a map thereof, and as have already been constructed on the ground on the overall tract owned by The Partnership, referred to hereinabove; provided however, that the obligation to maintain said private roads and streets, including, but not limited to, the repaving, repair and regrading thereof, shall be the mutual responsibility of the owners, including The Partnership so long as it is the owner of platted lots of record, acting by and through the Association. The cost of said maintenance shall henceforth be a common expense of the Association, and each member thereof shall be assessed his prorata share of the annual cost hereof as part of his annual assessment, as stated hereinbelow. It is the intent of The Partnership that this grant of easement be deemed hereinafter as an appurtenance to each and every lot within Ocean Forest Lakes and any conveyance or transfer of the title to any lot in Ocean Forest Lakes shall be deemed to include this easement, whether expressly stated therein or not. THE PARTNERSHIP EXPRESSLY RESERVES UNTO ITSELF, ITS SUCCESSORS AND ASSIGNS, THE RIGHT, POWER AND PRIVILEGE TO GRANT AN EASEMENT OF INGRESS, EGRESS AND REGRESS OVER AND ACROSS THE PRIVATE ROADS AND STREETS OF OCEAN FOREST LAKES UPON SUCH TERMS AND CONDITIONS AS THE PARTNERSHIP ALONE DEEMS NECESSARY.

B. Every owner shall have a right and easement of enjoyment in and to any and all other common areas which are owned or leased by the Association for the enjoyment of the members of the Association.

ARTICLE V.

THE ASSOCIATION:

A. Membership and Voting Rights: The qualifications for membership in the Association, the manner of admission to membership in the Association, the manner of termination of such membership, and the voting rights of the members of the Association shall be as set forth in Article VII of the Articles of Incorporation of the Association which are recorded in Book 1277 at Page 1041 in the Office of the Register of Deeds of New Hanover County, North Carolina, the provisions of said Article VII being incorporated herein by reference.

B. Assessments, Liability, Lien and Enforcement: The Association has heretofore been given the authority to administer the operation and management of the common areas of the property, it being recognized that the delegation of such duties to one entity is in the best interests of the owners of all residential lots in Ocean Forest Lakes and future sections, if any. To properly administer the operation and management of the common areas, the Association will incur, for the mutual benefit of all the owners of residential lots, costs and expenses sometimes herein referred to as "common expenses". To provide the funds

necessary for such proper operation, management and capital improvement, the Association has heretofore been granted the right to make, levy and collect assessments against the members of the Association and their residential lots. In furtherance of this grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation of, the management of, and for capital improvements to the common areas, which for the purposes of these Articles shall be deemed to include, but not be limited to, the private streets and roads of Ocean Forest Lakes and all of the improvements made to the easement areas described above for amenities thereto, the following shall be operative and binding upon the owners of all residential lots:

B.(1) Creation of the Lien and Personal Obligation of Assessments:

The Partnership for each lot owned within the property, and each owner for any lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed is deemed to covenant and agree to pay the Association:

- i. annual assessments or charges, and
- ii. special assessments for captial improvements or special assessments as established by the Board of Directors of the Association, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with the interest, costs and reasonable attorney's fees, if any, shall be a charge on the lots and shall be a continual lien upon each lot against which they are levied. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person or entity who is the owner of such lot at the time when the assessment falls due. The personal obligation for delinquent assessments shall not pass to any successor in title unless expressly assumed by him.

PROVIDED, The Partnership shall be exempt from the payment of the yearly assessment fee for any unsold lots which are platted of record in the Office of the Register of Deeds of New Hanover County, during the period three years after the date that such lots are platted of record as lots in sections of Ocean Forest Lakes. This provision shall apply to Phase 1, Lots 1-49 and to future sections, if any, as may be platted in the Office of the Register of Deeds of New Hanover County. Upon the expiration of five years from the date of the recordation of said plat or plats, the obligation of The Partnership to pay the prorata share of the annual assessment of that year remaining shall be due, and accrual of the obligation to pay assessments to the Association shall not begin until that date.

B.(2) Purpose of Assessments: The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the resident of the property and in particular for the maintenance, repair and replacement of any and all improvements made to the easements and common area above provided, the maintenance of all private roads and streets of the property, as have been mapped or constructed, within the overall tract of Ocean Forest Lakes as well as the acquisition and maintenance of any and all other common areas of the property, including

but not limited to, the cost of repairs, repaving, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payments of taxes assessed against the easement areas and common areas, utility services and the procurement and maintenance of insurance as may be deemed necessary by the Board of Directors. The annual assessment charged to the owners of boat slips shall be collected as hereinabove provided and maintained by the Association for the purpose of maintenance, repairing, making replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes, utility services and the procurement of insurance as may be deemed necessary for the docking facility.

B.(3) Initial and Maximum Annual Assessment: The initial assessment payable to the Association shall be prorated and paid at the time of closing of the purchase of a lot, so that all payments thereafter shall be due on January 1 of that year. However, no assessment will be collected for the calendar year 1985. The initial assessment payable to the Ocean Forest Lakes Home Owners Association is to be \$200.00 per annum, and the maximum annual assessment for each calendar year thereafter shall be established by the Board of Directors of the Association and may be increased by the Board of Directors for any calendar year without approval by the membership by an amount not to exceed fifteen percent (15%) of the maximum annual assessment of the previous year.

The maximum annual assessment of any calendar year may be increased without limit by a vote of two-thirds of the members who are voting in person or by proxy at a meeting called for this purpose.

Excess amounts collected through assessments for any particular calendar year shall be carried over to the next budget year, and said sums carried over shall be considered by the Board of Directors of the Association in formulating the budget for the approaching year and arriving at the assessments required of the lot owners for the approaching year.

B.(4) Special Assessments for Capital Improvements: In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part, the costs of any construction, reconstruction, repair, replacement or repaving of a capital improvement to the private roads and streets of the property, the easement areas described above, or any other common area of the property, including fixtures and personal property related thereto, provided that any such assessments shall have the assent of two-thirds of the vote of the members who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed to the uniform rate for all lots and may be collected on a schedule determined by the vote of the members at said meeting. Provided, however, special assessments required for capital improvements to the docking facility shall not be assessed to those lot owners in the development who do not own a boat slip within the docking facility.

B.(5) Notice and Quorum for any action authorized under Sections B(3) and B(4): Written notice of any meeting called for the purpose of taking any action authorized under B(3) and B(4) shall be sent to all members not less than ten (10) days nor more than sixty (60) days in advance of the

meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

B.(6) Books and Records: The Books and Records of the Association will be kept in such manner that it is possible to determine and ascertain such sums as are expended by the Association for the development, improvement, maintenance and up keep of all common area facilities of the Association.

B.(7) Date and Commencement of Annual Assessments; Due Dates: The annual assessments provided for herein shall be collected on an annual basis and shall commence as to all lots on the first day of January, 1986, and thereafter as to owners other than The Partnership, on the first day of each calendar year following the conveyance of a lot to any such owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year, subsequent to January 1, 1986. At least thirty days in advance of each annual assessment, the Board of Directors shall fix the amount of the annual assessment to every owner subject thereto. 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. The provisions of B.(1) shall be applicable to payment of assessments by The Partnership.

B.(8) Effect of Nonpayment of Assessments; Remedies of the Association: Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of such assessment. No owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of any of the common areas or abandonment of his lot.

B.(9) Effect of Default in Payment of Ad Valorem Taxes or Assessments for Public Improvements by the Association: Upon default by the Association in the payment to any governmental authority entitled thereto of any ad valorem taxes levied against any of the common areas owned by the Association or assessments for public improvements to the common areas, which default shall continue for a period of six months, each owner of a lot in the Development shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes and/or assessments due the governmental authority by the total number of lots in the Development. If such sum is not paid by the owner within thirty days following the receipt of notice of the amount due, then said sum shall become a continuing lien on the lot of the then owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may bring either an action at law or may elect to foreclose the lien against the lot of the owner.

B.(10) Subordination of Lien to Mortgages: The lien

provided for herein shall be subordinated to the lien of any mortgage, mortgages, deed of trust, or deeds of trust. The sale or transfer of any lot shall not affect the assessment lien or liens provided for in the preceding sections. However, the sale or transfer of any lot which is subject to any mortgage or deed of trust pursuant to a foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which become due prior to such sale or transfer. No such sale or transfer shall release such lot from liability for any assessments thereafter becoming due or from the lien thereof. But the liens provided for herein shall continue to be subordinate to the lien or any mortgage, mortgages, deed of trust, or deeds of trust.

ARTICLE VI

THE PARTNERSHIP'S RIGHTS:

A. The Partnership reserves unto itself a perpetual, alienable and releasable easement and right on, over and under the ground to erect, maintain and use electric and telephone poles, wire, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone, television and cable facilities, gas, sewer, water or other public conveniences or utilities on, in or over the rear ten (10) feet of each lot, the front ten (10) feet of each lot and ten (10) feet along one side of each lot and such other areas as are shown on the map of the property referred to hereinabove. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar action reasonably necessary in the opinion of the Partnership or to provide an economical and safe utility installation.

The Partnership shall have no responsibility for maintaining drainage easements in connection with any lots sold. All maintenance shall be the responsibility of the purchaser of a lot, his heirs, successors and assigns, within said easements for drainage. No structure, planting or other material shall be placed or permitted to remain which may change the direction of flow of 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.

B. The Partnership reserves the right to subject the property to easements and contracts with electric, telephone, cable television, and other utilities for the installation of underground cables, wires, pipes, or other necessary conduits for utilities, any of which may require an initial payment and continuing monthly payments for the use thereof by the owners of single family residences within the property.

ARTICLE VII

ANNEXATION OF ADDITIONAL PROPERTIES:

A. Except as provided in Paragraph B below, the annexation of additional properties to Ocean Forest Lakes shall require the assent of two thirds of the members of the Association at a meeting duly called for the consideration of such matter, written notice of which shall be sent to all members not less than thirty days nor more than sixty days in

advance of the meeting.

B. When The Partnership, its successors or assigns, shall develop further phases, such additional phases shall be annexed to Ocean Forest Lakes and, as applicable, be encompassed within and subject to this, or a similar, Declaration of Articles of Covenants, Conditions and Restrictions, without the assent of the membership of the Association, and the development of the additional phases described in this section shall be in accordance with the same general scheme of development as Ocean Forest Lakes.

ARTICLE VIII

GENERAL PROVISIONS:

A. All covenants, conditions, restrictions and affirmative obligations set forth in these Articles shall run with the property and all portions thereof, and be binding on all parties having any right title or interest in the property, or any portion thereof, their heirs, devisees, successors and assigns, and shall inure to the benefit of the same, for a term of ten years from the date these Articles are recorded in the New Hanover County Registry, after which time these Articles shall automatically extend for successive periods of ten years, unless ninety percent (90%) of the then owners agree to revoke the same. These Articles may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the owners and recorded in the New Hanover County Registry, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the owners and recorded in the New Hanover County Registry.

PROVIDED, however, at any time prior to December 31, 1989, these Articles may be amended by The Partnership at its discretion. Future amendments by The Partnership may concern, but not be limited to, the clarification of and giving of future descriptions to the common areas of the development once they have been constructed or platted of record and to provide for the development of additional properties.

B. The invalidation of any one of the covenants, conditions or restrictions contained in these Articles by any court, agency or legislature shall in no way affect any of the other covenants, conditions or restrictions contained in these Articles and they shall remain in full force and effect.

C. Nothing in these Articles, nor in the recording of any plat or deed pursuant hereto, shall dedicate (or be deemed to dedicate) to public use any of the property.

D. The Association, The Partnership, and any owner, shall have the right to enforce, by any proceeding at law or in equity, all of the conditions, covenants and restrictions of these Articles, and any and all liens hereinafter imposed pursuant to the provisions of these Articles. (The term "any owner" shall not be deemed to be a trustee or mortgagee under a deed of trust on the property). Failure by the Association, The Partnership, or any owner to enforce any of the above shall in no event be deemed a waiver of the right to do so thereafter. In addition to the foregoing the Partnership shall have the right, whenever there shall have been built on any lot any structure which is in violation of these Articles, to enter upon said lot where such violation

exists, and summarily abate or remove the same at the expense of the owner, if after thirty days written notice of such violation the same shall not have been corrected by the owner. Any such entry and abatement or removal shall not be deemed a trespass.

E. Additional residential property and common areas may be annexed to the property as provided in Article VII hereinabove.

F. The Partnership reserves the right to construct in Phase and additional phases, townhouses, and condominiums on property not dedicated as common area or specifically delineated as a lot.

G. The Partnership covenants and agrees that such townhouses or condominiums shall be subject to Covenants, Conditions, and Restrictions of a similar nature.

IN WITNESS WHEREOF, THE PARTNERSHIP has caused this Declaration to be signed in its corporate name by its President and attested by its Secretary and sealed with its corporate seal, on the day and year first above written.

OCEAN FOREST LAKES ASSOCIATES, a Limited Partnership

BY James A. Williams
James A. Williams, General Partner
of Ocean Forest Lakes Associates,
a North Carolina Limited Partnership

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I, ROBERT L. THORNTON, a Notary Public in and for the State and County aforesaid, do hereby certify that DOES A. HULLANDS in his capacity as General Partner for Ocean Forest Lakes Associates, a North Carolina Limited Partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and notarial seal, this 21 day of JANUARY, 1985.

[Signature]
Notary Public

My commission expires: 10/24/88



STATE OF NORTH CAROLINA
New Hanover County
The Foregoing Certificate of _____
Robert L. Thornton,_____
a Notary Public _____
is certified to be correct.
This the 22 day of Jan 19 85

Rebecca P. Tucker, Register of Deeds
[Signature]
Deputy

(EXHIBIT "A", Page 1)

TRACT ONE:

Beginning at an iron pipe in the eastern line of the E.W. Godwin's Sons tract of land described as tract two in a Deed of Trust recorded in Book 1150 at Page 189 of the New Hanover County Registry. Said iron pipe is located the following calls and distances from the point of intersection of the centerline of River Road, S.R. / 1100, with the centerline of the bridge over Lords Creek, said bridge being 2.75 miles southwardly from the intersection of S.R. / 1100 with S.R. / 1187: N 03° 15' E - 1609.92', as measured along the centerline of River Road, to a point in the southern line of the second tract conveyed to H.R. Murphy and recorded in Book 435 at Page 360; thence with the southern line of said tract and the northern line of the Burnett tract S 84° 41' 30" E - 629.20' to an old G.A.P.L. stone marking the southwestern corner of the former E.W. Godwin's Sons tract; thence with the former Godwin line and the northern line of the Burnett tract S 85° 41' E - 1688.36' to another old G.A.P.L. stone at the southeast corner of the former E.W. Godwin's Sons tract; thence with the eastern line of the former Godwin tract N 06° 11' E - 1109.44' to the point of beginning. Running thence from said point of beginning with the northern line of the of the Ocean Forest Lakes tract N 85° 50' 30" W - 1000.0' to an iron pipe; thence N 50° 10' 15" E - 1438.98' to an iron pipe in the eastern line of the E.W. Godwin's Sons tract, western line of Ocean Forest Lakes; thence with said dividing line between Godwin and Ocean Forest lakes S 06° 11' W - 1000.0' to the point of beginning, containing 11.47 acres more or less and being a portion of the E.W. Godwins Sons tract.

TRACT TWO:

Beginning at an old pipe near an old stone, the northeastern corner of the formerly Anthony Hawes heirs tract of land, now Ocean Forest Lakes Associates tract of land, said old pipe being the following courses and distances from the intersection of the centerline of S.R. #1100 (River Road) with the centerline of a concrete bridge through which flows the water of Lords Creek, said bridge being approximately 2.75 miles southwardly from the intersection of said S.R. #1100 with S.R. #1187, as measured along said S.R. #1100, North 3° 15' East 1609.92 feet; South 84° 41' 30" East 629.17 feet and North 4° 48' East 1,104.6 feet to the aforementioned formerly Anthony Hawes heirs northeastern corner; running thence from said beginning corner and with the easterly projection of the northern line of the aforesaid Ocean Forest Lakes Associates tract of land, South 85° 50' 30" east 1,715.2 feet to an iron pipe in the western line of a 246.22 acre tract of land conveyed to Ocean Forest Lakes Associates by deed recorded in the New Hanover County Registry; running thence with said line, South 6° 11' West 1,109.44 feet to the southeastern corner of the Godwin Land Company's tract of land; running thence with said Godwin line, North 85° 41' West 1,688.36 feet to a stone marked GAFL, the southeastern corner of the formerly Anthony Hawes heirs tract of land; running then with said line, North 4° 48' East 1,104.6 feet to the point of beginning, containing 43.24 acres, more or less, and being a portion of the Godwin Land Company tract of land. The foregoing survey and description prepared by George Loak, North Carolina Registration Number L-4

(EXHIBIT A, Page 3)

TRACT THREE:

Beginning at the intersection of the centerline of the River Road (S.R. #1100) with the southern line of the second tract of land conveyed to H. R. Murphy by deed and recorded in Book 435, at Page 360, of the New Hanover County Registry, said intersection being North 3 degrees 35 minutes East 1,609.92 feet from the center of the concrete bridge which accommodates the waters of Lords Creek, said bridge being southwardly 2.75 miles from the intersection of said River Road with S.R. #1107, as measured along the River Road; running thence from said beginning point and with the southern line of the J. H. Burnett tract of land, South 84 degrees 41 minutes 30 seconds East 629.2 feet to a stone marked G.A.P.L., said stone being the southwestern corner of the E. W. Godwin's Sons tract of land; running thence with said Godwin's Sons western line, North 4 degrees 48 minutes East 1,104.6 feet to an old pipe near an old stone, the southeastern corner of the McNeil heirs tract of land; running thence with the southern line of said tract and crossing the River Road, North 85 degrees 50 minutes 30 seconds West 1,962.47 feet, more or less, to an old pipe in the eastern high water line of the Cape Fear River; running thence southwardly with said high water line 1,209 feet, more or less, to an old stone marking the southwestern corner of the aforementioned H. R. Murphy tract of land; running thence with the southern line of said Murphy tract of land, South 84 degrees 41 minutes 30 seconds East 872.67 feet, more or less, to the point of beginning, containing 38.97 acres, more or less, exclusive of the area in the right of way of the River Road, subject however to the right of way of the River Road (S.R. #1100) not to exceed 50.0 feet from its centerline, this herein described tract of land being the aforementioned second tract of land conveyed to H. R. Murphy by deed recorded in Book 435, at Page 360, of the New Hanover County Registry.

Less and except that portion of the above described tract that lies west of the center line of River Road.

TRACT FOUR:

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Beginning at a stone marked G.A.P.L. at the southeastern corner of the E. W. Godwin's Sons tract of land, said stone being in the northern line of the J. H. Burnett tract of land lying north of Lords Creek, said G.A.P.L. stone being located in the following manner: Beginning at the intersection of the centerline of the River Road (S.R. #1100) with the run of Lords Creek, said beginning point being in the center of the concrete bridge which accommodates the waters of said Lords Creek, said bridge being 2.75 miles southwardly from the intersection of said S.R. #1100 with S.R. #1187, as measured along the aforesaid S.R. #1100; running thence with the centerline of said River Road, North 3 degrees 35 minutes East 1,609.92 feet, more or less, to the intersection of the southern line of the second tract of land conveyed to H. R. Murphy and recorded in Book 435, at Page 360, of the New Hanover County Registry; running thence with the southern line of said tract of land, South 84 degrees 41 minutes 30 seconds East 629.2 feet to a stone marked G.A.P.L. in the northern line of the J. H. Burnett tract of land, said stone also marking the southwestern corner of the E. W. Godwin's Sons tract of land; running thence with the dividing line between said E. W. Godwin's Sons and J. H. Burnett tract of land, South 85 degrees 41 minutes East 1,688.36 feet, more or less, to the aforementioned G.A.P.L. stone marking the beginning point of this herein described tract of land; running thence from said beginning point and with the eastern line of the aforementioned Godwin tract of land, and beyond, North 6 degrees 11 minutes East 4,751.3 feet, more or less, to another stone marked G.A.P.L., a corner of the J. W. Reaves tract of land (formerly the John A. Sanders tract); running thence with said Reaves line, South 84 degrees 40 minutes East 1,038.6 feet to an old concrete monument marking the northern corner of a 158 acre tract of land conveyed to Corbett Package Company, formerly known as the McNeil tract; running thence with the western line of said Corbett Package Company tract of land, South 5 degrees 50 minutes East 4,719.38 feet, more or less, to an old pipe in the northern edge of the swamp of Lords Creek; continuing thence same course, and crossing Lords Creek, South 5 degrees 50 minutes East 1,550.66 feet to an iron pipe; running thence North 83 degrees 50 minutes West 536 feet, more or less, to the run of Lords Creek; running thence westwardly with said creek to a point in the eastern line of the aforementioned J. H. Burnett tract of land, said point bearing South 6 degrees 38 minutes West from an old cedar post located on the north side of Lords Creek, said point being North 81 degrees 15 minutes West 1624 feet from the preceding point as measured in a direct line; running thence with Burnett's eastern line, North 6 degrees 38 minutes East 15 feet, more or less, to said cedar post; continuing thence same line North 6 degrees 38 minutes East 1,766.9 feet, more or less, to an old pipe near a cedar post, said pipe marking the northeastern corner of the aforesaid J. H. Burnett tract of land; running thence with Burnett's northern line, North 82 degrees 37 minutes West 264.0 feet, more or less, to the point of beginning, containing 246.22 acres of land, more or less, and being the first tract of land conveyed to H. R. Murphy as recorded in Book 435, at Page 360, of the New Hanover County Registry.