

For Amendment to this instrument refer to Book 4607 Page 376 11-21-86
" " " " 463 " 36 1-13-88 MMT
" " " " " " MMT

Prepared by: LANIER & FOUNTAIN

For Amendment to this instrument please refer to Book 740 Page 495 7-12-85 MMT

BOOK 705 PAGE 879
DECLARATION

OF COVENANTS, CONDITIONS AND RESTRICTIONS OF
OCEAN BAY VILLAGE TOWNHOME OWNERS ASSOCIATION, INC.

THIS DECLARATION, made on the date hereinafter set forth by JOHN H. HAYES, INC., ONSLOW BAY CONSTRUCTION COMPANY AND OCEAN BAY VILLAGE OF TOPSAIL ISLAND, INC., all corporations organized under the laws of the State of North Carolina with their principal office located in Onslow County, North Carolina, hereinafter referred to as "Declarant".

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in Stump Sound Township, County of Onslow, State of North Carolina, which is more particularly described as:

Being all of Lots Nos. 1-8, Phase I, as shown on a Plat entitled "Ocean Bay Villages", revised as prepared by John L. Price and recorded in Map Book 22, Page 109, Onslow County Registry.

NOW THEREFORE, Declarant hereby declares that all of the properties 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 real property and be binding on all parties having any 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 OCEAN BAY VILLAGE TOWNHOME OWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Eligible First Mortgage Holder" shall mean any holder of a first mortgage, who files with the secretary of the association, notice, that they are holding a mortgage on the lot.

For Amendment refer to Book 464 Page 491 1-29-88

Section 5. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The "Common Control Area" shall mean the exterior and roofs of all structures located on the described premises.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 7. "Declarant" shall mean and refer to ONSLOW BAY CONSTRUCTION COMPANY, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provision:

a. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

b. The right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

c. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of each class of members and 51% of the mortgage holders has been recorded.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Parking Rights. Ownership of each Lot shall entitle the owner or owners thereof to the use of not less than two (2) automobile parking spaces, which shall be located on the Lot together with the right of ingress and egress in and upon said parking area. The Association shall insure not less than two (2) vehicle parking spaces for each dwelling.

Section 4. Common Control Areas. The Association shall govern any and all repairs, replacements, maintenance and painting of the Common Control Areas.

Section 5. Exterior Maintenance. In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint, repair, replacement and care of roofs, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces. In the event that the need for maintenance or repair of a Lot or the improvements thereon is caused through the willful or negligent acts of its owner, or through the willful or negligent acts of the family, guests or invitees of the owner of the Lot needing such maintenance or repair, the cost of such exterior maintenance shall be added to and become part of the assessment to which such lot is subject.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- a. When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- b. On the fifth anniversary of the conveyance of a Lot or other parcel within the development.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Annual assessments or charges, and (2) Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of any Common Area; and for the improvement and maintenance of any Common Control Area and of the homes situated on the properties. In addition, sums shall be collected and amassed to establish a capital account for capital improvements and repairs to the properties.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be _____ per Lot and may be paid monthly, quarterly or semi-annually as determined by the association.

- a. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be

increased each year not more than ten (10%) percent above the maximum assessment for the previous year without a vote of the membership.

b. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above ten (10%) percent by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

c. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty (50%) percent of all the votes of each class of 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 (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting nor less than five (5) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and shall be collected on a monthly basis. However, notwithstanding this section or any other section contained herein, Declarant shall be obligated to pay only one-fourth (1/4th) of the Uniform Assessment provided the lot is unoccupied and has not been deeded by Declarant. Declarant shall pay two (2) months assessments for all lots

contained in a phase of the development at the time of transfer on the first unit to insure the financial well being of the Association. Said sums shall be reimbursed by the initial purchaser of the Lot. Said contribution shall not constitute a prepayment of the monthly assessment but shall be a contribution to the Capital Working Fund of the Association.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. Each unit shall be assessed two (2) months dues at the time of transfer from Declarant to reimburse Declarant for the sums paid as provided in the preceding Section. Said sums shall not be construed as a prepayment. In addition, the first month's Association dues shall be collected at the time of the purchase from Declarant. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. 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 a Lot is binding upon the Association as of the date of its issuance.

Section 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 twelve (12%) percent per annum or such other rate as the Association may determine. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. 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.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments 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 mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments 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.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after such plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owner who makes use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owner to call for a contribution from the others under any rule of law regarding liability for negligent or willful acts or omission.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provision of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all their arbitrators.

ARTICLE VII

USE RESTRICTIONS

Section 1. Land Use and Building Type. No Lot shall be used except for residential purposes, except declarant may maintain an on site sales office, rental management office, property management office and or construction office until such time as all properties shown on plat recorded in Map Book 22, Page 109, Onslow County Registry, have been sold. No building shall be erected, altered, placed, or permitted to remain on any Lot other than one single family townhouse dwelling. Any building erected, altered, placed or permitted to remain on any Lot shall be subject to the provisions of the Article V of this declaration of Covenants, Conditions, and Restrictions relating to architectural control.

Section 2. Nuisances. No noxious or offensive activity shall be carried upon any Lot, nor shall anything be done thereon which may be or may become annoyance or nuisance to the neighborhood.

Section 3. Temporary Structures. No structure of a temporary character, porch, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently.

Section 4. Recreational Vehicles. No boat, motor boat, camper, trailer, or mobile home, or similar type vehicle, shall be permitted to remain on any portion of the Properties, unless by consent of the Association in which such vehicles shall be placed in the area or areas designated by the Association.

Section 5. Animals. No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other common household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and are at all times not a nuisance to other owners, properly leashed or confined in an approved area.

Section 6. Outside Antennas. No outside radio or television antennas shall be erected on any Lot or dwelling unit within the Properties unless and until permission for the same has been granted by the Board of Directors of the Association or its architectural control committee.

Section 7. Window Coverings. All drapes, curtains, or other similar materials hung at windows, or in any manner so as to be visible from the outside of any building erected upon any Lot shall be of a white or neutral background or material.

Section 8. Exterior Lights. All light bulbs or other lights installed in any fixture located on the exterior of any building or any Lot shall be clear, white, or non-frost lights or bulbs.

ARTICLE IX

EASEMENTS

Section 1. Utility and Drainage. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of drainage, or which may obstruct or retard the flow of water.

Section 2. Exterior Maintenance. The Association, acting through its officers, agents, servants and/or employees shall have the right of unobstructed access at all reasonable times to all properties as may be reasonably necessary to perform the exterior maintenance called for in the Article VII of this Declaration.

Section 3. Emergency Repairs. The Association is hereby granted a permanent easement to enter any properties, including any individually owned Lot, for the sole purpose of effectuating emergency repairs.

Section 4. Ingress and Egress. Each Lot owner shall have an unrestricted right of ingress and egress to their Lot. This right shall pass and inure to the benefit of all future Lot owners.

Section 3. Common Area. Easements are also reserved over those portions of the Common Area that may be necessary or required to accommodate overhanging eaves, porches, decks, steps or other cantilevered construction which may encroach upon the Common Area or the air and light space above such Common Area.

ARTICLE X

INSURANCE AND BONDS

Section 1. Hazard Insurance. The Association shall obtain and maintain a policy of property insurance in a sufficient amount to cover One Hundred (100%) percent of the replacement costs of all the common areas, except for those that are normally excluded from coverage, such as land, excavation, etc., with the premiums of said insurance being paid as a common expense. All Lot owners are required to maintain insurance policies on their individual Lots and all insurance policies shall be of a sufficient amount to cover One Hundred (100%) percent of the current replacement cost of all improvements that may be located on the Lot. The Association shall be furnished with a copy of the current insurance policies.

Section 2. Liability Insurance. The Association shall obtain and maintain a Comprehensive General Liability Insurance policy covering all common areas, public ways and other areas that are under its supervision. The policy shall provide coverage of at least \$1,000,000.00 for bodily injury and property damage for any single occurrence. The premium for said policy shall be paid by the Association.

Section 3. Flood Insurance. The Association shall obtain and maintain a Flood Insurance policy to cover any common area buildings or any other common area property which shall lie in a Special Flood Hazard area as defined by the Federal Emergency Management Agency. The amount of insurance should be at least the lesser of One hundred (100%) percent of the current replacement cost of all buildings and other insurable property located in the flood hazard area or the maximum coverage available for the property under the National Flood Insurance Program. The premium for said insurance shall be paid as a common expense. In addition, Flood Insurance shall be obtained and maintained by any Lot Owner in an amount at least the lesser of One Hundred (100%) percent of the current replacement cost of all improvements and other insurable property totaled in the flood hazard area or the maximum coverage available for the property under the National Flood Insurance Program.

Section 4. Fidelity Bond. The Association shall have Fidelity Bonds for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. A management agent that handles funds for the Association shall be covered by its own Fidelity Bond.

Except for Fidelity Bonds that a management agent obtains for its personnel, all other bonds shall name the Association as an obligee and their premiums shall be paid by the Association as a common expense.

The Fidelity Bonds shall be in a sufficient amount to cover the aggregate of the following:

- (a) the maximum funds that will be in the custody of the Association or its management agent at any time while the bond is in force,
- (b) the sum of three (3) months assessments on all amounts in the project, and
- (c) All reserve funds of the Association.

Section 5. Notice to Association and Mortgagors. All insurance policies and bonds must include a provision that calls for ten (10) days written notice to the Association and each holder of a first mortgage before the bond or insurance can be cancelled or substantially modified for any reason.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Document Availability. The Association shall have current copies of the Declarations, By-Laws, and other rules concerning the project as well as its own books, records and financial statements available for inspection by lot owners or by holders, insurers and guarantors of first mortgages that are secured by lots and improvements within the development. These documents shall be available during normal business hours and under other reasonable circumstances.

There shall be an annual audited statement prepared each year with copies made available to the Lot owner, and any holder, insurer or guarantor of any first mortgage that is secured by a Lot within the development.

Section 4. Condemnation, Destruction, or Liquidation. The Association will be deemed to represent the owners in any losses or proceeds from condemnation, destruction or liquidation of all or a part of the common areas and shall have the authority to negotiate, settle, and otherwise make agreements on behalf of all Lot owners and any and all sums payable shall be distributed to the Lot owners and their mortgage holders. Any and all funds shall be distributed to each of the Lot owners in equal shares. However, all first mortgage holders shall be given 10 days notice prior to any disbursements to the Lot owners.

Section 5. Limitation on Ability to Sell and Lease. No Lot owners right to sell, convey, transfer or mortgage his Lot shall be restricted.

Section 6. Annexation. Additional residential property, Common Area and Common Control Area may be annexed to the Properties with the consent of two-third (2/3) of each class of members. Additional land within the area described in Map Book 22, Page 109, of the land records of Onslow County, may be annexed by the Declarant without the consent of members within three (3) years of the date of this instrument, provided that the annexation is in accord with the general plan of development and that the number of units does not exceed fifty six (56) in number.

Section 7. Mortgagee Approval. The following actions will require the prior written approval of at least fifty one (51%) percent of the eligible mortgage holders: Annexation of additional properties, other than contained herein, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

Section 8. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety (90%) percent of the Lot owners, and thereafter by an instrument signed by not less than seventy-five (75%) percent of the Lot owners. Any amendment must be recorded.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 15th day of August, 1984.

JOHN H. HAYES, INC

BY: Bobby Horton (SEAL)
President

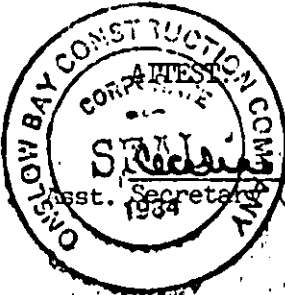
ATTEST:

Cecelia Cottle
Secretary (Corporate Seal)



ONSLow BAY CONSTRUCTION COMPANY

BY: Bobby Horton (SEAL)



Stacy Cottle
Asst. Secretary (Corporate Seal)

OCEAN BAY VILLAGE OF TOPSAIL ISLAND, INC.

BY: Lee Quinn (SEAL) V.P.

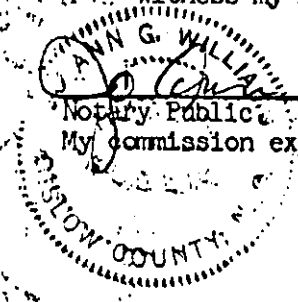
ATTEST:
Ann G. Williams
Secretary (Corporate Seal)

NORTH CAROLINA:
ONSLow COUNTY:

I, a Notary Public of said County and State, do hereby certify that Cecelia Cottle, personally came before me this day and acknowledged that (s)he is the Secretary of JOHN H. HAYES, INC, and ONSLOW BAY CONSTRUCTION COMPANY AND OCEAN BAY VILLAGE OF TOPSAIL ISLAND, INC, all North Carolina corporations, and that by authority duly given and as the act of the corporations, the foregoing instrument was signed in their name by their President, sealed with their corporate seal and attested by their Secretary.

Witness my hand and seal, this 15th day of August, 1984.

Ann G. Williams
Notary Public
My commission expires: 06-09-86

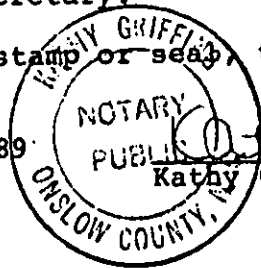


North Carolina
Onslow County

I, a Notary Public of the County and State aforesaid, certify that Glenn Watson, personally came before me this day and acknowledged that he is Secretary of Ocean Bay Village of Topsail Island, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by himself as its Secretary.

Witness my hand and official stamp or seal, this 14th day of August, 1984.

My Commission Expires: 3/11/89



Kathy Griffing
Kathy Griffing - Notary Public

NORTH CAROLINA, Onslow County Jo Ann G. Williams and Kathy Griffing
The foregoing certificate(s) of _____

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in
Book 705 Page 879 This 16 day of August
1984 A.D. at 9:03 o'clock A.M.
Walter M. ... Register of Deeds, Onslow County

RA

AMENDMENT
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
OCEAN BAY VILLAGE TOWNHOME OWNERS ASSOCIATION, INC.

THIS AMENDMENT to the Declaration of Covenants, Conditions and Restrictions of Ocean Bay Village Townhome Owners Association, Inc. entitled "Declaration of Covenants, Conditions and Restrictions of Ocean Bay Village Townhome Owners Association, Inc." (hereinafter called "Declaration") dated August 15, 1984, and filed for record in the Office of Register of Deeds of Onslow County in Book 705, Page 879, et. seq., is hereby made and promulgated by Onslow Bay Construction Company, the owner of the real property added hereto and submitted to the aforementioned Declaration, in accordance with the provisions of the Declaration.

The Amendment made and promulgated hereby is as follows:

1. The description of the land contained in said Declaration is hereby deleted in its entirety and inserted in its place and stead, to the same extent as if set forth in the original Declaration, is the following description:

Being all of Lots 1-12, and 53-56, Section 1, Ocean Bay Village as shown on a map prepared by John L. Pierce, RLS, and as recorded in Map Book 22, Page 109, Onslow County Registry.

All other provisions, restrictions and covenants contained in the original Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, Onslow Bay Construction Company has caused this amendment to Declaration to be executed by its duly authorized officers and its corporate seal affixed, this the 12th day of July, 1985.

Keith E. Fountain

KEITH E. FOUNTAIN

~~BOBBY HARRISON~~
Richard D. Barnum by Keith E. Fountain

RICHARD D. BARNUM
By Keith E. Fountain his Atty in Fact
Celia M. Barnum by Keith E. Fountain

CELIA M. BARNUM
By Keith E. Fountain her Atty in Fact

STATE OF NORTH CAROLINA:

COUNTY OF ONSLOW

I, a Notary Public of the County and State aforesaid, do hereby certify that personally came before me, Melvin L. Fowler, who being by me duly sworn, says that he is the President of Onslow Bay Construction Company and that the seal affixed to the foregoing instrument in writing is the corporate seal of the said Onslow Bay Construction Company and that said writing was signed and sealed by him in behalf of said corporation, by its authority duly given; and the said John J. Peck acknowledges the said writing to be the act and deed of said corporation.

Witness my hand and seal this _____ day of _____, 1985.

My Commission expires: _____

NOTARY PUBLIC

STATE OF NORTH CAROLINA:

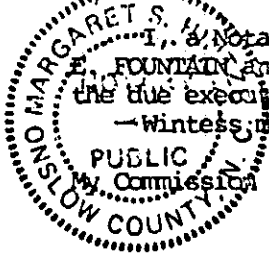
COUNTY OF ONSLOW

I, a Notary Public for said County and State, do hereby certify that KEITH FOUNTAIN and BOBBY HORTON personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal, this the 12th day of July, 1985.

My Commission Expires: 5-17-86

NOTARY PUBLIC



Margaret S. Hintze
NOTARY PUBLIC

NORTH CAROLINA ONSLOW COUNTY

I, a Notary Public of said County and State, do hereby certify that Keith E. Fountain, Attorney in Fact for Richard D. Bamun and Celia M. Bamun, personally appeared before me this day and by me duly sworn, says that he/she executed the foregoing and annexed instrument for and in behalf of Richard D. Bamun & Celia M. Bamun and that his or her authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged, and recorded in Book 736, Page 435, in the Office of the Register of Deeds for Onslow County, North Carolina on the 7th day of June, 1985 and that this instrument was executed under and by virtue of the authority given by said instrument and Power of Attorney that the said Keith E. Fountain acknowledged the due execution of the foregoing and annexed instrument for the purpose therein established for and in behalf of the said Richard D. Bamun & Celia M. Bamun.

My commission expires: 5-17-86

Notary Public

Margaret S. Hintze
Notary Public

NORTH CAROLINA, ONSLOW COUNTY

The foregoing certificate(s) of _____

Margaret S. Hintze

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 740 Page 495 This 12 day of JULY 19 85 A.D., at 5:55 o'clock P. M. By *Michael M. Roman* Register of Deeds, Onslow County

Prepared by: LANIER & FOUNTAIN, ESQS.

AMENDMENT

'86 NOV 21 PM 2 20

TO

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

OCEAN BAY VILLAGE TOWNHOME OWNERS ASSOCIATION, INC.

THIS AMENDMENT to the Declaration of Covenants, Conditions and Restrictions of OCEAN BAY VILLAGE TOWNHOME OWNERS ASSOCIATION, INC., entitled "Declaration of Covenants, Conditions and Restrictions of Ocean Bay Village Townhome Owners Association, Inc." (hereinafter called "Declaration") dated August 15, 1984, and filed for record in the Office of the Register of Deeds of Onslow County in Book 705, Page 879, et. seq., is hereby made and promulgated by Onslow Bay Construction Company, the owner of the real property added hereto and submitted to the aforementioned Declaration, in accordance with the provisions of the Declaration.

The Amendment made and promulgated hereby is as follows:

1. The description of the land contained in said Declaration is hereby deleted in its entirety and inserted in its place and stead, to the same extent as if set forth in the original Declaration, is the following description:

Being all of Lot(s) 25, 26, 27, & 28, Section I, Ocean Bay Village as shown on a map prepared by John L. Pierce, R.L.S., and as recorded in Map Book 22, Page 109, Onslow County Registry.

All other provisions, restrictions and covenants contained in the original Declaration shall remain in full force and effect.

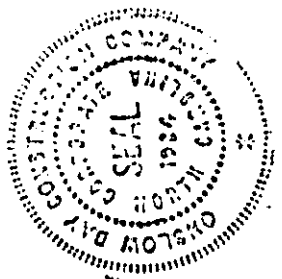
IN WITNESS WHEREOF, Onslow Bay Construction Company has caused this amendment to Declaration to be executed by its duly authorized officers and its corporate seal affixed, this the 21 day of November, 1986.

ONSLow BAY CONSTRUCTION COMPANY

BY: Melvin L. Fowler (SEAL)
MELVIN L. FOWLER, President

ATTEST:

John J. Peck
JOHN J. PECK, Secretary
(CORPORATE SEAL)



STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

I, a Notary Public of said County and State, do hereby certify that JOHN J. PECK personally came before me this day and acknowledged that he is Secretary of Onslow Bay Construction Company, a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by its Secretary.

Witness my hand and seal, this 21st day of November, 1986.

Mary E. Strong
Notary Public
My Commission Expires: July 14, 1991



NORTH CAROLINA, ONSLOW COUNTY
The foregoing certificate(s) of

Mary E. Strong

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in

Book 807 Page 376 This 21st day of NOV.

19 86 A.D. at 2:30 o'clock P. M.

Mildred M. Howell
Register of Deeds, Onslow County

By _____
Register of Deeds

Prepared by: LANIER & FOUNTAIN, ESQS. BOOK 863 PAGE 36

AMENDMENT
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
OCEAN BAY VILLAGE TOWNHOME OWNERS ASSOCIATION, INC.

THIS CORRECTED AMENDMENT to the Declaration of Covenants, Conditions and Restrictions of OCEAN BAY VILLAGE TOWNHOME OWNERS ASSOCIATION, INC., entitled "Declaration of Covenants, Conditions and Restrictions of Ocean Bay Village Townhome Owners Association, Inc." (hereinafter called "Declaration") dated August 15, 1984, and filed for record in the Office of the Register of Deeds of Onslow County in Book 705, Page 879, et.seq., as amended in Book 740, Page 495, Book 741, Page 393, Book 750, Page 139, Book 759, Page 391 and Book 807, Page 376 all of the Onslow County Registry is hereby made and promulgated by Onslow Bay Construction Company, the owner or former owners of the real property added hereto and submitted to the aforementioned Declaration, in accordance with the provisions of the Declaration.

WHEREAS, said amendments contained an error in that it contained language deleting the existing lots in the Association when it was the intent of the Declarant for the existing lots to remain in the Association and the referenced lots to be added to said Association.

WHEREAS, Declarant desires to correct said error.

NOW, THEREFORE the Declarant corrects said amendment to describe the land in which the property within the Association as follows:

Being all of Lots 1 thru 16, Lots 25, 26, 27, and 28, Lots 49 thru 56, Section 1, Ocean Bay Village as shown on a map prepared by John L. Pierce, R.L.S., and as recorded in Map Book 22, Page 109, Onslow County Registry.

All other provisions, restrictions and covenants contained in the original Declaration shall remain in full force and effect.

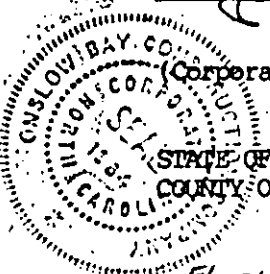
IN WITNESS WHEREOF, Onslow Bay Construction Company has caused this amendment to Declaration to be executed by its duly authorized officers and its corporation seal affixed, this the 13th day of January, 1988.

ONSLow BAY CONSTRUCTION COMPANY

BY: Elizabeth D. Peck (SEAL)
President

ATTEST:

John J. Peck
Secretary



(Corporate Seal)

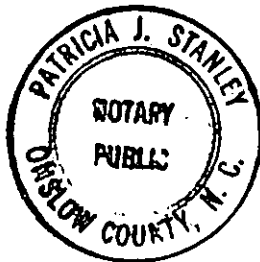
STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

I, a Notary Public of said County and State, do hereby certify that Elizabeth D. Peck, personally came before me this day and acknowledged that he is Secretary of Onslow Bay Construction Company, a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed by John J. Peck, President, sealed with its corporate seal, and attested by him as its Secretary.

Witness my hand and official seal, this 13th day of January, 1988.

Patricia J. Stanley
Notary Public

My Commission Expires: 1-21-91



NORTH CAROLINA, ONSLOW COUNTY
The foregoing certificate(s) of

Patricia J. Stanley

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 863 Page 36 This 13th day of January 19 88 A.D. at 2:55 o'clock P. M.
Michael M. Almon By _____
Register of Deeds, Onslow County Register of Deeds

AMENDMENT
TO
DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS
OF
OCEAN BAY VILLAGE TOWNHOME OWNERS ASSOCIATION, INC.

THIS AMENDMENT to the Declaration of Covenants, Conditions & Restrictions of Ocean Bay Village Townhome Owners Association, Inc., entitled "Declaration of Covenants, Conditions & Restrictions of Ocean Bay Village Townhome Owners Association, Inc." (hereinafter called "Declaration") dated August 15, 1984 and filed for record in the Office of the Register of Deed of Onslow County in Book 705, Page 879, as amended in Book 740, Page 495, Book 741, Page 393, Book 750, Page 139, Book 759, Page 391, Book 807, Page 376 and Book 863, Page 36, Onslow County Registry, is hereby made and promulgated by Onslow Bay Construction Company, the Declarant on the Declaration, Ocean Bay Village Townhome Owners Association, Inc. (hereinafter referred to as the "Association"); John J. Peck and wife, Elizabeth D. Peck, Robert Keith Ward and Hom-Ark Developers, Inc., the owners of the real property to be added hereto and submitted to the aforementioned Declaration (hereinafter referred to as "Owners"), in accordance with the provisions of the Declaration.

W I T N E S S E T H :

THAT WHEREAS, Onslow Bay Construction Company is the original declarant of the Declaration; and

WHEREAS, John J. Peck and wife, Elizabeth D. Peck and Robert Keith Ward are the owners of Lots 17 through 24 Section I Ocean Bay Village as shown on a plat recorded in Book 22, Page 109, Onslow County Registry; and

WHEREAS, Hom-Ark Developers, Inc. is the owner of Lots 29 through 48 Section I Ocean Bay Village as shown on the aforesaid plat; and

WHEREAS, the parties hereto wish to subject Lots 17 through 24 and Lots 29 through 48 Section I Ocean Bay Village as shown on the aforesaid plat to the Declaration with the same force and effect as if said lots were originally described within said document; and

WHEREAS, the parties hereto have agreed upon the terms and

conditions of said declaration.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION IN HAND PAID, the receipt of which is hereby acknowledged, the Declarant hereby amends and the Owners hereby consent to the amendment of the Declaration by including in the description of land described therein, as an addition thereto, the following property:

BEING all of Lots 17 through 24 and Lots 29 through 48 Phase I, Ocean Bay Village as shown on a map prepared by John L. Pierce, RLS, and as recorded in Map Book 22, Page 109, Onslow County Registry.

That said property is and shall be subject to said Declaration to the same extent as if set forth in the original declaration. All other provisions, restrictions and covenants contained in the original declaration and the amendment recorded in Book 863, Page 36, Onslow County shall remain in full force and effect.

Ocean Bay Village Townhome Owners Association, Inc. hereby enters into this Agreement for the purpose of consenting to said amendment, and further in consideration of the Owners subjecting said lots to the declaration, the Association hereby agrees to waive payment of dues or assessments on each of Lots 17 through 24 and Lots 29 through 48, Phase I Ocean Bay Village by John J. Peck and wife, Elizabeth D. Peck and Robert Keith Ward, and Hom-Ark Developers, Inc., their successors and/or assigns, until such time as each lot is sold to a bona fide purchaser for value.

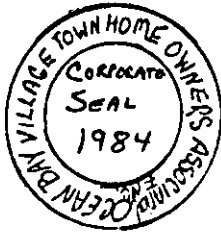
IN WITNESS WHEREOF, the parties hereto have set their hands and seals, or if corporate, have caused this instrument to be signed in their corporate names by their duly authorized officers and their seals to be hereunto affixed by authority of their boards of directors, this the 28th day of January, 1988.

ONSLow BAY CONSTRUCTION COMPANY

BY: Elizabeth D. Peck (SEAL)
President

ATTEST: John J. Peck
Secretary





OCEAN BAY VILLAGE TOWNHOME OWNERS ASSOCIATION, INC.

BY: John J. Peck (SEAL) President

(CORPORATE SEAL)

ATTEST: Elizabeth D. Peck Secretary

John J. Peck (SEAL)
JOHN J. PECK

Elizabeth D. Peck (SEAL)
ELIZABETH D. PECK

Robert Keith Ward (SEAL)
ROBERT KEITH WARD

HCM-ARK DEVELOPERS, INC.

BY: Danny Marco Padgett (SEAL)
DANNY MARCO PADGETT, President

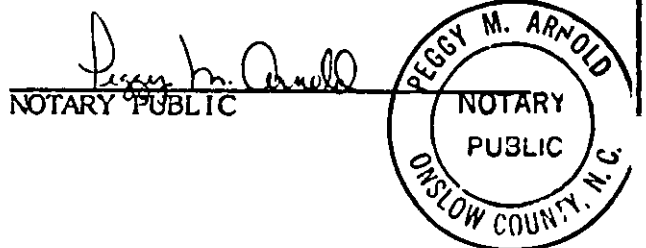
(CORPORATE SEAL)

ATTEST: Homer J. Prince, Jr.
HOMER J. PRINCE, JR., Secretary

NORTH CAROLINA
ONSLow COUNTY

I, a Notary Public of the County and State aforesaid, certify that Elizabeth D. Peck, personally came before me this day and acknowledged that she is Secretary of Ocean Bay Village Townhome Owners Assn, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ Secretary.

Witness my hand and official stamp or seal, this 28th day of January, 1988.

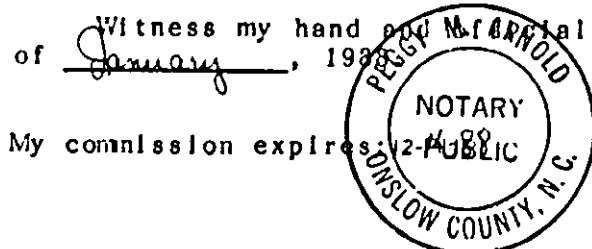


My commission expires: 12-14-88

NORTH CAROLINA
ONSLow COUNTY

I, a Notary Public of the County and State aforesaid, certify that John J. Peck, personally came before me this day and acknowledged that he is Secretary of Onslow Bay Construction Company, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ Secretary.

Witness my hand and official stamp or seal, this 28th day of January, 1988.



Peggy M. Arnold
NOTARY PUBLIC

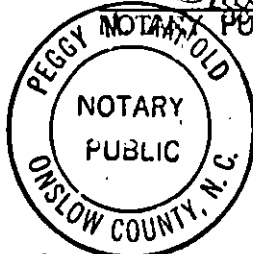
My commission expires: 12-14-88

NORTH CAROLINA
ONSLOW COUNTY

I, a Notary Public of the County and State aforesaid, certify that John J. Leck & wife Elizabeth D. Leck Grantor, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 28th day of January, 1988.

Peggy M. Arnold



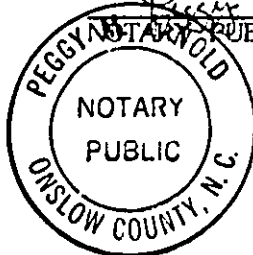
My commission expires: 12-14-88

NORTH CAROLINA
ONSLOW COUNTY

I, a Notary Public of the County and State aforesaid, certify that Robert Keith Ward Grantor, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 28th day of January, 1988.

Peggy M. Arnold



My commission expires: 12-14-88

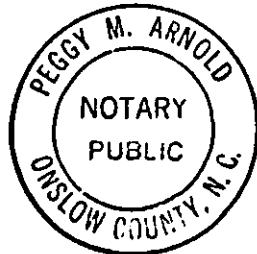
NORTH CAROLINA
ONSLOW COUNTY

I, a Notary Public of the County and State aforesaid, certify that Homer J. Prince, Jr., personally came before me this day and acknowledged that he is Secretary of Dom-Ark Developers, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Secretary.

Witness my hand and official stamp or seal, this 28th day of January, 1988.

Peggy M. Arnold

NOTARY PUBLIC



My commission expires: 12-14-88

NORTH CAROLINA, ONSLOW COUNTY
The foregoing certificate(s) of

Peggy M. Arnold

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 864 Page 491 This 29th day of January 19 88 A.D. at 11:51 o'clock A. M. By Mildred M. Brown Register of Deeds, Onslow County