

**SUPPLEMENTAL DECLARATIONS CONTAINING COVENANTS, CONDITIONS AND
RESTRICTIONS FOR LOCKWOOD FOLLY**

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**SUPPLEMENTAL DECLARATION CONTAINING COVENANTS, CONDITIONS AND
RESTRICTIONS FOR SINGLE FAMILY DETACHED CUSTOM HOME LOTS
LOCKWOOD FOLLY**

WHEREAS, on or about the 16th of June, 1987, Channel Side Corporation ("The Company") a North Carolina Corporation, executed as "Declarant" its "Master Declaration of Covenants, Conditions, and Restrictions for Lockwood Folly, (the "Master Declaration"); and

WHEREAS, by and through the execution and recording of the Master Declaration in Deed Book 695 at Page 968 of the Brunswick Registry, the Company has placed those certain Covenants, Conditions and Restrictions embodied in the Master Declaration on the real property described therein; and

WHEREAS, pursuant to the provisions of Article II, Section 3 of the Master Declaration, the Company has reserved the right to further restrict the development of any portion of the real property encumbered by the Master Declaration by placing such additional Covenants, Conditions and Restrictions on any such real property as it deems necessary; and

WHEREAS, Channel Side Corporation is the owner of that certain real property ("The Property") which is more particularly described in the plat which is duly recorded in Map Cabinet R at Page 351-352 of the Brunswick Registry.

WHEREAS, as shown on the Plat, the Company desires to develop the Property as Detached Single-Family Residential Lots ("The Lots"), and in order to establish a unique, superior and integrated community within the Property, protect the value of individual Lots and to assure the architectural environment within The Property in keeping with the high standards of Lockwood Folly, the Company desires to subject The Property to the Covenants, Conditions and Restrictions set forth herein.

NOW, THEREFORE, The Company, submits and subjects The Property to the Master Declaration of Covenants, Conditions and Restrictions and the Architectural Standards Guidelines for Lockwood Folly including, but not limited to, the following;

1. Submission of Property to the Supplemental Declaration. Pursuant to the provisions of Article II, Section 3 of the Master Declaration, The Company submits and subjects The Property as described in Map Cabinet R Pages 351-356 the Covenants, Conditions and Restrictions contained herein which shall constitute equitable servitude's which shall run with the land. Every grantee of every interest in any Lot within The

Property, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the Covenants, Conditions and Restrictions contained herein. All land within The Property which is not shown on the Plat as Residential Lots shall remain property of The Company unless otherwise sold, transferred, or conveyed. Such retained property shall include all roads, traffic islands, lakes, ponds, wildlife areas, lagoons, golf course holes and easements, if any, contained within The Property.

2. Submission of Additional Property. The Company may at any time subject other real property to the Covenants, Conditions and Restrictions contained herein by recording a plat which recites on the face thereof that the lots thereon are subject to this Supplemental Declaration.

3. Membership in Association. Owners of Lots within The Property shall automatically be members of the Lockwood Folly Property Owners Association, Inc. As members of the Association, the owners of Lots within the Property shall be subject to the Rules, Regulations and By-laws of the Association as contained in the Master Declaration. Owners of Lots within the Property shall, in addition to their rights of membership in the Association, be liable for the payment of all dues, assessments and fines imposed by said Association.

4. Building Restrictions. No dwelling shall be constructed on any Lot which has a height exceeding 35 feet above the elevation of the finished surface of the first floor of such dwelling or existing grade, whichever is greater. All dwellings must comply with County, State and Federal Regulations. All dwellings shall have a minimum of 1,800 square feet of living space (heated dwelling space). All dwellings constructed on Lots within The Property which possess multiple floors shall contain a minimum of 1,500 square feet of living space (heated dwelling space) within the first floor of any such dwelling. In addition, all residential structures constructed on a Lot shall: (a) have as a minimum first floor elevation the 100-year flood elevation as designated on the official Brunswick County Flood Plain Maps, on file with the Brunswick County Planning Department; and (b) be designed and constructed in compliance with the requirements of CAMA and the Brunswick County Building Code for residential construction in flood hazard areas; and (c) be constructed according to the architectural and landscaping plans which have been approved as to architectural style, exterior materials, color schemes, placement on the Lot and landscaping by the Architectural Standards Committee.

5. Amendment. This Supplemental Declaration may be amended by the Declarant at any time prior to turnover, provided such amendment does not alter the basic

plan of development. After turnover, as described in the Master Declaration, the Board of Directors of the Association may amend this Supplemental Declaration provided such amendment does not materially alter the basic plan of development.

6. Cumulative Effect. All of the Covenants, Conditions and Restrictions contained in this Supplemental Declaration shall encumber The Property in addition to those contained in the Master Declaration. Wherever a provision of this Supplemental Declaration conflicts with specific provisions of the Master Declaration, the provisions of the Master Declaration shall prevail.

7. Binding Effect and Duration. These Covenants, Conditions, and Restrictions shall run with the land and shall be binding on all parties owning any portion of The Property, their heirs, successors and assigns, for the same period of time as the Master Declaration including extensions thereof.

8. Enforcement. The Company, the Association or any owner of a Lot within The Property shall have the right (but not the affirmative obligation) to enforce, by proceedings at law or in equity, all the Restrictions, Conditions, Covenants, Easements and Reservations now or hereinafter imposed by the provisions of this Declaration; however, the failure to do so shall not be deemed a waiver of the right to do so in the future. Furthermore, the Company reserves for itself, and the Association and their agents and employees the right to enter upon any Lot for inspection.

IN WITNESS WHEREOF, this codification of a Supplement to the Master Declaration together with covenants, conditions and restrictions has been signed and executed by the Lockwood Folly Property Owners Association Board of Directors. Approval is recorded in the minutes of the July 13, 2004 Board of Directors meeting.

LOCKWOOD FOLLY PROPERTY OWNERS ASSOCIATION, INC.

CORPORATE
SEAL

By: _____ Simon Schaffler
—
Simon Schaffler, President

ATTEST:

_____ Patrick Hogan _____
Patrick Hogan, Secretary

STATE OF NORTH CAROLINA COUNTY OF BRUSWICK

I, Robin McKeithan, a Notary Public of the County and State aforesaid, certify that Patrick Hogan personally came before me this day and acknowledged that he is Secretary of LOCKWOOD FOLLY PROPERTY OWNERS ASSOCIATION, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing By-Laws were acknowledged as the official By-Laws of the Association and were signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.

Witness my hand and official stamp or seal, this 19 day of August, 2004.

_____ Robin McKeithan _____
Notary Public

Notary Public My Commission Expires: February 6, 2005

SUPPLEMENTAL DECLARATION SUBMITTING LOTS 132-A, 132-B, 133, 133-A, 133-B, 133-C and 133-D, PHASE I, LOCKWOOD FOLLY TO THE MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LOCKWOOD FOLLY AND THE SUPPLEMENTAL DECLARATION CONTAINING COVENANTS, CONDITIONS AND RESTRICTIONS FOR PHASE I SINGLE FAMILY DETACHED CUSTOM HOME LOTS IN LOCKWOOD FOLLY

WHEREAS, on or about the 16th of June, 1987, Channel Side Corporation, a North Carolina Corporation executed as "Declarant" its "Master Declaration of Covenants, Conditions and Restrictions for Lockwood Folly" (hereafter referred to as "Master Declaration"); and

WHEREAS, on or about the 22nd day of June, 1987, Channel Side Corporation executed its "Supplemental Declaration containing Covenants, Conditions and Restrictions for Single Family Detached Custom Home Lots in Lockwood Folly" (hereafter referred to a "Supplemental Declaration"); and

WHEREAS, by execution and recording of the Master Declaration in Deed Book 695 at Page 968 of the Brunswick County Registry and the supplemental Declaration in Deed Book 771, Page 594 of the Brunswick County Registry, Channel Side Corporation placed those certain covenants, conditions and restrictions embodied in the Master Declaration and Supplemental Declaration on the real property described therein; and

WHEREAS, pursuant to the Master Declaration and Supplemental Declaration, Channel Side Corporation has reserved the right to subject other real property to the covenants, conditions and restrictions contained in the Master Declaration and Supplemental Declaration; and

WHEREAS, Channel Side Corporation is the owner of Lots 132-A, 132-B, 133-A, 133-B, 133-C and 133-D, Phase I (hereafter referred to as "the Property") which are more particularly.

described on that plat of Lots 132-A, 132-B, 133, 133-A, 133-B, 133-C and 133-D, Phase I, Lockwood Folly, which Map is recorded in Map Cabinet Z, Page 332 of the Brunswick County Registry; and

WHEREAS, Channel Side Corporation desires to develop the Property as Detached Single Family Residential Lots, and in order to establish a unique, superior and integrated community within the Property, protect the value of individual lots and to assure the architectural environment within the Property in keeping with the standards of

Lockwood Folly, Channel Side Corporation desires and does now subject the Property to the covenants, conditions and restrictions contained in the Master Declaration and supplemental Declaration.

NOW, THEREFORE, Channel Side Corporation submits the property as described on the plat recorded in Map Cabinet Z at Page 332, of the Brunswick County Registry/ to the covenants, conditions and restrictions contained in the Master Declaration as recorded in Deed Book 695 at Page 968 of the Brunswick County Registry and the Supplemental Declaration as recorded in Deed Book 771, Page 594 of the Brunswick County Registry,

Channel Side Corporation further declares and agrees that every grantee of any interest in the Property, by acceptance of a deed or other conveyance of such interest, shall be bound by the covenants, conditions and restrictions contained in the Master Declaration as recorded in Deed Book 695 at Page 968 of the Brunswick County Registry and the Supplemental Declaration as Recorded in Deed Book 771, Page 594 of the Brunswick County Registry.

IN WITNESS WHEREOF, this codification of a Supplement to the Master Declaration together with covenants, conditions and restrictions has been signed and executed by the Lockwood Folly Property Owners Association Board of Directors. Approval is recorded in the minutes of the July 13, 2004 Board of Directors meeting.

LOCKWOOD FOLLY PROPERTYOWNERS ASSOCIATION, INC.

CORPORATE

SEAL

By: _____ Simon Schaffler ___
Simon Schaffler, President

ATTEST:

_____ Patrick Hogan _____

Patrick Hogan, Secretary

STATE OF NORTH CAROLINA COUNTY OF BRUSWICK

I, __ Robin McKeithan __, a Notary Public of the County and State aforesaid, certify that Patrick Hogan _ personally came before me this day and acknowledged that he is Secretary of LOCKWOOD FOLLY PROPERTY OWNERS ASSOCIATION, INC., a North Carolina corporation, and that by authority duly given and as the act of the

corporation, the foregoing By-Laws were acknowledged as the official By-Laws of the Association and were signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.

Witness my hand and official stamp or seal, this 19 day of August, 2004.

_____ Robin McKeithan _____

Notary Public

Notary Public My Commission Expires: February 6, 2005

**SUPPLEMENTAL DECLARATION SUBMITTING LOTS 163 THROUGH 178,
PHASE 1 TO THE MASTER DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR LOCKWOOD FOLLY AND THE SUPPLEMENTAL
DECLARATION INCORPORATING PHASE I FOR SINGLE FAMILY
DETACHED CUSTOM HOME LOTS IN LOCKWOOD FOLLY**

WHEREAS, on or about the 16th day of June, 1987, Channel Side Corporation, a North Carolina Corporation executed as "Declarant" its Declaration of Covenants, Conditions and Restrictions for Lockwood Folly, hereafter referred to as "Master Declaration"; and

WHEREAS, on or about the 22nd day of June, 1987, Channel Side Corporation executed its "Supplemental Declaration Containing Covenants, Conditions and Restrictions for Single Family Detached Custom Home Lots in Lockwood Folly", hereafter referred to as "Supplemental Declaration"; and

WHEREAS, by and through the execution and recording of the Master Declaration in Deed Book 695 at Page 968 of the Brunswick County Registry and the Supplemental Declaration in Deed Book 771 at Page 594 of the Brunswick County Registry, Channel Side Corporation placed those certain Covenants, Conditions and Restrictions embodied in the Master Declaration and Supplemental Declaration on the real property described therein; and

WHEREAS, pursuant to the Master Declaration and Supplemental Declaration, Channel Side Corporation has reserved the right to subject other real property to the Covenants, Conditions and Restrictions contained in the Master Declaration and Supplemental Declaration; and

WHEREAS, Channel Side Corporation is the owner of that certain real property (hereafter referred to as "The Property") which is more particularly described in the Map of Lockwood Folly, Phase I, Lots 163 through 178 which is duly recorded in Map Cabinet 18 at Page 306 of the Brunswick County Registry; and

WHEREAS, as shown on the map of Lockwood Folly, Phase I, Lots 163 through 178, Channel Side Corporation desires to develop the property as Detached Single-Family Residential Lots and in order to establish a unique, superior and integrated community within the property, protect the value of the individual lots and to assure the architectural environment within The Property in keeping with the standards of Lockwood Folly, Channel Side Corporation desires and does now subject The Property to

the Covenants, Conditions and Restrictions contained in the Master Declaration and Supplemental Declaration.

NOW THEREFORE, Channel Side Corporation submits and subjects The Property as described in Map Cabinet 18 at Page 306 of the Brunswick County Registry to the Covenants, Conditions and Restrictions contained in the Master Declaration as recorded in Deed Book 695 at Page 968 of the Brunswick County Registry and the Supplemental Declaration as recorded in Deed Book 771 at Page 594 of the Brunswick County Registry; and

Channel Side Corporation further declares and agrees that every Grantee of any interest in any lot within The Property, by acceptance of a deed or other conveyance of such an interest, shall be bound by the Covenants, Conditions and Restrictions contained in the Master Declaration as recorded in Deed Book 695 at Page 968 of the Brunswick County Registry and Supplemental Declaration as recorded in Deed Book 771 at Page 594 of the Brunswick County Registry.

IN WITNESS WHEREOF, this codification of a Supplement to the Master Declaration together with covenants, conditions and restrictions has been signed and executed by the Lockwood Folly Property Owners Association Board of Directors. Approval is recorded in the minutes of the July 13, 2004 Board of Directors meeting.

LOCKWOOD FOLLY PROPERTYOWNERS ASSOCIATION, INC.

CORPORATE
SEAL

By: _____ Simon Schaffler ____
Simon Schaffler, President

ATTEST:

_____ Patrick Hogan _____
Patrick Hogan, Secretary

STATE OF NORTH CAROLINA COUNTY OF BRUSWICK

I, __ Robin McKeithan __, a Notary Public of the County and State aforesaid, certify that
__ Patrick Hogan _ personally came before me this day and acknowledged that he is
Secretary of LOCKWOOD FOLLY PROPERTY OWNERS ASSOCIATION, INC., a
North Carolina corporation, and that by authority duly given and as the act of the
corporation, the foregoing By-Laws were acknowledged as the official By-Laws of the
Association and were signed in its name by its President, sealed with its corporate seal
and attested by him as its Secretary.

Witness my hand and official stamp or seal, this _19_ day of _August, 2004.

_____ Robin McKeithan ____
Notary Public

Notary Public My Commission Expires: _February 6, 2005

SUPPLEMENTAL DECLARATION INCORPORATING PHASE 2 FOR SINGLE FAMILY DETACHED CUSTOM HOME LOTS IN LOCKWOOD

WHEREAS, on or about the 16th day of June, 1987, Channel Side Corporation ("The Company") a North Carolina Corporation, executed as "Declarant" its "Declaration of Covenants, Conditions, and Restrictions for Lockwood Folly, (the "Master Declaration"); and

WHEREAS, by and through the execution and recording of the Master Declaration in Deed Book 695 at Page 968 of the Brunswick Registry, the Company has placed those certain Covenants, Conditions and Restrictions embodied in the Master Declaration on the real property described therein; and

WHEREAS, pursuant to the provisions of Article II, Section 3 of the Master Declaration, the Company has reserved the right to further restrict the development of any portion of the real property encumbered by the Master Declaration by placing such additional Covenants, Conditions and Restrictions on any such real property as it deems necessary; and

WHEREAS, on or about 22 June, 1987 the company caused to be recorded a Supplemental Declaration containing the Covenants, Conditions and Restrictions for Single Family Detached Custom Homes which appear in Deed Book 771, Page 594 of the Brunswick County Registry.

WHEREAS, pursuant to Paragraph 2 thereof, the company reserved the right to subject additional property to the Master Declaration and Single Family Detached Custom Home Lot Supplemental Declaration by recording a plat of such property which recites on the face thereof that the lots shown on the map are subject to the Supplemental Declaration.

WHEREAS the company caused to be recorded a map of Phase 2 which appears in Map Cabinet U, Pages 44 and the map recited that the lots thereon were subject to the Master Declaration appearing in Deed Book 695, Page 968 and the Supplemental Declaration appearing in Deed Book 771, Page 594 of the Brunswick County Registry.

The purpose of this declaration is to further confirm that the lots shown in Map Cabinet U, Pages 44 of the Brunswick County Registry for Phase 2 are subject to the Master Declaration for Lockwood Folly above recited as well as the Supplemental Declaration for Single Family Detached Custom Home Lots in Lockwood Folly as appears in Deed Book 771, Page 594 of the Brunswick County Registry.

IN WITNESS WHEREOF, this codification of a Supplement to the Master Declaration together with covenants, conditions and restrictions has been signed and executed by the Lockwood Folly Property Owners Association Board of Directors. Approval is recorded in the minutes of the July 13, 2004 Board of Directors meeting.

LOCKWOOD FOLLY PROPERTYOWNERS ASSOCIATION, INC.

CORPORATE

SEAL

By: _____ Simon Schaffler ___
Simon Schaffler, President

ATTEST:

_____ Patrick Hogan _____
Patrick Hogan, Secretary

STATE OF NORTH CAROLINA COUNTY OF BRUSWICK

I, __ Robin McKeithan __, a Notary Public of the County and State aforesaid, certify that _____ Patrick Hogan personally came before me this day and acknowledged that he is Secretary of LOCKWOOD FOLLY PROPERTY OWNERS ASSOCIATION, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing By-Laws were acknowledged as the official By-Laws of the Association and were signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.

Witness my hand and official stamp or seal, this _19_ day of _August, 2004.

_____ Robin McKeithan ___
Notary Public

Notary Public My Commission Expires: _February 6, 2005_

SUPPLEMENTAL DECLARATION INCORPORATE PHASE 3 FOR SINGLE FAMILY DETACHED CUSTOM HOME LOTS IN LOCKWOOD FOLLY

WHEREAS, on or about the 16th day of June, 1987, Channel Side Corporation ("The Company") a North Carolina Corporation, executed as "Declarant" its "Declaration of Covenants, Conditions, and Restrictions for Lockwood Folly, (the "Master Declaration"); and

WHEREAS, by and through the execution and recording of the Master Declaration in Deed Book 695 at Page 968 of the Brunswick Registry, the Company has placed those certain Covenants, Conditions and Restrictions embodied in the Master Declaration on the real property described therein; and

WHEREAS, pursuant to the provisions of Article II, Section 3 of the Master Declaration, the Company has reserved the right to further restrict the development of any portion of the real property encumbered by the Master Declaration by placing such additional Covenants, Conditions and Restrictions on any such real property as it deems necessary; and

WHEREAS, Channel Side Corporation is the owner of that certain real property ("The Property") which is more particularly described in the plat which is duly recorded in Map Cabinet U at Pages 17 of the Brunswick County Registry.

WHEREAS, as shown on the Plat, the Company desires to develop the Property as Detached Single-Family Residential Lots ("The Lots"), and in order to establish a unique, superior and integrated community within the Property, protect the value of individual Lots and to assure the architectural environment within The Property in keeping with the high standards of Lockwood Folly, the Company desires to subject The Property to the Covenants, Conditions and Restrictions set forth herein.

NOW, THEREFORE, The Company, submits and subjects the Property to the Master Declaration of Covenants, Conditions and Restrictions and the Architectural Standards Guidelines for Lockwood Folly.:

1. Submission of Property to the Supplemental Declaration.

Pursuant to the provisions of Article II, Section 3 of the Master Declaration, The Company submits and subjects The Property as described in Map Cabinet U Pages 17 to the Covenants, Conditions and Restrictions contained herein which shall constitute equitable servitude's which shall run with the land. Every grantee of every interest in any Lot within The Property, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the Covenants, Conditions and Restrictions contained herein. All

land within The Property, which is not shown on the Plat, as Residential Lots shall remain property of The Company unless otherwise sold, transferred, or conveyed. Such retained property shall include all roads, traffic islands, lakes, ponds, wildlife areas, lagoons, golf course holes and easements, if any, contained within The Property.

2. Submission of Additional Property. The Company may at any time subject other real property to the Covenants, Conditions and Restrictions contained herein by recording a plat which recites on the face thereof that the lots thereon are subject to this Supplemental Declaration.

3. Membership in Association. Owners of Lots within The Property shall automatically be members of the Lockwood Folly Property Owners Association, Inc. As members of the Association, the owners of Lots within the Property shall be subject to the Rules, Regulations and By-laws of the Association as contained in the Master Declaration. Owners of Lots within the Property shall, in addition to their rights of membership in the Association, be liable for the payment of all dues, assessments and fines imposed by said Association.

4. Building Restrictions. No dwelling shall be constructed on any Lot which has a height exceeding 35 feet above the elevation of the finished surface of the first floor of such dwelling or existing grade, whichever is greater. All dwellings must comply with County, State and Federal Regulations. All dwellings shall have a minimum of 2,500 square feet of living space (heated dwelling space). All dwellings constructed on Lots within The Property which possess multiple floors shall contain a minimum of 1,800 square feet of living space (heated dwelling space) within the first floor of any such dwelling. In addition, all residential structures constructed on a Lot shall: (a) have as a minimum first floor elevation the 100-year flood elevation as designated on the official Brunswick County Flood Plain Maps, on file with the Brunswick County Planning Department; and (b) be designed and constructed in compliance with the requirements of CAMA and the Brunswick County Building Code for residential construction in flood hazard areas; and (c) be constructed according to the architectural and landscaping plans which have been approved as to architectural style, exterior materials, color schemes, placement on the Lot and landscaping by the Architectural Standards Committee.

5. Amendment. This Supplemental Declaration may be amended by the Declarant at any time prior to turnover, provided such amendment does not alter the basic plan of development. After turnover, as described in the Master Declaration, the Board

of Directors of the Association may amend this Supplemental Declaration provided such amendment does not materially alter the basic plan of development.

6. Cumulative Effect. All of the Covenants, Conditions and Restrictions contained in this Supplemental Declaration shall encumber The Property in addition to those contained in the Master Declaration. Wherever a provision of this Supplemental Declaration conflicts with specific provisions of the Master Declaration, the provisions of the Master Declaration shall prevail.

7. Binding Effect and Duration. These Covenants, Conditions, and Restrictions shall run with the land and shall be binding on all parties owning any portion of The Property, their heirs, successors and assigns, for the same period of time as the Master Declaration including extensions thereof.

8. Enforcement. The Company, the Association or any owner of a Lot within The Property shall have the right (but not the affirmative obligation) to enforce, by proceedings at law or in equity, all the Restrictions, Conditions, Covenants, Easements and Reservations now or hereinafter imposed by the provisions of this Declaration; however, the failure to do so shall not be deemed a waiver of the right to do so in the future. Furthermore, the Company reserves for itself, and the Association and their agents and employees the right to enter upon any Lot for inspection.

IN WITNESS WHEREOF, this codification of a Supplement to the Master Declaration together with covenants, conditions and restrictions has been signed and executed by the Lockwood Folly Property Owners Association Board of Directors. Approval is recorded in the minutes of the July 13, 2004 Board of Directors meeting.

LOCKWOOD FOLLY PROPERTYOWNERS ASSOCIATION, INC.

CORPORATE
SEAL

By: _____ Simon Schaffler ____
Simon Schaffler, President

ATTEST:

_____ Patrick Hogan _____
Patrick Hogan, Secretary

STATE OF NORTH CAROLINA COUNTY OF BRUSWICK

I, ___ Robin McKeithan __, a Notary Public of the County and State aforesaid, certify that ___ Patrick Hogan personally came before me this day and acknowledged that he is Secretary of LOCKWOOD FOLLY PROPERTY OWNERS ASSOCIATION, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing By-Laws were acknowledged as the official By-Laws of the Association and were signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.

Witness my hand and official stamp or seal, this _19_ day of August, 2004.

_____ Robin McKeithan ____
Notary Public

Notary Public My Commission Expires: _February 6, 2005_

SUPPLEMENTAL DECLARATION REDUCING THE MINIMUM SQUARE FOOTAGE AS TO LOTS 349 THRU 364 OF LOCKWOOD FOLLY, PHASE III, AS CONTAINED IN THE SUPPLEMENTAL DECLARATION RECORDED IN DEED BOOK 934, PAGE 617 OF THE BRUNSWICK COUNTY REGISTRY

WHEREAS, on or about the 16th day of June, 1993, Channel Side Corporation executed its "Supplemental Declaration Submitting Lots 349 thru 364 of Lockwood Folly, Phase III, to the Master Declaration of Covenants, Conditions and Restrictions for Lockwood Folly and the Supplemental Declaration Incorporating Phase III for Single Family Detached Custom Home Lots In Lockwood Folly" (hereafter referred to as "Supplemental Declaration"); and

WHEREAS, by execution and recording of the Supplemental Declaration in Deed Book 934 at Page 617 of the Brunswick County Registry, Channel Side Corporation subjected Lots 349 thru 364, Lockwood Folly, Phase III, to the covenants, conditions and restrictions contained in the Supplemental Declaration Incorporating Phase III for Single Family Detached Custom home Lots in Lockwood Folly, which is recorded in Deed Book 776 at Page 97 of the Brunswick County Registry; and

WHEREAS, Section No. 4 of the Supplemental Declaration Incorporating Phase III for Single Family Detached Custom Home Lots in Lockwood Folly, which is recorded in Deed Book 776 at Page 97 of the Brunswick County Registry, specifically provides: "All dwellings shall have a minimum of 2,500 square feet of living space (heated Dwelling space)"; and

WHEREAS, Channel Side Corporation wishes to reduce the aforementioned required minimum living space from 2,500 to 1,800 square feet as to dwelling on Lots 349 thru 364, Lockwood Folly, Phase III; and

WHEREAS, Channel Side Corporation has reserved the right to amend the Supplemental Declaration Incorporating Phase III for Single Family Detached Custom Home Lots in Lockwood Folly at any time prior to turnover; and

WHEREAS, the aforementioned amendment does not alter the basic plan of development; and

WHEREAS, Channel Side Corporation wishes to maintain the unique, superior and integrated community established within the Property, protect the value of individual lots and assure the architectural environment within the Property in keeping with the standards of Lockwood Folly.

NOW, THEREFORE, Channel Side Corporation does amend Section No. 4 of the Supplemental Declaration Incorporating Phase III for Single Family Detached Custom Home Lots in Lockwood Folly, which is recorded in Deed Book 776 at Page 97 of the Brunswick County Registry, to provide: As to Lots 349 thru 364, Lockwood Folly, Phase III, all dwellings shall have a minimum of 1,800 square feet of living space (heated dwelling space).

Except as provided herein, all covenants, conditions and restrictions contained in the Supplemental Declaration Incorporating Phase III for Single Family Detached Custom Home Lots in Lockwood Folly, which is recorded in Deed Book 776 at Page 97 of the Brunswick County Registry, shall remain the same.

IN WITNESS WHEREOF, this codification of a Supplement to the Master Declaration together with covenants, conditions and restrictions has been signed and executed by the Lockwood Folly Property Owners Association Board of Directors. Approval is recorded in the minutes of the July 13, 2004 Board of Directors meeting.

LOCKWOOD FOLLY PROPERTYOWNERS ASSOCIATION, INC.

CORPORATE
SEAL

By: _____ Simon Schaffler ____
Simon Schaffler, President

ATTEST:

_____ Patrick Hogan _____
Patrick Hogan, Secretary

STATE OF NORTH CAROLINA COUNTY OF BRUSWICK

I, ___ Robin McKeithan __, a Notary Public of the County and State aforesaid, certify that ___ Patrick Hogan personally came before me this day and acknowledged that he is Secretary of LOCKWOOD FOLLY PROPERTY OWNERS ASSOCIATION, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing By-Laws were acknowledged as the official By-Laws of the Association and were signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.

Witness my hand and official stamp or seal, this _19 day of August, 2004.

_____ Robin McKeithan ____
Notary Public

Notary Public My Commission Expires: _February 6, 2005_

SUPPLEMENTAL DECLARATION INCORPORATING PHASE 4 FOR SINGLE FAMILY DETACHED CUSTOM HOME LOTS IN LOCKWOOD FOLLY

WHEREAS, on or about the 16th day of June, 1987, Channel Side Corporation ("The Company") a North Carolina Corporation, executed as "Declarant" its Declaration of Covenants, Conditions, and Restrictions for Lockwood Folly, (the "Master Declaration"); and

WHEREAS, by and through the execution and recording of the Master Declaration in Deed Book 695 at Page 968 of the Brunswick Registry, the Company has placed those certain Covenants, Conditions and Restrictions embodied in the Master Declaration on the real property described therein; and

WHEREAS, pursuant to the provisions of Article II, Section 3 of the Master Declaration, the Company has reserved the right to further restrict the development of any portion of the real property encumbered by the Master Declaration by placing such additional Covenants, Conditions and Restrictions on any such real property as it deems necessary; and

WHEREAS, Channel Side Corporation is the owner of that certain real property ("The Property") which is more particularly described in the plat which is duly recorded in Map Cabinet W at Pages 351 of the Brunswick County Registry.

WHEREAS, as shown on the Plat, the Company desires to develop the Property as Detached Single-Family Residential Lots ("The Lots"), and in order to establish a unique, superior and integrated community within the Property, protect the value of individual Lots and to assure the architectural environment within The Property in keeping with the high standards of Lockwood Folly, the Company desires to subject The Property to the Covenants, Conditions and Restrictions set forth herein.

NOW, THEREFORE, The Company, submits and subjects The Property to the Master Declaration of Covenants, Conditions and Restrictions and the Architectural Standards Guidelines for Lockwood Folly:

1. Submission of Property to the Supplemental Declaration. Pursuant to the provisions of Article II, Section 3 of the Master Declaration, The Company submits and subjects the Property as described in Map Cabinet W Pages 351 to the Covenants, Conditions and Restrictions contained herein which shall constitute equitable servitude's which shall run with the land. Every grantee of every interest in any Lot within the Property, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the Covenants, Conditions and Restrictions contained herein. All land within

the Property, which is not shown on the Plat, as Residential Lots shall remain property of The Company unless otherwise sold, transferred, or conveyed. Such retained property shall include all roads, traffic islands, lakes, ponds, wildlife areas, lagoons, golf course holes and easements, if any, contained within The Property.

2. Submission of Additional Property. The Company may at any time subject other real property to the Covenants, Conditions and Restrictions contained herein by recording a plat which recites on the face thereof that the lots thereon are subject to this Supplemental Declaration.

3. Membership in Association. Owners of Lots within The Property shall automatically be members of the Lockwood Folly Property Owners Association, Inc. As members of the Association, the owners of Lots within The Property shall be subject to the Rules, Regulations and By-Laws of the Association as contained in the Master Declaration. Owners of Lots within The Property shall, in addition to their rights of membership in the Association, be liable for the payment of all dues, assessments and fines imposed by said Association.

4. Building Restrictions. No dwelling shall be constructed on any Lot which has a height exceeding 35 feet above the elevation of the finished surface of the first floor of such dwelling or existing grade, whichever is greater. All dwellings must comply with County, State and Federal Regulations. All dwellings on Lots 1-20 within The Property shall have a minimum of 1,400 square feet of living space (heated dwelling space), and all dwellings constructed on Lots 21-49 within The Property shall have a minimum of 1,600 square feet of living space (heated dwelling space). All structures constructed on Lots within The Property which possess multiple floors shall contain a minimum of 1,200 square feet of living space (heated dwelling space) within the first floor of the dwelling. In addition, all residential structures constructed on a Lot within The Property shall: (a) have as a minimum first floor elevation the -100-year flood elevation as designated on the official Brunswick County Flood Plain Maps, on file with the Brunswick County Planning Department; and (b) be designed and constructed in compliance with the requirements of CAMA and the Brunswick County Building Code for residential construction in flood hazard areas; and (c) be constructed according to the architectural and landscaping plans which have been approved as to architectural style, exterior materials, color schemes, placement on the Lot and landscaping by the Architectural Standards Committee.

5. Amendment. This Supplemental Declaration may be amended by the Declarant at any time prior to turnover, provided such amendment does not alter the basic plan of development. After turnover, as described in the Master Declaration, the Board of Directors of the Association may amend this Supplemental Declaration provided such amendment does not materially alter the basic plan of development.

6. Cumulative Effect. All of the Covenants, Conditions and Restrictions contained in this Supplemental Declaration shall encumber The Property in addition to those contained in the Master Declaration. Wherever a provision of this Supplemental Declaration conflicts with specific provisions of the Master Declaration, the provisions of the Master Declaration shall prevail.

7. Binding Effect and Duration. These Covenants, Conditions, and Restrictions shall run with the land and shall be binding on all parties owning any portion of The Property, their heirs, successors and assigns, for the same period of time as the Master Declaration including extensions thereof.

8. Enforcement. The Company, the Association or any owner of a Lot within The Property shall have the right (but not the affirmative obligation) to enforce, by proceedings at law or in equity, all the Restrictions, Conditions, Covenants, Easements and Reservations now or hereinafter imposed by the provisions of this Declaration; however, the failure to do so shall not be deemed a waiver of the right to do so in the future. Furthermore, the Company reserves for itself, and the Association and their guests and employees the right to enter upon any lot for inspection.

IN WITNESS WHEREOF, this codification of a Supplement to the Master Declaration together with covenants, conditions and restrictions has been signed and executed by the Lockwood Folly Property Owners Association Board of Directors. Approval is recorded in the minutes of the July 13, 2004 Board of Directors meeting.

LOCKWOOD FOLLY PROPERTYOWNERS ASSOCIATION, INC.

CORPORATE
SEAL

By: _____ Simon Schaffler ____
Simon Schaffler, President

ATTEST:

_____ Patrick Hogan _____
Patrick Hogan, Secretary

STATE OF NORTH CAROLINA COUNTY OF BRUSWICK

I, ___ Robin McKeithan __, a Notary Public of the County and State aforesaid, certify that _____ Patrick Hogan personally came before me this day and acknowledged that he is Secretary of LOCKWOOD FOLLY PROPERTY OWNERS ASSOCIATION, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing By-Laws were acknowledged as the official By-Laws of the Association and were signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.

Witness my hand and official stamp or seal, this _19 day of _August, 2004.

_____ Robin McKeithan ____
Notary Public

Notary Public My Commission Expires: _February 6, 2005_

**AMENDED SUPPLEMENTAL DECLARATION CONTAINING COVENANTS,
CONDITIONS AND RESTRICTIONS FOR PATIO HOME LOTS IN
WINDWARD VILLAGE**

WHEREAS, Channel Side Corporation ("The Company") a North Carolina Corporation, executed as Declarant its "Supplemental Declaration Containing Covenants, Conditions, and Restrictions for Patio Home Lots in Windward Village" on January 5, 1988, which is duly recorded in Book 718 at Page 342 of the Brunswick registry; and whereas, errors were made in reciting the date of execution thereof and also in the date of the notaries acknowledgment; and whereas, an amendment to the Supplemental Declaration was executed and duly recorded in Book 741 Page 442 of the Brunswick Registry; and whereas the purpose of this Amended Supplemental Declaration is to correct the errors in the original Supplemental Declaration appearing in Book 718 at Page 342 and to incorporate the Amendment into one document;

WHEREAS, on or about the 16th day of June, 1987, Channel Side Corporation ("The Company") a North Carolina Corporation executed as "Declarant" its "Declaration of Covenants, Conditions, and Restrictions for Lockwood Folly, (the "Master Declaration"); and

WHEREAS, by and through the execution and recording of the Master Declaration in Deed Book 695 at Page 968 of the Brunswick Registry, the Company has placed those certain Covenants, Conditions and Restrictions embodied in the Master Declaration on the real property described therein; and

WHEREAS, pursuant to the provisions of Article II, Section 3 of the Master Declaration, the Company has reserved the right to further restrict the development of any portion of the real property encumbered by the Master Declaration by placing such additional Covenants, Conditions and Restrictions on any such real property as it deems necessary; and

WHEREAS, Channel Side Corporation is the owner of that certain real property ("The Property") which is more particularly described in the plat which is duly recorded in Map Cabinet S at Page 205 of the Brunswick Registry.

WHEREAS, as shown on the Plat, the Company desires to develop The Property as single-family residential patio lots ("The Lots"), and in order to establish a unique, superior and integrated community within The Property, protect the value of individual Lots and to assure the architectural environment within The Property in keeping with the

high- standards of Lockwood Folly, the Company desires to subject The Property to the Covenants, Conditions and Restrictions set forth herein.

NOW, THEREFORE, The Company submits and subjects The Property to the Master Declaration of Covenants, Conditions and Restrictions and the Architectural Standards Guidelines for Lockwood Folly.

1. Submission of Property to Covenants. Pursuant to the provision of Article II, Section 3 of the Master Declaration, The Company submits and subjects The Property as described in Map Cabinet S at Page 205 to the Covenants, Conditions and Restrictions contained herein which shall constitute equitable servitude's which shall run with the land. Every grantee of an interest in any Lot within The Property, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the Covenants, Conditions and Restrictions contained herein. All land within The Property which is not shown on the Plat as residential Lots shall remain property of The Company unless otherwise sold, transferred, or conveyed. Such retained property shall include all roads, traffic islands, lakes, ponds, wildlife areas, lagoons, golf course holes and easements, if any, contained within The Property.

2. Submission of Additional Property. The Company may at any time subject other real property to the Covenants, Conditions and Restrictions contained herein by recording a plat which recites on the face thereof that the lots thereon are subject to this Supplemental Declaration.

3. Membership in Association. Owners of Lots within The Property shall automatically be members of the Lockwood Folly Property Owners Association, Inc. As members of the Association, the owners of Lots within The Property shall be subject to the Rules, Regulations and By-laws of the Association as contained in the Master Declaration. Owners of Lots within The Property shall, in addition to their rights of membership in the Association, be liable for the payment of all dues, assessments and fines imposed by the Association.

4. Building Restrictions. No dwelling shall be constructed on any Lot which has a height exceeding 30 feet above the elevation of the finished surface of the first floor of such dwelling or the existing grade, whichever is greater. All dwellings must comply with County, State and Federal Regulations. All dwellings shall have a minimum of 1/200 square feet of living space (heated dwelling space).. All multi floor dwellings shall contain a minimum of 1,200 square feet of living space (heated dwelling space) within the first floor. In addition, all dwellings shall: (a) have as a minimum first floor elevation

the 100-year flood elevation as designated on the official Brunswick County Flood Plain Maps, on file with the Brunswick County Planning Department; and (b) be designed and constructed in compliance with the requirements of CAMA and the Brunswick County Building Code for residential construction; and (c) be constructed according to the architectural and landscaping plans which have been approved as to architectural style, exterior materials, color schemes, placement on the Lot and landscaping by the Architectural Standards Committee .

5. Privacy. The dwelling shall be constructed on the lot so as not to interfere with the privacy of adjacent lot owners and in accordance with the guidelines set by the Architectural Standards Committee.

6. Construction and Reconstruction. Windward Village is a theme village and therefore requires construction and reconstruction of a dwelling and any other improvements on the lot to be in keeping with the theme and general character of the community. In order to carry out this requirement, the Lot owner must build his dwelling and any other improvement to be located on the lot according to specific models, the plans and specifications for which have been pre-approved by the Architectural Standards Committee. Construction and reconstruction or repairs shall also comply with the provisions of Paragraph 4, Building Restrictions.

7. Binding Effect and Duration. These Covenants, Conditions, and Restrictions shall run with the land and shall be binding on all parties owning any portion of The Property, their heirs, successors and assigns, for the same period of time as the Master Declaration including extensions thereof.

8. Amendment. This Supplemental Declaration may be amended by the Declarant at any time prior to turnover, provided such amendment does not alter the basic plan of development. After turnover, as described in the Master Declaration, the Board of Directors of the Association may amend this Supplemental Declaration provided such amendment does not materially alter the basic plan of development.

9. Cumulative Effect. All of the Covenants, Conditions and Restrictions contained in this Supplemental Declaration shall encumber The Property in addition to those contained in the Master Declaration. Wherever a provision of this Supplemental Declaration conflicts with specific provisions of the Master Declaration, the provisions of the Master Declaration shall prevail.

10. Enforcement. The Company, the Association or any owner of a Lot within The Property shall have the right (but not the affirmative obligation) to enforce, by

proceedings at law or in equity, all the Restrictions, Conditions, Covenants, Easements and Reservations now or hereinafter imposed by the provisions of this Declaration; however, the failure to do so shall not be deemed a waiver of the right to do so in the future.

IN WITNESS WHEREOF, this codification of a Supplement to the Master Declaration together with covenants, conditions and restrictions has been signed and executed by the Lockwood Folly Property Owners Association Board of Directors. Approval is recorded in the minutes of the July 13, 2004 Board of Directors meeting.

LOCKWOOD FOLLY PROPERTYOWNERS ASSOCIATION, INC.

CORPORATE

SEAL

By: _____ Simon Schaffler ____
Simon Schaffler, President

ATTEST:

_____ Patrick Hogan _____
Patrick Hogan, Secretary

STATE OF NORTH CAROLINA COUNTY OF BRUSWICK

I, ___ Robin McKeithan __, a Notary Public of the County and State aforesaid, certify that _____ Patrick Hogan _ personally came before me this day and acknowledged that he is Secretary of LOCKWOOD FOLLY PROPERTY OWNERS ASSOCIATION, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing By-Laws were acknowledged as the official By-Laws of the Association and were signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.

Witness my hand and official stamp or seal, this _19_ day of _August, 2004.

_____ Robin McKeithan ____
Notary Public

Notary Public My Commission Expires: _February 6, 2005

**SUPPLEMENTAL DECLARATION CONTAINING COVENANTS,
CONDITIONS AND RESTRICTIONS FOR PATIO HOME LOTS IN SPRING
BRANCH AND IN NORTH POINT**

WHEREAS, on or about June 16, 1987, Corporation ("The Company") a North Carolina Corporation executed as "Declarant" its "Declaration of Covenants, Conditions, and Restrictions for Lockwood Folly" (the "Master Declaration"); and

WHEREAS, by and through the execution and recording of the Master Declaration in Deed Book 695 at Page 968 of the Brunswick Registry, the Company has placed those certain Covenants, Conditions and Restrictions embodied in the Master Declaration on the real property described therein; and

WHEREAS, pursuant to the provisions of Article II, Section 3 of the Master Declaration, the Company has reserved the right to further restrict the development of any portion of the real property encumbered by the Master Declaration by placing such additional Covenants, Conditions and Restrictions on any such real property as it deems necessary; and

WHEREAS, Channel Side Corporation is the owner of that certain real property ("The Property") which is more particularly described in the plats which are duly recorded in the Brunswick Registry as follows: Spring Branch in Map Cabinet T at Page 29 and North Point in Map Cabinet T at Page 27

WHEREAS, as shown on the Plats, the Company desires to develop The Property as single-family residential patio lots ("The Lots"), and in order to establish a unique, superior and integrated community within The Property, protect the value of individual Lots and to assure that the architectural environment within The Property be in keeping with the high standards of Lockwood Folly, the Company desires to subject The Property to the Covenants, Conditions and Restrictions set forth herein.

NOW, THEREFORE, The Company, submits and subjects The Property to the Master Declaration of Covenants, Conditions and Restrictions and the Architectural Standards Guidelines for Lockwood.

1. Submission of Property to Covenants. Pursuant to the provision of Article II, Section 3 of the Master Declaration, The Company submits and subjects The Property as described in Map Cabinet T at Page 29 (Spring Branch) and in Map Cabinet T at Page 27 (North Point) to the Covenants, Conditions and Restrictions contained herein which shall constitute equitable servitude's which- shall run with the land. Every grantee of an interest in any Lot within The Property, by acceptance of a deed or other conveyance of

such interest, agrees to be bound by the Covenants, Conditions and Restrictions contained herein. All land within The Property, which is not shown on the Plat, as residential Lots shall remain property of The Company unless otherwise sold, transferred, or conveyed. Such retained property shall include all roads, traffic islands, lakes, ponds, wildlife areas, lagoons, golf course holes and easements, if any, contained within The Property.

2. Submission of Additional Property. The Company may at any time subject other real property to the Covenants, Conditions and Restrictions contained herein by recording a plat which recites on the face thereof that the lots thereon are subject to this Supplemental Declaration.

3. Membership in Association. Owners of Lots within The Property shall automatically be members of the Lockwood Folly Property Owners Association, Inc. As members of the Association, the owners of Lots within The Property shall be subject to the Rules, Regulations and By-laws of the Association as contained in the Master Declaration. Owners of Lots within The Property shall, in addition to their rights of membership in the Association, be liable for the payment of all dues, assessments and fines imposed by the Association.

4. Building Restrictions. (Amended 3-9-05) For Spring Branch, no dwelling shall be constructed on any Lot which has a height exceeding 20 feet above the first finished surface of the habitable floor of such dwelling. All homes must appear to be one story with the exception of future homes along the marsh requiring construction on pilings. No dwelling along the marsh, requiring construction on pilings, shall be constructed on any Lot which has a height exceeding 35 feet above the elevation of the existing grade. For North Point homes must appear to be no more than one and one half story and not have a height exceeding 35 feet above the elevation of the existing grade. All dwellings must comply with County, State and Federal Regulations. All dwellings shall have a minimum of 1,200 square feet of living space (heated dwelling space). In addition, all dwellings shall: (a) have as a minimum habitable floor elevation the 100-year flood elevation as designated on the official Brunswick County Flood Plain Maps, on file with the Brunswick County Planning Department; and (b) be designed and constructed in compliance with the requirements of CAMA and the Brunswick County Building Code for residential construction; and (c) be constructed according to the architectural and landscaping plans which have been approved as to architectural style, exterior materials, color schemes, placement on the Lot and landscaping by the Architectural Standards Committee.

5. Privacy. The dwelling shall be constructed on the lot so as not to interfere with the privacy of adjacent lot owners and in accordance with the guidelines set by the Architectural Standards Committee.

6. Construction and Reconstruction. Spring Branch and North Point are theme villages and therefore require construction and reconstruction of a dwelling and any other improvements on the lot to be in keeping with the theme and general character of the community. In order to carry out this requirement, the Lot owner must build his dwelling and any other improvement to be located on the lot according to specific models, the plans and specifications for which have been pre-approved by the Architectural Standards Committee. Construction and reconstruction or repairs shall also comply with the provisions of Paragraph 4, Building Restrictions.

7. Binding Effect and Duration. These Covenants, Conditions, and Restrictions shall run with the land and shall be binding on all parties owning any portion of The Property, their heirs, successors and assigns, for the same period of time as the Master Declaration including extensions thereof.

8. Amendment. This Supplemental Declaration may be amended by the Declarant at any time prior to turnover, provided such amendment does not alter the basic plan of development. After turnover, as described in the Master Declaration, the Board of Directors of the Association may amend this Supplemental Declaration provided such amendment does not materially alter the basic plan of development.

9. Cumulative Effect. All of the Covenants, Conditions and Restrictions contained in this Supplemental Declaration shall encumber The Property in addition to those contained in the Master Declaration. Wherever a provision of this Supplemental Declaration conflicts with specific provisions of the Master Declaration, the provisions of the Master Declaration shall prevail.

10. Enforcement. The Company, the Association or any owner of a Lot within The Property shall have the right (but not the affirmative obligation) to enforce, by proceedings at law or in equity, all the Restrictions, Conditions, Covenants, Easements and Reservations now or hereinafter imposed by the provisions of this Declaration; however, the failure to do so shall not be deemed a waiver of the right to do so in the future. Furthermore, the Company reserves for itself, and the Association and their agents and employees the right to enter upon any Lot for inspection.

N WITNESS WHEREOF, this codification of a Supplement to the Master Declaration together with covenants, conditions and restrictions has been signed and

executed by the Lockwood Folly Property Owners Association Board of Directors.
Approval is recorded in the minutes of the July 13, 2004 Board of Directors meeting.

LOCKWOOD FOLLY PROPERTY OWNERS ASSOCIATION, INC.

CORPORATE

SEAL

By: _____ Simon Schaffler ____
Simon Schaffler, President

ATTEST:

_____ Patrick Hogan _____

Patrick Hogan, Secretary

STATE OF NORTH CAROLINA COUNTY OF BRUSWICK

I, ___ Robin McKeithan __, a Notary Public of the County and State aforesaid, certify that
_____ Patrick Hogan _ personally came before me this day and acknowledged that he is
Secretary of LOCKWOOD FOLLY PROPERTY OWNERS ASSOCIATION, INC., a
North Carolina corporation, and that by authority duly given and as the act of the
corporation, the foregoing By-Laws were acknowledged as the official By-Laws of the
Association and were signed in its name by its President, sealed with its corporate seal
and attested by him as its Secretary.

Witness my hand and official stamp or seal, this _19 day of August, 2004.

_____ Robin McKeithan ____

Notary Public

Notary Public My Commission Expires: __February 6, 2005__

Amendment 08-04 October 9, 2008

**SUPPLEMENTAL DECLARATION CONTAINING
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR MULTI-FAMILY DWELLINGS WITHIN LOCKWOOD FOLLY**

WHEREAS, on or about the 16th of June, 1987, Channel Side Corporation (“The Company”) a North Carolina Corporation, executed as “Declarant” its “Master Declaration of Covenants, Conditions and Restrictions for Lockwood Folly, (the “Master Declaration”); and

WHEREAS, by and through the execution and recording of the Master Declaration in Deed Book 695 at page 968 of the Brunswick Registry, the Company has placed those certain Covenants, Conditions and Restrictions embodied in the Master Declaration on the real property described therein; and

WHEREAS, the Company has assigned, transferred and delegated its rights under the Covenants in the Master Declaration to LOCKWOOD FOLLY PROPERTY OWNERS’ ASSOCIATION, INC., (“The Association”) by document dated _____ and recorded _____;

WHEREAS, pursuant to the provisions of Article II, Section 3 of the Master Declaration, the Company and/or the Association has reserved the right to further restrict the development of any portion of the real property encumbered by the Master Declaration by placing such additional Covenants, Conditions and Restrictions on any such real property as it deems necessary; and

WHEREAS, as shown on the plats of Lockwood Folly Community, The Association desires that the development of the property is consistent with the quality desired of the neighborhood and that the property as Detached Single and Multi-Family Residential Lots and/or Dwellings be developed, then in order to establish a unique, superior and integrated community within The Property, protect the value of individual Lots and to assure the architectural environment within The Property in keeping with the high standards of Lockwood Folly, The Association desires to subject The Property to the Covenants, Conditions and Restrictions set forth herein.

NOW, THEREFORE, The Association submits and subjects The Property within the Lockwood Folly Subdivision to this SUPPLEMENTAL DECLARATION CONTAINING COVENANTS, CONDITIONS AND RESTRICTIONS FOR MULTI FAMILY DWELLINGS WITHIN LOCKWOOD FOLLY, supplementing the Master Declaration of Covenants, Conditions and Restrictions and the Architectural Standards Guidelines for Lockwood Folly including, but not limited to, the following:

1. Submission of Property to the Supplemental Declaration. Pursuant to the provisions of Article II, Section 3 of the Master Declaration, The Association submits and subjects The Property within Lockwood Folly Subdivision to the Covenants, Conditions and Restrictions contained herein which shall constitute equitable servitude’s which shall run with the land. Every grantee of every interest in any Lot within The Property, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the Covenants, Conditions

and Restrictions contained herein. All land within The Property which is not shown on the Plat as Residential Lots shall remain property of The Association unless otherwise sold, transferred, or conveyed. Such retained property shall include all roads, traffic islands, lakes, ponds, wildlife areas, lagoons, golf course holes and easements, if any, contained within The Property.

2. Submission of Additional Property. The Association may at any time subject other real property to the Covenants, Conditions and Restrictions contained herein by recording a plat which recites on the face thereof that the lots thereon are subject to this Supplemental Declaration.

3. Membership in Association. Owners of Lots and/or Dwellings within The Property shall automatically be members of the Lockwood Folly Property Owners Association, Inc. As members of The Association, the owners of Lots and/or Dwellings within The Property shall be subject to the Rules, Regulations and By-laws of The Association as contained in the Master Declaration. Owners of Lots and/or Dwellings within The Property shall, in addition to their rights of membership in The Association, be liable for the payment of all dues, assessments and fines imposed by said Association.

4. Building Restrictions. No dwelling shall be constructed on any Lot which has a height exceeding 50 feet above the elevation of the finished surface of the first floor of such dwelling or existing grade, whichever is greater. All dwellings must comply with County, State and Federal Regulations. In addition, all residential structures constructed on a Lot shall: (a) have as a minimum first floor elevation the 100-year flood elevation as designated on the official Brunswick County Flood Plain Maps, on file with the Brunswick County Planning Department; and (b) be designed and constructed in compliance with the requirements of CAMA and the Brunswick County Building Code for residential construction in flood hazard areas; and (c) be constructed according to the architectural and landscaping plans which have been approved as to architectural style, exterior materials, color schemes, placement on the Lot and landscaping by the Architectural Standards Committee.

5. Amendment. This Supplemental Declaration may be amended by the Declarant at any time prior to turnover, provided such amendment does not alter the basic plan of development. After turnover, as described in the Master Declaration, the Board of Directors of The Association may amend this Supplemental Declaration provided such amendment does not materially alter the basic plan of development.

6. Use of Lots and Dwellings. Each Lot shall be used exclusively for Single or Multi-family residential purposes as designated. No trade or business that requires customers and/or clients on the premises are permitted in any dwelling. The lease or rental of any Single or Multi-family dwelling **constructed after January 1, 2009**, within The Property for a period of less than three (3) consecutive months is prohibited. All lessees or tenants of dwellings within The Property shall in all respects be subject to the terms and conditions of this Supplemental Declaration.

7. Cumulative Effect. All of the Covenants, Conditions and Restrictions contained in this Supplemental Declaration shall encumber the Property in addition to those

contained in the Master Declaration. Wherever a provision of this Supplemental Declaration conflicts with specific provisions of the Master Declaration, the provisions of the Master Declaration shall prevail.

8. Binding Effect and Duration. These Covenants, Conditions, and Restrictions shall run with the land and shall be binding on all parties owning any portion of The Property, their heirs, successors and assigns, for the same period of time as the Master Declaration including extensions thereof.

9. Enforcement. The Association or any owner of a Lot within The Property shall have the right (but not the affirmative obligation) to enforce, by proceedings at law or in equity, all the Restrictions, Conditions, Covenants, Easements and Reservations now or hereinafter imposed by the provisions of this Declaration; however, the failure to do so shall not be deemed a waiver of the right to do so in the future. Furthermore, The Company reserves for itself and The Association and their agents and employees the right to enter upon any Lot for inspection.

IN WITNESS WHEREOF, This Supplemental Declaration has been signed and executed by the Lockwood Folly Property Owners Association Board of Directors. Approval is recorded in the minutes of the October 9, 2008, Board of Directors meeting.

LOCKWOOD FOLLY PROPERTY OWNERS ASSOCIATION, INC.

[CORPORATE SEAL]

By: _____
Gordon Ackley, President

ATTEST:

Linda Issit, Secretary

STATE OF NORTH CAROLINA COUNTY OF BRUSWICK

I, _____, a Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged that he/she is Secretary of LOCKWOOD FOLLY PROPERTY OWNERS ASSOCIATION, INC., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing By-Laws were acknowledged as the official By-Laws of the Association and were signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.

Witness my hand and official stamp or seal, this ____ day of _____, 2007.

Notary Public Notary Public My Commission Expires:

**SUPPLEMENTAL DECLARATION of COVENANTS
CONTAINING IMPERVIOUS SURFACE RESTRICTIONS
FOR ALL DEVELOPEMANT WITHIN LOCKWOOD FOLLY**

This Supplemental Declaration made and entered into this the 30 day of April, 2008, by Channel Side Corporation and Lockwood Folly Property Owners Association, Inc., by order of The North Carolina Department of Environmental and Natural Resources (NCDENR).

W I T N E S S E T H

WHEREAS, Channel Side Corporation as the developer of Lockwood Folly Subdivision in Brunswick County, North Carolina, in conjunction with the Lockwood Folly Property Owners Association, Inc., hereby submits and subjects the Property within Lockwood Folly Subdivision to this Supplemental Declaration.

NOW, THEREFORE, all development of any lot or open area, within Lockwood Folly Subdivision, including, but not limited to, the golf course, is hereby subjected to the use of the allowable impervious surface square footage permitted by NCDENR Certificate SW8 900225. As shown on Exhibit A attached to this Supplemental Declaration

For the purposes of this NCDENR Certificate, impervious surfaces include all areas covered by roofs; hard surface driveways (such as concrete, asphalt, brick, interlock pavers); concrete, brick, or interlock-pavers patios or decks; any other built-upon areas using any of these hard surfaces; and any other built upon areas of the house or landscape which seals the ground surface from percolating rain water. Wood decks with spaces between boards are considered pervious surfaces.

Adjustments may be made among individual lots and/or open areas by the Lockwood Folly Property Owners Association acting through its ASC, provided that the total impervious surface coverage allowed shall not exceed Four Million Nine Hundred Sixty Six Thousand square feet (4,966,076 sq. ft.) as shown on Exhibit A, which is Twenty Four and Eighty Three one hundredths percent (24.83%) of the total project area.

In addition to the foregoing impervious surface restrictions, no built-upon surfaces or creation of any impervious surface within 30' of Mean High Water (2.7' Elev.) shall be allowed. In addition all roof drains shall terminate at least 30 foot from the mean high water mark of surface waters.

The State of North Carolina is the beneficiary of these restrictive covenants.

IN TESTIMONY WHEREOF, the parties hereto have caused this instrument to be executed in their respective names by authority duly given the day and year first above written.

CHANNEL SIDE CORPORATION

LOCKWOOD FOLLY PROPERTY
OWNERS ASSOCIATION

By: _____

Mason H. Anderson, President

By: _____

Gordon J. Ackley, President

STATE OF NORTH CAROLINA

COUNTY OF BRUNSWICK

**STATE OF NORTH CAROLINA
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
DIVISION OF WATER QUALITY**

**STATE STORMWATER MANAGEMENT PERMIT
LOW DENSITY DEVELOPMENT**

In accordance with the provisions of Article 21 of Chapter 143, General Statutes of North Carolina as amended, and other applicable Laws, Rules and Regulations

PERMISSION IS HEREBY GRANTED TO
Gordon Ackley and Lockwood Folly POA
Lockwood Folly Subdivision
NCSR 1122 and NCSR 1119, near Varnum, Brunswick County
FOR THE

construction, operation and maintenance of a 25% low density subdivision in compliance with the provisions of 15A NCAC 2H .1000 (hereafter referred to as the "stormwater rules") and the approved stormwater management plans and specifications, and other supporting data as attached and on file with and approved by the Division of Water Quality and considered a part of this permit.

The Permit shall be effective from the date of issuance until rescinded and shall be subject to the following specific conditions and limitations:

I. DESIGN STANDARDS

1. Each of the 607 lots is limited to a maximum amount of built-upon area as indicated in Section 11.11 of this permit and as indicated in the approved plans. CAMA regulations may reduce the allowable built-upon area for those lots within the AEC.
2. The overall tract built-upon area percentage for the project is not being increased with this modification, and must be maintained at 25% or less per the requirements of Section .1005 of the stormwater rules.
3. Approved plans and specifications for projects covered by this permit are incorporated by reference and are enforceable parts of the permit.
4. Projects covered by this permit will maintain a minimum 30 foot wide vegetative buffer between all impervious areas and surface waters.
5. The only runoff conveyance systems allowed will be vegetated conveyances such as swales with minimum side slopes of 3: 1 (H:V) as defined in the stormwater rules and approved by the Division.
6. All roof drains must terminate at least 3D' from the mean high water mark.
7. Swales shall discharge into wetlands or surface waters at a non-erosive velocity.

II. SCHEDULE OF COMPLIANCE

1. Swales and other vegetated conveyances shall be constructed in their entirety, vegetated, and be operational for their intended use prior to the construction of any built-upon surface.
2. During construction, erosion shall be kept to a minimum and any eroded areas of the swales or other vegetated conveyances will be repaired immediately.
3. The permittee shall at all times provide the operation and maintenance necessary to operate the permitted stormwater management systems at optimum efficiency to include:
 - a. Inspections
 - b. Sediment removal.
 - c. Mowing, and re-vegetating of the side slopes.
 - d. Immediate repair of eroded areas.
 - e. Maintenance of side slopes in accordance with approved plans and specifications.
 - f. Level spreaders.
4. The permittee shall submit to the Director and shall have received approval for revised plans, specifications, and calculations prior to construction, for any modification to the approved plans, including, but not limited to, those listed below:
 - a. Any revision to any of the items shown on the approved plans, including the stormwater management system, design concept, built-upon area, details, etc.
 - b. Project name change.
 - c. Transfer of ownership.
 - d. Redesign or addition to the approved amount of built-upon area or to the drainage area.
 - e. Further subdivision, acquisition, or selling of the project area.
 - f. Filling in, altering or piping any vegetative conveyance shown on the approved plan.
5. The Director may determine that other revisions to the project should require a modification to the permit.
6. The permittee shall submit all information requested by the Director or his representative within the time frame specified in the written information request.
7. No additional piping beyond that shown on the approved plans shall be allowed except that minimum amount necessary to direct runoff beneath an impervious surface such as a road and that minimum amount needed under driveways to provide access to lots.
8. Unless specified elsewhere, permanent seeding requirements for the swales must follow the guidelines established in the North Carolina Erosion and Sediment Control Planning and Design Manual.
9. The permittee is responsible for verifying that the proposed built-upon area does not exceed the allowable built-upon area. Once the lot transfer is complete, the built-upon area may not be revised without approval from the Lockwood Folly HOA and the Division of Water Quality, and responsibility for meeting the built-upon area limit is transferred to the individual property owner, provided that the permittee complies with the requirements of Section 11.11 and 11.12 of this permit.

10. Within 30 days of completion of the project, the permittee must certify in writing that the project's stormwater controls, and impervious surfaces have been constructed within substantial intent of the approved plans and specifications. Any deviation from the approved plans must be noted on the Certification.
11. Deed restrictions are incorporated into this permit by reference and must be recorded with the Office of the Register of Deeds prior to the sale of any lot. Recorded deed restrictions must include, as a minimum, the following statements related to stormwater management:
 - a. The following covenants are intended to ensure ongoing compliance with State Stormwater Management Permit Number SW8 900225, as issued by the Division of Water Quality under NCAC 2H.1 ODD.
 - b. The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the Stormwater Management Permit.
 - c. These covenants are to run with the land and be binding on all persons and parties claiming under them.
 - d. The covenants pertaining to stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality.
 - e. Alteration of the drainage as shown on the approved plans may not take place without the concurrence of the Division of Water Quality.
 - f. The maximum built-upon area per lot is as shown on Attachment A to the permit. This allotted amount includes any built-upon area constructed within the lot property boundaries, and that portion of the right-of-way between the front lot line and the edge of the pavement. Built upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, and coquina, but does not include raised, open wood decking, or the water surface of swimming pools.
 - g. Filling in or piping of any vegetative conveyances (ditches, swales, etc.) associated with the development except for average driveway crossings, is strictly prohibited by any persons.
 - h. Lots within CAMA's Area of Environmental Concern may have the permitted built-upon area reduced due to CAMA jurisdiction within the AEC.
 - i. Each lot will maintain a 30' wide vegetated buffer between all impervious areas and surface waters.
 - j. All roof drains shall terminate at least 30' from the mean high water mark.
12. The permittee shall submit a copy of the recorded deed restrictions within 30 days of the date of recording.
13. If the permittee sets up an Architectural Review Committee or Board (ARC or ARB) to review plans for compliance with the restrictions, the plans reviewed must include all proposed built-upon area (BUA). Any approvals given by the ARC or ARB do not relieve the lot owner of the responsibility to maintain compliance with the permitted BUA limit.
14. The Director may notify the permittee when the permitted site does not meet one or more of the minimum requirements of the permit. Within the time frame specified in the notice, the permittee shall submit a written time schedule to the Director for modifying the site to meet minimum requirements. The permittee shall provide copies of revised plans and certification in writing to the Director that the changes have been made.
15. All stormwater conveyances will be located in dedicated rights-of-way (public or private), recorded common areas or recorded drainage easements. The final plats for the project will be recorded showing all such required easements, in accordance with the approved plans.

III. GENERAL CONDITIONS

1. Failure to abide by the conditions and limitations contained in this permit may subject the Permittee to an enforcement action by the Division of Water Quality, in accordance with North Carolina General Statutes 143-215.6A to 143-215.6C.
2. The permit issued shall continue in force and effect until revoked or terminated.
3. The permit may be modified, revoked and reissued or terminated for cause. The filing of a request for a permit modification, revocation and re-issuance, or termination does not stay any permit condition.
4. The issuance of this permit does not prohibit the Director from reopening and modifying the permit, revoking and reissuing the permit, or terminating the permit as allowed by the laws, rules, and regulations contained in Title 15A of the North Carolina Administrative Code, Subchapter 2H.1000; and North Carolina General Statute 143-215.1 et. al.
5. The permit is not transferable to any person or entity except after notice to and approval by the Director. The Director may require modification or revocation and re-issuance of the permit to change the name and incorporate such other requirements as may be necessary. A complete Name/Ownership Change Form, signed by both parties, must be submitted to the Division of Water Quality accompanied by the appropriate documentation as listed on page 2 of the form. The approval of this request will be considered on its merits, and mayor may not be approved.
6. The permittee is responsible for compliance with all permit conditions until such time as the Division approves the permit transfer request. Transfers to third parties by the permittee where the required documentation has not been submitted to and approved by the Division does not relieve the permittee of responsibility for transferring the permit.
7. The issuance of this permit does not preclude the Permittee from complying with any and all statutes, rules, regulations, or ordinances, which may be imposed by other government agencies (local, state and federal), which have jurisdiction. If any of those permits result in revisions to the plans, a permit modification must be submitted.
8. The permittee grants permission to DENR Staff to enter the property during business hours for the purposes of inspecting the stormwater management system and its components.
9. The permittee shall notify the Division of Water Quality in writing of any name, ownership or mailing address changes at least 30 days prior to making such changes.

Permit issued this the 29th day of September 2008.

NORTH CAROLINA ENVIRONMENTAL MANAGEMENT COMMISSION

for Coleen H. Sullins, Director

Division of Water Quality

By Authority of the Environmental Management Commission

Exhibit A: Impervious Surface Data SW8-900225

Location and Maximum Allowable Square Footage of Impervious Footage (in parentheses) per Lot

Phase 1 (5200) Lots P1-001 thru P1-055

Phase 1 (4500) Lots P1-056 thru P1-106

Phase 1 (5200) Lots P1-107 thru P1-178

Phase 2 (5200) Lots P2-200 thru P2-299

Phase 2 (7000) Lot P2-299A&B

Phase 3 (7000) Lots P3-300 thru P3-348

Phase 3 (4500) Lots P3-349 thru P3-365

Phase 4 (5200) Lots P4-001 thru P4-058

SPRING BRANCH (4500) SB-001 thru SB-070

North Point (5200) Lots NP-001 thru NP-064

WINDWARD VILLAGE (4500) Lots WV-001 thru WV-057

Proposed Tr. 6 Condos (75000)

Genoa Pt. Tr. 2 (101-103) (11640)

SALES OFFICE (23509)

Links Townhomes (35458)

Channelside Condo Lot (8000)

Genoe's Point Condos (91-93) (17791)

POA Clubhouse (9084)

PRO Shop I Cart Barn (79506)

Proposed Clubhouse Expansion (9000)

Pool Deck Expansion (5400)

MAINT. AREA (27892)

ROADWAYS (991,773)

CART PATHS (218,891)

Reserved for POA Redistribution (340,547)

ALL OTHER (Common Areas, Golf Course, Ponds, ect.) (9,207,206)

TOTALS 2,809,829 Sq. Ft. of Impervious Surface at full build out

Lots with square footages that are over the allotted square footage for the neighboring lots were developed before the current DENR certificate SW*-900225 and are grandfathered at their current total. August 2008