

RET Russell Davis Inst #55056 Book 1402 Page 1427
TOTAL ~~40~~ REV ~~_____~~ TC# 32 09/14/2000 04:17:50pm Rec# 53406
REC# ~~_____~~ CK AMT 60 CK# 6433
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AMENDMENT OF DECLARATION
OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
OYSTER HARBOUR PLANNED COMMUNITY

KNOW ALL MEN BY THESE PRESENTS, the undersigned Declarant of Oyster Harbour Subdivision in Lockwood Folly Township, Brunswick County, North Carolina, does hereby adopt and declare the following actions by setting its hand and seal hereto;

WITNESSETH:

THAT WHEREAS, the Declarant of Oyster Harbour Planned Community (herein "Declarant") filed a Declaration of Covenants, Conditions and Restrictions of Oyster Harbour Subdivision in Book 1357 at Page 1087 of the Brunswick County Registry (herein "Declaration"); and

WHEREAS, said Declaration provided that said Declarant reserves the right to amend this Declaration from time to time without joinder of any of the owners; and

WHEREAS, the Declarant deems it expedient to amend said Declaration as follows:

NOW, THEREFORE, the undersigned Declarant does hereby amend said Declaration of Covenants, Conditions and Restrictions of Oyster Harbour Subdivision as follows:

ARTICLE I

DEFINITIONS

- 1.1. "Allocated Interests" means the common expense liability ownership interest in the Association and votes in the Association allocated to each lot.
- 1.2. "Association" or "Owner's Association" shall mean and refer to OYSTER HARBOUR Homeowners Association, Inc., a not for profit North Carolina corporation, its successors and assigns.
- 1.3. "Common Elements" means any real estate within Oyster Harbour Planned Community owned or leased by the Association, other than a lot to include all property owned by the Association for the common use and enjoyment of all or a designated class of members. Common Property includes without limitation all existing and future roads and right-of-ways and all greenways, median strips, cul-de-sac centers, planting areas, and recreational areas, and facilities, open space, walking trails, easements, boat ramps, community boat slips, and community piers that are developed on the Common Property (it being understood that this enumeration is by way of description of the type of facilities that may be developed and in no way shall bind or obligate the Declarant to provide any of the described facilities) and all entry way, directional, and informational signs (and the areas set aside for their location) and any other property as may be purchased or provided for the common use and benefit of the Declarant, the Lot Owners, and any member in the Association, including without limitation such Common Property as may be shown on the recorded plat(s) of the Property. Except by the Declarant, the

Common Property shall not be used for public commercial purposes, but may be used for enjoyment of the Association's members for fund-raising activities to support the purposes of the Association.

- 1.4. "Common Expenses" means expenditures made by or financial liabilities of the Association, together with any allocations to reserves.
- 1.5. "Common Expense Liability" means the liability for common expenses allocated to each lot as permitted by Chapter 47F of the North Carolina General Statutes, the Declaration or otherwise by law.
- 1.6. "Committee" shall mean the Architectural Review Committee established by the Declarant for the purpose of administering control over architectural, landscaping, and related matters, as provided in Article VII of this Declaration.
- 1.7. "Declarant" shall mean OYSTER HARBOUR, LLC, a North Carolina Limited Liability Company, and its successors and assigns if such successors and assigns acquire two or more undeveloped lots from the Declarant for the purpose of development and if the rights and obligations of the Declarant hereunder are expressly assigned to and assumed by such successors and assigns.
- 1.8. "Declaration" means this instrument, and any amendments thereto.
- 1.9. "Dwelling Unit" shall mean and refer to the completed single family home located upon a Lot.
- 1.10. "Executive Board" means the body, regardless of name, designated in the Declaration to act on behalf of the association.
- 1.11. "Limited Common Element" means a portion of the Common Elements allocated by the Declaration or by operation of law for the exclusive use of one or more but fewer than all of the Lots.
- 1.12. "Lot" shall mean and refer to any improved or unimproved building lot shown upon any recorded plat of this Planned Community. "Lot" means a physical portion of the Planned Community designated for separate ownership or occupancy by a Lot Owner.
- 1.13. "Lot Owner" means a declarant or other Person who is a contract buyer and/or the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of any of the Property made subject to this Declaration, but does not include a person having an interest in a Lot solely as security for an obligation.
- 1.14. "Master Association" means an organization described in G.S. 47F-2-120, whether or not it is also an association described in G.S. 47F-3-101.
- 1.15. "Person" means a natural person, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.
- 1.16. "Planned Community" means Oyster Harbour Planned Community.

- 1.17. "Property" shall mean and refer to that certain property shown on the site specific plan recorded in Plat Cabinet 23 at Pages 154-158 in the Office of the Register of Deeds for Brunswick County, North Carolina and any additional property which Declarant may make a part of this Planned Community, as provided for in the Declaration of Restrictive Covenants of OYSTER HARBOUR PLANNED COMMUNITY, recorded separately. The terms "Property," "Planned Community," and "OYSTER HARBOUR" are interchangeable.
- 1.18. "Period of Declarant Control" means the period commencing on the date hereof and continuing until the earlier of:
- (a) two (2) years after Declarant has ceased to offer Lots for sale in the ordinary course of business.
 - (b) 120 days after conveyance of 80% of the Lots (including Lots which may be created pursuant to special Declarant rights) to a Lot Owner other than Declarant.
- 1.19. "Purchaser" means any person, other than Declarant, who by means of a voluntary transfer acquires a legal or equitable interest in a Lot, other than as security for an obligation.
- 1.20. "Real Estate" means any leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interest which by custom, usage, or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. "Real Estate" includes parcels with or without upper or lower boundaries, and spaces that may be filled with air or water.
- 1.21. "Reasonable Attorneys' Fees" means attorneys' fees reasonably incurred without regard to any limitations on attorneys fees which otherwise may be allowed by law.
- 1.22. "Special Declarant Rights" means rights reserved for the benefit of a Declarant including, without limitation, any right (i) to complete improvements indicated on plats and plans filed with the Declaration; (ii) to exercise any development right; (iii) to maintain sales offices, management offices, signs advertising the Planned Community, and models; (iv) to use easements through the Common Elements for the purpose of making improvements within the Planned Community or within real estate which may be added to the Planned Community; (v) to make the Planned Community part of a larger planned community or group of planned communities; (vi) to make the Planned Community subject to a Master Association; or (vii) to appoint or remove any officer or executive board member of the Association or any Master Association during any period of declarant control.

ARTICLE II

EMINENT DOMAIN, ALTERATION and TERMINATION

- 2.1. Eminent Domain. If part of a Lot is acquired by eminent domain, the award shall compensate the Lot Owner for the reduction in value of the Lots. Upon acquisition, unless the decree otherwise provides, that Lot's allocated interest are reduced in proportion to the reduction in the size of the Lot and the portion of the Allocated Interest divested from the partially acquired Lot are automatically reallocated to that Lot and the remaining Lots in proportion to the

respective Allocated Interest of those Lots before the taking, with the partially acquired Lot participating in the reallocation on the basis of its reduced Allocated Interest.

If a Lot is acquired by eminent domain, or if part of a Lot is acquired by eminent domain leaving the Lot Owner with a remnant which may not practically or lawfully be used for any purpose permitted by the Declaration, the award shall compensate the Lot Owner for his Lot and its interest in the Common Element. Upon acquisition, unless the decree otherwise provides, the Lot's Allocated Interests are automatically reallocated to the remaining Lots in proportion to the respective Allocated Interest of those Lots before the taking, exclusive of the Lot taken.

In the event of such reallocation as aforesaid, the Association shall promptly prepare, execute, and record an amendment to the Declaration reflecting the reallocations. Any remnant of a Lot remaining after part of the Lot is taken under this section is thereafter a Common Element. If part of the Common Element is acquired by eminent domain, the portion of the award attributable to the Common Element's taking shall be paid to the Association. Any portion of the award attributable to the acquisition of the Limited Common Element shall be apportioned among the owners of the Lots to which that Limited Common Element was allocated at the time of acquisition based on their Allocated Interest in the Common Elements before the taking.

2.2. Amendment of Declaration.

The Declarant reserves the right to amend this Declaration from time to time without joinder of any of the Lot Owners if necessary for the exercise of any Special Declarant Rights. In all other cases, except those spelled out in Chapter 47F of the North Carolina General Statutes, the Declaration may be amended only by affirmative vote or written agreement signed by Lot Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

No action to challenge the validity of an amendment adopted pursuant to this section may be brought more than one year after the amendment is recorded.

Every amendment to the Declaration shall be recorded in Brunswick County and is effective only upon recordation.

2.3. Termination.

Except in the case of taking of all of the Lots by eminent domain, the Oyster Harbour Planned Community may be terminated only by agreement of Lot Owners of Lots to which at least eighty percent (80%) of the votes in the Association are allocated.

An agreement to terminate shall be evidenced by the execution of a termination agreement, or ratifications thereof, in the same manner as a deed, by the requisite number of Lot Owners. The termination agreement shall specify a date after which the agreement will be void unless it is recorded before that date. A termination agreement and all ratifications thereof shall be recorded in Brunswick County and is effective only upon recordation.

A termination agreement may provide for sale of the Common Elements, but may not require that the Lots be sold following termination.

2.4. Merger or Consolidation.

Oyster Harbour Planned Community, by agreement of the Lot Owners may be merged or consolidated into a single planned community. The resultant planned community is, for all purposes, the legal successor of all of the pre-existing planned communities, and the operations and activities of all associations of the pre-existing planned communities shall be merged or consolidated into a single association which shall hold all powers, rights, obligations, assets, and liabilities of all pre-existing associations.

Such agreement to merge or consolidate shall be evidenced by an agreement prepared, executed, recorded, and certified by the president of the association of each of the pre-existing planned communities following approval by owners of lots to which are allocated the percentage of votes in each planned community required to terminate that planned community. Any such agreement shall be recorded in the Brunswick County Registry and is not effective until recorded.

The merger or consolidation agreement shall provide for the reallocation of the allocated interest in the new association among the lots of the resultant planned community by stating the reallocations or the formulas upon they are based. [

ARTICLE III

MANAGEMENT OF OYSTER HARBOUR PLANNED COMMUNITY

- 3.1. A Lot Owner's Association has been incorporated as Oyster Harbour Homeowner's Association, Inc. Membership of the Association at all times shall consist exclusively of all the Lot Owner's or, if the Planned Community is terminated, of all persons entitled to distributions of proceeds pursuant to the termination.
- 3.2. Powers. The Association may:
 - 3.2.1. Adopt and amend bylaws and rules and regulations.
 - 3.2.2. Adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for Common Expenses from Lot Owners.
 - 3.2.3. Hire and discharge managing agents and other employees, agents, and independent contractors.
 - 3.2.4. Institute, defend, or intervene in litigation or administrative proceedings on matters affecting the Planned Community.
 - 3.2.5. Make contracts and incur liabilities.
 - 3.2.6. Regulate the use, maintenance, repair, replacement, and modification of Common Elements.
 - 3.2.7. Cause additional improvements to be made as a part of the Common Elements.
 - 3.2.8. Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, provided that Common Elements may be conveyed or subjected to a security interest pursuant to the provisions of North Carolina General Statute 47F-3-112.
 - 3.2.9. Grant easements, leases, licenses, and concessions through or over the Common Elements.

- 3.2.10. Impose and receive any payments, fees, or charges for the use, rental or operation of the Common Elements other than the Limited Common Elements and for services provided to Lot Owners.
 - 3.2.11. Impose reasonable charges for late payment of assessments and, after notice and an opportunity to be heard, suspend privileges of services provided by the Association (except rights of access to lots) during any period that assessments or other amounts due and owing to the Association remain unpaid for a period of thirty (30) days or longer.
 - 3.2.12. After notice and an opportunity to be heard, impose reasonable fines or suspend privileges or services provided by the Association (except rights of access to lots) for reasonable periods for violations of the Declaration, bylaws and rules and regulations of the association.
 - 3.2.13. Impose reasonable charges in connection with the preparation and recordation of documents including, without limitation, amendments to the Declaration or statements of unpaid assessments.
 - 3.2.14. Provide for the indemnification of and maintain liability insurance for its officers, executive board, directors, employees and agents.
 - 3.2.15. Assign its right to future income, including the right to receive Common Expense assessments.
 - 3.2.16. Exercise all other powers that may be exercised by North Carolina non-profit corporations.
 - 3.2.17. Exercise any other powers necessary and proper for the governance and operation of the Association.
- 3.3. Bylaws.

The Bylaws of the Association shall provide for:

- 3.3.1. The number of members of the Executive Board and the titles of the officers of the Association.
 - 3.3.2. Election by the Executive Board of officers of the Association.
 - 3.3.3. The qualifications, powers and duties, terms of office, and manner of electing and removing Executive Board members and officers and filling vacancies.
 - 3.3.4. Which, if any, of its powers the Executive Board or officers may delegate to other persons or to a managing agent.
 - 3.3.5. Which of its officers may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association.
 - 3.3.6. The method of amending the Bylaws.
- 3.4. The Executive Board may act in all instances on behalf of the Association.

The Executive Board may not act unilaterally on behalf of the Association to amend the Declaration, to terminate the Planned Community, or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members. The Executive Board may unilaterally fill vacancies in its membership for the unexpired portion of any term. The Lot Owners, by majority vote of all persons present and entitled to vote at any meeting of the Lot Owners at which a quorum is present, may remove any member of the Executive Board with or without cause, other than a member appointed by the Declarant.

Within thirty days after adoption of any proposed budget for the Planned Community, the Executive Board shall provide to all the Lot Owners the summary of the budget and notice of the meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The Executive Board shall set a date for a meeting of the Lot Owners to consider ratification of the budget, such meeting to be held not less than ten (10) nor more than sixty (60) days after mailing of the summary and notice.

There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at that meeting a majority of all of the Lot Owners in the Association reject the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Lot Owners shall be continued until such time as the Lot Owners ratify a subsequent budget proposed by the Executive Board.

- 3.5. Declarant Control of the Association. Subject to Sections 3.5.1, 3.5.2, 3.5.3, during the period of Declarant Control, a Declarant or persons designated by the Declarant may appoint and remove the officers and members of the executive board. Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before the termination of the Period of Declarant Control, but in that event the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.
 - 3.5.1. Conveyance of Control and Management Responsibilities to the Association shall take place within ninety days after 80% of all the Lots have been conveyed to Lot Owners other than Declarant, or no later than two years after Declarant has ceased to offer Lots for sale in the ordinary course of business.
 - 3.5.2. Not later than sixty days after conveyance of twenty-five percent (25%) of the lots to Lot Owners other than Declarant, at least one member and not less than thirty-three percent of the members of the Executive Board shall be elected by Lot Owners other than the Declarant.
 - 3.5.3. Unless sooner terminated by an amendment to the Declaration executed by the Declarant, the Declarant may execute any Special Declarant Right so long as the Declarant owns any lot or ten years after recording this Declaration. Neither the Association nor any Lot Owner may take any action or adopt any rule that will interfere with or diminish any Special Declarant Right without the prior written consent of the Declarant.
- 3.6. The Declarant reserves the following development rights during the Declarant Control Period:
 - 3.6.1. The right to construct underground utility lines, pipes, wires, ducts, conduits and other facilities across the real estate anywhere in the Planned Community for the purpose of furnishing utility and other services to any lot. The Declarant also reserves the right to grant easements to public utility companies and to convey improvements within those easements for the above mentioned purposes. Any easement conveyed and granted by Declarant shall be by instrument duly recorded in the Brunswick County Register of Deeds office.
 - 3.6.2. The right to add Real Estate to the Planned Community; to create lots, Common Elements, or Limited Common Elements within the Planned Community; to subdivide lots or convert Lots into Common Elements.
 - 3.6.3. The powers of the Association listed in 3.2 may be delegated to a profit or non-profit corporation which exercises those or other powers on behalf of one or more of the planned communities or for the benefit of the lot owners of one or more of the planned communities.
 - 3.6.4. The right to contract through and with the Association for the use of the Common Elements by those end purchasers of outparcels located in River View Subdivision according to a map recorded in Map Book 4 at Page 55, Brunswick County Registry, and Lots 2 and 3 of Bellamy

Place according to a map recorded in Map Cabinet 22 at Page 259
Brunswick County Registry.

- 3.7. The Declarant reserves the following easements:
 - 3.7.1. A right and easement of ingress, egress and regress over the Lots as necessary for the service and maintenance of the Common Elements including but not limited to ponds, trails and all other amenities.
 - 3.7.2. The Declarant reserves a right in easement for drainage and utilities 7.5 feet wide along the side and rear property line of each lot and 15 feet along the front property line of each lot. In the event the rear property line of a lot is not a common line with the rear property line of another lot in the Planned Community then in such event the utility and drainage easement along the rear property line of such a lot shall be 15 feet in width.
 - 3.7.3. The Declarant reserves a right and easement for existing and future stormwater runoff over and upon that part of those lots or parcels of land in the areas designated wetlands as shown on those maps of Oyster Harbour Subdivision, Phases I, II, III and IV as recorded in the Brunswick County Registry. Said areas are to remain "undisturbed" as defined in the Clean Water Act.

ARTICLE IV

RIGHTS AND DUTIES OF THE ASSOCIATION AND PROPERTY OWNERS ASSESSMENTS

Until the Association makes a Common Expense assessment, the Declarant shall pay all Common Expenses. After any assessment has been made by the Association, assessments thereafter shall be made at least annually.

- 4.1. Owner's Easements of Enjoyment. The Declarant and, to the extent provided by this Declaration, every Owner shall have a right and easement of ingress, egress, and regress over the Common Elements and over the roads within the Property, to be used in common with others, for the purpose of providing access to Lot(s) owned or dwelling unit(s) owned by the Lot Owner for himself, his family, agents, licensees and invitees, and for his and their non-exclusive use and enjoyment of the Common Elements, subject however to the limitations on such use and enjoyment of the Common Elements, as provided for in this Declaration. Every Lot Owner, and the members of such Lot Owner's family who reside with such Lot Owner or are overnight guests of such Lot Owner, shall have the right to use the recreational areas within the Common Elements, subject however to such Lot Owner paying when due the dues and assessments of the Association and abiding by all rules and regulations of the Association, including without limitation those governing the use of the recreational areas and the Common Elements. Non-owners shall only be entitled to use the recreational areas on such terms and conditions as the Association may select.
- 4.2. Annual Assessments.
 - 4.2.1. The Association shall have the duty to repair, replace, and maintain all recreational areas and improvements located thereon, and all streets, roads, road right-of-ways, and other Common Elements. The Association shall have the right, from time to time, to establish a reasonable assessment, which assessment shall be paid by each Owner in

such periodic installments as the Association may determine, to be used to pay: (1) the operating and administrative expenses of the Association; (2) the costs of maintenance, upkeep, replacement and repair of all recreational areas, and improvements located thereon, and all streets, roads, road right-of-ways, and other Common Elements; and (3) other expenses necessary or useful to maintain and operate the Association and the recreational facilities (including, without limitation, the procuring, maintenance and paying the costs of insurance related to the Common Elements and of surety and other bonds related to the management of the Common Elements and the Association. It is understood (by way of example and without limitation) that the assessment funds shall be used for such matters concerning Common Elements as the following: maintenance, repair and replacement of improvements within the recreational areas, the seeding and re-seeding road right-of-ways and Common Elements, erosion control, repairing of road shoulders, surfacing, patching and resurfacing of parking lot and road pavement, placement of gravel, and planting and maintenance of shrubs, trees and seasonal flowers.

- 4.2.2. The annual assessments may also be used by the Association for the purpose of adding to the recreational facilities.
- 4.2.3. The annual assessment payable by each Lot Owner shall be \$395.00 per Lot per calendar year. The annual assessment shall be due and payable on January 31 of each year. This assessment shall be deferred as to any Lot purchased by a builder with the intent to build a house for resale to the public at large. This assessment will be payable as to any Lot purchased by a builder who purchases a Lot for the purpose of building a custom home under contract with the ultimate residents. This assessment will be prorated on a calendar year basis from the date title to each Lot for which an assessment is payable is transferred to the Lot Owner.
- 4.2.4. The annual assessment may be increased or decreased by the Executive Board without a vote of the membership to an amount not more than ten percent (10%) in excess of the annual assessment for the previous year. A majority vote of each class of voting members of the Association must approve an increase or decrease in the yearly assessment if the increase or decrease exceeds the assessment for the previous year by more than ten percent (10%).
- 4.2.5. Annually the Executive Board shall have determined and shall have given written notice to each Owner of the annual assessment affixed against each Lot Owner for the immediately succeeding calendar year.
- 4.2.6. Any past due Common Expense assessment bears interest at the rate established by the Association not exceeding eighteen percent (18%) per year.
- 4.2.7. Any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed against the Lots to which Limited Common Element is assigned, equally.
- 4.2.8. Any Common Expense or portion thereof benefiting fewer than all of the Lots shall be assessed exclusively against the Lots benefited.

- 4.2.9 The cost of insurance shall be assessed in proportion to risk and the cost of utilities shall be assessed in proportion to usage.
- 4.2.10 Assessments to pay a judgment against the Association may be made only against the Lots in the Planned Community at the time the judgment was entered, in proportion to their Common Expense Liabilities.
- 4.2.11 If any Common Expense is caused by the negligence or misconduct of any Lot Owner or occupant, the Association may assess that expense exclusively against that Lot Owner or occupant's Lot.
- 4.2.12 If Common Expense liabilities are reallocated, Common Expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense Liabilities.

4.3. Special Assessments.

In addition to the assessments specified herein above, the Association may levy special assessments for the purpose of supplementing the annual assessment if the same are inadequate to pay the reasonable maintenance expenses and operating costs of the Association as described in Section 4.2 hereof, provided that any such special assessments shall have the assent of a majority of each class of the voting members of the Association at a duly called meeting.

4.4. Removal of Obstructions and Unsightly Growth, Debris, and Materials.

- (a) The Association may remove any obstructions of any nature located within road right-of-ways or other Common Elements (including but not limited to trees, shrubs and mailboxes which, in the opinion of the Executive Board, either might produce a hazard or might interfere with the ability or willingness of the State of North Carolina (or agency or department thereof) to take over the responsibility for maintenance of the roads.
- (b) The Association shall have the right, in its sole discretion, to charge back the actual cost to it of removing obstructions against the Lot Owner who directly, or through his agents, contractors or invitees caused or permitted the obstruction to be placed in the road right-of-way or other Common Elements, and such Lot Owner shall indemnify and save the Association harmless from all liability, claims, damages and expense imposed upon the Association, at law or in equity, caused by or resulting from the placement of the obstruction in the road right-of-ways or other Common Elements. In the event the Lot Owner responsible for such charge or liability as aforesaid fails and refuses after demand by the Association to pay said charge or liability, then the Association shall have a lien against his Lot thereon and may enforce collection of the charge or liability, together with reasonable attorneys' fees, by any and all remedies afforded by law or in equity, including without limitation, the filing of a notice of lien and perfecting the same as by law provided, to the end that such charge or liability shall become a charge against the said Lot or Dwelling Unit.
- (c) If the Association, in its sole discretion, determines that any Lot has become unsightly due to grass or weeds that have not been mown, or due

the North Carolina General Statutes. Fees, charges, late charges, fines, interest and other charges are enforceable as assessments under this section.

The lien under this section is prior to all liens and encumbrances on a Lot except liens and encumbrances (specifically including but not limited to, a mortgage or deed of trust on the Lot) recorded before the docketing of the claim of lien in the office of the Clerk of Superior Court, and liens for real estate taxes and other governmental assessments and charges against the Lot.

This section does not prohibit other actions to recover the sums for which this section creates a lien or prohibit the Association taking a deed in lieu of foreclosure.

A judgment, decree, or order in any action brought under this section shall include costs and reasonable attorney fees.

Where the holder of a first mortgage or first deed of trust of record, or other purchaser of a Lot obtains title to the Lot as a result of foreclosure of first mortgage or first deed of trust, such purchaser and its heirs, successors and assigns, shall not be liable for the assessments against such Lots which became due prior to the acquisition of title to such Lot by such purchaser. Such unpaid assessments shall be deemed to be Common Expenses collectible from all the Lot Owner's including such purchaser, its heirs, successors and assigns.

A claim of lien shall set forth the name and address of the Association, the name of the record owner of the Lot at the time the claim of lien is filed, a description of the Lot, and the amount of the lien claim.

- 4.7. Portions of the Common Elements may be conveyed or subject to a Security Interest by the Association if persons entitled to cast at least eighty percent (80%) of the votes in the Association agree in writing to that action; provided that all the Owners of Lots to which any Limited Common Element is allocated shall agree in order to convey that Limited Common Element or subject it to a Security Interest. Distribution of proceeds of the sale of a Limited Common Element or financing of a Common Element (other than a Limited Common Element) shall be an asset of the Association. The distribution of the proceeds of the sale of a Limited Common Element shall be as provided by agreement between the Lot Owners to which it is allocated and the Association. No conveyance or encumbrance of Common Elements pursuant to this section may deprive any Lot of its rights of access and support.
- 4.8. Insurance. Commencing not later than the time of the first conveyance of a Lot to a person other than the Declarant, the Association shall maintain, to the extent reasonably available:
 1. Property insurance on the Common Elements insuring against all risks of direct physical loss commonly insured against including fire and extended coverage perils. The total amount of insurance after application of any deductible shall be not less than eighty percent (80%) of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies; and

2. Liability insurance in reasonable amounts, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements.

If said insurance is not reasonably available, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States Mail to all Lot Owners. The Association in any event may carry any other insurance it deems appropriate to protect the Association or the Lot Owners.

Said insurance policy shall provide that:

1. Each Lot Owner is an insured person under the policy to the extent of the Lot Owner's insurable interest;
2. The insurer waives its right to segregation under the policy against any Lot Owner or member of a Lot Owner's household;
3. No act or omission by any Lot Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will preclude recovery under the policy;
4. If, at the time of a loss under the policy, there is other insurance in the name of a Lot Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

Any loss covered by the property policy shall be adjusted with the Association, but the insurance proceeds from that loss are payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any mortgagee or beneficiary under a deed of trust. The insurance trustee or the Association shall hold any insurance proceeds in trust for Lot Owners and lien holders as their interest may appear. The proceeds shall be disbursed first for the repair or restoration of the damaged property, and Lot Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the Planned Community is terminated.

An insurance policy issued to the Association does not prevent a Lot Owner from obtaining insurance for the Lot Owner's own benefit.

Any portion of the Planned Community covered by the property policy described herein which is damaged or destroyed shall be repaired or replaced promptly by the Association unless the Planned Community is terminated or repair or replacement would be illegal under any state or local health or safety statute or ordinance or if the Lot Owners decide not to rebuild by an eighty percent (80%) vote including one hundred percent (100%) approval of Owners assigned to the Limited Common Elements not to be rebuilt. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If any portion of the Planned Community is not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Planned Community, the insurance proceeds attributable to Limited Common Elements which are not rebuilt shall be distributed to the Owner's of the Lots to which those Limited Common Elements were allocated, or to

lienholders, as their interest may appear, and the remainder of the proceeds shall be distributed to all the Lot Owners or lienholders as their interest may appear, in proportion to the Common Expense Liabilities of all the Lots.

ARTICLE V

MEMBERSHIP, VOTING RIGHTS, OFFICERS AND MEETINGS

- 5.1. Membership. Every Owner of a Lot which is subject to this Declaration shall be a member of the Association. Membership is appurtenant to and may not be assigned. If and when Declarant develops additional Sections in the Planned Community the Owners of those Lots shall be members of the Association. The Declarant shall also be a member so long as it owns property within this expandable Planned Community.
- 5.2. Class Membership Voting. The Association shall have two (2) classes of membership.

CLASS A

- A. Class A members shall be all Lot Owners with the exception of Declarant, and shall be entitled to one vote for each Lot owned. When more than one (1) person owns an interest in a Lot all such persons shall be members but the vote for such Lot shall be exercised as they among themselves, shall determine in writing, which writing shall be filed with the Secretary of the meeting prior to voting, but in no event shall more than one vote be cast with respect to any Lot.

CLASS B

- A. Class B members shall be entitled to vote ten (10) votes for each Lot owned. Class B membership shall consist of the Declarant, or its successors or assigns until the happening of either of the following events whichever occurs earlier.
 1. The earlier of four months after ninety percent (90%) of all the Lots in the Planned Community are sold as well as all adjacent undeveloped acreage sold and conveyed by the Declarant to unrelated third parties; or
 2. Ten (10) years from date of recordation of this Declaration; or
 3. At such time as Declarant voluntarily relinquishes majority control of the Association by a duly recorded instrument.
 - B. Upon the happening of the earlier of either the three above described events, Class B membership shall cease and terminate and shall be converted to Class A membership.
- 5.3. Executive Board. There shall be three (3) members of the Executive Board of the Association who shall serve until such time as their successors are duly elected and agree to serve. The Executive Board shall have annual meetings and other such meetings as may be called at the request of the president of the Association or by any Executive Board member. So long as the Declarant, or its successors and assigns, is the Class B member, it shall select the board.

- 5.4. Suspension of Voting Rights. The Association shall have the right to:
- 5.4.1. Suspend the voting rights (if any) of a-Lot Owner for any period during which assessment on his Lot remains unpaid and enforce collection of the same; and
 - 5.4.2. Suspend the voting rights (if any) of each Lot Owner who is a contract buyer for any period of time during which payments to the Declarant pursuant to terms of said contract are delinquent, during which period of time the Declarant shall succeed to the voting rights of said contract buyer.
- 5.5. Additional Sections.
- The Declarant reserves the right (but is not obligated) to develop one or more additional Sections of Oyster Harbour Planned Community and incorporate the same within the provisions of this Declaration.
- 5.6. Ownership of a lot shall vest fee simple title to such a lot in the Lot Owner.
- 5.7. Membership in the Association shall include an allocated interest in the Common Elements owned by the Association, which shall be appurtenant to and shall pass with the title to every Lot. The allocated interest of every Lot Owner in the Association shall be proportionate to the total number of Lots in the Planned Community.

ARTICLE VI

CONVEYANCE OF COMMON PROPERTY

Within ten (10) years from the date of recording of this Declaration, Declarant will convey by deed its right, title, and interest in and over the road right-of-ways and any other Common Property within the Planned Community to the Association.

ARTICLE VII

ARCHITECTURAL CONTROL

- 7.1. In order to control design and location of the Dwelling Units and other improvements to be constructed, erected, placed, or installed (hereinafter "Improvements") upon the lots in the Planned Community, the Declarant hereby creates an Architectural Review Committee for the purpose of reviewing, approving, suggesting changes to, and rejecting plans and specifications for such improvements (regardless of when such Improvements are made), and the landscaping of each Lot. This Committee is also created for the purpose of reviewing, approving, suggesting changes to, and rejecting swimming pools, outbuildings, boathouses, ramps, piers, driveways, enclosures for satellite dishes, and if Declarant so desires, for mailbox design. This Committee will be responsible for the control of size, color, materials, and content of rental and sales signs in this Planned Community and for the approval or disapproval of boats, boat trailers, travel trailers, motor homes, tractor trailer trucks, or any other such vehicle, that are kept or maintained or located upon any lot unless located within enclosed garages. The Committee will also be responsible for the control of temporary construction shelters or

vehicles in this Planned Community. The Committee will require a fee of \$250.00 to review house plans for each Lot Owner wishing to build. The review process may be subcontracted out at the discretion of the Committee.

- 7.2. The Committee shall consist of three persons designated or appointed from time to time by the Declarant. After 90% of the lots in the Planned Community are sold and 90% of undeveloped acreage is sold by the Declarant, its successor or assign, said Committee shall be elected by a majority vote of the Executive Board; provided, however, Declarant, its successors or assigns, shall be entitled to at least one Committee member until all of its lots in this Planned Community have been sold.
- 7.3. Except within the building site (unless within 20' of the main dwelling), no trees of any kind in excess of 6 inches in diameter at ground level may be removed from any Lot without prior approval of the Committee. No building, fence, wall, outbuilding, or any other accessory feature to the Dwelling Unit or any other structure upon any Lot shall be commenced, erected, placed, maintained, or altered on any Lot or combination of contiguous Lots until the complete construction plans (hereinafter "Plans") are approved in writing by the Committee or its designated agents.
- 7.4. The Plans include the complete construction plans, the plot plan (showing proposed location and elevation of such building, fences, walks, drives, parking area, etc.) proposed building plans and specifications, exterior color, finish, and materials. The areas over which the approval shall be required shall include but shall not be limited to the size and plan of the principal residential structure, and all accessory buildings, structures and improvements on the Lot, the location of the well, the size and plan of the garage or carport, location and manner of construction of each driveway, swimming pool, utility building, patio, tennis court, and other Improvements for athletic, recreational, or gymnastic purposes, and all other exterior Improvements, the composition and color of raw and finished materials used on the exterior of all structures, and the location and type of any landscaping, shrubbery, and other plantings.
- 7.5. With a set of plans, a \$500.00 refundable road repair bond must be posted with the Association. If the road shoulders and road have not been damaged during construction, the bond will be refunded.
- 7.6. The Committee or its designated agents shall have forty-five (45) days after physical receipt of the Plans to accept or reject the same in whole or in part. If no response by the Committee has been made in writing within said forty-five (45) days, the Plans shall be deemed to be approved as submitted. After the Plans are approved and after the Committee gives written permission for construction to begin, the actual construction shall be commenced and completed in accordance with the approved Plans, together with the requirements of the Declaration and, in this regard each Lot Owner shall provide the Committee with the foundation survey as soon as it is made. The Committee shall have the right to waive setback violations when the remedial costs of correcting such violation, in the Committee's opinion, would impose undue hardship upon the violator.
- 7.7. The actual construction shall be the responsibility of the Lot Owner and his builder. Any permission granted for construction under this covenant and any designation of approved licensed contractors shall not constitute or be construed as an approval, warranty or guaranty, expressed or implied, by the Declarant or

the Committee or its designated agent of the structural stability, design or quality of any building or other Improvement or of the contractor who constructs such buildings or other Improvements.

ARTICLE VIII

GENERAL USE RESTRICTIONS

Declarant does hereby covenant and agree with all persons, firms or corporations hereafter acquiring title to any portion of the Property, that the Property shown on the recorded plat(s) herein referred to, and all Property presently owned as part of Oyster Harbour Planned Community which plat(s) are to be recorded, and all Property which may be acquired in the future to be made a part of Oyster Harbour Planned Community, is made subject to the Declaration of Restrictive Covenants of Oyster Harbour Planned Community as may be amended or modified (hereinafter referred to as "Restrictions") which Restrictions shall be recorded separately and shall refer to this Declaration and incorporate it by reference.

ARTICLE IX

CAPTIONS, ENFORCEMENT AND INVALIDATION

- 9.1. Whenever the context and construction so require, all words used in the singular number herein shall be deemed to have been used in the plural and vice versa, and the masculine gender shall include the feminine and neuter and the neuter shall include the masculine and feminine.
- 9.2. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration nor the intent of any provisions hereof.
- 9.3. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages. In the event it is necessary to enforce this Declaration by appropriate legal or equitable proceedings, the party or parties violating or attempting to violate the same shall be liable for the cost of such proceedings including reasonable attorneys' fees.
- 9.4. Invalidation of any one or more of these covenants by judgment or court shall not adversely affect the balance of this Declaration, which shall remain in full force and effect.

ARTICLE X

THESE RESTRICTIONS RUN WITH THE LAND

- 10.1. This Declaration of Covenants, Conditions and Restrictions of Oyster Harbour Planned Community and Oyster Harbour Homeowners Association, Inc. are to run with the land and shall benefit and be binding on all parties and persons (and their respective heirs, representatives, successors and assigns) claiming title to any of the Property herein described for a period of thirty (30) years from the date this Declaration is recorded, after which time said Covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a sixty-six percent (66%) majority of the then Lot

the Committee or its designated agent of the structural stability, design or quality of any building or other Improvement or of the contractor who constructs such buildings or other Improvements.

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Owners, and the Declarant and has been recorded agreeing to change said Declaration in whole or in part.

- 10.2. Title to the property comprising the Planned Unit was acquired by the Declarant subject to certain easements of ingress, egress and regress to owners of land not located within the Planned Community. These easements have been relocated to the roads located within the Planned Community and those persons owning such an easement will be entitled to use the roads located within the Planned Community but shall not be entitled to use any other Common Elements.
- 10.3. Recreational facilities which are part of the Common Elements may be used by the owners of land located adjacent to the Planned Community described as River View subdivision and Bellamy Place subdivision; provided however, that the owners of said land shall pay dues equal to those paid by Association members.

ARTICLE XI

NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL AND NATURAL RESOURCES DIVISION OF WATER QUALITY REQUIRED RESTRICTIONS

- 11.1. The following covenants are intended to insure ongoing compliance with state stormwater management permits as issued by the Division of Water Quality. These covenants may not be changed or deleted without the consent of the State.
- 11.2. No more than sixty-five hundred (6,500) square feet of any lot shall be covered by structures or impervious materials. Impervious materials include asphalt, gravel, concrete, brick, stone, slate or similar material but do not include wood decking or the water surface of swimming pools.
- 11.3. Swales shall not be filled in, piped, or altered except as necessary to provide driveway crossings.
- 11.4. Built-upon area in excess of the permitted amount requires a state stormwater management permit modification prior to construction.
- 11.5. All permitted run-off from outparcels or future development shall be directed into the permitted stormwater control system. These connections to the stormwater control system shall be performed in a manner that maintains the integrity and performance of the system as permitted.

Except as herein amended, said Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the Declarant has caused this Declaration of Covenants, Conditions and Restrictions of Oyster Harbour Subdivision Planned Community and Oyster Harbour Homeowners Association, Inc. to be duly executed this 13 day of Sept, 2000.

OYSTER HARBOUR, LLC

BY: Will Allen X
MANAGER

STATE OF NORTH CAROLINA

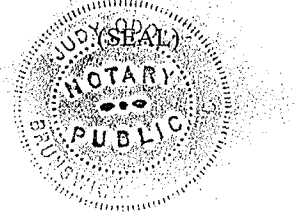
COUNTY OF BRUNSWICK

I, a notary public of the county and state aforesaid, certify that William B Allen personally came before me this day and acknowledged that he is the Manager of Oyster Harbour, LLC, a North Carolina limited liability company and that by authority duly given and as the act and deed of the said company the foregoing instrument was signed by him.

Witness my hand and official stamp or seal, this 13th day of Sept, 2000.

Judy Odom
NOTARY PUBLIC

My Commission Expires: 2-17-2008



STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

The Foregoing (or annexed) Certificate(s) of JUDY ODOM

Notary(ies) Public is (are) Certified to be Correct.
This Instrument was filed for Registration on this 14th Day of September, 2000
in the Book and Page shown on the First Page hereof.

Robert J. Robinson
ROBERT J. ROBINSON, Register of Deeds

AMENDMENT TO

RET Russel Davis DECLARATION OF RESTRICTIVE COVENANTS
TOTAL 20- REV _____ TC# 38 OF
REC# _____ CK AMT 60- CK# 6433
CASH 5- REF _____ BY RS OYSTER HARBOUR

KNOW ALL MEN BY THESE PRESENTS, the undersigned Declarant of Oyster Harbour Subdivision of Lockwood Folly Township, Brunswick County, North Carolina, does hereby adopt and declare the following actions by setting its hand and seal hereto;

WITNESSETH:

THAT WHEREAS, the Declarant of Oyster Harbour Subdivision (herein "DECLARANT") filed a Declaration of Restrictive Covenants of Oyster Harbour Subdivision in Book 1357 at Page 1097 (herein "RESTRICTIONS") of the Brunswick County Registry; and

WHEREAS, said RESTRICTIONS provided that the DECLARANT reserves the right to amend the RESTRICTIONS from time to time without joinder of any other person; and

WHEREAS, the DECLARANT deems it expedient to amend said RESTRICTIONS as follows:

NOW THEREFORE, in accordance with the recitals which by this reference are made a substantive part hereof, Declarant declares that all of the property described on recorded plat(s) in Map Cabinet 23 at Page(s) 154-158 in the Brunswick County Registry and any other lots or parcels of land the conveyance of which makes specific reference to this Declaration of Restrictive Covenants are made subject to these Restrictions and the Declaration and 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 OYSTER HARBOUR as it now exists and is hereafter expanded and that such easements, restrictions, covenants and conditions shall burden and run with said property and be binding on all parties now or hereafter owning said real property and their respective heirs, successors and assigns, having any right, title or interest in the properties now or hereafter subjected to these Restrictions and the Declaration of Covenants, Conditions and Restrictions of Oyster Harbour Planned Community, as amended, previously filed (herein the "DECLARATION") or any part thereof, and shall inure to the benefit of each owner thereof and their respective heirs, successors and assigns.

PROPERTY SUBJECT TO THESE RESTRICTIONS AND THE DECLARATION

AND ADDITIONS THERETO

1. Existing Property. The real property (herein the "PROPERTY") which is, and shall be held, transferred, sold conveyed and occupied subject to these Restrictions and the Declaration, irrespective of whether there may be additions thereto as hereinafter provided, is located in Brunswick County, North Carolina, and is shown on maps recorded in Plat Cabinet 23, Pages 154-158 in the Office of the Brunswick County Register of Deeds.
2. Additions to Existing Property. Additional property may be brought within the scheme of these Restrictions and the Declaration and the jurisdiction of the Oyster Harbour Homeowners Association, Inc. (herein "Association"):
 - (a) Declarant reserves the right to subject to the Declaration and the Restrictions other certain contiguous property that it owns, which may be developed into tracts and roadways and may later made a part of OYSTER HARBOUR. Declarant shall have and hereby reserves the right and option, from time to time and for so long as the Declarant owns any contiguous property, to subdivide all or any portion of the same into additional tracts by the filing of a plat designating such

tracts on the records of Brunswick County, North Carolina, and upon any such filing the number of tracts located on the property shall be increased to include such additional tracts.

- (b) Additional residential property and common area, consisting of not more than five hundred (500) acres, outside of the area may be annexed to the properties and brought within the scheme of these Restrictions and the Declaration and the jurisdiction of the Association in future stages of development without the consent of the Association or its members; provided, however, that said annexations, if any, must occur within ten (10) years after the date of this instrument.
- (c) The additions authorized under subsections (a) and (b) shall be made by filing of record Supplementary Declaration of Restrictive Covenants of OYSTER HARBOUR and by filing of record Supplementary Declarations of Declaration of Covenants, Conditions and Restrictions of OYSTER HARBOUR and OYSTER HARBOUR Homeowners Association, Inc., with respect to the additional properties which shall extend the scheme of these Restrictions and the Declaration and the jurisdiction of the Association to such properties and thereby subject such additions to assessments for their just share of the Association's expenses. Said Supplementary Declarations and Restrictions may contain such complementary additions and modification of these Restrictions and the Declaration as may be necessary.

GENERAL USE RESTRICTIONS

Declarant does hereby covenant and agree with all persons, firms or corporations hereafter acquiring title to any portion of the Property that the Property is hereby subject to these Restrictions as to the use thereof and do agree, publish and declare that the deeds hereinafter made by it to purchasers of the Property shall be made subject to the Declaration and to the following Restrictions:

1. Except as otherwise provided in these Restrictions, the lots shall be used for residential purposes only, and no structure shall be erected, placed, altered or permitted to remain on any lot other than one detached, single-family dwelling and related structures incidental to the residential use of the lot, such as garages and boat houses, which otherwise comply with these Restrictions, except that Declarant reserves the exclusive right to construct a roadway over any lot owned by it in order to grant access to other property acquired by Declarant and in such cases the remainder of any such lot not used for the roadway shall still be subject to these Restrictions.
2. Each single-family dwelling shall have an enclosed, heated living area (exclusive of open porches, garages, and other unheated spaces) not less than Two Thousand Four Hundred (2,400) square feet if fronting on the waterfront and One Thousand Eight Hundred (1,800) square feet otherwise. The design, location, and construction of all improvements on each lot (regardless of when such improvements are made) and the landscaping of each lot must be approved in advance by the Architectural Review Committee of Oyster Harbour of Oyster Harbour Homeowner's Association, Inc. (hereinafter referred to as the "Committee"), which Committee is established pursuant to the Declaration.
3. All improvements to the lot must comply with Brunswick County setback requirements or those set out in the recorded plat.
4. More than one lot (as shown on said plat(s)) or portions thereof, may be combined to form one or more lots by (or with the written consent of) Declarant, its successors and assigns. No lot may be subdivided by sale or otherwise, except by (or with the written consent of) Declarant, its successors and assigns. Upon combination or subdivision of lots, the building line requirements prescribed herein shall apply and the easements reserved herein shall be applicable to the rear, side and front lot lines of such lot as combined or subdivided. The resulting building site and structures erected thereon must otherwise comply with these Restrictions and the new property line of the resulting building site shall be used to compute the set-back lines as set forth herein.

5. All connections of private driveways to OYSTER HARBOUR road system, and all connections of private easements and right-of-ways to that road system shall be constructed and maintained in accordance with the rules, regulations and specifications as approved by the Committee.
6. There shall be no signs, fencing, or parking permitted within the road right-of-way.
7. No building, fence, wall, pool, outbuilding, driveway, or any other accessory feature to the dwelling or any other structure upon any lot shall be commenced, erected, placed, maintained or altered on any lot or combination of contiguous lots until the Complete Construction Plans (hereinafter "Plans") are approved in writing by the Committee or its designated agents. The Committee's refusal or approval of Plans may be based upon purely aesthetic considerations, which in its sole discretion the Committee shall deem sufficient, but approval shall not unreasonably be withheld. One copy of all Plans and related data shall be furnished to the Committee for its records. If no action is taken by the Committee within forty five (45) days after Plans are submitted to it, the owner may proceed to build without approval.
8. Construction of new residential buildings only shall be permitted, it being the intent of this covenant to prohibit the moving of any existing building or portion thereof on a lot and remodeling or converting the same into a dwelling unit in this Planned Community excepting however, Declarant's mobile offices provided for hereinbelow.
9. With the exception of construction which is interrupted or delayed due to physical damage to the work in progress (such as damage due to fire, lightning, windstorm, hail, riot or civil commotion, explosion, or theft), any dwelling constructed upon a lot must be completed within one (1) year subsequent to commencement of construction, except with the written consent of Declarant, its successors or assigns, or, if the Declarant so designates, by the Committee. The normal period of completion time for outbuildings or other improvements shall be presumed to be four (4) months from the issue date of the building permit. In the event that completion of the dwelling, outbuildings, or other improvements on any lot is not completed within one year, and it is determined that construction progress has diminished to such an extent that completion of the dwelling, outbuildings, or other improvements is unlikely within 120 days, the Association will be advised of this determination. The Association shall then have the right to give notice to the owner that the owner has the obligation, within 30 days, to complete the removal of all the construction work in progress, including without limitation, the foundation and all building improvements and all stored building materials, and fill and grade the lot so that it is restored to its natural grade level, and the Association shall have the right to undertake this work
10. No trailer, truck, van, modular home, mobile home, tent, camper, barn, garage, or other outbuilding or temporary structure parked or erected on lots in this Planned Community shall at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence; provided, however, that this prohibition shall not apply to shelters used by the contractors during the construction of the main dwelling house, it being clearly understood that these temporary shelters will not be permitted to remain on any lot after completion of construction. The Committee shall have the right to approve or disapprove these temporary construction shelters or vehicles. The Committee, upon approval of a temporary construction shelter or vehicle, will issue a letter stating the length of time such shelter will be "" allowed to remain upon such lot and where such shelter is to be located upon such lot.
11. All homes constructed in OYSTER HARBOUR must be supplied with water for normal domestic use from individual privately drilled wells, or from a public utility company, if available. Each individual owner shall locate the well drilled on such owner's lot so as to comply with all the governmental regulations regulating the minimum distance between such well and septic fields proposed or approved for owner's lot and all lots adjoining such owner's lot. Before drilling a well, each owner must submit a site plan locating the proposed building site, drainage and repair septic field and well site.
12. Exposed exterior walls composed of the following materials shall be prohibited from OYSTER HARBOUR: concrete block, imitation asphalt brick siding, imitation asphalt stone siding, tarpaper.

13. Declarant shall be permitted to erect one mobile office on any lot that it owns for the purpose of maintaining a sales information center and construction office.
14. No noxious or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. No animals, reptiles or poultry of any kind, except dogs and cats and other indoor household pets. In addition, all barns, fences, outbuildings and structures of any kind must be approved in writing by the Committee prior to commencement of construction thereof. Each owner must see to it that all of the owner's dogs are kept on the owner's property unless leashed. No dogs shall be permitted to roam the property and the Association may have strays and dogs that are not leashed and are found off their owner's lot picked up by governmental authorities. The throwing or dumping of trash, garbage, and waste materials shall not be permitted. The interference of any stream or future waterways so as to cause pollution or stagnation in these waterways is prohibited. There shall be no excavation which does not pertain to the building or construction of a home. Bottled gas containers and oil tanks shall be screened from public view. There shall be no above ground swimming pools, unless approved by the Committee.
15. No portion or part of any lot shall be used or maintained as a dumping ground for rubbish or other refuse. Trash, garbage, or other waste shall not be kept, except in sanitary containers screened from view from all roads, all other lots, and from the Common Property that the Declarant, prior to the sale of such lot, may use portions of such lot as a burial pit in accordance with governmental regulations.
16. In addition to the easements that are shown on the recorded plats of OYSTER HARBOUR, easements seven and one-half (7.5) feet in width along the side and rear property lines of all lots are reserved by Declarant for installation, repair, replacement and maintenance of utilities and drainage, including the right to keep said easements free and clear of all obstructions. An easement of fifteen (15) feet is reserved for such purposes along the front property lines of all lots. In the event the rear property line of a lot is not a common line with the rear property line of another lot in Oyster Harbour, then in such event the utility and drainage easement along the rear property line of such lot shall be fifteen (15) feet in width. As between the easements reserved by these Restrictions and the easements that are located in the same areas as shown on the recorded maps, the easements that are greater in width shall be the easements that are in effect.
17. Declarant reserves a temporary construction easement of thirty-five (35) feet in width along both sides and running parallel to streets or roads, which easements shall expire eighteen months after the particular road construction commences, or upon the acceptance of such streets or roads for maintenance by governmental authority. No outside clotheslines shall be permitted. No satellite dishes shall be permitted unless concealed from view from all lots and open spaces. The design of such enclosures must be approved by the Committee prior to erection. Mailboxes shall be of a design, color and choice of materials as designated by the Declarant or, if the Declarant so designates, by the Committee, and may not violate North Carolina Department of Transportation standards or US Postal Service regulations.
18. There shall be no junk automobiles, junk of any sort, unserviceable vehicles, or salvage stored or placed or allowed to remain on or in any portion of this Planned Community. Unless located within enclosed garages, no large boat and/or boat trailer (over 28 feet in length), travel trailer, motor home, tractor trailer truck, or any other such vehicle shall be kept or maintained or located upon any lot unless and except with prior approval of the Committee. Other boats and/or boat trailers (less than 28 feet in length) must be stored behind the building set back line. No vehicles that are disabled or under repair shall be kept upon any lot unless located within enclosed garages. Unlicensed automobiles, including antique cars, if present must be stored out of sight in a garage. Large trucks shall not be parked on a regular basis within this Planned Community. No lot shall be used for storage of building materials prior to the issuance of the building permit for the Primary Residence. Large truck shall be defined as any non-passenger vehicle larger than a pick-up truck.
19. No billboards or signs of any description shall be displayed upon any lot with the exception of those approved by the Declarant or if the Declarant designates, by the

Committee, the Declarant reserves the right to place and maintain appropriate development signs at the entrance to this Planned Community. All sign colors must be approved by Declarant, or if Declarant so designates, by the Committee. Declarant also reserves the right to erect and maintain signs designating streets, boat landings, recreational areas, and any other sign that will aid in the development of OYSTER HARBOUR.

20. Except within the building site or within 20 feet of the main dwelling, no trees of any kind in excess of 6 inches in diameter at ground level may be removed from any lot without " prior approval of the Committee.
21. Declarant, or its successors and assigns, will deed a lot or right of way to the Association which will provide access for lot owners to a community pier, boat ramp, community beach or other amenities which will be constructed by the Declarant and maintained by the Association. Notwithstanding anything herein to the contrary, Declarant will also deed to the Association at least one (1) acre fenced for dry boat storage, or for any other use permitted in these Restrictions, for its use and maintenance. Other amenities provided by Declarant and deeded to the Association will be maintained by the Association.
22. As provided for herein (see Section 2 of "Property Subject To These Restrictions and Declaration and Additions Thereto"), it is understood that Declarant, its successors and assigns, may develop, subdivide or sell additional tracts or parcels of land. Declarant reserves the right for its successors or assigns to connect such additional property to this Planned Community and to grant easements to use the Planned Community roads and community access to the water and recreational areas of this Subdivision.
23. DEFINITIONS: Reference to "Planned Community" in this document is intended to refer to Phase I of OYSTER HARBOUR consisting of five (5) sheet in the Brunswick County Registry. Reference to "Association" in this document is intended to refer only to "OYSTER HARBOUR Homeowners Association, Inc."
24. Nothing herein contained shall be construed as imposing any covenants and restrictions on any property of the owner of this Planned Community other than the Property that is subjected to these Restrictions. The Property herein described is also made subject to the Declaration of Covenants, Conditions and Restrictions of OYSTER HARBOUR and OYSTER HARBOUR Homeowners Association, Inc. recorded separately, which Declaration is incorporated herein by reference.
25. Enforcement of these Restrictions may be at law or in equity against any person or persons violating or attempting to violate any covenant, condition or restriction herein contained. In the event of enforcement of these Restrictions at law or in equity and a violation hereof is judicially determined, then the violator shall be assessed with the costs of such action, including without limitation reasonable attorneys fees.
26. The Declarant and purchasers of lots in OYSTER HARBOUR understand that the vesting of rights relating to proposed piers, docks, boat access ramps, floats, boathouses or disturbance of the shoreline buffer is subject to the terms and conditions set out by the United States Army Corps of Engineers and the State of North Carolina or their assigns. Zoning and Building permits are required from Brunswick County.
27. Declarant reserves the right to assign its rights to a successor who also assumes the Declarant responsibilities.
28. Judicial invalidation of one or more of the provisions hereof shall not adversely affect the remainder hereof which shall remain in full force and effect.

NORTH CAROLINA DEPARTMENT OF

ENVIRONMENTAL AND NATURAL RESOURCES DIVISION

OF WATER QUALITY REQUIRED RESTRICTIONS

The following covenants are intended to insure ongoing compliance with State Stormwater Management Permit #SW8000611 as issued by the Division of Water Quality. These covenants may not be changed or deleted without the consent of the State of North Carolina.

1. The allowable built upon area per lot is 6500 square feet. This allotted amount includes any built upon area constructed within the lot property boundaries, and that portion of the right or 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 wooden decking, or the water surface of swimming pools.
2. The covenants pertaining to stormwater regulations may not be changed or deleted without concurrence of the Division of Water Quality.
3. 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.
4. Lots within CAMA'S Area of Environmental Concern may have the permitted built upon area reduced due to CAMA jurisdiction within the AEC.
5. Each lot will maintain a thirty (30) foot wide vegetative buffer between all impervious areas and surface waters.

THESE RESTRICTIONS RUN WITH THE LAND

This Declaration of Restrictive Covenants of OYSTER HARBOUR and the Declaration of Covenants, Conditions and Restrictions of OYSTER HARBOUR and OYSTER HARBOUR Homeowners Association, Inc. compose the general plan of development for the Property herein described and run with the land and shall benefit and be binding on all parties and persons (and their respective heirs, representatives, successors and assigns) claiming title to any of the Property herein described for a period of thirty (30) years from the date these Restrictions are recorded, after which time said Restrictions shall be automatically extended for successive periods often (10) years, unless an instrument signed by a sixty-six percent (66%) majority of the then owners of the lots and the Declarant has been recorded agreeing to change said Restrictions in whole or in part. These Restrictions may be amended by the affirmative vote of the owners representing sixty-six percent (66%) of the lots and the Declarant at the time of the vote.

Except as herein amended, said restrictive covenants recorded in Book 1357 at Page 1097 of the Brunswick County Registry shall remain in full force and effect.

IN WITNESS WHEREOF, the Declarant has caused this Declaration of Restrictive Covenants of OYSTER HARBOUR to be duly executed this 13 day of Sept, 2000.

OYSTER HARBOUR, LLC

BY: Will R. Allen X
MANAGER

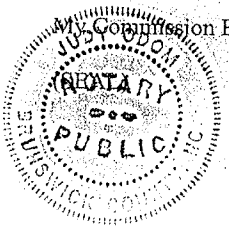
COUNTY OF BRUNSWICK

I, a Notary Public, in and for the county and state aforesaid do hereby certify that WILLIAM G. ALLEN personally appeared before me this day and acknowledged that he is the Manager of OYSTER HARBOUR, LLC, a North Carolina limited liability company, and that by authority duly given and as the act of the LLC, the foregoing instrument was signed by him.

Witness my hand and official seal this 13th day of Sept, 2000.

Judy Odom
NOTARY PUBLIC

My Commission Expires: 2-17-2004



STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

The Foregoing (or annexed) Certificate(s) of JUDY ODOM

Notary(ies) Public is (are) Certified to be Correct.
This Instrument was filed for Registration on this 14th Day of September, 2000
in the Book and Page shown on the First Page hereof.

Robert J. Robinson JR
ROBERT J. ROBINSON, Register of Deeds

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Brunswick County--Register of Deeds
Robert J. Robinson
Inst #36716 Book 1357 Page 1087
02/08/2000 09:18am Rec# 35082

DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
OF
OYSTER HARBOUR SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF OYSTER HARBOUR SUBDIVISION AND OYSTER HARBOUR Homeowners Association, Inc., hereinafter referred to as "Declaration" is made this 7 day of February, 2000 by Oyster Harbour, LLC, hereinafter referred to as "Declarant", and any and all persons, firms, of corporations hereinafter acquiring any of the within described property or any of the property hereinafter made subject to this Declaration.

WITNESSETH:

WHEREAS, Declarant is the owner of certain Property in Brunswick County, North Carolina known as OYSTER HARBOUR SUBDIVISION, of which is more particularly described by plat(s) showing _____ inclusive; which is recorded in the following Plat Book and Page: 22 of 257, 258, 259, + 260 + 261 in the Office of the Register of Deeds for Brunswick County to which reference is hereby made for more complete descriptions; and

WHEREAS, Declarant has agreed to establish a general plan of development as herein set out to restrict the use and occupancy of the Property made subject to this Declaration for the benefit of the present and the future owners thereof; and

WHEREAS, Declarant intends to subject to this Declaration additional portions of OYSTER HARBOUR SUBDIVISION for the purpose of extending the general scheme of development to such additional Property and accordingly declares OYSTER HARBOUR SUBDIVISION may be expanded to include additional property; and

WHEREAS, Declarant desires to provide for the preservation of the values of OYSTER HARBOUR SUBDIVISION as expanded hereby and hereinafter made subject to this Declaration and for the preservation and maintenance of the Common Property established by the Declaration and by the supplements hereto.

NOW, THEREFORE, in accordance with the recitals which by this reference are made a substantive part hereof, Declarant declares that all of the property described on said recorded plats and all of the property hereinafter made subject to this Declaration by recorded supplements hereto referencing subsequently recorded plats, 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 OYSTER HARBOUR SUBDIVISION as it now exists and is hereafter expanded and that such easements, restrictions, covenants, and conditions shall burden and run with said real Property and their heirs, successors and assigns having any right, title, or interest in the Properties now or hereafter subjected to this Declaration or any part thereof, and shall inure to the benefit of each owner thereof and burden each owner's real Property that is subjected to this Declaration.

Russell Davis
RCD
TOTAL 20.00 REV. TC#
REC# 17 CK AMT 8812.00 CR# 7118
CASH REF. BY CA

ARTICLE I

DEFINITIONS

"Association" shall mean and refer to OYSTER HARBOUR Homeowners Association, Inc., a not for profit North Carolina corporation, its successors and assigns.

"Owner shall mean and refer to any contract buyer and/or the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of any of the Property made subject to this Declaration, but excluding those having such interest merely as security for the performance of an obligation, provided however, the Declarant shall not be deemed an Owner.

"Property" shall mean and refer to that certain property shown on plat(s) recorded in Plat Books and Pages: 22 at 257, 258, 259
260 and 261 in the Office of the Register of Deeds for Brunswick County, North Carolina and any additional property which Declarant may make a part of this Subdivision, as provided for in the Declaration of Restrictive Covenants of OYSTER HARBOUR SUBDIVISION, recorded separately. The terms "Property," "Subdivision," and "OYSTER HARBOUR" are interchangeable.

"Lot" shall mean and refer to any improved or unimproved building lot shown upon any recorded subdivision plat of this Subdivision.

"Dwelling Unit" shall mean and refer to the completed single family home located upon a Lot.

"Declarant" shall mean OYSTER HARBOUR, LLC, a North Carolina Limited Liability Company, and its successors and assigns if such successors and assigns acquire two or more undeveloped lots from the Declarant for the purpose of development and if the rights and obligations of the Declarant hereunder are expressly assigned to and assumed by such successors and assigns.

"Common Property" shall mean all property owned by the Association for the common use and enjoyment of all or a designated class of members. Common Property includes without limitation all existing and future roads and right-of-ways and all greenways, median strips, cul-de-sac centers, planting areas, and recreational areas, and facilities, open space, walking trails, easements, boat ramps, community boat slips, and community piers that are developed on the Common Property (it being understood that this enumeration is by way of description of the type of facilities that may be developed and in no way shall bind or obligate the Declarant to provide any of the described facilities) and all entry way, directional, and informational signs (and the areas set aside for their location) and any other property as may be purchased or provided for the common use and benefit of the Declarant, the Owners, and any member in the Association, including without limitation such Common Property as may be shown on the recorded plat(s) of the Property. Except by the Declarant, the Common Property shall not be used for public commercial purposes, but may be used for enjoyment of the Association's members for fund-raising activities to support the purposes of the Association.

"Committee" shall mean the Architectural Review Committee established by the Declarant for the purpose of administering control over architectural, landscaping, and related matters, as provided in Article V of this Declaration.

ARTICLE II

RIGHTS AND DUTIES OF THE ASSOCIATION
AND PROPERTY OWNERS ASSESSMENTS

Section 1. Owner's Easements of Enjoyment. The Declarant and, to the extent provided by this Declaration, every Owner shall have a right and easement of ingress, egress, and regress over the Common Property and over the roads within the Property, to be used in common with others, for the purpose of providing access to lot(s) owned or dwelling unit(s) owned by the owner for himself, his family, agents, licensees and invitees, and for his and their non-exclusive use and enjoyment of the Common Property, subject however to the limitations on such use and enjoyment of the Common Property as provided for in this Declaration. Every Owner, and the members of such Owner's family who reside with such Owner or are overnight guests of such Owner, shall have the right to use the recreational areas within the Common Property, subject however to such Owner paying when due the dues and assessments of the Association and abiding by all rules and regulations of the Association, including without limitation those governing the use of the recreational areas and the Common Property. Non-Owners shall only be entitled to use the recreational areas on such terms and conditions as the Association may select.

Section 2. Annual Assessments.

(a) The Association shall have the duty to repair, replace, and maintain all recreational areas and improvements located thereon, and all streets, roads, road right-of-ways, and other Common Property. The Association shall have the right, from time to time, to establish a reasonable assessment, which assessment shall be paid by each Owner in such periodic installments as the Association may determine, to be used to pay: (1) the operating and administrative expenses of the Association; (2) the costs of maintenance, upkeep, replacement and repair of all recreational areas, and improvements located thereon, and all streets, roads, road right-of-ways, and other Common Property; and (3) other expenses necessary or useful to maintain and operate the Association and the recreational facilities (including, without limitation, the procuring, maintenance and paying the costs of insurance related to the Common Property and of surety and other bonds related to the management of the Common Property and the Association). It is understood (by way of example and without limitation) that the assessment funds shall be used for such matters concerning Common Property as the following: maintenance, repair and replacement of improvements within the recreational areas, the seeding and re-seeding road right-of-ways and Common Areas, erosion control, repairing of road shoulders, surfacing, patching and resurfacing of parking lot and road pavement, placement of gravel, and planting and maintenance of shrubs, trees and seasonal flowers.

(b) The annual assessments may also be used by the Association for the purpose of adding to the recreational facilities.

(c) The annual assessment payable by each Owner shall be \$395.00 per lot per calendar year. The annual assessment shall be due and payable on January 31 of each year. This assessment shall be deferred as to any lot purchased by a builder with the intent to build a house for resale to the public at large. This assessment will be payable as to any lot purchased by a builder who purchases a lot for the purpose of building a custom home under contract with the ultimate residents. This assessment will be prorated on a calendar year basis from the date title to each lot for which an assessment is payable is transferred to the Owner.

(d) The annual assessment may be increased or decreased by the board of directors of the Association without a vote of the membership to an amount not more than ten percent (10%) in excess of the annual assessment for the previous year. A majority vote of each class of voting members of the Association must approve an increase or decrease in the yearly assessment if the increase or decrease exceeds the assessment for the previous year by more than ten percent (10%).

(e) Annually the board of directors of the Association shall have determined and shall have given written notice to each Owner of the annual assessment affixed against each owner for the immediately succeeding calendar year.

Section 3. Special Assessments.

In addition to the assessments specified herein above, the Association may levy special assessments for the purpose of supplementing the annual assessment if the same are inadequate to pay the reasonable maintenance expenses and operating costs of the Association as described in Section 2 hereof, provided that any such special assessments shall have the assent of a majority of each class of the voting members of the Association at a duly called meeting.

Section 4. Removal of Obstructions and Unsightly Growth, Debris, and Materials.

(a) The Association may remove any obstructions of any nature located within road right-of-ways or other Common Property (including but not limited to trees, shrubs and mailboxes) which, in the opinion of the Association, either might produce a hazard or might interfere with the ability or willingness of the State of North Carolina (or agency or department thereof) to take over the responsibility for maintenance of the roads.

(b) The Association shall have the right, in its sole discretion, to charge back the actual cost to it of removing obstructions against the Owner who directly, or through his agents, contractors or invitees caused or permitted the obstruction to be placed in the road right-of-way or other Common Property, and such Owner shall indemnify and save the Association harmless from all liability, claims, damages and expense imposed upon the Association, at law or in equity, caused by or resulting from the placement of the obstruction in the road right-of-ways or other Common Property. In the event the Owner responsible for such charge or liability as aforesaid fails and refuses after demand by the Association to pay said charge or liability, then the Association shall have a lien against his lot thereon and may enforce collection of the charge or liability, together with reasonable attorneys' fees, by any and all remedies afforded by law or in equity, including without limitation, the filing of a notice of lien and perfecting the same as by law provided, to the end that such charge or liability shall become a charge against the said lot or dwelling unit.

(c) If the Association, in its sole discretion, determines that any lot has become unsightly due to grass or weeds that have not been mown, or due to debris of any nature having accumulated on the lot, then the Association shall have the right from time to time to enter the said lot for the purpose of mowing the grass or removing the debris. At least ten (10) days prior to entering a lot for said purpose, the Association shall advise the Owner by letter, sent to his last known address, of the action to be taken if the Owner does not remedy the problem within the said ten (10) day period. The Association shall take reasonable steps to avoid damage to any trees planted on such lot, to the extent that the Association has been put on written notice in advance by the Owner of the approximate location on a chart or map of such lot showing the location of planted trees to be avoided.

(d) The Association shall have the right in its sole discretion, to charge back the actual cost of mowing the grass or removing the debris against the owner. In the event the Owner responsible for such charge or liability as aforesaid fails and refuses after demand by the Association to pay said charge or liability, then the Association shall have a lien against his lot thereon and may enforce collection of the charge or liability, together with reasonable attorneys' fees, by and all remedies afforded by law or in equity, including without limitation, the filing of a notice of lien and perfecting the same as by law provided to the end that such charge or liability shall become a charge against the said lot or dwelling unit.

Section 5. Duty to Make Repairs

(a) Until accepted for maintenance by governmental authority, the obligation for the repairs, maintenance and improvements of the roads as shown the aforesaid plat(s) or any other common property shall be the responsibility of the Association with the Owner of each lot except as provided herein, being responsible for payment of the assessments levied by the Association, which assessments shall be the personal obligation of the Owner of each lot.

(b) The decision to expend Association funds to repair and maintain the roads the roads or other Common Property shall be made by a majority of the board of directors of the Association. By such vote, the board may delegate such authority to any committee of the board. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use or abandonment of his lot.

(c) Notwithstanding the foregoing, each Owner of a lot shall be solely responsible for any repairs to a road right-of-way or other Common Property caused by the negligent act or acts of said owner, his or her invitees, agents, licensees, or guests. For these purposes, it shall be a negligent act for any building material to be unloaded on any road or road right-of-way.

Section 6. Late Charges and Interest on Unpaid Assessments.

Any assessment not paid within thirty (30) days after the due date shall be subject to such late charges and shall bear interest at a rate per annum as shall be determined by the board of directors of the Association, which interest rate shall not exceed the highest rate of interest allowed by law. The initial late charge imposed for late payment of any assessment is \$25.00 and shall be charged as to any assessment that is not paid within 30 days of its due date. The initial interest rate for late payment is 18% per year (1.5% per month) which shall commence to accrue on any assessment or other account balance that is not paid within thirty (30) days of the date due. The initial date upon which liens may be filed for failure to make payment of assessments and other charges is thirty (30) days after the due date. The board of directors may change the initial late charge, interest rate, due dates and lien assessment date by majority vote of the directors.

Section 7. Lien for Unpaid Assessments

(a) In the event the Owner of any lot fails and refuses, after demand by the Association, to pay any annual or special assessment then the Association shall have a lien against said lot and may enforce collection of said assessment in law or in equity, including without limitation, the filing of a notice of lien and perfecting the same as by law provided to the end that such unpaid assessment together with the costs and expenses of collection, including without limitation, reasonable attorneys' fees, shall be a charge and lien against the said lot.

(b) To secure the payment of the annual and special assessments as are levied by the Association, together with the cost of collection including attorney's fees, all such charges shall be a continuing lien upon the lot against which the assessments

are made. Such charges shall also be their personal obligation of the person(s) who were the owner or owners of such lot at the time the assessment came due. Their personal obligation shall remain a lien upon the lot upon transfer of title but shall not become the personal obligation of the purchasers thereof unless expressly assumed by them.

(c) Neither the assessments nor the costs of collection shall be a lien upon any Common Property nor shall the lien upon any lot for such charges be senior to any first lien mortgage or first lien deed of trust regardless of the fact the lien arose prior to the date and time of recording of any such first lien mortgage or deed of trust.

ARTICLE III

MEMBERSHIP, VOTING RIGHTS, OFFICERS AND MEETINGS

Section 1. Membership Every owner of a lot which is subject to this Declaration shall be a member of the Association. Membership is appurtenant to and may not be assigned. If and when Declarant develops additional Sections in the Subdivision the Owners of those lots shall be members of the Association. The Declarant shall also be a member so long as it owns property within this expandable Subdivision.

Section 2. Class Membership Voting The Association shall have two (2) classes of membership:

Class A

Class A members shall be all lot Owners with the exception of Declarant, and shall be entitled to one vote for each lot owned. When more than one (1) person owns an interest in a lot all such persons shall be members but the vote for such lot shall be exercised as they, among themselves, shall determine in writing, which writing shall be filed with the Secretary of the meeting prior to voting, but in no event shall more than one vote be cast with respect to any lot.

Class B.

(a) Class B members shall be entitled to vote ten (10) votes for each lot owned. Class B membership shall consist of the Declarant, or its successors or assigns, until the happening of either of the following events whichever occurs earlier.

1. The earlier of four months after ninety percent (90%) of all the lots in the Subdivision are sold as well as all adjacent undeveloped acreage sold and conveyed by the Declarant to unrelated third parties; or
2. Ten (10) years from date of recordation of this Declaration; or
3. At such time as Declarant voluntarily relinquishes Majority control of the Association by a duly recorded instrument.

(b) Upon the happening of the earlier of either the three above described events, Class B membership shall cease and terminate and shall be converted to Class A membership.

Section 3. Board of Directors. There shall be three (3) members of the board of directors of the Association who shall serve until such time as their successors are duly elected and agree to serve. The directors shall have annual meetings and other

such meetings as may be called at the request of the president of the Association or by any two (2) directors. So long as the Declarant, or its successors and assigns, is the Class B member, it shall select the board.

Section 4. Suspension of Voting Rights. The Association shall have the right to:

(a) Suspend the voting rights (if any) of an Owner for any period during which assessment on his lot remains unpaid and enforce collection of the same; and

(b) Suspend the voting rights (if any) of each Owner who is a contract buyer for any period of time during which payments to the Declarant pursuant to terms of said contract are delinquent, during which period of time the Declarant shall succeed to the voting rights of said contract buyer.

Section 5. Additional Sections

The Declarant reserves the right (but is not obligated) to develop one or more additional Sections of OYSTER HARBOUR SUBDIVISION and incorporate the same within the provisions of this declaration.

ARTICLE IV

CONVEYANCE OF COMMON PROPERTY

Within ten (10) years from the date of recording of this Declaration, Declarant will convey by deed its right, title, and interest in and over the road right-of-ways and any other Common Property within the Subdivision to the Association.

ARTICLE V

ARCHITECTURAL CONTROL

(a) In order to control design and location of the houses and other improvements to be constructed, erected, placed, or installed (hereinafter "improvements") upon the lots in the Subdivision, the Declarant hereby creates an Architectural Review Committee (hereinafter "Committee") for the purpose of reviewing, approving, suggesting changes to, and rejecting plans and specifications for such improvements (regardless of when such Improvements are made), and the landscaping of each lot. This Committee is also created for the purpose of reviewing, approving, suggesting changes to, and rejecting swimming pools, out buildings, boat houses, ramps, piers, driveways, enclosures for satellite dishes, and if Declarant so desires, for mailbox design. This Committee will be responsible for the control of size, color, materials, and content of rental and sales signs in this Subdivision, and for the approval or disapproval of boats, boat trailers, travel trailers, motor homes, tractor trailer trucks, or any other such vehicle, that are kept or maintained or located upon any lot unless located within enclosed garages. The Committee will also be responsible for the control of temporary construction shelters or vehicles in this Subdivision. The Committee will require a fee of \$250.00 to review house plans for each Owner wishing to build. The review process may be subcontracted out at the discretion of the Committee.

(b) The Committee shall consist of three persons designated or appointed from time to time by the Declarant. After 90% of the lots in Subdivision are sold and 90% of undeveloped acreage is sold by the Declarant, its successors or assigns, said Committee shall be elected by a majority vote of the Board of Directors; provided, however, Declarant, its successors or assigns, shall be entitled to at least one Committee member until all of its lots in this Subdivision have been sold.

(c) Except within the building site (unless within 20' of the main dwelling), no trees of any kind in excess of 6 inches in diameter at ground level may be removed from any lot without prior approval of the Committee. No building, fence, wall, outbuilding, or any other accessory feature to the dwelling or any other structure upon any lot shall be commenced, erected, placed, maintained, or altered on any lot or combination of contiguous lots until the Complete Construction Plans (hereinafter "Plans") are approved in writing by the Committee or its designated agents.

(d) The Plans include the complete construction plans, the plot plan (showing proposed location and elevation of such building, fences, walks, drives, parking area, etc.) proposed building plans and specifications, exterior color, finish, and materials. The areas over which the approval shall be required shall include but shall not be limited to the size and plan of the principal residential structure, and all accessory buildings, structures and improvements on the lot, the location of the well, the size and plan of the garage or carport, location and manner of construction of each driveway, swimming pool, utility building, patio, tennis court, and other improvements for athletic, recreational, or gymnastic purposes, and all other exterior improvements, the composition and color of raw and finished materials used on the exterior of all structures, and the location and type of any landscaping, shrubbery, and other plantings.

(e) With a set of plans, a \$500.00 refundable road repair bond must be posted with the Homeowners Association. If the road shoulders and road have not been damaged during construction, the bond will be refunded.

(f) The Committee or its designated agents shall have forty five (45) days after physical receipt of the plans to accept or reject the same in whole or in part. If no response by the Committee has been made in writing within said forty five (45) days, the plans shall be deemed to be approved as submitted. After the plans are approved and after the Committee gives written permission for construction to begin, the actual construction shall be commenced and completed in accordance with the approved Plans, together with the requirements of the Declaration and, in this regard each Owner shall provide the Committee with the foundation survey as soon as it is made. The Committee shall have the right to waive setback violations when the remedial costs of correcting such violation, in the Committee's opinion, would impose undue hardship upon the violator.

(g) The actual construction shall be the responsibility of the Owner of the lot and his builder. Any permission granted for construction under this covenant and any designation of approved licensed contractors shall not constitute or be construed as an approval, warranty or guaranty, expressed or implied, by the Declarant or the Committee or its designated agent of the structural stability, design or quality of any building or other improvement or of the contractor who constructs such buildings or other improvements.

ARTICLE VI

GENERAL USE RESTRICTIONS

Declarant does hereby covenant and agree with all persons, firms or corporations hereafter acquiring title to any portion of the Property, that the Property shown on the recorded plat(s) herein referred to, and all Property presently owned as part of OYSTER HARBOUR SUBDIVISION which plat(s) are to be recorded, and all

Property which may be acquired in the future to be made a part of OYSTER HARBOUR SUBDIVISION, is made subject to the Declaration of Restrictive Covenants of OYSTER HARBOUR SUBDIVISION as may be amended or modified (hereinafter referred to as "Restrictions") which Restrictions shall be recorded separately and shall refer to this Declaration and incorporate it by reference.

ARTICLE VII

CAPTIONS, ENFORCEMENT AND INVALIDATION

Section 1. Whenever the context and construction so require, all words used in the singular number herein shall be deemed to have been used in the plural, and vice versa, and the masculine gender shall include the feminine and neuter and the neuter shall include the masculine and feminine.

Section 2. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration nor the intent of any provisions hereof.

Section 3. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages. In the event it is necessary to enforce this Declaration by appropriate legal or equitable proceedings, the party or parties violating or attempting to violate the same shall be liable for the cost of such proceedings including reasonable attorneys' fees.

Section 4. Invalidation of any one or more of these covenants by judgment or court shall not adversely affect the balance of this Declaration, which shall remain in full force and effect.

Section 5. The Declarant reserves the right to amend this Declaration from time to time without joinder of any of the Owners.

Inst # 36716 Book 1357Page: 1095

ARTICLE VIII

THESE RESTRICTIONS RUN WITH THE LAND

This Declaration of Covenants, Conditions and Restrictions of OYSTER HARBOUR SUBDIVISION and OYSTER HARBOUR Homeowners Association, Inc. are to run with the land and shall benefit and be binding on all parties and persons (and their respective heirs, representatives, successors and assigns) claiming title to any of the Property herein described for a period of thirty (30) years from the date this Declaration is recorded, after which time said Covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a sixty-six percent (66%) majority of the then Owners of the lots, and the Declarant and has been recorded agreeing to change said Declaration in whole or in part.

IN WITNESS WHEREOF, the Declarant has caused this Declaration of Covenants, Conditions and Restrictions of OYSTER HARBOUR SUBDIVISION and OYSTER HARBOUR Homeowners Association, Inc. to be duly executed this _____ day of February, 2000.

Inst # 36716 Book 1357Page: 1096

OYSTER HARBOUR, LLC.

By: Will R. Allen

Manager

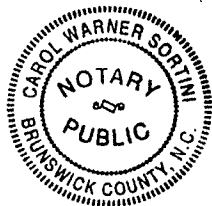
STATE OF NORTH CAROLINA)

COUNTY OF Brunswick)

I, a Notary Public of the County and State aforesaid, certify that William G. Allen personally came before me this day and acknowledged that he is the Manager of Oyster Harbour, LLC., a North Carolina limited liability company, and that by authority duly given and as the act and deed of the said company the foregoing instrument was signed him.

Notary Public: Carol Warner Sortini

Commission expires: 1-2-2002



STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

The Foregoing (or annexed) Certificate(s) of CAROL WARNER SORTINI

Notary(ies) Public is (are) Certified to be Correct.
This Instrument was filed for Registration on this 8th Day of February, 2000
in the Book and Page shown on the First Page hereof.

Robert J. Robinson
ROBERT J. ROBINSON, Register of Deeds

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Brunswick County--Register of Deeds
Robert J. Robinson
Inst #36717 Book 1357 Page 1097
02/08/2000 09:18am Rec# 35682

DECLARATION OF
RESTRICTIVE COVENANTS
OF
OYSTER HARBOUR SUBDIVISION

THIS DECLARATION OF RESTRICTIVE COVENANTS OF OYSTER HARBOUR SUBDIVISION is made this 7 day of February, 2000 by Oyster Harbour, LLC hereinafter referred to as "Declarant", and any and all persons, firms, or corporations hereinafter acquiring any of the within described property or any of the property hereinafter made subject to this Declaration of Restrictive Covenants of OYSTER HARBOUR Subdivision, hereinafter "Restrictions."

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Brunswick County, North Carolina known as OYSTER HARBOUR Subdivision; and

WHEREAS, Phase 1 of OYSTER HARBOUR Subdivision is more particularly described by plat(s) thereof recorded in the following Plat Book(s) and Page(s), 22 of 257, 258, 259, 260 + 26 in the Office of the Register of Deeds for Brunswick County to which reference is hereby made for a more complete description; and plat(s) for additional phases made a part of this subdivision will be recorded at a later date; and

WHEREAS, said lots are so situated as to comprise a neighborhood unit and it is the intent and purpose of the owner to convey the aforesaid lots to persons who will erect thereon residences to be used for single family purposes, subject to the provisions hereinafter set forth; and

WHEREAS, Declarant has agreed to establish a general plan of development as herein set out to restrict the use and occupancy of the property made subject to these Restrictions, and the Declaration of Covenants, Conditions and Restrictions of OYSTER HARBOUR Subdivision and OYSTER HARBOUR Homeowners Association, Inc., hereinafter "Declaration", recorded separately in the Office of the Register of Deeds for Brunswick County for the benefit and protection of the property and for the mutual protection, welfare and benefit of the present and the future owners thereof; and

WHEREAS, Declarant desires to provide for the preservation of the values of OYSTER HARBOUR Subdivision made subject to these Restrictions and the Declaration and for the preservation and maintenance of the Common Property established by the Declaration and by the supplements thereto.

NOW, THEREFORE, in accordance with the recitals which by this reference are made a substantive part hereof, Declarant declares that all of the property described herein on above said recorded plat(s) is made subject to these Restrictions and the Declaration and 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 OYSTER HARBOUR Subdivision as it now exists and is hereafter expanded and that such easements, restrictions, covenants and conditions shall burden and run with said property and be binding on all parties now or hereafter owning said real property and their respective heirs, successors and assigns, having any right, title or interest in the properties now or hereafter subjected to these Restrictions and the Declaration, or any part thereof, and shall inure to the benefit of each owner thereof and their respective heirs, successors and assigns.

RET Russell Davis
TOTAL 22.00 REV. 8812.00 TC#
REC# 17 CK AMT. CK# 7118
CASH REF. BY RD

PROPERTY SUBJECT TO THESE RESTRICTIONS AND THE DECLARATION
AND ADDITIONS THERETO

1. Existing Property. The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to these Restrictions and the Declaration, irrespective of whether there may be additions thereto as hereinafter provided, is located in Brunswick County, North Carolina, and is shown on maps recorded in Map Book (s) and Page(s) Plat Book _____, Page _____ in the Office of the Register of Deeds for Brunswick County.

2. Additions to Existing Property. Additional property may be brought within the scheme of these Restrictions and the Declaration and the jurisdiction of the Association:

(a) Declarant reserves the right to subject to this Declaration other certain contiguous property that it owns or may acquire, which may be developed into tracts and roadways and may later be made a part of OYSTER HARBOUR Subdivision. Declarant shall have and hereby reserves the right and option, from time to time and for so long as the Declarant owns any contiguous property, to subdivide all or any portion of the same into additional tracts by the filing of a plat designating such tracts on the records of Brunswick County, North Carolina, and upon any such filing the number of tracts located on the property shall be increased to include such additional tracts:

(b) Additional residential property and common area, consisting of not more than five hundred (500) acres, outside of the area may be annexed to the properties and brought within the scheme of these Restrictions and the Declaration and the jurisdiction of the Association in future stages of development without the consent of the Association or its members; provided, however, that said annexations, if any, must occur within ten (10) years after the date of this instrument.

(c) The additions authorized under subsections (a) and (b) shall be made by filing of record Supplementary Declarations of Declaration of Restrictive Covenants of OYSTER HARBOUR Subdivision and by filing of record Supplementary Declarations of Declaration of Covenants, Conditions and Restrictions of OYSTER HARBOUR Subdivision and OYSTER HARBOUR Homeowners Association, Inc., with respect to the additional properties which shall extend the scheme of these Restrictions and the Declaration and the jurisdiction of the Association to such properties and thereby subject such additions to assessments for their just share of the Association's expenses. Said Supplementary Declarations may contain such complementary additions and modification of these Restrictions and the Declaration as may be necessary.

GENERAL USE RESTRICTIONS

Declarant does hereby covenant and agree with all persons, firms or corporations hereafter acquiring title to any portion of the Property that the Property is hereby subject to these Restrictions as to the use thereof and do agree, publish and declare that the deeds hereinafter made by it to purchasers of the Property shall be made subject to the Declaration and to the following Restrictions:

1. Except as otherwise provided in these Restrictions, the lots shall be used for residential purposes only, and no structure shall be erected, placed, altered or permitted to remain on any lot other than one detached, single-family dwelling and related structures incidental to the residential use of the lot, such as garages and boat houses, which otherwise comply with these Restrictions, except that Declarant reserves

the exclusive right to construct a roadway over any lot owned by it in order to grant access to other property acquired by Declarant and in such cases the remainder of any such lot not used for the roadway shall still be subject to these Restrictions.

2. Each single-family dwelling shall have an enclosed, heated living area (exclusive of open porches, garages, and other unheated spaces) not less than Two Thousand Four Hundred (2,400) square feet on waterfront lots and One Thousand Eight Hundred (1,800) square feet on water access lots. The design, location, and construction of all improvements on each lot (regardless of when such improvements are made) and the landscaping of each lot must be approved in advance by the Architectural Review Committee, hereinafter referred to as the "Committee", which Committee is established pursuant to the Declaration.

3. All improvements to the lot must comply with Brunswick County setback requirements or those set out in the recorded plat.

4. More than one lot (as shown on said plat(s)) or portions thereof, may be combined to form one or more lots by (or with the written consent of) Declarant, its successors and assigns. No lot may be subdivided by sale or otherwise, except by (or with the written consent of) Declarant, its successors and assigns. Upon combination or subdivision of lots, the building line requirements prescribed herein shall apply and the easements reserved herein shall be applicable to the rear, side and front lot lines of such lot as combined or subdivided. The resulting building site and structures erected thereon must otherwise comply with these Restrictions and the new property line of the resulting building site shall be used to compute the set-back lines as set forth herein.

5. All connections of private driveways to OYSTER HARBOUR road system, and all connections of private easements and right-of-ways to that road system shall be constructed and maintained in accordance with the rules, regulations and specifications as approved by The Architectural Review Committee of OYSTER HARBOUR Homeowners Association, Inc.

6. There shall be no signs, fencing, or parking permitted within the road right-of-way.

7. No building, fence, wall, pool, outbuilding, driveway, or any other accessory feature to the dwelling or any other structure upon any lot shall be commenced, erected, placed, maintained or altered on any lot or combination of contiguous lots until the Complete Construction Plans (hereinafter "Plans") are approved in writing by the Committee or its designated agents. The Committee's refusal or approval of plans may be based upon purely aesthetic considerations, which in its sole discretion the Committee shall deem sufficient, but approval shall not unreasonably be withheld. One copy of all plans and related data shall be furnished to the Committee for its records. If no action is taken by the Committee within forty five (45) days after plans are submitted to it, the owner may proceed to build without approval.

8. Construction of new residential buildings only shall be permitted, it being the intent of this covenant to prohibit the moving of any existing building or portion thereof on a lot and remodeling or converting the same into a dwelling unit in this subdivision, excepting however, Declarant's mobile offices provided for hereinbelow.

9. With the exception of construction which is interrupted or delayed due to physical damage to the work in progress (such as damage due to fire, lightning, windstorm, hail, riot or civil commotion, explosion, or theft), any dwelling constructed upon a lot must be completed within one (1) year subsequent to commencement of construction, except with the written consent of Declarant, its successors or assigns, or, if the Declarant so designates, by the Committee. The normal period of completion time for outbuildings or other improvements shall be presumed to be four (4) months

the exclusive right to construct a roadway over any lot owned by it in order to grant access to other property acquired by Declarant and in such cases the remainder of any such lot not used for the roadway shall still be subject to these Restrictions.

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from the issue date of the building permit. In the event that completion of the dwelling, outbuildings, or other improvements on any lot is not completed within one year, and it is determined that construction progress has diminished to such an extent that completion of the dwelling, outbuildings, or other improvements is unlikely within 120 days, OYSTER HARBOUR Homeowners Association, Inc., hereinafter referred to as the "Association", will be advised of this determination. The Association shall then have the right to give notice to the owner that the owner has the obligation, within 30 days, to complete the removal of all the construction work in progress, including without limitation, the foundation and all building improvements and all stored building materials, and fill and grade the lot so that it is restored to its natural grade level, and the Association shall have the right to undertake this work upon owner's failure to do so and charge the cost to the owner and place a lien upon the lot upon owner's failure to pay these charges.

10. No trailer, truck, van, mobile home, tent, camper, barn, garage, or other outbuilding or temporary structure parked or erected on lots in this Subdivision shall at any time be used as a residence, temporarily or permanently, nor shall any structure of a temporary character be used as a residence; provided, however, that this prohibition shall not apply to shelters used by the contractors during the construction of the main dwelling house, it being clearly understood that these temporary shelters will not be permitted to remain on any lot after completion of construction. The Committee shall have the right to approve or disapprove these temporary construction shelters or vehicles. The Committee, upon approval of a temporary construction shelter or vehicle, will issue a letter stating the length of time such shelter will be allowed to remain upon such lot and where such shelter is to be located upon such lot.

11. All homes constructed in OYSTER HARBOUR Subdivision must be supplied with water for normal domestic use from a public utility company, if available. If public water is not available or a property owner wants a well for other uses the individual owner shall locate the well drilled on such owner's lot so as to comply with all the governmental regulations regulating the minimum distance between such well and septic fields proposed or approved for owner's lot and all lots adjoining such owner's lot. Before drilling a well, each owner must submit a site plan locating the proposed building site, drainage and repair septic field and well site.

12. Exposed exterior walls composed of the following materials shall be prohibited from OYSTER HARBOUR Subdivision: concrete block, imitation asphalt brick siding, imitation asphalt stone siding, tar paper.

13. Declarant shall be permitted to erect one mobile office on any lot that it owns for the purpose of maintaining a sales information center and construction office.

14. No noxious or offensive trade or activity shall be carried on upon any lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. No animals or poultry of any kind, except dogs and cats and other indoor household pets may be kept on any lot. Each owner must see to it that all of the owner's dogs are kept on the owner's property unless leashed. No dogs shall be permitted to roam the property and the Association may have strays and dogs that are not leashed and are found off their owner's lot picked up by governmental authorities. The throwing or dumping of trash, garbage, and waste materials shall not be permitted. The interference of any stream or future waterways so as to cause pollution or stagnation in these waterways is prohibited. There shall be no excavation which does not pertain to the building or construction of a home. Bottled gas containers and oil tanks shall be screened from public view. There shall be no above-ground swimming pools, unless approved by the Committee.

15. No portion or part of any lot shall be used or maintained as a dumping ground for rubbish or other refuse. Trash, garbage, or other waste shall not be kept, except in sanitary containers screened from view from all roads, all other lots, and from

the Common Property provided that the Declarant, prior to the sale of such lot, may use portions of such lot as a burial pit in accordance with governmental regulations.

16. In addition to the easements that are shown on the recorded plats of OYSTER HARBOUR Subdivision, easements ten (10) feet in width along the lot lines of all lots are reserved by Declarant for installation, repair, replacement and maintenance of utilities, including the right to keep said easements free and clear of all obstructions. An easement of twenty (20) feet is reserved for such purposes along the rear lines of all lots that do not adjoin other lots or properties within OYSTER HARBOUR Subdivision. As between the easements reserved by these Restrictions and the easements that are located in the same areas as shown on the record maps, the easements that are greater in width shall be the easements that are in effect.

17. Declarant reserves a temporary construction easement of thirty-five (35) feet in width along both sides and running parallel to streets or roads, which easements shall expire eighteen months after the particular road construction commences, or upon the acceptance of such streets or roads for maintenance by governmental authority.

18. No outside clotheslines shall be permitted. No satellite dishes shall be permitted unless concealed from view from all lots and open spaces. The design of such enclosures must be approved prior to erection by the Committee. Mailboxes shall be of a design, color and choice of materials as designated by the Declarant or, if the Declarant so designates, by the Committee, and may not violate North Carolina Department of Transportation standards.

19. There shall be no junk automobiles, junk of any sort, unserviceable vehicles, or salvage stored or placed or allowed to remain on or in any portion of this Subdivision. Unless located within enclosed garages, no large boat and/or boat trailer (over 28 feet in length), travel trailer, motor home, tractor trailer truck, or any other such vehicle shall be kept or maintained or located upon any lot unless and except with prior approval of the Committee. Other boats and/or boat trailers (less than 28 feet in length) must be stored behind the building set back line. No vehicles that are disabled or under repair shall be kept upon any lot unless located within enclosed garages. Unlicensed automobiles, including antique cars, if present must be stored out of sight in a garage. Large trucks shall not be parked on a regular basis within this Subdivision. No lot shall be used for storage of building materials prior to the issuance of the building permit for the Primary Residence. Large truck shall be defined as any non-passenger vehicle larger than a pick-up truck.

20. No billboards or signs of any description shall be displayed upon any lot with the exception of those approved by the Declarant or if the Declarant designates, by the Committee, the Declarant reserves the right to place and maintain appropriate development signs at the entrance to this Subdivision. All sign colors must be approved by Declarant, or if Declarant so designates, by the Committee. Declarant also reserves the right to erect and maintain signs designating streets, boat landings, recreational areas, and any other sign that will aid in the development of OYSTER HARBOUR Subdivision.

21. Except within the building site or within 20 feet of the main dwelling, no trees of any kind in excess of 6 inches in diameter at ground level may be removed from any lot without prior approval of the Committee.

22. Declarant, or its successors and assigns, will deed a lot or right of way to the Association which will provide access for lot owners to a community pier, boat ramp, community beach or other amenities which will be constructed by the Declarant and maintained by the Association. Notwithstanding anything herein to the contrary, Declarant will also deed to the Association at least one (1) acre fenced for dry boat

Storage, or for any other use permitted in these Restrictions, for its use and maintenance. Declarant will, if permitted by Brunswick County, provide a security gate across the entrance road, to OYSTER HARBOUR Subdivision to be maintained by the Association. Other amenities provided by Declarant and deeded to the Association will be maintained by the Association.

23. As provided for herein (see Section 2 of "Property Subject To These Restrictions and Declaration and Additions Thereto"), it is understood that Declarant, its successors and assigns, may develop, subdivide or sell additional tracts or parcels of land. Declarant reserves the right for its successors or assigns to connect such additional property to this Subdivision and to grant easements to use the roads and community access to the intracoastal waterway and recreational areas of this Subdivision.

24. DEFINITIONS: Reference to "Subdivision" in this document is intended to refer to Phase _____ OYSTER HARBOUR consisting of _____ sheets in the Brunswick County Registry. Reference to "Association" in this document is intended to refer only to "OYSTER HARBOUR Homeowners Association, Inc."

25. Nothing herein contained shall be construed as imposing any covenants and restrictions on any property of the owner of this Subdivision other than the Property that is subjected to these Restrictions. The Property herein described is also made subject to the Declaration of Covenants, Conditions and Restrictions of OYSTER HARBOUR Subdivision and OYSTER HARBOUR Homeowners Association, Inc. recorded separately, which Declaration is incorporated herein by reference.

26. Enforcement of these Restrictions may be at law or in equity against any person or persons violating or attempting to violate any covenant, condition or restriction herein contained. In the event of enforcement of these Restrictions at law or in equity and a violation hereof is judicially determined, then the violator shall be assessed with the costs of such action, including without limitation reasonable attorneys fees.

27. The Declarant and purchasers of lots in OYSTER HARBOUR Subdivision understand that the vesting of rights relating to proposed piers, docks, boat access ramps, floats, boathouses or disturbance of the shoreline buffer is subject to the terms and conditions set out by various state, county or federal regulatory agencies.

28. Declarant reserves the right to assign its rights to a successor who also assumes the Declarants responsibilities.

29. Judicial invalidation of one or more of the provisions hereof shall not adversely affect the remainder hereof which shall remain in full force and effect.

30. The Declarant reserves the right to amend those Restrictions from time to time without joinder of any other person(s).

THESE RESTRICTIONS RUN WITH THE LAND

This Declaration of Restrictive Covenants of OYSTER HARBOUR Subdivision and the Declaration of Covenants, Conditions and Restrictions of OYSTER HARBOUR Subdivision and OYSTER HARBOUR Homeowners Association, Inc. compose the general plan of development for the Property herein described and run with the land and shall benefit and be binding on all parties and persons (and their respective heirs, representatives, successors and assigns) claiming title to any of the Property herein described for a period of thirty (30) years from the date these Restrictions are recorded, after which time said Restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a sixty-six percent (66%) majority of the then owners of the lots or condominiums and the Declarant has been recorded agreeing to change said Restrictions in whole or in part. These Restrictions may be amended by the affirmative vote of the owners representing sixty-six percent (66%) of the lots and the Declarant at the time of the vote.

IN WITNESS WHEREOF, the Declarant has caused this Declaration of Restrictive Covenants of OYSTER HARBOUR Subdivision to be duly executed this 7th day of February, 2000.

OYSTER HARBOUR, LLC

BY: [Signature]
Manager

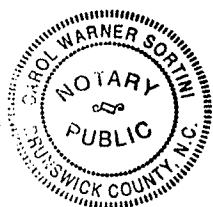
Inst # 36717 Book 1357 Page: 1103

STATE OF NORTH CAROLINA)

COUNTY OF Brunswick)

I, a Notary Public of the County and State aforesaid, certify that by authority duly given and as the act and deed of the said limited liability company, the foregoing instrument was signed in its name by William G. Allen as its Manager.

Witness my hand and seal this 7th day of February, 2000.



Notary Public: Carol Warner Sortini

My Commission Expires: 1-2002

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

The Foregoing (or annexed) Certificate(s) of CAROL WARNER SORTINI

Notary(ies) Public is (are) Certified to be Correct.
This Instrument was filed for Registration on this 8th Day of February, 2000
in the Book and Page shown on the First Page hereof.

[Signature]
ROBERT J. ROBINSON, Register of Deeds

SUBDIVISION STREET DISCLOSURE STATEMENT

SUBDIVISION: OYSTER HARBOUR, Phase _____, County of Brunswick, State of North Carolina, consisting of all lots as shown on plat recorded in the Brunswick, County Public Registry, North Carolina in Plat Book _____ at Page (s) _____, said recording shall hereinafter be referred to as "Recording."

The undersigned Developer and Seller does hereby certify that there are various 50-foot private road(s) shown on said Recording and that said 50-foot private road (s) are designed and are to be built to Brunswick County and State of North Carolina standards and have been approved as proposed, as it relates to stone and pavement width and depths.

The undersigned Developer and Seller further certifies that said 50-foot private road(s) aforesaid will be dedicated as private road(s) under the Brunswick County Subdivision Ordinance and that said road(s) is/are defined as a private road(s) for the purposes of maintenance as related to the County and/or State Highway Department.

The undersigned Developer certifies and represents that certified funds in an amount satisfactory to the Planner and Supervisor of Subdivision Approval for Brunswick County have been placed with Brunswick County, said sum equaling 100% of the projected cost of the construction of said road(s) in the judgement of the County Planner.

The undersigned Developer and Seller further hereby discloses that it reserves unto itself, its successors and assigns, an easement 35' wide across the front of each lot adjoining any of the roadways to be built for the purpose of construction and/or slope easements to permit the creation of the roadways as aforesaid. The Developer also reserves a general but temporary sediment basins for erosion control during road construction which will be removed after grass is established on the road shoulders.

Until such time as said 50-foot private road(s) shall meet the minimum standards adopted by the County and/or State Highway Department for acceptance in the Highway System, the responsibility for maintenance and repair to said private road(S) shall be borne by OYSTER HARBOUR Homeowners Association, Inc.

This the 7th day of February, 2000.

Inst # 36717 Book 1357Page: 1104

DEVELOPER AND SELLER:

OYSTER HARBOUR, LLC

By: Will R. [Signature]
Manager