

**MASTER DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS AND
CHANGES PROVIDED BY HOUSE BILL 1541
TO CHAPTER 47F (NORTH CAROLINA
PLANNED COMMUNITY ACT)**

FOR:

OWENDON PLANTATION

MASTER DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
OWENDON PLANTATION

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MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR OWENDON PLANTATION

This Declaration of Covenants, Conditions and Restrictions for Owendon Plantation is made this 18 day of July, 1998, by Owen Ventures, Inc., a North Carolina corporation, hereinafter referred to as the "Declarant" or Owen.

RECITALS

Owen is the Owner of approximately 84.24 acres of property which is hereinafter referred to as The Property located in Shallotte, North Carolina. Owen desires to subject The Property to the provisions of this Master Declaration and to develop The Property under the project name of Owendon Plantation and to provide for a method for the administration and maintenance of The Property; and

Owen intends to provide a Club House, Swimming Pool, and Walking, Biking, and Nature Trails to be owned, operated, and maintained by Owendon Plantation Property Owners Association, Inc., a non-profit corporation created by the Declarant; for the purpose of owning the Common Areas and carrying out the maintenance function as contained in this Master Declaration; and

It is anticipated by Owen that the Common Areas shown on the various maps of The Property subject to this Master Declaration will be conveyed by Owen to Owendon Plantation Property Owners Association, Inc.; and

Owen desires: (1) to provide for the preservation of the values and the amenities in the community subject to this Master Declaration and for the maintenance, repair, replacement and administration of the Common Areas and the facilities located thereon and (2) to establish the classes of persons entitled to use of the Common Areas and their respective rights and obligations relative to such use and the payment of their respective shares of the costs of maintenance, repair, replacement and administration.

NOW, THEREFORE, Owen does hereby declare that all of The Property together with any Additional Property which may hereafter be added by amendment to this Declaration shall be held, transferred, conveyed, occupied and used subject to the following Easements, Covenants, Conditions, Restrictions, Liens and Charges which shall run with the title to the real property and which shall be binding upon all and inure to the benefit of all of the parties having any right, title or interest in the above described properties, their heirs, successors and assigns.

ARTICLE ONE DEFINITIONS

The following words when used in this Master Declaration shall have the following meanings:

1. "Articles" means the Articles of Incorporation of Owendon Plantation Property Owners Association, Inc., a copy of which is attached hereto as Exhibit 1.
2. "Assessment" shall mean an Owner's share of the common expense or charges as established by the Association.
3. "Association" or "Property Owners Association" (P.O.A.) shall mean the Owendon

Plantation Property Owners Association, Inc., a not-for-profit corporation whose purpose is to administer The Property which is subject to this Master Declaration.

4. "Board" or "Board of Directors" means the Board of Directors of the Association.

5. "Bylaws" shall mean the bylaws of the Association, a copy of which is attached hereto as Exhibit 2.

6. "Common Areas" shall mean all real and personal property: (a) designated and shown in writing and/or on a plat by the Declarant as Common Areas; (b) conveyed to the Association for the use and benefit of the Association; and (c) held by Owen for the benefit of the Association. Such real property may include for example, roads, driveways, walkways, bike trails, nature trails, club house, swimming pool, any rights-of-way reserved to the Association, open spaces (both landscape and natural), lagoons, lakes, or ponds and drainage areas.

Nothing contained in this definition shall limit the type of personal property which may be owned by the Association and constitute Common Areas.

7. "Common Expenses" shall mean all expenditures made by the Association in carrying out its duties together with all funds assessed by it for the creation and maintenance of reserve funds under this Master Declaration.

8. "Declarant" shall mean Owen Ventures, Inc., a North Carolina Corporation with offices at Shallotte, North Carolina, its successors and assigns. The Declarant may assign or pledge any or all of its rights reserved under the land use documents through an assignment or an instrument of conveyance or assignment.

9. "Double Wide Manufactured Home" or "Mobile Home" shall mean a structure, transportable in one or more sections, which is built in a factory on a permanent chassis and

designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

10. "Modular Home", "Modular Single-Family Residence" or "Modular Single-Family Detached Residential Building" shall mean a dwelling made up of several pieces (or "modules") which are manufactured in a factory, transported to the building site, and placed on a permanent foundation.

11. "Site Built Home" shall mean a dwelling that is constructed on the building site and is built on a permanent foundation.

12. "Master Declaration" shall mean this document which includes the Covenants, Conditions and Restrictions for Owendon Plantation together with all amendments which may be filed in the office of the Register of Deeds, Brunswick County, North Carolina.

13. "The Property", "Development" or "Project" shall mean the property described in Deed Book 1058 at Page 964 (Map Cabinet 17, Page 88) of the Brunswick County Registry together with all improvements located or constructed thereon. It shall also refer to any Additional Property which may hereafter be made subject to this Master Declaration.

14. "Dwelling" shall mean the Single-Family Detached residential building on the Lot.

15. "Lot" shall mean a space on the earth's surface to be used exclusively for a Single-Family Detached Dwelling. A parcel of land shall be deemed to be a Lot rather than a Dwelling until the improvements constructed thereon are sufficiently complete to reasonably permit habitation thereof. Upon completion of the building, the parcel and the improvements shall collectively be considered a Dwelling for purposes of this Master Declaration.

16. "Member" shall mean every person or entity who is an Owner of a Lot situated in the Development provided that any such person or entity who holds interest merely as security for the performance of an obligation shall not be a Member.

17. "Occupant" shall mean any person including without limitation any Owner, guest, invitee, lessee, tenant, renter or family member of an Owner occupying or otherwise using a Dwelling within the Development.

18. "Owner" shall mean the record Owner, whether one or more persons or entities, of the fee simple title or contractual equitable title to any Lot in The Project; provided however, notwithstanding any theory of the mortgage, "Owner" shall not mean or refer to the mortgagee, unless and until such mortgagee has acquired title pursuant to foreclosure or in any proceeding in lieu of foreclosure. An Owner is also a Member and these terms may be used interchangeably in this document.

19. "Person" shall mean a Natural Person, Corporation, Partnership, Association, Trust, or other legal entity, or any combination thereof.

20. "Rules" shall mean any and all regulations of the Association promulgated by the Board pursuant to its power under this Master Declaration or any other land use document.

21. "Supplemental Declaration" shall mean a Declaration filed by Owen or any other Developer for a series of lots located in the Development establishing Covenants, Conditions and Restrictions for those particular lots and specifying the type of home required for that phase of the Development.

ARTICLE TWO
PLAN OF DEVELOPMENT

Section 1. THE DEVELOPMENT PLAN: Owen is planning and is in the process of constructing a Detached Single-Family Residential Subdivision. It is contemplated that the property will be developed in phases and that each phase will have specific architectural and space requirements. Any phase may include Modular, Site Built, or Double-Wide Manufactured Homes, but any one phase shall be limited to only one type of home. The specifics will be set out in a Supplemental Declaration for each phase. The Supplemental Declarations shall be subordinate to this Master Declaration. Each Supplemental Declaration shall specifically identify, by lot number and plat reference, which lots are covered by it. The Supplemental Declaration shall set forth the additional Covenants and Restrictions as the Declarant deems appropriate for such areas, including the type of home to be used in the phase; provided, no provision contained in the Supplemental Declaration shall be inconsistent with the provisions of this Master Declaration.

A non-profit Property Owners Association is being formed simultaneously with this Master Declaration and it will ultimately own, manage and maintain the Common Areas of the Subdivision which will include the Clubhouse, Swimming Pool, Walking, Biking, and Nature Trails, lakes, ponds, and drainage areas. The Property Owners Association will collect the fees necessary to carry out these functions in a reasonable manner and in addition, it will have authority to enforce the provisions of this Declaration.

The construction of the Clubhouse, Swimming Pool and Walking, Biking, and Nature

Trails, which will constitute a part of the Common Areas, will be keyed to the number of Dwellings in the Development with construction to commence on all of these items not later than the commencement of construction or placement of the 10th Dwelling Unit in The Property.

Section 2. THE WATER AND SEWER SYSTEMS: Water is being provided to the Community by Brunswick County and sewer is being provided to the Community by the Town of Shallotte. Water and sewer must be obtained from these sources; however, a private water well may be used for irrigation of landscaping on the lots, but for no other purpose. Should such a private well be used for this purpose, its location and housing must be pre-approved by the Declarant and, after turnover, by the Property Owners Association.

Section 3. NOTICE: Every purchaser of a Lot shall purchase and hold title thereto with notice of Declarant's Plan of Development as herein set out.

ARTICLE THREE
PROPERTY SUBJECT TO THIS MASTER DEVELOPMENT PLAN

Section 1. APPLICABILITY: This Master Declaration shall apply to the property described in Deed Book 1058 at Page 964 (Map Cabinet 17, Page 88) of the Brunswick County Registry. New areas may be added to the subdivision and subjected to this Master Development Plan by the Declarant by:

- (a) Filing a map showing the perimeter of the area being added together with an amendment to this Master Declaration incorporating the new area.
- (b) Any new area which is added to the Development pursuant to this Article must be

located contiguously to The Property presently constituting the subdivision as above described.

ARTICLE FOUR
MUTUALITY OF BENEFIT AND OBLIGATION

The Restrictions and Agreements set forth herein are made for the mutual and reciprocal benefit of each and every Lot or Parcel to which these Restrictions are made applicable and are intended to create mutual, equitable servitudes upon each of said Lots in favor of each and all of the other Lots therein; to create reciprocal rights between the respective owners of all said Lots; to create a privity of contract and estate between the grantees of said Lots, their heirs, successors and assigns, and shall operate as Covenants running with the land for the benefit of each and all other Lots in the subdivision and their respective Owners.

ARTICLE FIVE
PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. OCCUPANTS' EASEMENTS IN THE COMMON AREAS: Subject to the provisions of Section 3 and any additional provisions of this Master Declaration, every Occupant shall have a permanent and perpetual easement for the use and enjoyment of the Common Areas and each Easement shall be appurtenant to and shall pass with title to every Lot for the Occupants of such Lot. Such Easement of Enjoyment shall include, but not be limited to, the Occupants' right of ingress and egress over the streets, roadways and walkways over the Common Areas for the purpose of access to the Occupant's Lot.

Section 2. TITLE TO THE COMMON AREAS: The Declarant may (but is not obligated

to retain the legal title to the Common Areas until it has sold 90% of its properties subject to this Master Declaration. Notwithstanding any other provision herein, however, the Declarant hereby covenants for itself, its successors and assigns that it will (not later than the time it has closed the sale on 90% of its property subject to this Declaration) convey by Warranty Deed, at no cost to the Association, and the Association for itself, covenants that it will accept a conveyance of all of the Common Areas free and clear of all liens and encumbrances except for this Master Declaration.

Section 3. LIMITATION OF OCCUPANTS' EASEMENTS: The rights and easements

of use and enjoyment created hereby shall be subject to the following:

- (a) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of maintenance, repair and improvement of the Common Areas and in aid thereof to mortgage such properties.
- (b) The right of the Association to set specific charges for the use and maintenance of the Common Areas; and
- (c) The right of the Association as provided in its Articles and Bylaws to suspend the enjoyment rights of any Occupant for any period during which any assessment on his Lot remains unpaid or for a period that may be determined by the Board of Directors for any violation of this Master Declaration, the Association's Articles, Bylaws or published Rules and Regulations; provided, however, that the right of an Occupant of ingress and egress over the streets shall not be abrogated; and
- (d) The right of the Declarant and the Association to dedicate or transfer all or any part

of the Common Areas to any public agency, authority or utility for such purpose; and

(e) The right of the Declarant, without approval of the Association or any Owner, to add to or delete part of the Common Areas and to dedicate easements and rights-of-way over the Common Areas in accordance with the terms of this Master Declaration; and

(f) The right of the Association to adopt and enforce, at any time, Rules and Regulations governing the use of the Common Areas and all facilities situated thereon. Any Rules and/or Regulations so adopted shall apply, until rescinded or modified, the same as if originally set forth at length in this Master Declaration.

Section 4. EASEMENT FOR GOVERNMENTAL, HEALTH, WATER, SANITATION

AND EMERGENCY SERVICES:

A non-exclusive Easement is hereby granted to the appropriate governmental authorities and to the appropriate private organizations supplying health, sanitation, police services and any emergency services such as fire, ambulance and rescue services, for purpose of ingress and egress over the Common Areas.

Section 5. EASEMENT FOR DECLARANT:

The Declarant reserves to itself, its successors and assigns over, through, under, and across the Common Areas the right of temporary roads, utility services and drainage systems as are necessary in its sole discretion for the proper development and administration of The Project.

Section 6. CHANGES IN BOUNDARIES: ADDITIONS TO DESIGNATED COMMON

REAS: Declarant expressly reserves for itself and its successors and assigns the right to change

and realign the boundaries of any designated Common Areas within the Development, and to make additions thereto.

Section 7. EASEMENTS FOR UTILITIES: There is hereby reserved for the benefit of the Declarant, the Association, any public utility or governmental unit providing services in the Development, and their respective successors and assigns an Easement upon, over, under and across (a) all of the Common Areas and (b) all land located within 10 feet of any Lot line, as shown on all plats of record, for the purpose of installing, replacing, maintaining and operating all utility lines and drainage channels.

Section 8. MAINTENANCE EASEMENT: The Declarant reserves for itself and the Association and their respective agents and employees an Easement to enter upon any Lot for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, stumps or other unsightly growth and removing trash therefrom so as to maintain reasonable standards of health, fire safety and appearance within the Development. This reservation shall not impose any duty or obligation upon the Declarant or the Association to perform any such action. Furthermore, the Declarant hereby reserves for its benefit and that of the Association an Easement, but not obligation, to enter upon any unimproved portion of any Lot which is located within thirty (30) feet from the waters edge of any lagoon, pond, water course and waterway, whether natural or man made, within the Development for the purpose of maintaining such area and keeping the area clear and free from unsightly growth and trash and the maintenance of reasonable water quality standards.

Section 9. ENVIRONMENTAL EASEMENTS: Declarant reserves for its benefit and the Association and their respective agents and employees an Easement on, over and across all Lots for the purpose of taking any action necessary to effect compliance with environmental rules, regulations and procedures promulgated or instituted by the Board of Directors or by any Governmental Entity, such Easement to include, without limitation, the right to implement erosion control procedures and practices, the right to drain standing water, and the right to dispense pesticides and herbicides within the Development.

Section 10. ENCROACHMENTS: No encroachment shall be erected upon any pond, lagoon or other body of water within or adjacent to the Development unless specifically pre-approved by the Declarant, or the Property Owners Association after Turnover.

ARTICLE SIX
MEMBERSHIP, VOTING RIGHTS AND TURNOVER

Section 1. MEMBERSHIP: Every person or entity who is an Owner of a Lot shall be a Member of the Association, provided that any such person or entity who holds an interest merely as security for the performance of an obligation shall not be a Member.

Section 2. VOTING RIGHTS: The Association shall have two (2) classes of voting membership;

(a) Class "A"

Class "A" Members shall be all those Owners as defined in Section 1 of this Article with the exception of the Declarant. Class "A" Members shall be entitled to one vote for each Lot

in which they hold the interest required for membership by Section 1. When more than one person holds such interest in any Lot, all such persons shall be Members and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. The Bylaws may establish procedures for voting when the title to a Lot is held in the name of a corporation or more than one person or entity.

(b) Class "B"

The Class "B" Member is the Declarant. The Class "B" Member shall be entitled to three votes for each Lot in which it holds the interest required for membership by Section 1; provided that the Class "B" membership shall cease and become converted to Class "A" membership on the happening of the earlier of any of the following events:

1. When the total votes outstanding in the Class "A" membership equal the total votes outstanding in the Class "B" membership; or
2. At any earlier time that the Declarant, in its sole discretion, voluntarily converts its Class "B" to Class "A" membership; or
3. On July 1, 2010, if not sooner converted under (1) or (2).

From and after the happening of the earlier of these events, the Class "B" member shall be deemed to be a Class "A" Member entitled to one vote for each Lot in which it holds the interest required for membership under Section 1.

Notwithstanding any provision in paragraph (1), (2), or (3) of this subsection (b) to the contrary, the Declarant shall have the right to appoint the Board of Directors (who need not be members of the Association) until the occurrence of either of the following events:

- (i) Ninety days after the Declarant no longer holds the title to 25% of the Development;

or .

(ii) The Declarant relinquishes its right described in clause one of this sentence.

Upon the occurrence of either (i) or (ii) in the preceding sentence, then the existing members shall be obligated to elect the Board and assume control of the Association.

Section 3. TURNOVER: Within ninety (90) days after the happening of the events described in paragraph (b) (1), (2) or (3) of section two of this Article Six, the Association shall conduct a special meeting of the membership, hereinafter called the Turnover Meeting, for the purpose of electing officers and directors; provided, however, that so long as the Declarant is Owner of one Lot governed by the Association, the Declarant shall be entitled to appoint at least one member to the Board of Directors.

ARTICLE SEVEN COVENANT FOR ASSESSMENTS

Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS: Except as hereinafter more fully provided, the Declarant, for each Lot owned by it (exclusive of the real estate sales office serving the Development) which is subject to this Master Declaration, hereby covenants and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in the particular deed of conveyance, shall be deemed to covenant and agree to pay to the Association: (1) Annual Assessments and (2) Special Assessments for capital improvements and other assessments to be fixed, established, and collected from time to time as hereinafter provided. The Annual and Special Assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall

also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. Each Member expressly covenants, by acceptance of a deed, that liens may be placed against the Owner's Lot for nonpayment of assessments.

Section 2. PURPOSE OF ASSESSMENTS: The assessment levied by the Association for Common Expenses shall be used exclusively for the general purposes of promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners and Occupants of the Development and maintaining the Development and improvements therein, all as may be more specifically authorized from time to time by the Board of Directors. The Common Expenses to be funded by the annual assessments may include but shall not necessarily be limited to the following: (a) management fees and expenses of administration; (b) utility charges for utilities serving the Common Areas; (c) the cost of insurance coverage as the Board of Directors determines to be in the best interest of the Owners; (d) the expenses of maintenance, operation and repair of the Common Areas as these facilities are described in the Definitions Section of this Master Declaration; (e) any ad valorem or personal property taxes assessed or levied against the Common Areas; (f) all expenses associated with providing security services to the Development; (g) the establishment and maintenance of a reasonable reserve fund for maintenance, repair and replacement of the Common Areas to cover emergency repairs as a result of casualties which are not covered by insurance and to cover unforeseen operating contingencies or deficiencies arising from unpaid assessments; and (h) such other expenses as may be determined from time to time by the Board of Directors or the Association to be Common Expenses.

Section 3. DATE OF COMMENCEMENT OF "ANNUAL ASSESSMENTS": DUE DATE: ASSESSMENT PERIOD: The Annual Assessment provided herein for Class "A" Members shall commence upon conveyance of a Lot to a Class "A" Member. Once the assessment period has commenced, the assessments shall thereafter be due on the first day of every assessment period as this term is defined in the Bylaws of the Association. There is no commencement date for assessments for the Class "B" Member.

Section 4. BASIS AND AMOUNT OF THE ANNUAL ASSESSMENTS:

The total Annual Assessments shall be divided among the Lots as follows: The Class "A" Members shall pay an Annual Assessment, which beginning in the year 1998 (or pro rata part thereof) shall be \$250.00 for each Lot. The Board is granted the right to assess a larger amount based on the actual costs in carrying out its duties for the year 1999. The Annual Assessments for each Lot commencing in the year 2000 may be increased in proportion by the greater of 10% of the assessment for the previous year or by the percentage increase, if any, for the then current year in the Consumer Price Index (ALL URBAN CONSUMERS (CPI-U), 1982-1984 = 100, as published by the U.S. Bureau of Statistics). When the Club House, Swimming Pool, and Walking, Biking and Nature Trails, which are part of the Common Areas, are added by the Declarant, the limitation on assessment increase will be waived in order to allow these extra charges to be included in the annual budget. Once these additional charges are absorbed into the Annual Assessment, the assessment cap shall apply to future years, unless some additional common facilities requiring adjustment is added, in which event the cap will be waived for the year of such addition. The cap on assessments shall terminate upon Turnover to the Association

as described in Article Six Section III of this Master Declaration.

Until the time of Turnover, the Class "B" Member (Declarant) shall not pay any Annual or Special Assessment; however, the Declarant shall pay the difference in cost between the sum of all Annual Assessments collected from Class "A" and the actual cost of operation of the Association. After Turnover, the Declarant shall be obligated to pay 20% of the Annual Assessment on any Lot owned by it. Notwithstanding any other provision to the contrary in this Master Declaration, the Declarant may at any time commence paying assessments as to Lots owned by it and thereby automatically terminate its obligation to fund deficits, but at any time thereafter the Declarant may again elect to follow the procedure specified in the preceding sentence.

Section 5. SPECIAL ASSESSMENTS: In addition to the Annual Assessment authorized by this Article Seven, the Board may levy in any Assessment Year a Special Assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Areas including the necessary fixtures and personal property related thereto, or for other purposes deemed appropriate by the Association. The due date of any Special Assessment under this Article shall be fixed in a resolution authorizing such assessment. The Declarant shall not be obligated to pay a Special Assessment levied on any Lot owned by it.

Section 6. CHANGE IN BASIS OF MAXIMUM AMOUNT OF THE ANNUAL ASSESSMENT: Subject to the limitations of Section 4 and for the periods therein specified, the Board may change the maximum and basis of the Assessment fixed by Section 4 for any such period, provided that written notice containing a copy of the newly adopted budget outlining the Assessment change is sent to all Members at least thirty (30) days in advance of the effective date of the adopted change.

Section 7. DUTIES OF THE BOARD OF DIRECTORS: The Board of Directors of the Association shall prepare a roster of Members and Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member. Written notice of the Assessments for each Assessment Year shall be sent to every Member.

The Association shall, upon demand at any time, furnish to any Member liable for an Assessment a certificate in writing signed by an officer of the Association setting forth whether the Assessment has been paid. The certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

Section 8. EFFECT OF NON-PAYMENT OF ASSESSMENT: THE PERSONAL OBLIGATION OF THE OWNER: THE LIEN: REMEDIES OF THE ASSOCIATION: LATE FEES: RESALE CERTIFICATE: If an Assessment is not paid on the date when due (being the date specified in Section 3 and Section 5 hereof), then it shall become delinquent and shall, together with interest thereon, become a continuing lien on the property which shall bind such

property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period. Provided, however, unless the Seller obtains from appropriate officers of the Association at closing a certificate attesting to the fact that all Assessments are paid and presents such certificate to the purchaser at closing, the purchaser shall be conclusively presumed to have assumed such past due Assessments and shall also become forthwith liable therefore. The Owner requesting the certificate shall pay to the Association a reasonable sum to cover the costs of examining records and preparing the certificate. If the Assessment is not paid within thirty (30) days after its due date, the Assessment shall bear interest from the date of delinquency at the rate established by the Board of Directors not to exceed the maximum legal rate of interest, and the Association may bring an action at law against the Owner personally obligated to pay the outstanding Assessment and/or bring an action to foreclose the lien against the Property; and there shall be added to the amount of such Assessment all costs of collection, including, but not limited to, the cost of preparing and filing the complaint in such action, the cost of any and all attorneys' fees incident to collection whether or not suit is brought, including attorneys' fees on appeal. In the event a judgment is obtained, such judgment shall include interest on the Assessments as provided above and a reasonable attorneys' fee to be fixed by the Court, together with costs incident to the action.

In addition to the foregoing remedies, the Board of Directors may assess a "Late Fee" of ten percent (10%), compounded annually, on the delinquent Assessment for each Annual or Special Assessment which is more than ten (10) days delinquent, for the purpose of helping to

defray collection costs.

Section 9. SUBORDINATION OF THE LIEN TO MORTGAGES: The lien for the Assessments provided for in this Declaration shall be subordinate to the lien of any mortgage now or hereafter placed upon an Owner's property subject to assessment unless such Assessment is secured by a Claim of Lien that is recorded prior to the recording of such mortgage.

ARTICLE EIGHT
MAINTENANCE

Section 1. OWNER'S RESPONSIBILITIES: Maintenance and repair of Lots, together with all improvements thereon and all lawns, landscaping and grounds shall be the responsibility of the Owner. Each Owner shall maintain his Lot in a neat, clean and sanitary condition. Such responsibility shall include the maintenance and care of all exterior surfaces of all Dwellings and other structures as well as lawns, trees, shrubs, hedges, grass and other landscaping. Each Owner shall also be obligated to pay for any costs incurred by the Association for carrying out this responsibility if the Owner fails reasonably to do so. Except for the Declarant, no Owner shall decorate, change or otherwise alter the appearance of any portion of the exterior of any Dwelling or the landscaping, grounds or other improvements unless such decoration, change or alteration is first approved in writing by the Property Owners Association.

Section 2. ASSOCIATION RESPONSIBILITIES: Unless otherwise provided, the Association shall maintain and keep in good repair the Common Areas, including any improvements or structures located thereon. No diminution or abatement of assessments, fees

or charges, however, shall be claimed or allowed by any Owner by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by it under this Declaration.

In the event the Board determines that any Owner has failed or refused to carry out his duties under this Article, the Association may take such action as is necessary to restore the property to the conditions required under this Article. Entry upon any property for this purpose by the Association, its agents or employees shall not be deemed a trespass. Except in emergency situations, however, the Association shall give such Owner fifteen (15) days notice prior to its entry on the premises to perform such work. This right in favor of the Association shall not, however, impose any obligation upon the Association to undertake any particular corrective action. In the event the Association does, however, take any corrective action as regards any property, the Owner thereof shall promptly reimburse the Association for all costs and expenses incurred in such corrective action.

ARTICLE NINE INSURANCE AND CASUALTY LOSSES

Section 1. PROPERTY AND CASUALTY INSURANCE: Property and casualty insurance on the Common Areas shall be maintained through the Association in an amount equal to the maximum insurable value thereof. The Association shall also purchase such other insurance as may be necessary on the Common Areas for the purpose of properly protecting the Association. The Association may also purchase liability insurance covering the Association's Directors and Officers.

Section 2. PREMIUMS: The premiums for all insurance policies purchased by the Association shall be deemed to be general expenses of the Association and shall be paid by the Members through the Annual Assessments as provided in this Declaration.

Section 3. DAMAGE OR DESTRUCTION TO COMMON AREAS: Should any part of the Common Areas be damaged or destroyed, the Association shall cause it to be repaired or replaced if the insurance proceeds, together with available reserves, are sufficient to do so. If the Board determines that these funds are insufficient and, therefore, a Special Assessment is necessary to complete the repair or replacement, then the Members of the Association shall be given notice of the amount of the Special Assessment and an opportunity to vote on the question. The Special Assessment shall be imposed by the Board unless 60% of the total Association membership votes against the imposition of such Special Assessment.

ARTICLE TEN CONDEMNATION

CONDEMNATION OF COMMON AREAS: Should any portion of the Common Areas be taken through eminent domain or conveyed by deed in lieu of condemnation by the Association, the award of proceeds made or collected by the Association shall be disbursed or held as follows: (a) to the extent practical, in the discretion of the Board, the funds shall be used for the replacement of the condemned facility on some other part of the Common Area; (b) if replacement at some other location within the Common Area is not feasible, then these funds shall be added to the reserves held by the Association; or (c) should the Board deem the funds necessary for addition to the reserves, then these funds shall be disbursed on a pro-rata basis

to the Membership of the Association.

ARTICLE ELEVEN
ADMINISTRATION OF THE COMMON AREAS

Section 1. MANAGEMENT: The Association, subject to the rights of the Declarant and the rights and duties of the Owners as set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements located thereon.

Section 2. DUTIES AND POWERS: The duties and powers of the Association shall be those set forth in (a) Chapter 55A of the North Carolina General Statutes as it applies to non-profit corporations, (b) this Declaration, (c) the Bylaws and (d) the Articles of Incorporation of this Corporation. Should there be conflicts or inconsistencies between any of these documents then the order of authority shall be the General Statutes, this Declaration, the Articles of Incorporation and the Bylaws. Notwithstanding any other provision in this Master Declaration to the contrary, as long as the Declarant shall own any Lot in the Development, the Association shall not, without the consent of the Declarant, borrow money or pledge, mortgage, or hypothecate all or any portion of the Common Areas.

Section 3. AGREEMENTS: All agreements and actions lawfully authorized by the Board of Directors shall be binding upon all Owners, their heirs, successors and assigns. The Association may perform its duties and responsibilities through its Board of Directors and further shall have the authority to delegate to persons of its choice such duties as may be determined by the Board of Directors to be expedient. The Board shall have the power to employ such

managers, agents and employees as necessary in its discretion to carry out its functions under this Declaration. In addition, the Association may pay for and the Board of Directors may hire and contract for such legal, accounting and other professional services as are necessary or desirable in connection with the operation of the Development or enforcement of this Declaration or the Bylaws or the Rules and Regulations of the Association.

Section 4. RESTRAINT ON TRANSFER: The shares of the Owners in the funds and assets of the Association cannot be individually assigned, hypothecated or transferred in any manner except to the extent that a transfer of ownership of a Lot also transfers the membership in the Association which is an appurtenance to such Lot.

* Section 5. RULES AND REGULATIONS: The Association, acting through its Board of Directors, may make and enforce reasonable rules and regulations governing the use of the Lots and Common Areas. These rules and regulations shall be consistent with the rights and duties established by this Declaration.

ARTICLE TWELVE ARCHITECTURAL AND LANDSCAPING STANDARDS

Architectural and Landscaping Standards as applied to each phase shall be contained in the Supplemental Declaration for that phase; however, the following minimum standards shall apply in all phases:

1. A front yard setback of not less than 20 feet;

2. A rear yard setback of not less than 20 feet, with the exception of Lots 1-4 and 57-60 inclusive in Phase 1 and Lots 62-64 inclusive in Phase II shall have a minimum setback line of 30 feet;
3. A minimum side yard setback of 8 feet; and
4. There shall be a minimum of a 10 feet vegetation buffer along all perimeter lots which are Lots 1-3, 5-9, 14-27 and 57-60 inclusive in Phase 1, Lots 62-78 inclusive in Phase II, Lots 158-163 and 174 in Phase III and Lots 175-181 in Phase IV.

ARTICLE THIRTEEN
GENERAL PROHIBITIONS

Section 1. TEMPORARY STRUCTURES: No temporary house, trailer, tent, garage, or other building shall be placed or erected on any Lot or Parcel, provided, however, that the Association may grant permission for any such temporary structure for storage of materials during construction. No such temporary structure as may be approved shall be used at any time as a dwelling place.

Section 2. COMPLETION OF STRUCTURES: Once construction or improvement is started on any Dwelling, it must be substantially completed in accordance with the plans and specifications as approved within six (6) months from the date of commencement.

Section 3. PETS: No animal, livestock, bird, or poultry of any kind may be raised, bred, or kept on a Lot. However, a reasonable number of generally recognized house pets may be kept

subject to rules and regulations adopted by the Association through its Board of Directors. Such house pet or pets must be kept solely as domestic pets. No pet shall be allowed to make an unreasonable amount of noise or to become a nuisance. Upon written request of any Owner of a Lot, the Board of Directors of the Association may conclusively determine, in its sole and absolute discretion, whether, for purposes of this Section 3, a particular pet is a generally recognized house pet or if such pet is a nuisance. The Board shall have the right to require the Owner of a particular pet to remove it from The Property if it is found to be a nuisance or in violation of this restriction. The Board shall have the further right to fine any Owner of a Lot (not to exceed \$50.00 per violation) for the violation of these restrictions by himself or any Occupant of his Lot. All Lot Owners shall be liable to the Association for the cost of repair of any damage to the Common Areas caused by the pet of such Owner or of an Occupant of such Owner's Lot. Any such fine or cost of repair shall be added to and become a part of any assessment next coming due against the Lot under the Master Declaration.

Section 4. STORAGE RECEPTACLES: Every fuel storage tank and receptacles for ashes, trash, rubbish or garbage shall be buried below the surface of the ground or screened to the satisfaction of the Declarant and, after Turnover, the Property Owners Association.

Section 5. MAINTENANCE OF UNOCCUPIED LOTS: All unoccupied Lots shall be well-maintained and no unattractive growth or accumulation of rubbish or debris shall be permitted. All unoccupied Lots shall, at a minimum, be mowed or bushhogged at least once during the period commencing with September 1 and ending with October 15. Should the Owner

of a Lot fail to mow or bushhog his Lot as required, the Association is hereby granted the right to enter the Lot and perform this work. The cost of such work shall be paid to the Association by the Owner. Any such cost shall be added to and become a part of any assessment next coming due against the Lot under the Master Declaration.

Section 6. OFFENSIVE AND ILLEGAL ACTIVITIES: No noxious, offensive or illegal activities shall be carried on within the Development nor shall anything be done that shall be or become an unreasonable annoyance or nuisance.

Section 7. REPAIR OR REMOVAL OF BUILDINGS: Any building which may be destroyed in whole or in part by fire, windstorm or from any other cause or act of God must be rebuilt or all debris removed and the Lot restored to a sightly condition with reasonable promptness; provided, however, that in no event shall such debris remain longer than three (3) months.

Section 8. OUTSIDE BURNING: No outside burning of wood, leaves, trash, garbage, or household refuse shall be permitted, except in accordance with a validly issued burning permit from Brunswick County and the Declarant or the Association.

Section 9. DIVISION OF LOTS: Prior to conveyance, the Declarant may change lot boundary lines as it deems expedient. Thereafter, no Lot shall be subdivided or its boundary lines changed by its Owner except with the written consent of the Declarant, or the Property

Owners Association, after Turnover. The Declarant may also create a modified Lot by the sale of two or more adjacent Lots to one party, followed by the construction thereon of a Dwelling Unit in such a manner as to require the total Lots to be treated as one modified Lot in order to meet the set back and side line requirements without the necessity of replatting. The Restrictions and Covenants herein apply to each Lot so created.

Section 10. MOTOR VEHICLES AND NOISE LEVEL: No motorcycle or motorbike shall be used on the streets except for the purpose of coming to or from the state highway to a particular Lot. No dirt bike, go-cart, or similar vehicle may be used within the Development at all under any circumstances. All motor vehicles operated in the Development shall have quiet mufflers. Further, no person shall operate any motor vehicle in the Development unless he holds a valid driver's license. There shall be no outside storage or parking upon any Lot or the Common Areas within The Property of any motor home, trailer (either with or without wheels), tractor or truck (other than private standard size pick-up trucks), or boat. No Owner shall repair or restore any motor vehicle or boat of any kind on or within any Lot or other portion of The Property, except (a) within enclosed garages; or (b) for emergency repairs, and then only to the extent necessary to enable the movement thereof to a proper repair facility.

* Section 11. ADDITIONAL RULES: The Declarant, until Turnover, and thereafter the Board of Directors of the Association, may establish such additional rules and regulations as may be deemed for the best interest of the Owners in the subdivision.

Section 12. SIGNS: Except as permitted in Section 14 of this Article and except as may be required by legal proceedings, no signs or advertising posters of any kind (specifically including for sale or for rent) shall be maintained or permitted on any Lot or any improvements located on any Lot within The Property.

Section 13. ANTENNAS: No satellite antenna, off-the-air television antenna, or multipoint distribution service antenna of more than forty (40) inches in diameter shall be allowed or placed on any Lot. Satellite antennas, off-the-air televisions antennas, and multipoint distribution service antennas of forty (40) inches or less in diameter shall be placed or screened so they will not be visible from the street and, to the extent possible, from adjoining properties. Such devices shall comply with such additional reasonable architectural guidelines adopted by the Declarant, or the Association, after Turnover. These rules may not be used to prevent, unreasonably delay or unreasonably increase the cost of antenna installation, maintenance or use, or preclude reception of an acceptable quality signal, in violation of the Telecommunications Act of 1996.

Section 14. SALES AND CONSTRUCTION ACTIVITIES: The Declarant, its agents, employees, successors and assigns may maintain such facilities and carry on such activities as may be reasonably convenient or incidental to the completion, improvement and sale of Lots within the Development including, without limitation, the right to install and operate construction trailers, sales offices, signs and model Dwellings. The right to maintain such facilities and carry on such activities shall include the right to use Dwellings as models and to use any Dwelling as

an office for the sale of Lots and related activities.

ARTICLE FOURTEEN
ENFORCEMENT

Section 1. USE: No Lot subject to this Master Declaration shall be used except for residential purposes unless otherwise allowed herein.

* Section 2. RULES AND REGULATIONS: The Board of Directors is specifically granted the power to pass rules and regulations for the purpose of enforcing this Declaration.

Section 3. INVALIDATION: Invalidation of any one or more of these covenants or restrictions by judgment or court order shall in no wise affect any other provision, which shall remain in full force and effect.

Section 4. PRIORITY OF LAND USE DOCUMENTS: This Master Declaration shall take precedence over conflicting provisions in the Articles of Incorporation or the Bylaws of the Association and the Articles shall take precedence over the Bylaws.

* Section 5. DURATION: This Master Declaration shall affect and run with the land and shall exist and be binding upon all parties and all persons claiming under them until December 31, 2020, and shall continue in full force and effect thereafter until a majority of the Owners have, by written vote, agreed to amend or terminate them.

* Section 6. AMENDMENT: The Declarant may not unilaterally make any amendment or modification to this Master Declaration which will change or alter the Plan of Development. The Declarant, however, reserves for itself before Turnover and, thereafter, the Association, the right to make an amendment or modification which will not affect the Plan of Development. Should any such modification or amendment, however, attempt to change or alter the Plan of Development, such modification or amendment shall be null and void. Further, this right to amend by the Declarant or the Association shall not render these Covenants or Restrictions purely personal to the Declarant and the benefits and burdens shall remain mutual and reciprocal to all Owners.

* The Plan of Development may only be altered, modified, or changed by a written document executed by the Declarant together with the owners of a majority of the Lots then owned by persons other than the Declarant and will only become effective upon recordation in the Brunswick County, North Carolina, Public Registry.

Section 7. ENFORCEMENT - GENERAL: Failure of an Owner/Occupant to comply with a provision of this Master Declaration or a provision in the Bylaws, Articles of Incorporation or Rules and Regulations of the Association shall provide the Association with the right to bring legal action at law or in equity, including, but not limited to, an action for injunctive relief, damages, or a combination thereof against the Owner. All costs and expenses incurred by the Association in terminating or resolving a violation of this Declaration, inclusive of attorneys' fees (whether or not litigation is instituted) and Court costs shall be the

responsibility of the Owner determined by the Association to be in violation. Collection of such attorneys' fees, costs and damages may be enforced by any method described in this Master Declaration providing for the collection of Annual Assessments, or by civil action to collect the debt.

Section 8. INTERPRETATIONS: In all cases, the provisions of this Master Declaration shall be construed together and given that interpretation or construction which, in the opinion of the Declarant or the Board of Directors, will best effect the intent of the general Plan of Development. The provisions of this Master Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance or building codes which are less restrictive.

Section 9. SEVERABILITY: Whenever possible, each provision of this Declaration shall be interpreted in such a manner as to be effective and valid; however, if the application of any provision to any person or property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application and to this end, the provisions of this Declaration are declared to be severable.

Section 10. NO TRESPASS: Whenever the Association or the Declarant and their respective successors, assigns, agents or employees are permitted by this Declaration to enter upon or correct, repair, clean, maintain, preserve or do any other action within any portion of the

Development, the entering thereon and the taking of such action shall not be deemed a trespass.

Section 11. NOTICES: Notices required under this Declaration shall be in writing and shall be delivered by hand or sent by United States Mail, postage pre-paid. All notices to Owners shall be delivered or sent to such address as has been designated in writing to the Association or, if no such address has been so designated by the Owner, at the address of the Owner's Lot. All notices to the Declarant shall be delivered or sent to the Declarant's main office in Brunswick County, North Carolina or to such other address as the Declarant from time to time may notify the Association.

ARTICLE FIFTEEN
WORKING CAPITAL CONTRIBUTION

At the closing, each Class "A" Member shall make a \$100.00 per Lot contribution to the working capital of the Association. This initial contribution is not a pre-payment of the regular monthly or Annual Assessment.

ARTICLE SIXTEEN
CONSTRUCTION

When construing these Covenants and Restrictions, the parties agree that they shall be construed as beneficial community rules and that any ambiguity shall be resolved in favor of liberal enforcement by the Courts.

IN WITNESS WHEREOF, this Master Declaration together with Covenants, Conditions, and Restrictions has been signed and executed by the Declarant the day and year first above written.

CORPORATE SEAL

OWEN VENTURES, INC.

By: Don Owen
Don Owen, President

ATTEST:
Name Armstrong
Secretary-Treasurer

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

I, Debra A Hudson, Notary Public do hereby certify that Don A Owen personally came before me this day and acknowledged that he is Secretary/Treasurer of Owen Ventures, Inc., a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary/Treasurer.

WITNESS my hand and official seal this the 19 day of July, 1998.

Debra A Hudson
Notary Public

My Commission Expires:
2-22-99

SUPPLEMENTAL DECLARATION CONTAINING
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR PHASE I IN OWENDON PLANTATION
CONSISTING OF LOTS 1-60

WHEREAS, on or about July 18, 1998, Owen Ventures, Inc. ("The Company"), a North Carolina Corporation, executed as "Declarant" its "Declaration of Covenants, Conditions, and Restrictions for Owendon Plantation", (the "Master Declaration"); and

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

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

WHEREAS, Owen Ventures, Inc. is the owner of that certain real property ("The Property") which is more particularly described as follows: BEING Phase I of Owendon Plantation consisting of lot numbers 1-60, all according to a survey by James R. Tompkins, R.L.S. dated May 20, 1998 and appearing in the series of maps recorded in Map Cabinet 19, Pages 549 - 550 inclusive of the Brunswick County Registry.

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

NOW, THEREFORE, The Company submits and subjects The Property to the following Covenants, Conditions and Restrictions:

1. Submission of Property to Covenants. Pursuant to the provision of Article II, Section 2 of the Master Declaration, The Company submits and subjects Phase I, Owendon Plantation, consisting of lot numbers 1-60, all according to a survey by James R. Tompkins, R.L.S. dated May 20, 1998 and appearing in the series of maps recorded in Map Cabinet 19, Pages 549 - 550 inclusive of the Brunswick County Registry, hereinafter referred to as The Property, to the Covenants, Conditions and Restrictions contained herein which shall constitute equitable servitudes which shall run with the land. The grantee of an interest in any of the Lots identified herein as The Property, by acceptance of a deed or other conveyance of such interest, agrees to be bound by the Covenants, Conditions and Restrictions contained herein.

2. Building Restrictions. Phase I and the Lots identified as such constitute a theme village and, therefore, all Dwellings and any other improvements placed on the Lots must be in

keeping with the theme and general character of this phase. In order to carry out this requirement, only Dwellings and other improvements which have been pre-approved by the Declarant can be placed on a Lot. The pre-approved homes for Phase I shall consist solely of Double Wide Manufactured Homes of at least 26 feet in width and 44 feet in length. In addition, one pre-approved detached storage building may be placed on the lot. These homes, along with all approved decks, porches, patios, and garages attached thereto must be permanently underpinned with brick. Color selections of the exterior surfaces and roof colors shall be approved by the Declarant before their use and incorporation into the Dwelling or other improvement. No Dwelling or other improvement may be placed on any Lot except in compliance with these building restrictions. The landscaping plan shall also be approved by the Declarant or by its representatives and, after Turnover to the Property Owners Association, by the Property Owners Association. For purposes of these building restrictions, the words "Double Wide Manufactured Home" shall have the meaning set out in Article One of the Master Declaration.

3. Use of Lots and Dwellings: Each Lot shall used exclusively for Detached Single-Family residential purposes. No trade or business of any kind may be carried on in any Dwellings, except for sales offices of the Company as permitted in the Master Declaration. The lease or rental of any Dwelling within The Property for a period of less than thirty (30) consecutive days is prohibited. All lessees or tenants of Dwellings within The Property shall in all respects be subject to the terms and conditions of this Declaration.

4. Exterior Appearance of The Dwelling. No foil or other reflective materials shall be used on any window for sunscreens, blinds, shades, or other purpose, nor shall any window-mounted heating or air-conditioning units be permitted. Except within screened service yards, outside clotheslines or other outside facilities for drying or airing clothes are specifically prohibited. No clothing, rugs, or other items may be hung on any railing, fence, hedge, or wall.

5. Nuisance. No rubbish or debris of any kind shall be dumped, placed, or permitted to accumulate upon any Lot, nor shall any nuisance or odors be permitted to exist or operate upon or arise from any Lot, so as to render any portion thereof unsanitary, unsightly, offensive, or detrimental to persons using or occupying any other portions of The Property. Noxious or offensive activities shall not be carried on in any Lot or Dwelling. Each Lot Owner, his family, tenants, guests, invitees, servants, and agents shall refrain from any act or use of a Lot or Dwelling which could cause disorderly, unsightly, or unkept conditions, or which could cause embarrassment, discomfort, annoyance, or nuisance to the occupants of other portions of The Property. Noxious or offensive activities shall not be carried on in any Lot or Dwelling which could result in a cancellation of any insurance for any portion of The Property, or which would be in violation of any law or governmental code or regulation.

6. Buildings Allowed on the Lot. The Double Wide Manufactured Home, along with any approved decks, porches, patios, garages, and one detached storage shed shall be the only structures located on the Lot.

7. Mail Box and Newspaper Receptacle Design. All mail and newspaper receptacles shall be pre-approved by the Declarant.

8. Lighting. No outdoor lights shall be allowed on the Lot which project high density off-site illumination. One driveway light shall be maintained at all times. The light pole and fixture shall be approved by the Declarant. This light shall constitute part of the street lighting system and shall, therefore, be on an automatic light switch control so as to provide street lighting and driveway identification from sunset in the evening until sunrise in the morning.

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

10. Amendment. This Supplemental Declaration may only be altered, modified or changed by a written document executed by a majority of the Owners of the Lots in this Phase and will only become effective upon recordation in the Brunswick County, North Carolina, Public Registry.

11. Impervious Coverage. No more than 3,000 square feet of any lot, including that portion of the right-of-way between the edge of pavement and the front lot line, shall be covered by impervious structures, including asphalt, gravel, concrete, brick, stone, slate or similar

material, not including wood decking or the water surface of swimming pools. This covenant is intended to ensure continued compliance with the stormwater permit issued by the State of North Carolina. The covenant may not be changed or deleted without the consent of the State.

No one may fill in or pipe any roadside or lot-line swale, except as necessary to provide a minimum driveway crossing.

For curb outlet system projects, no one may pipe, fill in, or alter any lot line swale used to meet North Carolina Stormwater Management Permit requirements.

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

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

inspection.

WITNESS, this 18 day of July, 1998.

Owen Ventures, Inc.

By:

Don A Owen
President

CORPORATE
SEAL

ATTEST:

Dianne Armstrong
Secretary/Treasurer

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

I, Debra A Hudson, Notary Public do hereby certify that Don A Owen personally came before me this day and acknowledged that he is Secretary/Treasurer of Owen Ventures, Inc., a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary/Treasurer.

WITNESS my hand and official seal this the 18 day of July, 1998.

Debra A Hudson (SEAL)
Notary Public

My Commission Expires:

2-22-99