

AMY / J. GODBEY
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REC'D CK. AMT. 74- CR# 3186
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AMENDED AND SUPPLEMENTAL
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR LAKES OF LOCKWOOD

WITNESSETH:

WHEREAS, on or about July 25, 2002, Lakes of Lockwood, Inc. ("The Developer"), a North Carolina Corporation, executed its "Declaration of Covenants, Conditions, Restrictions and Easements of Lakes of Lockwood", (the "Declaration"); and

WHEREAS, by and through the execution and recording of the Declaration in Deed Book 1610 at Page 141 of the Brunswick County Registry, the Developer has placed those certain Covenants, Conditions and Restrictions embodied in the Declaration on the real property described therein; and

WHEREAS, pursuant to the provisions of Article IX Section 3 and Section 10 of the Declaration, the Developer has reserved the right to amend and supplement the Declarations; and

WHEREAS, the Developer is the Owner of certain real property located in Holden Beach, Brunswick County, North Carolina, which is more particularly described on Exhibit "A" attached hereto and made a part hereof by reference; and

WHEREAS, the Developer proposes to create on such property a Subdivision containing 125 residential home lots, together with common areas as more fully described in the "Declarations"; and

WHEREAS, the Developer wishes to accomplish the following objectives for its benefit and the benefit of Owners of Lots in the Subdivision by the imposition of the amended and additional restrictive covenants and easements set forth herein:

- (a) To maintain the single family residential character and integrity of the Subdivision,
- (b) To preserve the quality of the natural amenities of the Subdivision,
- (c) To minimize or eliminate the possibility of any disruptions of the peace and tranquility of the single family residential environment of the Subdivision,
- (d) To prevent the abuse or unwarranted alteration of the natural character of the land in the Subdivision,

- (e) To create and encourage a natural rustic character for the homes and real property in the Subdivision,
- (f) To prevent any property Owner or any other persons from building or carrying on any other activity in the Subdivision to the detriment of any Owners of Lots in the Subdivision, and
- (g) To keep property values in the Subdivision high, stable and in a state of reasonable appreciation, and

WHEREAS, the Developer is desirous of maintaining design criteria, location, construction specifications and other controls to assure the integrity of the Subdivision; and

WHEREAS, the Developer hereby declares that all of the properties described above shall be held, mortgaged, sold and conveyed subject to the following amended and additional easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I AMENDED DECLARATIONS

1. ARTICLE II. Membership and Voting Right in the Association, Section 2 Class B shall be deleted in its entirety and replaced with

Class B The sole Class B member shall be the Developer. The Class B member shall be entitled to four votes for each Lot in which it holds the interest required for membership under Section 1 of the Article. The Class B membership shall cease and become converted to Class A membership when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership (Lots shall include any additional phases which Developer might bring under the terms of this agreement).

2. ARTICLE III. Property Rights in the Common Areas, Section 4 of the Declaration shall be deleted in its entirety and replaced with:

Any owner may delegate, in accordance with the by-laws of the Association, his right of enjoyment to the Common Areas and facilities to his tenants and invitees.

3. ARTICLE V. Covenant for Maintenance Assessments, Section 1 of the Declaration reads that "The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them." It shall now read:

The personal obligation for delinquent assessments shall pass to his successors in title. A letter of release shall be required to be provided to the closing attorney from the Property Owners Association at closing on any sell of any Lot or interest in any Lot.

4. ARTICLE V. Covenant for Maintenance Assessments, Section 4 shall be deleted in its entirety and replaced with the following:

Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Four Hundred and no/100 Dollars (\$400.00) per Lot.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than 8% above the maximum assessment for the previous year without a vote of the membership.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above the 8% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

5. ARTICLE V. Covenant for Maintenance Assessments, Section 7 shall be deleted in its entirety and replaced with:

Annual and special assessments may be collected on a monthly, quarterly or annual basis.

6. ARTICLE V. Covenant for Maintenance Assessments, Section 8 shall now begin "The annual assessments for Lots provided hereinafter shall commence as to any Lots on the first day of the month following the conveyance thereof by the Developer...."

7. ARTICLE V. Covenant for Maintenance Assessments, Section 10 shall be deleted in its entirety and replaced with:

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

8. ARTICLE VII. Restrictions Upon Use of Lots and Structures, Section 8 shall include the statement "All propane gas tanks shall be buried."

9. ARTICLE VII. Restrictions Upon Use of Lots and Structures, Section 10 shall be deleted in its entirety and replaced with:

No business activity, including but not limited to, a rooming house, boarding house, gift shop, antique shop, or beauty shop or the like or any trade of any kind whatsoever shall be carried on upon a Lot or Lots. Home Offices are allowed so long as there are no signs, advertisements, obtrusive vehicles or busy business activity in or about the area. Provided, however, that nothing contained herein shall be construed so as to prohibit the construction of houses to be sold on said Lots or the showing of said houses for the purpose of selling houses in the Subdivision. Nothing herein shall be construed to prevent the Developer or its agents from erecting, placing or maintaining signs, structures and offices as it may deem necessary for its operation and sales in the Subdivision. Provided, however, that nothing herein contained shall prevent the Developer or its agents from erecting and maintaining sales and marketing signs in common areas. No Lot or structure shall be "Time-shared", nor shall any Lot or structure be owned, used or operated so as to constitute such Lot or structure as a "time-sharing" unit within the meaning of such statutory provisions.

10. ARTICLE VII. Restrictions Upon Use of Lots and Structures, Section 18 shall be deleted in its entirety and replaced with:

No individual water supply system shall be permitted upon the premises for any purpose. Nothing herein shall be construed to prevent the Developer or its agents from using individual wells or water supply systems in the common areas of the Subdivision.

11. ARTICLE VII. Restrictions Upon Use of Lots and Structures, Section 29 shall be deleted in its entirety and replaced with:

Fences which are to be placed in the front of homes must receive prior approval from the Developer. No fence shall be placed within 40 feet from the front setback line. Only vinyl or cedar fencing shall be allowed. In no event shall any chain-link or cyclone fence be permitted. No outside fences shall be allowed on Lake lots or Lots adjacent to common areas. This shall not prohibit the use of invisible fences for pets.

12. ARTICLE VII. Restrictions Upon Use of Lots and Structures, Section 38 (b) shall be deleted in its entirety and replaced with:

For the roofs of residences in the Subdivision, only architecture fiberglass three tab shingles or timber line shingles may be used. Shingles must be rated as 30 year shingles or better. No metal or rolled roofing may be used.

13. ARTICLE VII. Restrictions Upon Use of Lots and Structures, Section 38 (c) shall be deleted in its entirety and replaced with:

No material may be left unpainted or unpreserved. All colors must be approved by the Developer or by the architectural review board.

14. ARTICLE VII. Restrictions Upon Use of Lots and Structures, Section 44 shall be deleted in its entirety and replaced with:

A small collapsible camper trailer or one(1) fishing boat that is no larger than twenty-one(21) feet may be kept on an approved concrete pad adjacent to the garage which must be approved by the Architectural Review Board. In no event may a self-contained motor-driven camper be placed on any lot or common area. Landscape approved by the Architectural Review Board is required to screen and hide any item stored on the approved concrete pad adjacent to the garage. Any Approved camper or boat must be licensed in North Carolina, tagged and in good repair.

15. ARTICLE VII. Restrictions Upon Use of Lots and Structures, Section 45 shall also include the statement:

No construction equipment, trailers or vans are allowed unless garaged. Nothing herein shall prevent the Developer or his agents from parking construction equipment, trailers or vans in the course of construction and maintenance.

16. ARTICLE VIII. Restrictions Upon Use and Size of Structures, Section 1 shall also include the statement:

No sheds or outbuildings shall be allowed on any Lake or Common Area Lots. All other Lots are permitted to have a shed or outbuilding, approved by the Architectural Review Board, which must not exceed 10 X 10 and must match the house in color.

17. Whereas Developer no longer desires to allow fences on the Lake lots and Article VII, Section 29 has been amended above to reflect such change, Exhibit B is hereby deleted in its entirety from the Declaration.

**ARTICLE II
SUPPLEMENTAL DECLARATIONS**

1. Lot Owners and their invitees, tenants and licensees shall not cause a breach of the peace with exorbitant noise which would be a nuisance to other lot owners and interfere with the quiet enjoyment of other lot owners. Examples of such noise may be continuous barking of a dog or dogs, revving motors on automobiles or motorcycles, or excessively loud stereos in automobiles.

IN WITNESS WHEREOF, the Developer has executed this Amended Declaration this day of January, 2003.

LAKES OF LOCKWOOD, INC.

Alvar Larson
ALVAR LARSON, PRESIDENT

STATE OF Illinois

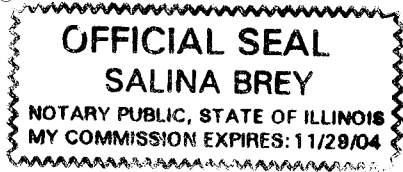
COUNTY OF Lake

I, Salina Brey, a Notary Public of the state and county aforesaid, do hereby certify that ALVAR LARSON, personally appeared before me this day and acknowledged that he is the PRESIDENT of LAKES OF LOCKWOOD, INC., and that by authority duly given and as the act of such entity, he signed the foregoing instrument in its name on its behalf as its act and deed.

Witness my hand and seal, this the 20th day of January, 2003.

Salina Brey
Notary Public

My commission expires: Nov. '04



STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

The Foregoing (or annexed) Certificate(s) of SALINA BREY

Notary(ies) Public is (are) Certified to be Correct.
This Instrument was filed for Registration on this 24th Day of January, 2003
in the Book and page shown on the First Page hereof.

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