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RET Amy J Godbey  
TOTAL 59 REV. \_\_\_\_\_ TC# \_\_\_\_\_  
REC# 02 CK AMT 59 CK# 2834  
CASH \_\_\_\_\_ REF \_\_\_\_\_ BY AG

**DECLARATION OF  
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS  
OF LAKES OF LOCKWOOD**

**WITNESSETH:**

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 below (hereafter referred to as the "Subdivision"); 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 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 tranquillity 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 easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

**ARTICLE I  
Definitions**

**Section 1.** "Association" shall mean and refer to Lakes of Lockwood Property Owners Association, inc. its successors and assigns.

**Section 2.** "Properties" shall mean and refer to that certain real property hereinbefore described and more particularly shown on Exhibit "A" attached hereto, and such additions thereto as may hereafter be brought within the jurisdiction of the Association or subject to this Declaration.

**Section 3.** "Common Area" shall mean and refer to those areas of land, including the facilities to be constructed thereon, if any, shown on the Subdivision plat of the Properties. This shall include any property on the Subdivision plat referred to as open space as well as any easement shown on the Subdivision plat. Common Area shall also refer to any roadways shown on the Subdivision plat.

**Section 4.** "Lots" shall mean and refer to any plot of land with such improvements as may be erected thereon intended and subdivided for detached homesites use, specifically Lots 1 through 125 shown on the Subdivision Plat, but shall not include the Common Areas as herein defined.

**Section 5.** "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot, but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceedings in lieu of foreclosure. Said term "Owner" shall also refer to heirs, successors and assigns of any Owner.

**Section 6.** "Developer" shall mean and refer to Lakes of Lockwood, Inc., and any of its heirs and assigns.

**Section 7.** "Member" shall mean and refer to all those Owners who are members of the Association, as provided in Article II, Section 1 hereof.

**Section 8.** "Development", "Project" and "Community" shall all mean and refer to the Subdivision to be developed and constructed by the Developer.

**Section 9.** "Plans", "Specifications", "Elevations", "Exterior Designs" and such like terms shall refer to and encompass the Plans, Specifications, Elevations and Designs as well as setbacks, locations, etc., approved by the Developer.

## ARTICLE II

### Membership and Voting Right in the Association

**Section 1. Membership.** Every person or entity who is an Owner of any Lot that is subjected by the Declaration to assessment by the Association shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot, which is subject to assessments.

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

**Class A.** Class A Members shall be all Owners except the Developer. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 1 above. When more than one person holds such interest or interests in any Lot, the vote attributable to such Lot shall be exercised as such persons mutually determine, but in no event shall more than one vote be cast with respect to any such Lot.

**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 upon the occurrence of the first of either of the following two events:

1. 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) or
2. Three years from the date of the first sale of a lot in the development by the Developer to an individual lot owner.

## ARTICLE III

### Property Rights in the Common Areas

**Section 1. Members Easements of Enjoyment.** Subject to the provisions of Section 3 of this Article, every Member shall have a non-exclusive right and easement of enjoyment in and to the Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot.

**Section 2. Title to Common Areas.** The Developer hereby covenants for itself, its successors and assigns, that on or before twelve (12) months from the date the last lot in Lakes of Lockwood is conveyed to an Owner, it will convey to the Association, by limited warranty deed, fee simple title to the Common Areas, subject however, to all liens and encumbrances of record and to the following covenant, which shall be deemed to run with the land and shall be binding upon the Association, its successors and assigns.

In order to preserve and enhance the property values and amenities of the community, the Common Areas and all facilities now or hereafter built or installed thereon shall at all times be maintained in good repair and condition and shall be operated in accordance with high standards. The maintenance and repair of the Common Areas shall include, but not be limited to, the repair of damage to pavements, roadways, walkways, outdoor lighting, buildings, if any, recreational equipment, if any, fences, storm drains and sewer and water lines, connections and appurtenances.

This Section shall not be amended so as to eliminate or substantially impair the obligation for the maintenance and repair of the Common Areas.

**Section 3. Extent of Members Easements.** The rights and easements created hereby shall be subject to the following:

- (a) The right of the Developer, and of the Association, to dedicate, transfer or convey all or any part of the Common Areas, with or without consideration to any successor association, governmental body, district, agency or authority, or to any utility company, provided that no such dedication, transfer or conveyance shall adversely affect the use of the Common Areas by the Members of the Association;
- (b) The right of the Developer and of the Association, to grant and reserve easements and right-of-way through, under, over and across the Common Areas, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, fuel oil and other utilities and services, including a cable (CATV) or community antenna television system and irrigation or lawn sprinkler systems, and the right of the Developer to grant and reserve easements and rights-of-way through, over and upon and across the Common Areas for the completion of the Development, including the sale and development of properties adjacent to the Subdivision, whether or not made subject to the provisions hereof, and for the operation and maintenance of the Common Areas as well as public walking trails;
- (c) The right of visitors, invitees, etc., to ingress and egress in and over those portions of the Common Areas that lie within the private roadways, parking lots and/or driveways (and over any other necessary portion of the Common Areas in the case of landlocked adjacent Owners) to the nearest public highway;
- (d) The right of the Association, as provided herein and in its by-laws, to suspend the enjoyment rights of any Member for any period during which any assessment remains unpaid. Provided, however, that the right of a Member to ingress and egress over the roads and/or parking areas shall not be suspended;
- (e) The right of the Association, as provided herein and in its by-laws, to suspend the enjoyment rights of any Member for any infraction of its published rules and regulations. Provided, however, that the right of a Member to ingress and egress over the roads and/or parking areas shall not be suspended;
- (e) The rights of the Association, in accordance with law, and its Articles of Incorporation and by-laws, to borrow money for the purpose of improving the Common Areas and in pursuance thereof to mortgage the same.

**Section 4. Delegation of Rights.** 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 employees, tenants, invitees or licensees.

**Section 5. Additional Structures.** Neither the Association nor any Owner or any group of Owners shall, without the prior written approval of Developer, erect, construct or otherwise locate any structure or other improvement in the Common Areas.

**ARTICLE IV**  
**Right of Association to Alter, Improve, Maintain and Repair**  
**Common Areas and Drainage Ditch Areas**

The Association shall have the right to make or cause to be made such alterations, modifications, improvements, repairs, maintenance and replacements to the Common Areas and the drainage ditch area(s), and the cost thereof shall be assessed as common expenses and collected from the Lot Owners on an equal basis.

**ARTICLE V**  
**Covenant for Maintenance Assessments**

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

**Section 2. Purpose of Assessments.** The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties (and their respective families, guest, tenants and invitees) and for the improvement, protection, replacement and maintenance of the Common Areas and for the provisions of various forms of insurance for the Association, its property, members, directors, officers, employees, and agents.

**Section 3. Entry Assessment.** There shall be a one-time entry fee of Three Hundred and no/100 Dollars (\$300.00) per Lot payable on the day of conveyance by the Developer.

**Section 4. Maximum Annual Assessment.** Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Two Hundred Seventy-Five and no/100 Dollars (\$275.00) 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 5% 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 5% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

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

**Section 5. Special Assessments for Capital Improvements.** In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement, to include a possible clubhouse and other amenities to be named later, upon the Common Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

**Section 6. Notice and Quorum for Any Action Authorized Under Section 3 and 4.** Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of

proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

**Section 7. Rate of Assessment.** Annual and special assessments may be collected on a monthly, quarterly or annual basis. Annual and special assessments for Owners of unimproved Lots may be fixed at a rate lower than those for Owners of improved Lots.

**Section 8. Date of Commencement of Annual Assessments - Due Dates.** The annual assessments for unimproved Lots provided hereinafter shall commence as to any Lots on the first day of the month following the conveyance thereof by the Developer. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year, the board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

**Section 9. Effect of Nonpayment of Assessments - Remedies of the Association.** Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eight and three-fourths percent (8-3/4%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property (as in the foreclosure of a mortgage), or both. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot. Non-payment for any period of thirty (30) days or more shall result in the loss of rights to the pool, clubhouse and other recreational amenities within the common areas until such payment is made in full including all interest and late payment penalties.

**Section 10. Subordination of the Lien to Mortgages.** The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any deed or other proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

## ARTICLE VI Architectural Control

**Section 1. Buildings, Fences, Walls, Etc.** No building, fence, wall or other structure, and no change in topography, landscaping or any other item shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change be made until the plans and specifications showing the nature, kind, shape, height, materials, color and locations of the same shall have been submitted to and approved in writing as to the harmony of the external design and location in relation to the surrounding structures and topography by the Developer. Provided, however, that upon the Developer's selling of all the Lots in the Subdivision, this right of approval shall be transferred to an architectural review board of the Association. Such architectural review board shall be comprised of not less than three (3) representatives to be appointed by the Board of Directors of the Association. Provided, however, that the Developer may transfer its rights of approval under this Declaration prior to its selling all of the Lots in the Development if it so chooses. In the event the Developer or the architectural review board fails to approve or disapprove any request within thirty (30) days after complete written plans and specifications have been submitted to it, the same shall be deemed approved, and this Article shall be deemed to have been fully complied with, provided, however, that no such failure to act shall be deemed an approval of any matters specifically prohibited by any other provision of this Declaration. Refusal or approval of plans, specifications and plot plans or any of them may be based on any grounds, including purely aesthetic grounds, which in the sole and uncontrolled discretion of the Developer or the architectural review board may deem sufficient. Any change in exterior appearance of any building, wall, fence or other structural improvements and any change in the appearance of the landscaping, shall be deemed an alteration requiring approval. The transfer of control shall not be mandatory on the part of the Developer if the Developer has brought another phase under the terms of this Declaration on before the time the last Lot in the other phase or phases has been sold. Any non-compliance with this section shall result in a lien on the non-compliant party's property

for any penalties assessed by the architectural review board plus any attorney's fees incurred by the Homeowners Association.

**ARTICLE VII**  
**Restrictions Upon Use of Lots and Structures**

**Section 1. Conformity and Approval of Structures.** No structure, fence, sidewalk, wall, drive or other improvement shall be placed or altered on any Lot except in accordance with the provisions of this Declaration.

**Section 2. Subdivision of Lot - Easements and Encroachments.** No Lot shall be subdivided except as hereinafter provided and no building or residence, including porches or projections of any kind, shall be erected so as to extend over or across any of the building lines as hereinafter established.

**Section 3. Increased Size of Lots.** Lot or Lots may not be subdivided, however, nothing shall prevent the combination of two or more Lots for a single building site. In such cases, the Developer may alter the building or setback lines to conform. Should the Owner or Owners of any Lots which have been combined for a single building site subsequently wish to revert to the original plan of the Subdivision, or make any other combination which would not be in violation of this restriction, may be done only if the written consent of the Developer is first had and obtained. In such instances, the adjoining Lot Owners, or other Owners in the Subdivision shall not have the right to pass on or interfere with such Lot rearrangement. Such rights shall be exclusively that of the Developer who may expressly have transferred such rights, but the purchaser of any other Lot in the Subdivision does not, by virtue of his status as a purchaser, become any such successor or assign.

**Section 4. Alteration of Building Lines in the Best Interest of Development.** Where because of size, natural terrain, or any other reason in the sole opinion of the Developer, it should be to the best interest of the Development of this Subdivision that the building lines of any Lot be altered or changed, the Developer reserves unto itself, its successors and assigns, and no other, the right to change said lines to meet such conditions. The Developer specifically reserves the right to transfer and assign this right of change of building lines to the Architectural Control Committee hereinafter established.

**Section 5. Residential Use of Lots.** All Lots shall be used for single family residential purposes exclusively. No structures, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single family residence constructed in accordance with the Plans and Specifications, provided, however, that nothing contained herein shall be construed to prevent the Developer from maintaining one or more model homes and/or sales offices in the Subdivision for the purpose of selling property in the Subdivision.

**Section 6. Maintenance of Lots.** It shall be the responsibility of each Lot Owner to prevent the development of any unclean, unsightly, or unkempt condition of buildings or grounds on such Lot which shall tend to substantially decrease the beauty of the neighborhood as a whole or the specific area. Every Owner shall maintain the structures and grounds on each Lot at all times in a neat and attractive manner. Upon the Owner's failure to do so, the Association may, at its option after giving the Owner ten (10) days written notice sent to his last known address, or to the address of the subject premises, have the grass, weeds, shrubs and vegetation cut when and as often as the same is necessary in its judgment, and have dead trees, shrubs and plants removed from such Lot and replaced, and may have any portion of the Lot re-sodded or landscaped, and all expenses of the Association under this Section shall be a lien and charge against the Lot on which the work was done and the personal obligation of the then Owner of such Lot. Upon the Owner's failure to maintain the exterior of any structure in good repair and appearance, the Association may, at its option after giving the Owner thirty (30) days written notice sent to his last known address, make repairs and improve the appearance in a reasonable and workmanlike manner. The cost of any of the work performed by the Association upon the Owner's failure to do so shall be immediately due and owing from the Owner of the Lot to the Association and shall constitute an assessment against the Lot on which the work was performed, collectible in a lump sum and secured by the lien against the Lot as herein provided. Any Owner may choose to perform maintenance on his own yard that would normally be the responsibility of the Association, but in no event, shall such Owner be entitled to any offset or deduction in his assessments for performing such maintenance. The Association is hereby granted a perpetual easement across each Lot for the purposes of carrying out its responsibilities under this Section.

**Section 7. Nuisances.** No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or a nuisance to the neighborhood. No trash, leaves or rubbish may be burned

on any Lot or within the Development nor shall there be maintained any plants, poultry, animals (other than household pets) or device or thing of any sort, the normal activities or existence of which is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the Owner thereof.

**Section 8. Exclusion of Above Ground Utilities.** All electrical and telephone service shall be placed underground and no outside electrical lines shall be placed overhead. Provided, however, that the normal service pedestals, etc., used in conjunction with such underground utilities shall be permitted within the Development. Overhead utilities shall be permitted during the construction period and until utility companies can place them underground.

**Section 9. Satellite Dishes.** Satellite dishes shall not be placed in the front of the property. Properly maintained satellite dishes may be placed at the rear of the property with the prior approval of the Developer. Upon the Developer's selling of all the Lots in the Subdivision, this right of approval shall be transferred to an architectural review board of the Association.

**Section 10. Prohibition Against Business Activity and "Time-Sharing" Use.** No business activity, including but not limited to, a rooming house, boarding house, gift shop, antique shop, professional office or beauty shop or the like or any trade of any kind whatsoever shall be carried on upon a Lot or Lots. 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, place 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.

**Section 11. Mining and Drilling.** No derrick or other structure designed for use in boring for oil or natural gas shall be erected, placed or permitted upon any part of the premises, nor shall any oil, natural gas, petroleum, asphalt, or hydrocarbon products or materials of any kind be produced or extracted from the premises.

**Section 12. Garbage Disposal.** Each Lot Owner shall provide underground garbage receptacles or similar facilities in accordance with reasonable standards established by the Developer, or roll-out garbage containers of the type approved by the Developer, which shall be visible from the streets on garbage pick-up days only. No garbage or trash incinerator shall be permitted upon the premises. No burning, burying or other disposal of garbage on any Lot or Lots within the Subdivision or Development shall be permitted. Provided, however, that Owner shall be permitted to modify the requirements of this Section where necessary to comply with orders of governing bodies.

**Section 13. Easement for Utilities.** The Developer reserves unto itself, its successors and assigns a perpetual alienable, 10-foot easement and right of ingress and egress over, upon, across and under each Lot and Common Areas for the erection, maintenance, installation and use of electrical and telephone wires, cables, conduits, sewers, water or other public convenience or utilities, including an easement for privately owned television and other communications cable and equipment, and the Developer may further cut drain ways for surface water when such action may appear to the Developer to be necessary in order to maintain reasonable standards of health, safety and appearance. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any grading of soil, or to take any other similar action reasonably necessary to provide an economical and safe utility or other installation and to maintain reasonable standards of health, safety and appearance. It further reserves the right to locate wells, pumping stations, and tanks within residential areas on any walkway, or any residential Lot designated for use on the applicable plat of the residential Subdivision, or to locate same upon an adjacent Lot with permission of the Owner of such adjacent Lot. Such rights may be exercised by the licensee of the Developer but this reservation shall not be considered an obligation of the Developer to provide or maintain any such utility service. No structures, including walls, fences, paving or planting shall be erected upon any part of the property which will interfere with the rights of ingress and egress provided for in this paragraph. Provided, however, that such easements and rights, shall be restricted to the roads, streets, alleys and easements as shown and designated on the applicable plat or plans of the Development.

**Section 14. Temporary Structures.** No structure of a temporary character shall be placed upon any Lot any time, provided, however, that this prohibition shall not apply to shelters used by the contractor during construction of the main dwelling house, it being clearly understood that the latter temporary shelters may not, at any time, be used for residence or permitted to remain on the Lot after completion of construction. No shack, tent, barn, bus-body, junked vehicle, tree house or other similar vehicle, out-building or structure shall be placed on any Lot any time either temporarily or permanently.

**Section 15. Storage Receptacles.** No fuel tanks or similar storage receptacles may be exposed to view, and may be installed only within the main dwelling house or buried underground. Any exterior air conditioning or heating units shall be screened from view from all Common Areas and adjacent Lots.

**Section 16. Replatting of Lots.** No Lot's boundary lines shall be changed, except as herein provided. However, the Developer hereby expressly reserves to itself, its successors and assigns the right to replat any two or more Lots owned by the Developer shown on the plat of said Subdivision prior to delivery of the deed therefor in order to create a modified building Lot or Lots. The restrictions and covenants herein apply to each such building Lot so created or recreated.

**Section 17. Clothesline.** No clothesline or drying yards shall be located upon the premises so as to be visible from any Common Area or from any adjoining Lots.

**Section 18. Water Systems.** No individual water supply system shall be permitted upon the premises with the exception of a shallow well to be used for irrigation purposes only, which shallow well shall be approved in writing in all respects, including the pump and the covering or screen thereof by the Developer, its successors or assigns, prior to installation.

**Section 19. Off-Street Parking.** Adequate off-street parking shall be provided by the Lot Owner herein for the parking of automobiles or other vehicles owned by the Owner and the Owner agrees not to park his automobile or other vehicles on the streets or Common Areas to the Subdivision. No travel trailers, campers or other habitable motor vehicles of any kind, whether self-propelled or not, school buses, trucks, or commercial vehicles, or boat trailers or boats shall be kept, stored or parked overnight, either on any Common Area, specifically including streets, or any Lot, except within enclosed approved garages or sheltered from view from neighboring Lots, or Common Areas or as otherwise permitted herein. The Architectural Review Board must approve any boat or camper to be housed on the property, outside of the garage.

**Section 20. Sewer System.** Septic tanks are permitted on the premises. The purchaser of each Lot assumes responsibility for the construction of their septic system, and bears the sole responsibility of maintenance of said system and for insuring the septic system is in accord with all governmental requirements.

**Section 21. Exclusion of Street Curbs and Sidewalks.** All streets within the Subdivision are to be paved and no sidewalks are to be constructed along the streets without prior written approval of the developer or the Association.

**Section 22.** Nothing in this Declaration shall be construed to prohibit the Association from constructing, operating and maintaining a facility for use as its office and headquarters, for the benefit of the Association and its Members.

**Section 23.** Once construction of improvements is started on any Lot, the improvements must be substantially completed within six (6) months from commencement.

**Section 24.** All structures constructed or placed on any Lot shall be built of substantially new material and no used structures shall be relocated or placed on any such Lot.

**Section 25.** No animals or livestock of any description, except the usual household pets, shall be kept on any Lot. No pet shall be allowed which shall produce any noise or odor objectionable to any other Owner, nor shall any pet be allowed on any Common Area unless under the direct control of an Owner. No Owner shall breed or maintain pets on the Lots for commercial purposes. All dogs and cats must be kept on a leash or within yard fences when outdoors.

**Section 26.** No stripped, partially wrecked, or junk motor vehicle or part thereof, shall be permitted to be parked or kept on any street or Lot. All vehicles kept in the development must be currently registered and licensed with the appropriate state authority.



**Section 27.** No trash, ashes, garbage or other refuse shall be dumped, stored, accumulated or permitted to remain on any Lot for a period of more than fifteen (15) days.

**Section 28.** All drainage ditches outlining the perimeter of the property shall be properly maintained by the Owner. In the case of any Lot along which such a drainage ditch runs, no building or structure shall be built within 9 feet of the property line (i.e., 4 feet from the drainage easement).

**Section 29.** Fences which are to be placed in the front of homes must receive prior approval from the Developer. No fence shall be placed within 25 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. Rear outside fences on lake lots may not be placed further back than the designated "fence line" as shown on Exhibit B. All fences constructed on Lots must be approved by the Architectural Review Board prior to installation.

**Section 30.** All Owners' drives and parking spaces must be paved and each paved parking area for a two-car garage must be at least 16 by 25 feet and each paved parking area for a single-car garage must be at least 8 by 25 feet.

**Section 31.** All gardens must be well kept and properly cultivated so as not to be unsightly. All vegetable gardens must be in the rear of the property.

**Section 32.** All Lots must be landscaped with shrubbery, sod, grass, pine straw, etc. All Lots must be sodded in the front and side yards where it is possible for sod to grow. Landscaping must be completed within six (6) months of the beginning of construction.

**Section 33.** There shall be no access to any Lot on the perimeter of the Subdivision except from designated roads within the Subdivision.

**Section 34.** Each Lot Owner shall provide a paved area for parking two (2) automobiles off the street prior to the occupancy of any dwelling constructed on said Lot.

**Section 35.** The ownership of the recreational amenities, if any, within the property shall be in the Association or its successors, grantees, or assigns and the use and enjoyment thereof shall be on such terms and conditions as the Association, its successors, grantees or assigns, shall from time to time prescribe.

**Section 36.** Each such grantee also agrees, by such acceptance, to assume all the risks and hazards of ownership or occupancy attendant to the ownership of such Lot, including but not limited to, its proximity to any recreational facility or Common Area.

**Section 37.** Without Developer's prior written consent, no tree which exceeds four inches (4") in diameter and ten feet (10') in height shall be cut, removed or intentionally damaged on any Lot or Common Area, unless such tree interferes with the construction or safe maintenance of improvements on such Lot or Common Area or unless such tree is diseased or dead. The Owner of any Lot upon which a violation of this restriction occurs agrees to promptly (within 30 days after notice) replace such tree with a tree of comparable size.

**Section 38.** Without Developer's written consent being first obtained, only the following materials may be used in the exterior construction of residences in the Subdivision:

- (a) Cedar, fir, pine, redwood, spruce, weathered wood, standard vinyl siding, aluminum siding or brick veneer. Foundations must be built of brick, stucco, concrete, or block. All foundation specifications must meet with county approval.
- (b) 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 25 year shingles or better. No metal or rolled roofing may be used.
- (c) No material may be left unpainted or unpreserved. All colors must be approved by the Developer or, after all lots are sold, by the architectural review board.

**Section 39.** Signs are prohibited on any Lot with the following exceptions:

- (a) Temporary "for sale" signs or signs indicating the name of a contractor only (not subcontractors) during the period of sale or construction only, provided the sign does not exceed sixteen (16) square feet in size.

- (b) Address numerals or letters not to exceed six inches (6") in height. Provided however, that nothing herein contained shall prevent the Developer from creating and maintaining sales and marketing signs in Common Areas.
- (c) Owners temporary "For Sale" or "For Rent" of durable construction and profession appearance not in excess of 2'X3'. Owners shall be restricted to one such sign per lot and such sign shall be positioned at least 10 feet from the Owners' front property line.

**Section 40.** No property owner or individual shall alter in any way any common property or Common Area (except with the written permission of the Association provided that such activity is required for the benefit of the Association or the Subdivision as a whole).

**Section 41.** Pools, spas, jacuzzis, and hot tubs may be allowed on individual lots with approval of the Architectural Review Board. In no event at any time may any above ground pools be placed on lots.

**Section 42. Approved Builders.** Any company building a home in the development must be an approved builder. At this time the sole approved builder is Lakes of Lockwood, Inc. Approved builders may be added from time to time through an amendment to this declaration.

**Section 43.** No use of any non-street-legal motorcycles or mini-bikes or "go-karts" shall be permitted in the Development at any time.

**Section 44.** A small collapsible trailer or one (1) fishing boat that is no larger than twenty-one (21) feet may be kept on an approved concrete pad 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.

**Section 45.** No commercial vehicles shall be parked on any lot or any common area. This shall not exclude commercial vehicles in the course of business from parking in the development. However, no resident shall be allowed to park his/her commercial vehicle in the Development.

**Section 46. Use of Recreational Amenities.** All rules for use of the Pool, Clubhouse and any other recreational amenities shall be adhered to. Violation of said rules shall result in loss of access for a period of time to be set by the Board of Directors. Such loss of access shall not result in reduction of annual assessment due.

## ARTICLE VIII Restrictions Upon Use and Size of Structures

**Section 1.** All Lots, except those reserved by the Developer or designated as a Common Area, shall be used for single family residential purposes only. No mobile and/or prefabricated homes shall be placed upon said Lots. No structure shall be erected, placed or permitted to remain on any Lot other than one single family residence dwelling.

**Section 2.** No residential dwelling on any Lot shall be constructed on any Lot which has a fully enclosed floor area of the main structure devoted to living purposes (exclusive of roofed or unroofed porches, decks, terraces, garages and carports) of less than 1200 square feet.

**Section 3.** No dwelling or structure of any kind shall be erected on any Lot nearer than Twenty-Five feet (25') to the front line of the Lot (the front line abutting on a street), Five feet (5') to the adjacent Lot on either side of the Lot including all roof overhangs or other areas overhanging the foundation and Nine feet (9') to the rear of the Lot, provided, however that erection of dwellings and structures comply with applicable Brunswick County code and, further provided, that no such dwelling or structure shall be erected within the right-of-way of any public utilities, and provided, further, that the requirements of this paragraph may be released in whole or in part by the Developer, its successors and assigns, in its sole discretion in the cases that would otherwise work a hardship upon Lot Owners or would result in substantial damage to one or more natural features of the Lot.

## ARTICLE IX General Provisions

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

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

**Section 3. Amendment.** The covenants and restrictions of this Declaration shall run with and bind the land, through June of the year 2022, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded in the same manner and location as required for the recording of deeds in Brunswick County.

**Section 4. Annexation.** Additional residential property and Common Areas may be annexed to the Properties in the absolute and sole discretion of the Developer, its successors and assigns or with the consent of two-thirds (2/3) of each class of members, and with the consent of the Owners of the additional property proposed to be annexed.

**Section 5.** Each of the streets in the Subdivision now or hereafter designated on any plat is a private street, and every park, stream, body of water, common area, recreational facility, and other amenity within the Subdivision is a private park, facility or amenity and neither the Developer's recording of any such plat nor any other act of the Developer with respect to the property is, or is intended to be, or shall be construed, as a dedication to the public of any said street, park, common area, recreational facility and amenity other than as reflected therein. An easement for the use and enjoyment of each of said streets and areas designated as parks is reserved to the Developer, its successors and assigns, to the persons who are, from time to time, members of the Association; to the members and Owners of any recreational facility; and to the residents, tenants and occupants of any residential buildings and all other kinds of residential structures that may be erected within the boundaries of the Subdivision and any additional property that may be annexed as provided above and to the invitees of all the aforementioned persons; the use of which shall be subject to such rules and regulations as may be prescribed by the Association, if the Association is the owner of the facility or property involved. The Developer may at any time dedicate the streets to a public authority if it so desires.

**Section 6.** It is agreed that time is of the essence with regard to these restrictions, covenants, limitations and conditions.

**Section 7.** In the event of a violation or breach of any of these restrictions by any Owner, or agent of such Owner, the Owners of Lots in the Subdivision, or any of them, jointly or severally, shall have the right to proceed at law or in equity to compel a compliance with the terms hereof or to prevent the violation or breach in any event. In addition to the foregoing, the Developer, its successors and assigns, shall have the right, whenever there shall have been built on any Lot in the Subdivision a structure which is in violation of these restrictions, to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the Owner, if after thirty (30) days written notice of such violation, it shall not have been corrected by the Owner. The Association is hereby granted a perpetual easement across each Lot for the purposes of carrying out its responsibilities under this Section, and any such entry and abatement or removal shall not be deemed a waiver of the rights to do so hereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect its enforcement. Should Developer employ counsel to enforce any of the foregoing covenants, conditions, reservations or restrictions, because of a breach of the same, all costs incurred in such enforcement, including a reasonable fee for Developer's counsel, shall be paid by the Owner of such Lot or Lots in breach thereof.

**Section 8.** The Developer herein shall not in any way or manner be liable or responsible for any violation of these restrictions by any person other than itself.

**Section 9.** In the event that any of the provisions hereof are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which the same shall be effective, then in that event such term shall be reduced to a period of time which shall not violate the rule against perpetuities or any other law of the State of North Carolina, and such provision shall be fully effective for said reduced period of time.

Section 10. The covenants, conditions, reservations and restrictions herein contained may be altered, modified, supplemented or amended in any way by an instrument in writing signed by two-thirds (2/3) of the then Lot Owners, provided, however, any such change shall apply to all Lots equally or shall be less restrictive than this instrument if it applies to less than all Lots. Provided, further, that all property rights reserved to Developer shall continue forever to Developer, its successors and assigns, except as otherwise provided herein, and, as provided in Article III, Section 2, hereof, the obligation for maintenance and repair of the Common Areas may not be eliminated or substantially impaired thereby.

IN WITNESS WHEREOF, the Developer has executed this Declaration this 23 day of July, 2002.

LAKES OF LOCKWOOD, INC.

[Signature]  
VICE PRESIDENT

STATE OF NORTH CAROLINA

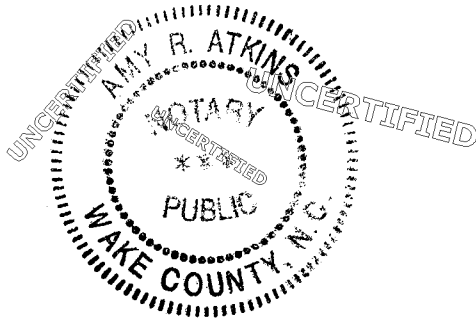
COUNTY OF Brunswick

I, Amy R. Atkins, a Notary Public of the state and county aforesaid, do hereby certify that Valene K. Johnston, personally appeared before me this day and acknowledged that she is the VICE PRESIDENT of LAKES OF LOCKWOOD, INC., and that by authority duly given and as the act of such entity, she signed the foregoing instrument in its name on its behalf as its act and deed.

Witness my hand and seal, this the 23 day of July, 2002.

[Signature]  
Notary Public

My commission expires: 7-29-2002



STATE OF NORTH CAROLINA  
COUNTY OF BRUNSWICK

The Foregoing (or annexed) Certificate(s) of AMY R ATKINS

Notary(ies) Public is (are) Certified to be Correct.  
This Instrument was filed for Registration on this 25th Day of July, 2002  
in the Book and page shown on the First Page hereof.

[Signature]  
ROBERT J. ROBINSON, Register of Deeds

UNCERTIFIED

UNCERTIFIED

UNCERTIFIED

UNCERTIFIED

UNCERTIFIED

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UNCERTIFIED

**EXHIBIT "A"**

Being all of the property known as Lakes of Lockwood subdivision as shown on the maps recorded in Map Cabinet 26 at Pages 184-186 in the Brunswick County, North Carolina Register of Deeds.

This being the same property conveyed to Grantor by Wayne J. Smith and wife, Amanda S. Smith by Deed recorded in Deed Book 1584 at Page 1119 in the Brunswick County, North Carolina Register of Deeds.

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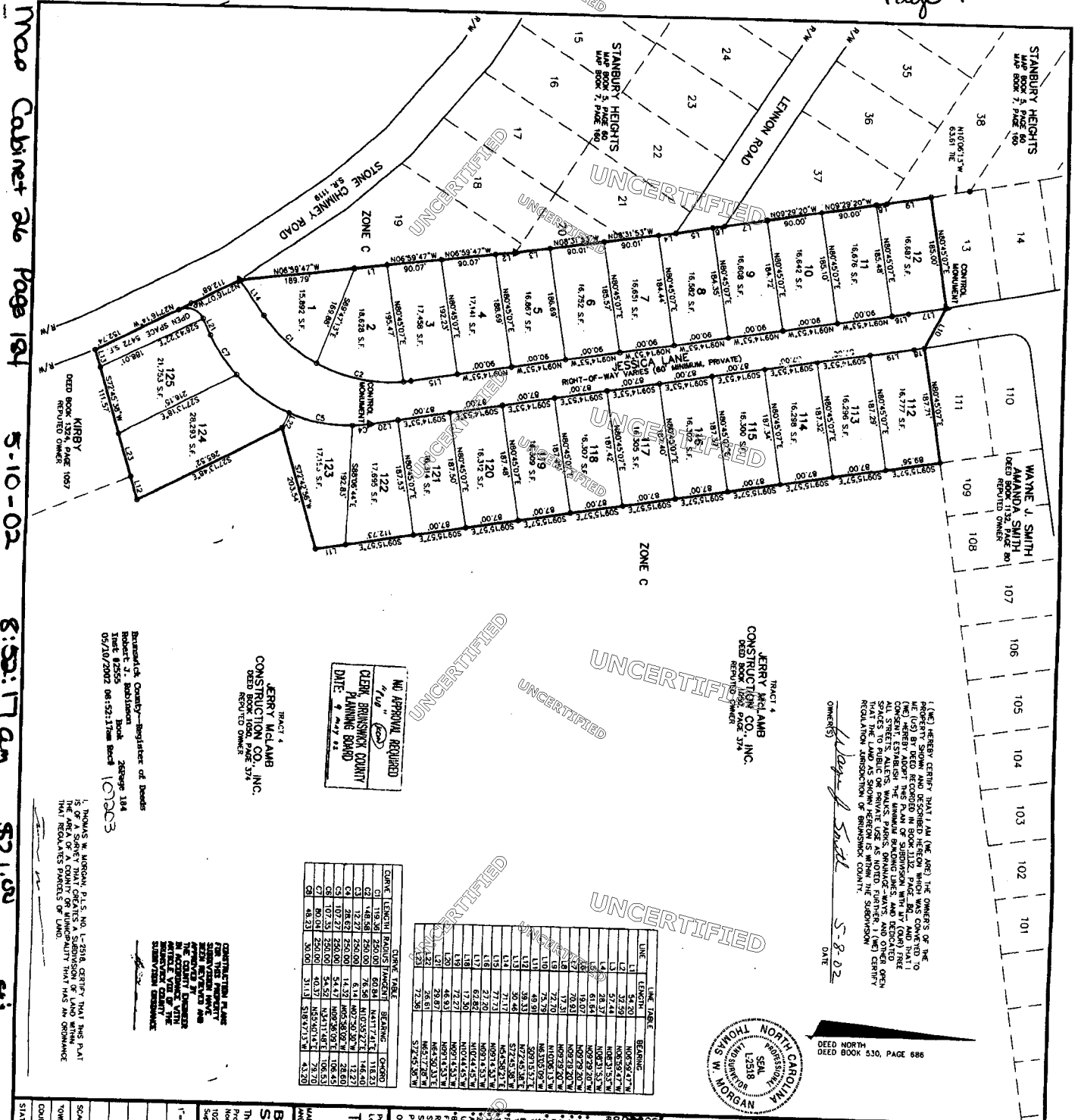
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THIS MAP IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT AGENCY FOR LAND DEVELOPMENT REGULATIONS

Exhibit B  
Page 1



Map Cabinet 26 Page 184

5-10-02

8:52:17 am

\$21.00

43

103

NO APPROVAL REQUIRED  
"As-Is"  
CLEM BRUNSWICK COUNTY  
DATE: MAY 11, 2002

TRACT 4  
JERRY McILAMB  
CONSTRUCTION CO., INC.  
DEED BOOK 1024, PAGE 374  
REPORTED OWNER

TRACT 4  
JERRY McILAMB  
CONSTRUCTION CO., INC.  
DEED BOOK 1024, PAGE 374  
REPORTED OWNER

I, (WE) HEREBY CERTIFY THAT I AM (WE ARE) THE OWNER(S) OF THE PROPERTY SHOWN AND DESCRIBED HEREON WHICH WAS CONVEYED TO (ME) (US) BY DEED IN DEED BOOK 530, PAGE 886, AND THAT I (WE) HEREBY ADAPT THIS DEED IN DEED BOOK 530, PAGE 886, TO CONSENT ESTABLISH THE BOUNDARY LINES, AND DETACH THE SPACES TO THE LOTS, WALLS, PARTS, DIVISIONS, WAVES, AND OTHER OPEN SPACES TO THE LOTS AS SHOWN HEREON IS WITHIN THE JURISDICTION OF THE REGULATION JURISDICTION OF BRUNSWICK COUNTY.

DATE: 5-8-02



LINE	LENGTH	BEARING	AREA
C1	148.80	N 117° 21' E	118.23
C2	148.80	S 69° 00' W	118.23
C3	12.27	S 25° 00' W	6.14
C4	28.67	S 25° 00' W	13.29
C5	107.27	S 25° 00' W	54.47
C6	107.27	S 25° 00' W	106.45
C7	80.04	S 25° 00' W	40.02
C8	48.31	S 25° 00' W	24.16

LINE	LENGTH	BEARING	AREA
L1	54.20	N 05° 52' 17" W	148.80
L2	32.59	N 05° 52' 17" W	90.73
L3	57.44	N 05° 52' 17" W	157.35
L4	61.54	N 05° 52' 17" W	170.12
L5	61.54	N 05° 52' 17" W	170.12
L6	19.07	N 05° 52' 17" W	52.24
L7	19.07	N 05° 52' 17" W	52.24
L8	17.20	N 05° 52' 17" W	46.30
L9	17.20	N 05° 52' 17" W	46.30
L10	48.91	N 05° 52' 17" W	127.45
L11	72.87	N 05° 52' 17" W	187.24
L12	38.33	N 05° 52' 17" W	99.46
L13	39.46	N 05° 52' 17" W	154.58
L14	71.71	N 05° 52' 17" W	287.13
L15	27.20	N 05° 52' 17" W	70.14
L16	62.87	N 05° 52' 17" W	167.45
L17	73.20	N 05° 52' 17" W	194.45
L18	17.30	N 05° 52' 17" W	46.30
L19	17.30	N 05° 52' 17" W	46.30
L20	28.67	N 05° 52' 17" W	73.20
L21	28.67	N 05° 52' 17" W	73.20
L22	26.61	N 05° 52' 17" W	69.01
L23	72.28	N 05° 52' 17" W	185.58

MADE FROM MAP BOOK 5, PAGE 80, MAP BOOK 7, PAGE 180, AND FROM EXISTING PHYSICAL EVIDENCE.

**BRUNSWICK SURVEYING, INC.**  
Thomas W. Morgan  
Professional Land Surveyor  
North Carolina and South Carolina  
1027 Seaboard Home Rd., SW  
Smyth, North Carolina 28642 (910) 842-5192

PLAT ONE OF THREE  
THE LAKES AT LOCKWOOD

Scale: 1" = 100'  
DATE: 05-08-02  
FIELD BOOK:  
FILE: PLAT 1

COUNTY: BRUNSWICK JOB NO.: 97030601  
STATE: NORTH CAROLINA



