



**NORTH CAROLINA
BRUNSWICK COUNTY**

Submitted electronically by Hugh Franklin in compliance with North Carolina statutes governing recordable documents and the terms of the submitter agreement with the Brunswick County Register of Deeds

**COVENANTS, RESERVATIONS AND RESTRICTIONS
Of
Ocean Club Estates Subdivision**

This Declaration of Covenants, Reservations and Restrictions (“the Declaration”) made this the 31st day of May 2016, by Sunset Beach Holdings II, LLC a South Carolina limited liability company and Jane Dean, LLC an Alaska limited liability company, (hereinafter collectively “Declarant”); and Big Pine Holdings, LLC, a North Carolina limited liability company, hereinafter called “Lender”

WHEREAS, the Declarant is the owner of the real property described in Article I of this Declaration. Lender is the holder of that certain note secured by a Deed of Trust on the property described in Article I, (with the exception of lots 27-34), and is joining in the execution of this instrument solely for the purpose of consenting to the imposition of this Declaration upon all of the lots contained within the property described in Article I.

WHEREAS, in order to provide a comprehensive document relevant to the establishment of an aesthetically pleasing development, and for the benefit of the Declarant, and in anticipation that the Declarant will in due course turn over all Declarant rights to the Ocean Club Estates Property Owners Association, Inc. the undersigned Declarant, with the consent of the Lender, by this instrument declares that from the date this Declaration is recorded in the office of the Register of Deeds of Brunswick County, the property described in Article I shall be held, conveyed, acquired and encumbered subject to the terms and provisions hereof, all of which shall run with the real estate and bind and inure to the benefit of all current owners and perspective purchasers and parties who have or may acquire any right, title, estate or interest in or to any of such real estate or who have or may acquire any right or occupancy of or interest upon any portion thereof, all subject to the right of the Association or the Declarant to amend this Declaration according to its terms.

**ARTICLE I
Ocean Club Estates Subdivision**

The real property (the “Property”) which is and shall be, held, transferred, sold and conveyed subject to this Declaration is located in Brunswick County, North Carolina, is known as Ocean Club Estates Subdivision and is more particularly described as follows:

Located in Brunswick County, North Carolina, and being all of the property conveyed by deed dated July 2014 and recorded in Deed Book 3544 at Page 353 of the Brunswick County Registry. The Property also includes a permanent and exclusive easement granted in favor of the Ocean Club Estates Property Owners

Association, Inc. for use, maintenance and enjoyment of that certain area consisting of two islands which are accessed by a Boardwalk, and which are generally shown as Block 40-F on Plat recorded in Plat Book H at page 358 of the Brunswick County Registry.

The Property is sometimes referred to herein as the "Subdivision" or "Development." Each individual numbered lot as shown on the above described plat, or on any amended plat of the Property is referred to herein as a "Lot."

ARTICLE II Definitions

1. "Association" or "Property Owners Association" means the Ocean Club Estates Property Owners Association Inc, a Non-Profit Corporation organized under the laws of the State of North Carolina. The membership of the Association shall consist exclusively of all the lot owners and the Declarant.
2. "Declarant" is Sunset Beach Holdings II, LLC, a North Carolina limited liability company, their successors and assigns as to Lots 35 through 94, and Jane Dean, LLC, an Alaska limited liability company, their successors and assigns as to Lots 27-34. All special declarant rights as herein defined may be transferred only by written instrument recorded in Brunswick County, North Carolina, executed by transferor, or by other means in accordance with the North Carolina Planned Communities Act.
3. "Common Area" or "Common Element" means any real estate within Ocean Club Estates Subdivision, other than a lot, owned by the Association either by fee title or by ownership of a permanent easement. Common Area specifically includes rights of way held for, and roadways constructed for the general use of lot owners, and any associated parking areas or other areas intended for the common use of all the lot owners. During the period of Declarant control, the Declarant shall retain the exclusive right and power to modify, decrease or add to the Common Areas or Common Elements so long as access to any previously conveyed lot is not impaired, access to the Common Areas is substantially unchanged, and so long as the rights of lot owners to enjoy their own lots are not materially affected by such change.
4. "Common Expense" means expenditures made by or financial liabilities of the association, together with any allocations to reserves.
5. "Common Expense Liability" means the liability for common expenses allocated to each lot as permitted by this declaration, by the Act, or otherwise by law.
6. "Lot" means an individually numbered lot shown on recorded plats .
7. "Lot Owner" means the Declarant or other person who owns a lot, but does not include a person having an interest in a lot solely as security for an obligation.
8. "Planned Communities Act" or the "Act" means the N.C. Planned Communities Act, codified as N.C.G.S. Chapter 47-F. This Declaration incorporates the same by reference, and the same shall apply to the extent not inconsistent with this Declaration. In the case of any inconsistency this Declaration shall control.
9. "Special Declarant Rights" means rights reserved for the benefit of the Declarant including, without limitation, the right (i) to complete improvements indicated on plats or referenced in disclosures; (ii) to exercise any development right; (iii) to maintain sales offices, management offices, signs advertising the planned community, and models; (iv) to use easements through the common elements or across lots as designated on recorded plats for the purpose of making improvements within the planned community or within real estate which may be added to the planned community; (v) to appoint or remove any officer or executive board member of the Association, or (vi) to amend the subdivision plat or this Declaration during the period of Declarant control.

ARTICLE III Owners Easement of Enjoyment

Every owner of any lot shall have as an appurtenance to such lot or lots, a right and easement of enjoyment in and to the common areas, including roadways, easements and rights appurtenant to the Property described in Article I, which shall be appurtenant to and shall pass with the title to every lot, subject to the following reservations:

1. Easements, restrictions, reservations and rights of way as may actually exist, including but not limited to utility easements, setbacks, restrictions and subdivision roadways, shown on the subdivision plats or set out in this Declaration.

2. Rights reserved herein to the Property Owners Association, including but not limited to the following:
 - a) The right to impose reasonable regulations on the use and enjoyment of the lots and of the common areas,
 - b) The right to suspend an owner's voting rights or rights to use the common areas, for non-payment of any assessment or for infraction of the published rules and regulations of the Association. Owners shall have rights to review and appeal such actions by the Association in accordance with the provisions of the Act and as otherwise allowed by law.
 - c) In order to insure uniform, attractive and consistent maintenance of bulkheads, the Association shall have the exclusive right and easement to maintain the bulkheads that constitute the boundary of all the lots, together with the bulkheads that lie north of Riverside Drive. Such exclusive maintenance easement shall also apply to the strip of land that lies north of Riverside Drive.
 - d) All those portions of Lots 45, 46, 47 and 48 lying north of the southern margin of the private street, and within the area enclosed by the existing bulkheads shall be subject to a permanent and exclusive easement in favor of the Ocean Club Estates Property Owners Association, Inc. for use as a common area. The Association shall have the right to improve and maintain the area for common use for parking, or for such other recreational purposes as may be from time to time authorized by the members.
3. Rights reserved to the Declarant as set forth herein.
4. No portion of any of the subdivision, including any lot or common area, shall be used as a road right of way or easement for the purpose of connecting or accessing any adjoining property which is not part of the subdivision, without the express written consent of Declarant or the Association, which must be recorded in the Office of the Register of Deeds for Brunswick County, North Carolina.
5. The Association and the County of Brunswick shall have those easements for access, maintenance, installation and repair of utilities, including drainage facilities, as shown on Plat recorded in Plat Book 90 at Page 87-88.
6. There are 10 foot drainage easements in favor of the Association along every other lot line and centered on the side lot lines as shown on Plat Book 90 at Page 81-84..
7. The rights of the Association, or other organization having jurisdiction, to reasonably regulate the use and maintenance of permitted dock facilities constructed on any lot.
8. The developer reserves the right to re-plat and re-divide any lots or to change portions of the roadways as necessary and appropriate to provide access to all lots and to provide the most advantageous use of each lot. This right includes the right to eliminate and convey any cul-de-sac or to provide additional roadways either as part of the common area, or as private drives for the use of specified lots.
9. The developer reserves the right to modify any common area shown on the plat and to convey some portion of the same to private use, or to add additional common areas which shall be maintained by the Association.
10. Per Division of Water Quality Storm Water Permit No SW8040740MOD, each lot is permitted for a specified maximum area of built-upon area as shown on such permit and on Plat Book 90 at Page 81 of the Brunswick County Registry. There is a 30 foot C.A.M.A buffer measured from the mean high water line on each lot that governs placement of impervious surfaces on each lot. This buffer width may be reduced if applicable per Coastal Resources Commission Rule 7H.0209(d)(10)(L). CAMA setbacks shall be determined on an individual basis at the time development is proposed. The town of Sunset Beach has granted variances to each lot defining the front, side and rear setback lines, and the buildable area of each lot.
11. Proposed docks onto Jinks Creek Feeder Canal are subject to an established pier head alignment governed by the Town of Sunset Beach.
12. Assumption of Risk. Property Owners as well as family members and guests of Property Owners hereby in consideration for the use and enjoyment of any common amenity, assume all risk associated with the use of all Common Areas and amenities of the Development, including the boardwalk, the islands maintained in their natural state, the kayak dock facilities, any facilities added to increase or improve enjoyment thereof, or any of the bulkheads maintained, or intended to be maintained by the Association. Owners hereby indemnify and hold the Association, its officers, agents and members, harmless against all claims and causes of action arising out of injuries to persons or to property occurring in the use of the Common Areas and amenities. The Association reserves the right to require any person to sign a Liability Waiver and Release as a condition precedent to the use of the Common Areas for recreation.

13. Rules and Regulations. The Association may promulgate additional rules and regulations governing the use of land within the Development. All such rules and regulations shall be published to each Owner in a manner calculated to provide reasonable notice.

ARTICLE IV Protective Covenants

1. No Lot shall be used except for residential and recreational purposes. The lots, and all development thereon are subject to, in addition to this Declaration, the Ordinances of the Town of Sunset Beach. It shall be a requirement of this Declaration that notwithstanding any provision contained herein, all development or improvement of any lot be performed in accordance with all local ordinances.
2. No lot shall be subdivided. With specific written approval from the Declarant or the Association, any two or more contiguous lots may however be combined. A re-combination survey shall be submitted to the Association for approval, and approved according to the standards set out in this section. Upon approval, all setback lines and other use restrictions shall apply separately to the resulting lot as if the same had been an original lot. The resulting lot shall incur only one Association assessment and shall have only one individual membership right in the Association. Provided however, whenever two or more lots shall be so combined, the owner thereof shall pay an increased amount of annual assessments amounting to \$31.19 per month for each lot combined, so that the payments made by the Association for the use of the boardwalk common area shall not be decreased on account of such combination.
3. No swine, livestock or poultry shall be raised or bred on any lot; however household pets such as cats or dogs, are permissible provided they are not bred or maintained for commercial purposes and are not allowed to constitute a nuisance to Lot Owners.
4. Neither the roadways in Ocean Club Estates Subdivision nor any lot or any part of the common area shall be used for recreational ATV or off road motorcycle riding. It is permissible however to ride golf carts or ATV's on the roadways as a means of convenient transportation to and from the common area so long as the same have sufficient mufflers to contain excess noise, and they are operated at low speeds and in a responsible manner.
5. Each Lot owner shall maintain any improvements placed upon any Lot including areas grassed or sodded, and no unsightly or dilapidated buildings or other structures shall be permitted on any Lot. No parking or storing of any junked, inoperable or unlicensed automobiles, trucks or heavy equipment is permitted on any Lot or road in the Development.
6. No residence shall be erected, constructed, maintained, used or permitted to remain on any Lot other than one single-family dwelling. Any residence must be approved by the Architectural Control Committee (hereinafter "ACC") and follow the guidelines set forth in this declaration and as promulgated by the Town of Sunset Beach. Once construction has begun on said dwelling, all exterior construction must be completed within one (1) year of the commencement of construction.
7. No more than one outbuilding may be constructed on any Lot. Said outbuilding shall be used only for the purposes of housing boats, cars, RVs or lawn and garden equipment. Said building must be constructed in a workman-like manner and may not be constructed more than one year prior to construction of the main residence. This building must be enclosed on at least three sides and the top with some sort of door, which would thus close in all four sides of the building, and must be approved by the ACC.

8. Pools. No above ground pools or inflatable bubble covers will be allowed. Pools, if permitted, and enclosures should relate architecturally to the home and other structures in their materials and detailing.
9. Parking. No on-street vehicular parking shall be permitted except in accordance with express authority or reasonable standards, which may be established by the Association. Each Owner shall provide off-street parking space for at least two (2) vehicles prior to the occupancy of any Residential Unit constructed on any Lot. All boats, motorcycles, trailers, travel trailers, campers, or other recreational vehicles parked on any Lot shall be parked off street, and no such trailer, camper, travel trailer, motor home, or boat shall be allowed to remain on any lot for a period of more than 5 days. Non-operating vehicles, equipment, unused objects or apparatus shall not be permitted to remain on any Lot.
10. Any grading or other land use which creates erosion runoff into streams or other Lots is prohibited, including any such activity in conjunction with construction of any improvement. Any grading performed in violation of any county, state or federal ordinance, statute or regulation shall be deemed to be a noxious or offensive activity and may result in fines by the Association or by the ACC, or in a civil action to enjoin such activity.
11. Any land disturbing activity shall comply with the rules of the North Carolina Division of Environmental Protection, and as set forth in the North Carolina Administrative Code, and with the Stormwater Permit referenced hereinabove. Any such activity may also be subject to ordinances of Brunswick County or the Town of Sunset Beach which protect the area from excessive erosion, groundwater deprecation, and ground instability. In the case of any conflict between these restrictions and such State or Local Law, the more restrictive provisions shall apply.
12. Any improvement to any lot, including the construction of any home, must be approved by the ACC before any site work has been started. No single-wide or double-wide mobile homes/manufactured homes, modular buildings, previously constructed homes, buses or systems built homes shall be placed on or shall be allowed to remain on any lot within Ocean Club Estates Subdivision
13. No well for the production of, or from which there may be produced, oil, gas or minerals shall be dug or operated upon any Lot not owned by Declarant, nor shall any machinery, appliance or structure ever be placed, operated or maintained thereon in connection therewith, nor shall there be any subsurface mining or drilling activity thereon; provided further that the prohibition against drilling activity shall not include any drilling or excavation activity associated with the installation of utilities and communication facilities and any activities associated with soil testing, construction of building foundations or master drainage control.
14. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Lot unless it is an integral and harmonious part of the architectural design of a structure, and has been approved in advance by the Architectural Control Committee.
15. All clotheslines, garbage cans, above-ground tanks, woodpiles, and other similar items shall be located or screened so as to be concealed from view of the other Lots, streets and areas in the Development outside the Lot on which such items are located. Each Lot owner shall provide closed sanitary receptacles for garbage and all rubbish, trash, and garbage shall be regularly removed from each Lot and shall not be allowed to accumulate thereon. Furthermore, no bedding or clothing of any type, nor any towels, clothes or other items of wearing or cleaning apparel, or any mops, brushes, brooms or other types of cleaning apparatus shall be hung or placed outside of any structure located on any Lot in the Development in such a manner as to be visible from any street, or other Lot or area located in the Development.
16. After any improvements are made to any lot, the owner shall keep and maintain such lot in a neat and well-maintained condition, free of unsightly undergrowth, brush piles, felled trees and the like, and shall keep yards and other open areas of the lot neatly trimmed and either mowed or landscaped.



- 17. No Lot or Lots within the Development shall be used for the establishment of a hunt club and no property within the Development shall be used for the purpose of hunting. Hunting is not allowed at any time or on any part of the subdivision, and no firearm shall be discharged within the Development.
- 18. No trade, commerce or other activity which may be considered a nuisance to the neighborhood may be carried on upon any Lot. It is permissible to operate a home-based business, provided that deliveries to the home do not exceed two (2) UPS, Federal Express or similar express carrier per day. No trade materials or inventories may be stored upon any Lot and no tractor trailer type trucks, house trailers or mobile homes may be stored or regularly parked on any Lot. No junk or unsightly vehicles of any type or description or unsightly buildings may be placed upon any Lot. Home-based businesses shall be allowed to store small inventories within the residence or enclosed outbuilding situated on the Lot. No advertisements or signage of any kind will be permitted on any Lot for home-based businesses.
- 19. The Declarant reserves the right to erect any signs in Ocean Club Estates Subdivision. Signs may be erected by individual Lot owners but must meet the following criteria and must be approved by the ACC:
 - Signs must be neat, clean and made of metal or wood material only.
 - Signs must measure one (1) foot by one (1) foot in size.
 - Signs must be of tan or beige color for the background of the sign with the border of the sign in black.
 - Lettering for the sign must be black in color and said lettering must be professional in appearance.
 - Signs must be mounted on a four (4) inch by four (4) inch pressure treated timber. Sign cannot be mounted on any tree.
 - Only one (1) "For Sale" or "For Rent" or similar sign for the sale or rent of a property may be placed on a lot at any given time.
 - Builders may erect a sign only during construction of the home and said sign must follow the above criteria.
 - Name and address signs do not have to abide by these criteria, but must be neat, clean and made of metal or wood material. Name and address signs must also be of earth-tone colors and/or white and red.
 - Declarant is not required to follow the above criteria when placing signage within Ocean Club Estates Subdivision.
 - Signs can be placed only on individual Lots. Directional signs or any signs for advertisement at the entrance and road intersections are prohibited. Any exceptions of this covenant must be approved by a majority vote of the officers of the Association.
 - No "For Sale" signs may be erected on any Lot until Declarant has conveyed all lots within Ocean Club Estates Subdivision unless written approval has been given by the Declarant. Any "For Sale" signs erected on any lot within Ocean Club Estates Subdivision before conveyance of all lots and without written approval by the Declarant may be removed by the Declarant.

ARTICLE V
Architectural Control and Standards

There is hereby established an Architectural Control Committee (hereinafter "ACC"), which shall be appointed by the Executive Board.

- 1. No improvements shall be erected, placed, altered, maintained or permitted to remain on any Lot, nor shall any construction be commenced thereon until plans for such improvements have been approved by action of the ACC in accordance with the provisions herein; provided however, that improvements and alterations completely within the interior of a building may be completed without approval.
- 2. If damage and/or wear and tear to subdivision roadways are determined by the ACC to be attributed to construction of any improvement, then the property owner for whose benefit the improvement was made will be liable for any costs of repair.

3. The term "Improvements" shall mean and include structures and construction of any kind, whether above or below the land surface, such as, but not limited to, buildings, outbuildings, water lines, sewers, electric and gas distribution facilities.
4. Any Lot owner who commences to build without written permission and stamped plan approval from the ACC is subject to a fine of \$100.00 per day for every calendar day from date of starting construction (i.e. digging footings, clearing Lot to build) until receipt of approval letter from the ACC. The ACC reserves the right to bring legal action against Lot owners who start building without approved plans.
5. Any land disturbance must be stabilized within twenty-four (24) hours, failure of Lot owner or owner's agent to stabilize disturbed area shall result in a fine of \$100.00 per day levied by the ACC or the Association.
6. The ACC has created "Building Standards" which describe construction standards to be used as the criterion for the approval of proposed improvements. The ACC or the Association shall have the power to modify, alter, supplement, or amend Building Standards at any time by an affirmative vote of sixty-seven percent (67.0%) of Lot owners voting in person or by proxy at a regular or special meeting called for the purpose of considering the amendment of such Standards, but such change shall not be effective as to improvements, which have previously been approved. Declarant shall the power unilaterally to modify, alter, supplement or amend Building Standards at any time until they have conveyed all lots within Ocean Club Estates Subdivision.
7. The actions of the ACC through its approval or disapproval of plans, and other information submitted pursuant hereto, or with respect to any other matter before it, shall be conclusive and binding on all interested parties.
8. All communications and submittals shall be addressed to Ocean Club Estates Subdivision ACC, at such address as the ACC shall hereinafter be designated in writing. The ACC shall reply in writing to all plan submittals within thirty (30) days of receipt hereof. The ACC shall have 30 days to approve complete plans that have been submitted by Lot owner(s) or builder.

Contractor Responsibilities:

- Contractor must have proof of insurance; to include but not limited to automobile, workman's compensation, and liability insurance of no less than one million dollars.
- Contractor may be required to provide references to ACC prior to plan approval.
- Contractor must provide one (1) portable toilet for each job site within the development. The contractor must present a maintenance agreement, which allows for weekly dumping/cleaning of portable toilet.
- Contractors must have a dumpster on site for each job site. Trash and excess/waste building materials shall be placed in dumpster at the end of each working day.
- The ACC reserves the right to levy fines of \$100 per day against contractors who do not adequately clean building site or do not have a functioning portable toilet.
- Building materials cannot be placed within road rights of way or utility easements.
- Contractor must assume liability for all construction vehicles that enter Ocean Club Estates Subdivision en route to their job site, specifically overweight vehicles that damage road surface and negligence of operators. Concrete truck weight limit is 5 yards per truck.
- Contractor is responsible for actions of any/all subcontractors.
- Contractors/subcontractors are responsible for any cut, break or damage to underground utility caused by their negligence.

Lot Owner Responsibilities:

- Present 2 copies of blue line schematic drawings of home to ACC. Colors used on exterior of home must be included and color samples may be required.
- Present all materials requested on attached Architectural Control Checklist to the Ocean Club Estates Subdivision ACC.
- Have permission of ACC before commencement of construction.
- Lot owner is responsible for agents, employees, contractors, subcontractors and assigns.
- Prior to commencement of any work, and as part of the construction approval process, the owner or the owners general contractor shall post in favor of the association, a bond of no less than \$5,000.00 to secure

repairs or damages to pavement, signage or other common or other property caused by any action of the owner or any agent or contractor.

- If the lot has been improved (built upon), then the owners of the improved lot shall maintain their lot (s) to neatly kept and mowed condition. All stumps, brush piles and debris shall be removed from the lot.

Architectural Control Checklist:

Below is a checklist of items needed for house plan approval from the Architectural Control Committee (ACC).

Preliminary Approval:

- 2 copies of preliminary site plan disclosing location of all improvements to be placed on lot , including a landscaping plan (one copy will be returned to you and one copy will be kept and placed in your file)

Final Approval:

- 2 copies of schematic drawings of home (locating improvements on lot, showing elevations on all four sides, color schemes, building materials, and all site improvements, is recommended) (one copy will be returned to you and one copy will be placed in your file).
- Contractor/Builders name
- Proof of insurance (builders risk, auto & liability, workmen's compensation)
- \$5,000.00 bond mentioned above.
- List of Subcontractors to be used
- Copy of portable toilet and dumpster contract or receipt of payment
- Copy of signed disclaimer from Contractor
- General description of building materials

Upon receipt of all the above items, the ACC will respond within 15 days for Preliminary Approval and 30 days after all documents have been received for Final Approval. Copies of your correspondence to the ACC will be kept and placed in your file.

Neither the ACC, nor any member, employee or agent thereof, shall be liable to any owner of a Lot or to anyone submitting plans for approval or to any other interested party by reason of mistake in judgment, negligence, or nonfeasance in connection with the approval, disapproval or failure to approve any such plans or for any other action in connection with its or their duties hereunder. Likewise, anyone who submits plans to the ACC for approval agrees not to bring any action or suit to recover any damages against the Declarant, the ACC, or any partner, member, employee or agent of the Declarant or the ACC.

The ACC may make exceptions to the provisions herein, when, in its sole discretion, such exceptions would not be in conflict with the intended character of the property subject to this Declaration when fully developed and occupied in accordance with the developer's plans and objectives therefore.

ARTICLE VI

Powers and Duties of the Owners Association

The Ocean Club Estates Property Owners Association Inc., (the "Association"), shall have and exercise all of the rights, powers and authority set forth in the Act, and in particular N.C.G.S. 47F- 3-102

The Association shall have the following duties and obligations;

1. The Association shall cause the common elements, including the subdivision roadways, the area north of Riverside Drive, all bulkheads, the entrance landscaping and gate, and any other common areas to be maintained, repaired and replaced when necessary, to assess all lot owners equally as necessary, and to recover the costs of such maintenance, repair or replacement as herein provided;
2. The Association shall keep financial records sufficiently detailed to enable the association to comply with the Laws of the State of North Carolina with respect to Non-Profit Corporations, and shall make such records reasonably available for examination by any lot owner and the authorized agents of such lot owner.



Such records shall include records of meetings of the association and the executive board, cash receipts and expenditures, and all assets and liabilities. The Association shall make an annual income and expense statement and balance sheet available to all lot owners at no charge within 75 days of the close of the fiscal year. An audit of the associations books and records for the current or immediately preceding fiscal year may be required by a vote of the executive board, or of a majority of the lot owners voting at any annual meeting or special meeting duly called.

3. In addition to the limitations contained in North Carolina Law, no financial payments, including payments made in the form of goods and services, may be made to any officer or member of the executive board or to a business, business associate or relative of an officer or member of the executive board, except as expressly provided for in the bylaws or in payment for services or expenses paid on behalf of the association which are approved in advance by the executive board.
4. The Association shall maintain casualty and liability insurance in such amounts and on such common elements as are insurable.
5. Conveyance of Common Area to the Association. At the discretion of the Declarant, the Declarant may at any time convey any or all of the Common Area to the Association.
6. Enforcement of Governing Documents. The Association, or any non-breaching Owner, shall have the right, but not the obligation, to proceed at law or in equity to compel compliance with the provisions of this Declaration or to prevent the anticipated violation of the terms of provisions of this Declaration by any Owner. In addition to seeking remedies at law, the Association, or any non-breaching Owner, or any of them jointly or severally, shall have the right to proceed in equity, including making application to the appropriate court of competent jurisdiction for immediate injunctive relief, in order to compel specific performance of the terms herein or to prevent the violation or breach of such terms by any Owner or other persons. In the discretion of the Court, the prevailing party or parties shall be entitled to recover from the losing party or parties the costs and expenses of any action at law or equity, including reasonable attorneys' fees.
7. Immediate Correction. In addition to the foregoing, the Association shall have the right, but not the obligation, whenever there shall have been built on any Lot any structure which is in violation of this Declaration or without the prior approval of the Architectural Review Board, to enter upon such Lot and correct or remove such violating structure at the expense of the Owner. Any such entry and abatement or removal shall not be deemed a trespass.
8. The Association shall cause a meeting of the members to be duly called and held in accordance with this Declaration at least once each year., *provided however,* during the period of Declarant control there shall be no requirement that meetings held except at the discretion of Declarant.

ARTICLE VII

Executive Board Powers and Duties

There shall be an Executive Board of the Association, which shall consist of at least three members, a majority of which shall be members of the Association. The Executive Board shall have all of the duties and powers set forth in the Act, and in particular, N.C.G.S. 47F-3-103;

1. Notwithstanding any provision to the contrary, no action of the Association or the Executive Board, including the proposal or approval of any budget, shall be effective to raise annual assessments by more than five percent (5%) unless such budget or assessment increase shall be ratified by the affirmative vote of a majority of the lot owners present in person or by proxy at an annual or special meeting called for the purpose of considering such increase, and at which a quorum is present.

ARTICLE VIII

Association Meetings, Membership and Voting Rights

1. After the period of Declarant control, in addition to the annual meeting, a meeting of the Association may be called by the president, a majority of the executive board, or by lot owners having ten percent (10%) of the votes in the association. Not less than 10 nor more than 60 days in advance of any meeting the secretary shall cause notice to be hand delivered or sent prepaid by U.S. mail to the mailing address of each lot or to any other mailing address designated in writing by the lot owner, or sent by electronic means, including by electronic mail over the Internet to an electronic mailing address designated in writing by the lot owner. The notice of any meeting shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes, and any proposal to remove a director or officer.
2. Except as hereinafter provided for amendments to this Declaration, a quorum is present throughout any meeting of the Association if persons entitled to cast twenty percent (20%) of all the authorized votes are present in person or by proxy at the beginning of the meeting.
3. In the event business cannot be conducted at any meeting of the association or the executive board because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy. The quorum requirement at the next meeting shall be one-half of the quorum requirements applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.
4. Meetings of the association and the executive board shall be conducted in accordance with the most recent edition of Robert's Rules of Order.
5. Except for lots owned by Declarant during the period of Declarant control, each lot in Ocean Club Estates Subdivision is entitled to one vote in the Association. If only one of the multiple owners of a lot is present at a meeting of the association, the owner who is present is entitled to cast such vote. If more than one of the multiple owners is present, the vote may be cast only in accordance with the agreement of a majority in interest of the multiple owners. Such majority interest is conclusively presumed if any one of the multiple owners casts the vote without protest being made promptly to the person presiding over the meeting by any of the other owners of the lot.
6. Votes may be cast by written proxy executed by any lot owner. If a lot is owned by more than one person, each owner may vote, or may register protest to the casting of votes by other owners, by proxy. A lot owner may not revoke a proxy except by actual notice of revocation to the person presiding over a meeting of the association. A proxy is void if it is not dated. Every proxy expires 11 months after its date, unless a shorter term is specified in the proxy.
7. No votes may be cast on behalf of lots owned by the Association.
8. The Association or the Executive Board may by affirmative action, delegate to one or more committees the responsibility for any authorized actions, so as to facilitate efficient and effective management of the Association.

ARTICLE IX

Assessments for Common Expenses

1. Creation of the Lien and Personal Obligation. Each Owner of any Lot by acceptance of a deed to such Lot, whether or not it shall be expressed in such deed, is deemed to covenant and agree to pay to the Association (1) Assessments, (2) Special Assessments, and (3) the charges and costs herein outlined for noncompliance and/or cure of non-compliance. Responsibility for timely payment of all Assessments and Special Assessments and other charges or costs as herein provided is the personal responsibility and liability of the Owner of each Lot, and a claim of lien against the Lot shall arise immediately out of the non-payment of such assessments, charges, fees and costs.
2. Common expenses shall be assessed against all lots equally, except that no assessment shall be made on any lot owned or beneficially controlled by the Declarant. Until the Association shall make a different common

- expense assessment, the annual assessment for common expense shall be \$1100.00 per lot per year, pro-rated for the remaining portion of any given year when a lot is purchased from Declarant.
3. Payments of annual assessments by Ocean Club Estates owners shall be due 30 days after the beginning of the fiscal year, or otherwise as determined by the Association. Any assessment levied against a lot whether annual assessment or special assessment, which remains unpaid for a period of 30 days or longer shall bear interest at the rate of eighteen per cent (18%) per year from the due date thereof, and shall constitute a lien on that lot when a claim of lien is filed in the office of the Clerk of Superior Court of Brunswick County, North Carolina.
 4. Special Assessments shall be approved by no less than a majority of the lot owners voting in person or by proxy at a meeting duly called for consideration of such assessment. Provided however, there shall be a special assessment that is contained within the initial common assessment amounting to \$31.19 per lot per month, or \$374.28 per year for each lot not owned by the Declarant. Such special assessment is designated to pay the owner of the boardwalk amenity area for the use and enjoyment of such area, and shall be paid by the Association to such owner each year from collected assessments. Such assessments shall be first due on March 1, 2017 and shall continue until the last payment is made on March 1, 2026.
 5. Service charges, late charges and other all other charges imposed on a lot or lot owner by the association as fines, fees, special assessments, penalties or the like under the provisions of Article constitute a similar lien, bear the same interest, and are enforceable under this Article as annual assessments, except as limited by the provisions of law.
 6. The Association may collect and enforce any and all such assessments against Ocean Club Estates owners by civil action, by foreclosure under North Carolina Law, by judicial foreclosure, or otherwise as provided by law. In any such action the Association may include and shall recover costs or expenses of collection or foreclosure, including reasonable attorney's fees. The collection of attorney's fees in any such action is limited by the requirement in such General Statute that notice of intent to seek attorney's fees must be provided to the lot owner, and that attorney's fees may not be charged unless the debt is contested.
 7. The lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within three years after the docketing of the claim of lien in the Office of the Clerk of Superior Court of Brunswick County.
 8. The lien created by this Article is prior to all liens and encumbrances on a lot except (i) liens and encumbrances (specifically including but not limited to a deed of trust on the lot) recorded before the docketing of the claim of lien in the Office of the Clerk of Superior Court, and (ii) liens for real estate taxes and other governmental assessments and charges against the lot.
 9. Subordination of the Lien to Mortgages. The sale, conveyance or transfer of any Lot in the subdivision shall not affect the lien of the Association, which runs with the land in addition to such lien being a personal obligation of the person who owned the Lot at the time that the lien arose. However, any lien arising out of violation of the provisions herein shall be subordinate to the lien of any first mortgage or Deed of Trust to which the Lot is subject. The sale or transfer of any Lot pursuant to a foreclosure arising out of a default of such first mortgage or Deed of Trust shall extinguish the lien of such assessments as to payments of assessments which became due prior to such transfer of the Lot through the foreclosure sale.

ARTICLE XI Declarant Control

1. Until such time as Declarant has sold all the lots in the subdivision, or until Declarant specifically relinquishes such rights in writing, Declarant shall have the right to appoint each of the members of the Executive Board of the Association, and shall have three votes in the association for every lot owned by Declarant. Declarant shall have the right to exercise any Declarant right through a marketing agent or management company, who shall have such rights and authority as may be delegated by Declarant.
2. While Declarant owns any lot, Declarant shall have the right to waive, amend or modify this Declaration, to add land to or withdraw land from the subdivision, to revise the subdivision plat as to any unsold lot or the routes of any subdivision roadways, to dedicate additional common areas, to grant easements and rights of way which benefit the association, or to grant variances from the restrictions contained herein as to any lot or lots.



- 3. In the exercise of any of the rights set forth herein, Declarant shall have such additional rights and authority as may be necessary to the full and complete enjoyment thereof.

ARTICLE XII

Procedures for Fines and Suspension of Community Privileges

The executive board, or an adjudicatory panel appointed by the executive board may hold a hearing to determine if any lot owner should be fined, or if planned community privileges or services should be suspended for violations of the declaration, bylaws, and rules and regulations of the association. The procedure for such action shall be in accordance with N.C.G.S. 47F-3-107.1

ARTICLE XIII

Amendment

- 1. Except in case of amendment executed by Declarant under the terms of this declaration or by Special Declarant right, this declaration may be amended only by affirmative vote or written agreement approved by at least sixty-seven percent (67%) of the Members of the Association voting in person or by proxy at a meeting called for the purpose of considering one or more amendments specified in the notice of such meeting. A quorum for any meeting where amendments are proposed shall require for passage of such amendment (but not for other regular business) that at least 50% of the lots be represented in person or by proxy.
- 2. Every amendment to this declaration shall be prepared, executed, and recorded in the Office of the Register of Deeds of Brunswick County, North Carolina, and shall be effective only upon such recordation.
- 3. No action to challenge the validity of an amendment adopted pursuant to this article may be brought more than one year after the amendment is recorded.

ARTICLE XIV

Miscellaneous Provisions

- 1. This Declaration, as may be amended from time to time, shall run with the land and shall be binding on all parties, their successors and assigns, and upon all persons claiming by or under them until January 1, 2035, at which time said covenants shall be automatically extended for successive periods of ten (10) years unless, by majority vote of the current owners of the Lots described herein, it is agreed to terminate said covenants in whole or in part.
- 2. Invalidation of any of these covenants or any part thereof by judgments or Court order shall in no way affect any of the other provisions which shall remain in full force and effect. The failure of any person or persons to take action to restrain the violation of any of these covenants and restrictions shall not be construed as waiver of any enforcement rights and shall not prevent the enforcement of such covenant or covenants in the future.
- 3. Big Pine Holdings, LLC is executing this declaration for the sole purpose of consenting to the imposition of these covenants upon all of the lots within Ocean Club Estates that are encumbered by a first deed of trust for the benefit of such company.

IN WITNESS WHEREOF, The Declarant and the Lender have caused this instrument to be executed in its name by its Member- Manager, this the day and year first above written.

(signatures appear on following pages)

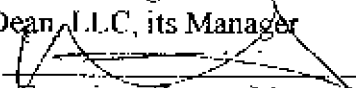
Prepared By: Law Office of Hugh Franklin
19421-A Liverpool Parkway
Cornelius, NC 28031



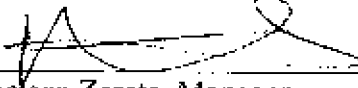
SUNSET BEACH HOLDINGS II, LLC

By : Zailant, I.L.C, Manager

By: Jane Dean, I.L.C, its Manager

By: 
Francisco Zarate, Manager

JANE DEAN, LLC

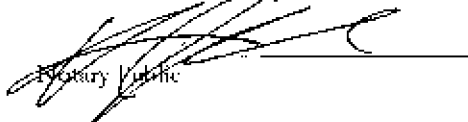
By: 
Francisco Zarate, Manager



STATE OF ~~NORTH CAROLINA~~ Virginia
COUNTY OF ~~BRUNSWICK~~ Virginia Beach

I, Christopher House, a Notary Public of the State and County aforesaid, certify that Francisco Zarate personally appeared before me this day and acknowledged the due execution of the foregoing instrument for and on behalf of Jane Dean, I.L.C and Sunset Beach Holdings II, I.L.C.

WITNESS my hand and official seal, this the 24 day of May, 2016


Notary Public My commission Expires: 30 June 2020



BIG PINE HOLDINGS, LLC

By: Tidal Ventures, LLC, its Manager

By: Samuel N. Varnam
Samuel N. Varnam, Manager

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

I, Christine J. Pickard, a Notary Public of the State and County aforesaid, certify that Samuel N. Varnam personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of Big Pine Holdings, LLC.

WITNESS my hand and official seal, this the 3 day of June, 2016

Christine J. Pickard
Notary Public My commission Expires: 3-29-2020

