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Prepared by Richard L. Stanley

STATE OF NORTH CAROLINA

COUNTY OF CARTERET

**Declaration of Covenants, Conditions  
and Restrictions for Phases 1 and 2,  
Forest Ridge Subdivision**

This Declaration of Covenants, Conditions and Restrictions is made this 1st day of November, 2007, by PBB Investors, Inc., 604E Cedar Point Boulevard, Cedar Point, NC 28584, a North Carolina Corporation,, herein "Declarant or Developer"; and any and all persons, firms and corporations hereafter acquiring any of the lots within Forest Ridge Subdivision as shown on surveying plats of Phase 1 and 2 of Forest Ridge prepared by Bell and Phillips Surveying, PLLC, recorded in Map Book 54, pages 118-119, Onslow County Registry;

**WITNESSETH:**

WHEREAS, Declarant, PBB Investors, Inc. is the owner of certain real property as conveyed to it by deeds recorded in Book 2732, page 357, Onslow County Registry, and Declarant has caused the property described therein to be subdivided into lots for a Subdivision known as Forest Ridge to be developed in more than one phase, with the plats for Phases 1 and 2 showing lots 1 through 53 being recorded in Map Book 54, pages 118 and 119, Onslow County Registry, hereinafter called "Phases 1 and 2 of Forest Ridge", or the "Property";

WHEREAS, Declarant desires to develop the Property under a common and uniform set of Covenants and restrictions applicable to the lots and properties of PBB Investors, Inc;

WHEREAS, Declarant intends to develop its property into a quality residential Subdivision with all improvements being constructed using quality materials and workmanship so as to create a unique community that is harmonious with its creekside environment, and Declarant intends to form a Homeowners' Association to enforce and maintain the quality of the

property and its amenities which may include a boat ramp on Holland Mill Creek, a gazebo and picnic area, RV and Boat Storage Area, entrance way, signage, street lighting, water access and such other common areas and amenities that Declarant or the Homeowners' Association may provide for the general welfare and recreation of the Owners;

WHEREAS, it is in the mutual interest of the Declarant and every person, firm or corporation hereafter acquiring any of the lots within Forest Ridge that these Covenants, conditions, easements, assessments, liens and restrictions governing and regulating the use and occupancy of Forest Ridge be established, fixed and set forth and declared to be Covenants running with the land;

WHEREAS, Declarants desire to preserve the value, amenities, desirability, and attractiveness of the Subdivision and to provide for the continued maintenance and operation of the common areas as may be provided therein, as well as to compliment and re-enforce the natural beauty of the creekside setting with trees, a common boat ramp, water access area and similar assets, and to accomplish this purpose, Declarant desires to coordinate the architectural work, landscaping, signage, lighting and other aspects of the development so that they will fit into the landscape of the property, and so that improvements on each lot as nearly as possible fit in with the natural environment.

NOW, THEREFORE, in order to provide for the foregoing, the Declarant does hereby covenant and agree with all persons, firms or corporations now owning or hereafter acquiring any portion of Phase I of Forest Ridge Subdivision, that the use of lots in Phase I of Forest Ridge Subdivision is hereby made subject to the following restrictions, Covenants, terms and conditions which shall run with said land and shall be binding on all property Owners within said Subdivision and their successors and assigns.

#### Section I - Definitions

As used throughout this Declaration, the following terms shall have the definitions set out herein as follows:

A. "Amenities" shall mean the facilities constructed, erected, installed or set aside on the common areas for the use, benefit and enjoyment of members.

B. "Association" shall mean and refer to Forest Ridge Owners' Association, Inc., a non-profit corporation organized and existing under the laws of the state of North Carolina, its successors and assigns, which is established for the administration, maintenance and regulation of the ramp, Gazebo, picnic area, amenities, water access areas and other common areas and facilities assigned to, purchased, or otherwise provided for by the Association for the use and enjoyment of members of the Association.

C. "CAMA" shall mean the Coastal Area Management Act as set forth in North Carolina General Statute 113A-100 et seq, and any of the rules and regulations promulgated thereunder.

D. "Committee" shall mean and refer to the Architectural Review Committee.

E. "Commercial Truck" shall mean any 2 ton or greater motor vehicle.

F. "Common Areas" shall mean and refer to any and all real property subject to this Declaration which is defined and bounded by properly referenced and recorded plats designated thereon as "common area(s)", "open space", "water access", "access easement", "alley", "access", "conservation area" ( not part of any lot) which may be designated as private and have not been turned over to any governmental authority for maintenance, "private easements" or driveways created by the Declarant to provide access to the streets or roads for more than one lot, or any area that is set aside for the general use of the members. Common areas shall also include all real property and easement interests owned or assigned by the Association for the common use and enjoyment of members of the Association, which may include but are not limited to entrance ways, signage, boat ramp, day dock, water access easements, and boat and RV storage area. (This list of possible amenities is for descriptive purposes only and does not bind the Declarant to construct any or all of said amenities.)

G. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Phases I and 2 of Forest Ridge Subdivision, and any amendments thereto as recorded in the Onslow County Registry.

H. "Declarant" shall mean and refer to PBB Investors, Inc., a North Carolina Corporation, its successors and assigns. "Declarant" and "Developer" are interchangeable and have the same definition.

I. "Lot" shall mean and refer to any of lots 1 through 53 constituting a plot of land within Phases 1 and 2 of Forest Ridge Subdivision with or without improvements thereon, which constitute or will constitute after construction of improvements, a single residential site as shown on the plats or plans for Forest Ridge Subdivision or amendments thereto, recorded in the Onslow County Registry. This term shall further mean any plot of land within subsequent Phases of Forest Ridge Subdivision as may be shown on plats hereafter recorded and which are brought under these Covenants by recorded amendments thereto.

J. "Member" shall mean and refer to any person or other entity which holds membership in the Association.

K. "Owner" shall mean and refer to the owner of record of fee simple interest in any lot in the Subdivision, excluding those persons having such interest merely of the security interest for the performance of an obligation.

L. "Person" shall mean and refer to a natural person, corporation, partnership, firm, association, trust or other legal entity. The use of the masculine pronoun shall include the neuter and feminine, and the use of the singular shall include the plural where the context so requires.

M. "Sewer Areas" shall mean and refer to the numbered off-site sewer area shown on the plat which will be conveyed with each lot that is unable to accommodate its own on site septic and sewage treatment and which is exclusively set aside and dedicated privately for the location and operation of septic drain fields and equipment for each designated lot which is unable to accommodate on site septic and sewage treatment for said lot. No other uses may be made of the sewer areas other than the location and operation of septic drain fields and equipment. For example, if lot 17 in Phase I is unable to sustain its own septic tank drain field and equipment so that lot 17 requires an off site area for location of the same, then the conveyance of lot 17 by deed would be accompanied by the conveyance of sewer area 17 as shown on the plat together with a permanent non-exclusive easement to connect to and use the common utility line easements shown on the map in order to run wastes from the septic tank on lot 17 to sewer area 17 and the nitrification drain fields located thereon. The numbered sewer areas are not part of the common areas of Forest Ridge but will be separately conveyed as part of the conveyance of each lot unable to sustain its own septic tank treatment, and the owner of each designated lot to which a numbered sewer area is conveyed shall have the responsibility to place, use, maintain and operate portions of their septic tank systems within the sewer areas in accordance with Onslow County Health Department Permits, Rules and Regulations, to the exclusion of other property owners or members of the Association. The Association shall have the right to maintain the sewer area and to assess the cost of repairs, maintenance or replacement against an owner and the lot upon default in the event the lot owner fails to do so in accordance with County Health Department Rules and Regulations.

## Section II - Properties Subject To This Declaration

1. Applicability. Lots 1 through 53, Phases 1 and 2, as shown on the recorded plats of Forest Ridge Subdivision referred to above, are expressly made subject to the operation of these Covenants. Upon the recordation of maps for subsequent phases and an amendment to these Covenants submitting the lots from additional phases to these Covenants, all of the lots within these additional phases shall also be made expressly submit to the operation of these Covenants.

2. Additional Lands. Declarant at any time prior to December 31, 2017, reserves the right to add or bring additional phases, lots, or lands under this Declaration by filing in the office of the Register of Deeds for Onslow County, North Carolina, either an applicable amendment or a supplementary Declaration of Covenants and restrictions with respect to the additional lots, phases, or properties. Said amendments or supplemental Declaration would extend the scheme of development and the binding effect of these Covenants and restrictions on the additional property, and such amendments or supplementary Declarations may contain complementary

additions and modifications of these Covenants and restrictions as may be necessary to reflect the different character of the added properties. In no event shall the supplementary declaration revoke, modify or add to these Covenants as they are applicable to the lots set forth in section 1 above.

3. Reservations. The Declarant reserves the right absolutely to change, alter or redesignate the allocated, planned, platted, or recorded use, area, or designation of any of the lots shown on the map of Forest Ridge Subdivision recorded aforesaid so long as the Declarant retains title to the property involved, so long as any changes or alterations are in conformance with Onslow County's Subdivision and zoning ordinances, including, but not limited to the right to change, alter or redesignate roads, utility and drainage facilities, and to change, alter or redesignate such other present or proposed lot lines and facilities as may, in the sole judgment of the Declarant, be necessary or desirable.

### Section III - Association Memberships and Voting Rights

Declarant has heretofore incorporated Forest Ridge Owners' Association, Inc. for the benefit of lot Owners within said Subdivision so as to provide for the maintenance, upkeep and repair of roads and streets pending acceptance of maintenance responsibilities by a governmental authority, as well as the maintenance, upkeep and repair of drainage easements, amenities, recreational areas, and common areas which are subject to the management and administration of the Association.

#### Section 1. Membership

(a) Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by these Covenants to assessments by the Association shall be a member of the Association, subject to and bound by the Association's Articles of Incorporation, By-Laws, rules and regulations. The foregoing is not intended to include persons, or entities who hold an interest in any lot merely as security for the performance of an obligation. Ownership of record of such lot shall be the sole qualification for membership. When any lot is owned of record in tenancy by the entireties( husband and wife) , joint tenancy, or tenancy in common or by some other legal form of multiple Ownership, the membership (including the voting power arising therefrom) shall be exercised only as stipulated in section 2 herein below.

(b) During any period when a member shall be in default in the payment of any annual, special or other periodic assessment levied by the Association, the voting rights and right to the use of the common or any other facilities which the Association may provide, may be suspended by the Board of Directors of the Association until such assessment is paid. In the event of violation by a member of any rules and regulations established by the Board of Directors of the Association, such member's voting and use rights may be suspended by the Board of Directors of the Association after a hearing at which the general requirements of due process shall be observed. Such hearing shall only be held by the Board of Directors of the Association

(or a committee thereof) after giving the member ten (10) days prior written notice specifying the alleged violation and setting the time, place and vote of the hearing. Determination of violation shall be made by majority vote of the board or the committee thereof.

(c) No membership fee shall be charged nor members be required to pay at any time any amount to carry on the business of the Association except to pay when due the charges, assessments, and special assessments levied upon each member's lot as specified in the Declaration or as the members of the Association may from time to time adopt.

## Section 2. Voting and Voting Rights.

(a) The voting rights of the membership shall be appurtenant to the ownership of lots. The ownership of each lot by a person other than Declarant shall entitle its owner to one vote. The Association shall have two classes of voting membership as follows:

(1) Class A Regular Member. Class A regular members shall be all owners, other than the Declarant; however, the Declarant shall be a class A regular member to the extent provided in subparagraph 2 below. Class A regular members shall be entitled to one vote for each lot owned.

(2) Class B Regular Members. The Class B regular member shall be the Declarant, and it shall be entitled to three votes for each lot in which it holds a fee or undivided fee interest; provided, the class B regular membership shall cease and be converted to class A membership on the happening of either of the following events, whichever first occurs:

(i) Four (4) months after the total votes outstanding in the Class A regular membership equal the total votes outstanding in the Class B membership; or

(ii) On December 31, 2017.

(b) When two or more persons hold an interest (other than a leasehold or security interest) in any lot, all such persons shall be members. The vote for such lot shall be exercised by one or such persons as proxy and nominee for all persons holding an interest in a lot and in no event shall more than one (1) vote be cast with respect to any lot (except with respect to lots owned by Declarant), nor shall any fractional vote be cast.

(c) Any member who is delinquent in the payment of any charges duly levied by the Association against any lot owned by such member shall not be entitled to vote until all such charges, together with such reasonable penalties as the Board of Directors of the Association may impose, have been paid.

(d) Members shall vote in person or by proxy executed in writing by the member. No proxy shall be valid after eleven (11) months from the date of its execution or upon



conveyance by the member of his lot. A corporate member's vote shall be cast by the president of the member corporation or by any other officer or proxy appointed by the president or designated by the Board of Directors of such corporation, which designation must be in writing.

(e) Voting on all matters except the election of directors shall be by voice vote or by show of hands unless a majority of the members present at the meeting shall, prior to voting on any matter, demand a ballot vote on that particular matter. Where directors or officers are to be elected by the members, the solicitation of proxies for such elections may be conducted by mail.

#### Section IV - Common Area Property Rights

Section 1. Description of Association Common Areas. The Association common areas shall initially consist of the drainage easements, water access easement, Boat and RV Storage Areas, and other areas designated "common area", as shown on the recorded plats. The off site sewer areas shall not be part of the common areas but are numbered and designated for use in connection with lots with corresponding numbers.

Each separately numbered off site sewer area will be included in the deed to each corresponding lot which is unable to sustain its own onsite septic system, and each such lot and sewer area is conveyed subject to the responsibility of the owner of such designated lot to place, use, maintain and operate portions of the septic system for such lot in accordance with Onslow County Health Department permits and regulations. In the event any owner fails to maintain, operate, repair or reconstruct any offsite sewer areas or facilities thereon in accordance with Health Department Rules and Regulations, the Association shall have the right upon written notice to the defaulting owner and failure of the Owner to correct the default or defective conditions thereafter, to carry out the costs of maintenance or repair and to assess such costs as part of the dues to the Lot owner under Section V. The Association shall have all rights of collection including the filing and foreclosure of a lien and the collection of attorneys fees afforded under Section V in the event the lot owner fails to pay the assessments levied by the Association in order to correct conditions and problems with the sewer area.

The drainage and utility easements shown on the plats have been privately dedicated to the owners of lots within said Subdivision and their heirs, successors and assigns, for utility and stormwater use and the maintenance of adequate drainage of surface waters within the Subdivision. The streets and roads have been publicly dedicated by the recordation of the plats and until maintenance of the roads is assumed by the North Carolina Department of Transportation, the responsibility for maintenance shall be assumed by the Declarant per County requirements and then the Association. The Declarant has reserved the right in accordance with these Covenants to assign, lease or transfer or assign the utility and drainage easements to governmental agencies or third parties for maintenance purposes.

Section 2. Water Access Easement Area and RV/ Boat Parking Areas. If one or both areas are not shown on the recorded plats of Phases 1 and 2, Declarant has set aside and will dedicate in accordance with these Covenants by the recordation of plats for future phases, common areas under the ownership, operation, management and control of the Association a water access area with a boat ramp, community dock and gazebo for the use and enjoyment of lots owners and their guests. The Association shall have the right to regulate the use of the same including hours of operation and the rules and regulations governing the rights and responsibilities of lots owners. Additionally if not shown on the plats of Phases 1 and 2, Declarant will on future plats show the dedication of a parking area under the management and control of the Association for the parking of boats, recreational vehicles and commercial vehicles. The Declarant and the Association shall have the right to adopt rules and regulations regarding the use of the same and may require that all boats, recreational vehicles and trucks and vehicles of a commercial nature use the same.

Section 3. Dedication of Streets and Roads; Drainage Easements. The Declarant by the recordation of the Forest Ridge plats has dedicated the streets within Forest Ridge to public dedication. The members of the public as well as all lot owners and their heirs, successors in interest and assigns, and members of the Association shall have the right of enjoyment of the streets. Declarant by the recordation of plats showing the streets and roads offers the same for dedication to the North Carolina Department of Transportation and at such time as the density per mile meets the criteria of the Department of Transportation, will convey, transfer or assign the streets by right of way, easement or other conveyance to the Department of Transportation for the future maintenance and upkeep of said streets. Pending acceptance of said streets by a governmental agency, the Association shall have the continuing obligation and duty to cut the grass shoulders of the streets and to fill in the shoulders but Declarant shall remain responsible for maintenance of the pavement portion of the roads.

Title to the drainage easements located within the Subdivision is vested in the owner of each lot over which such drainage easement runs, but the Association shall have the continuing responsibility to maintain the drainage easements. Title to any common areas over which drainage easements are located shall be vested in the Association with maintenance of the same being the responsibility of the Association.

Section 4. Area Lights, Privacy Fences, Entrance Way and Signage. It shall be the responsibility of the Association to maintain and pay for all utility charges and maintenance expenses associated with any area lights not specifically assigned to a numbered lot by a utility company, and the Association shall also maintain any privacy fences installed by the Declarant around a portion or all of the Subdivision boundaries or on any portions of the common areas, including the entrance way and Subdivision entrance signs, landscaping, walls, and utilities associated therewith.

Section 5. Easements of Enjoyment. Every lot owner shall have a right and easement of enjoyment in and to the common area properties and easements granted herein. Each regular owner may delegate, in accordance with the by-laws, his right of enjoyment to the common areas



and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Said rights of use and enjoyment shall be subject to the following provisions:

(a) The Association shall have the right to charge dues and assessments for the upkeep and maintenance of Association properties, common areas, water access and recreational areas, drainage easements, and other amenities which are the responsibility of the Association herein. Likewise, the Association shall have the right to charge dues and assessments for the construction and maintenance of any improvements on said recreational areas, and to provide for all types of insurance for the Association and its properties, and the upkeep and maintenance of water access and RV and Boat storage areas, including any docks subsequently constructed, as well as the streets and other Subdivision amenities.

(b) The Association shall have the right to suspend the right to the use of any Association properties by any member for any period during which any dues or assessments against such member are overdue and unpaid, and for a period not exceeding sixty (60) days for any infraction of rules and regulations established by the Association for the regulation and control of Association properties. Likewise, the Association shall have the right to fine any member an amount not exceeding \$50.00 for each violation of rules and regulations established by the Association.

(c) The Association by rules and regulations established from time to time shall have the right to provide for the use and enjoyment of common areas and Association properties. This right to the use of Association properties shall extend to regular members of the Association and relatives of members who reside with and in the house of members, tenants of each member's lots in the Subdivision so long as the tenancy exists, and contract purchasers of lots in the Subdivision who reside on the lot.

Section 6. Title to the Common Areas. The Declarant hereby Covenants that it will convey fee simple title to the common areas shown on the aforementioned recorded plats as well as those shown on subsequent phases of the Subdivision to the Association, free and clear of all encumbrances and liens, except utility, drainage easements, and easements to governmental authorities, at such time as 75% of the lots have been sold.

Section 7. Parking and Use Regulations for Boats, Trailers, Etc. The Association may regulate the parking and use of boats, trailers, motor home, recreational vehicles, trucks and similar items on the common areas (including the provision of special facilities for which a reasonable charge may be made). No boats, trailers, motor homes, recreational vehicles or trucks shall be parked within the right of way of any public or private street in or adjacent to this development.

Section 8. Antennas and Satellite Discs. The Association may regulate or prohibit the erection of any type of antennas on individual lots. The Association may further regulate or

prohibit satellite discs except that satellite discs no larger than 24 inches in diameter may be erected with the prior written approval of the Association. A satellite disc less than 24 inches in diameter shall be screened such that the disc is not visible from the street or other common areas and such screening must be approved by the committee.

Section 9. Docks, Creekfront Improvements and Uses. The Association shall have the right to adopt reasonable rules and regulations for the membership with regard to the general enjoyment and safety of all members with regard to Holland Mill Creek adjoining or adjacent to Subdivision lots and common areas, and the Association may regulate the use and activities on the creek as to the size, number, location and style of docks, piers, and boat slips, and the noise and activities on the creek so as to insure that all property owners on the Creek have the use and enjoyment of the Creek and so that activities do not unreasonably interfere with the use and enjoyment of property owners on the Creek.

Section 10. Water Access Easement. Any water access easements, alleys or walkways appropriately designated on the recorded plats of Forest Ridge shall be for the use and benefit of all owners, their invitees and guests.

#### Section V - Covenants for Dues and Assessments

Section 1. Monthly Assessments for Maintenance Fund. For each lot owned within Forest Ridge, each owner Covenants and agrees, and each subsequent owner of any such lot Covenants and agrees, that by acceptance of a deed therefore whether or not it is so expressed in such deed, that the owner will pay to the Association the assessments and charges provided for in this Declaration.

(a) Every owner of a lot in the Subdivision by the acceptance of a deed to the same, which shall be conclusively evidenced by the recording of a deed in the office of the Register of Deeds Covenants and agrees to pay to the Association such annual dues and assessments for maintenance and upkeep of Association properties, capital improvements and the construction of improvements and facilities on or to Association properties, and the administration of properties and facilities assigned to the Association for operation and management, as may established from time to time by the Board of Directors and membership of the Association. Such dues and assessments together with interest at the legal rate of interest, cost and reasonable attorney's fees if the dues and assessments remain unpaid, shall be a continuing lien on each lot against which said assessment is made until paid in full. Said dues and assessments shall also be the personal obligation of the owner of each lot at the time the dues and assessments become due, and the personal obligation shall not pass to a successor in title unless expressly assumed by the successor. However, said dues and assessments shall be a lien on said lot and a sale or transfer of any lot shall not affect the lien for unpaid dues or special assessments against said lot.

(b) The dues and assessments shall be used exclusively for the purpose of cutting and filling in shoulders of subdivision streets pending acceptance by the State Department of

Transportation, the maintenance of drainage ditches and easements, the maintenance and upkeep of Association properties, the construction of improvements and facilities thereon, the upkeep, maintenance, operation and management of properties or facilities leased to or assigned to the Association in accordance with these Covenants, as well as the upkeep, maintenance and replacement of equipment, improvements in facilities thereon, and generally for the promotion of the recreational, health, safety and welfare of the membership. Additionally, the dues and assessments may be used for acquiring all types of property, casualty and liability insurance for the Association, and the dues and assessments may be used to fund any of the activities, powers and authority of the Association as the Association is authorized to do as a non-profit owners' association.

(c) The Declarant shall have no obligation to pay dues and assessments for unsold lots. As a lot is sold in the Subdivision, the Declarant shall collect from each purchaser two months assessments and dues as working capital which shall be paid to the Association, and the Declarant shall notify the Association as to the name and address of each purchaser. The obligation to pay dues shall commence as to all members purchasing lots on the date the deed to the lot from the Declarant shall be recorded.

Section 2. Maximum Monthly or Annual Assessments. The Association Board of Directors is authorized to assess and collect its regular dues and assessments on either a monthly, quarterly, semi-annual, or annual basis. Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessments shall be \$200.00 per lot, per year pending further notification from the Association.

(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 ten (10%) percent above the maximum assessment for the previous year without a vote of the regular 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 ten (10%) percent by a majority vote of the regular members of the Association who are voting either in person or by proxy, at a meeting duly called for said purpose.

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

Section 3. Special Assessments for Capital Improvements or Extraordinary Expenditures. In addition to the regular annual assessments authorized in paragraph 2 above, the Association may levy, in any assessment year, one or more special assessments applicable to that year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvements upon the common areas, or property or facilities assigned to the Association for operation and administration, including equipment, fixtures and personal property related thereto, as well as for the purpose of defraying, in whole or in part, any extraordinary expenses resulting from storms, casualties or similar expenses resulting from

extraordinary circumstances beyond the control of the Board of Directors, provided that each such assessment shall have the assent of fifty one (51%) percent of the regular members of the Association who are voting in person or by proxy at a meeting duly called for this purpose.

Section 4. Notice and Quorum for any Action Authorized Under Sections 2 and 3 Above. Written notice of any meeting called for the purpose of taking any action authorized under sections 2 or 3 above shall be sent to all regular members not less than ten (10) days nor more than twenty (20) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) percent of all the votes of the membership of the Association 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 of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5. Non Payment of Assessments. Any member failing to pay the annual assessments and dues or any fees or charges authorized by the Association within a period of thirty (30) days after the billing thereof, shall be deemed to be in default. The Board of Directors shall caused to be filed in the Office of the Clerk of Superior Court or in the office of the Register of Deeds of Onslow County an instrument suitable for recordation which shall set for the name of the owner, the lot description, the amount of the assessment, the date the assessment was due, and the fact that the Board of Directors has given the owner notice of said assessment and said owner has failed to pay said assessment. In addition to the assessment so stated, all amounts necessary for the collection of said assessment, including, but not limited to mailing costs, recording costs, and a reasonable attorney's fee incurred for the collection thereof, together with interest at the legal rate of interest, shall constitute a lien against said lot and shall be due and payable from the delinquent owner.

Following the recordation of said lien, the Board of Directors is authorized to institute an appropriate action in a court having jurisdiction over the subject matter and the parties in order to collect the assessments, interest, costs and attorney's fees from the owners and in order to effect a sale of the property to satisfy the lien for the delinquent assessments and expenses.

Section 6. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. The 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 proceedings in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to the sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof. Likewise, the sale or transfer shall not relieve the lot owner from personal liability therefrom.

Section 7. Suspension or termination of voting rights. In addition to any other rights the Association may have with regard to non-payment of assessments and dues, the payment of any assessments levied by the Association shall be a prerequisite to the exercise of any voting rights earlier provided for herein and for serving on the Board of Directors of the Association. Any member failing to pay the assessments or dues on his lot so that the same thereafter become delinquent, shall be deemed

ineligible to vote at any annual or special meeting of the membership and shall be deemed ineligible to serve on the Board of Directors or as an officer of the Association so long as said delinquency continues.

#### Section VI - Architectural Control, Inspection and Use Restrictions

Declarant shall have the responsibility of enforcing the restrictions set forth in this section prior to the formation of the Committee, which, upon appointment by the Board of Directors, shall assume and be responsible for enforcement. References in this section to "Committee" shall mean Declarant until the Committee is appointed and references to "Declarant" shall include the Committee once it is appointed. The following architectural restrictions shall apply to each and every lot now or hereafter subject to this Declaration:

##### Section 1. General Theme, Approval of Plans and Architectural Committee.

(a) Declarant has established as the general architectural theme and building design for the Subdivision a coastal traditional design and motif which would permit a mixture of wood, brick, stucco using acceptable application procedures, as well as a high grade of vinyl as approved by the Architectural Review Committee. Houses and residential structures of a modern or contemporary design or era as well as houses constructed with flat roofs will be prohibited unless specifically approved by the Declarant or Architectural Committee as being proper and fitting for the Subdivision. Nothing herein shall be construed as dictating the type or quality of materials used so that hardiboard, stucco, cedar shake, wood brick and similar sidings will be allowed. It is the Declarant's intent that specified architectural styles or designs be followed as opposed to requiring the use of specified materials. The Committee has the right to adopt and enforce materials that will not be allowed and to formulate guidelines for owners preparing to build residential structures. The use of vinyl and the appearance and quality of specific vinyl is subject to prior approval of the Architectural Review Committee.

(b) No site preparation or initial construction, erection, or installation of any improvements, including, but not limited, to residences, outbuildings, docks, landscaping, fences, walls, signs, antennas and other structures, shall be undertaken upon the lots unless the plans and specifications therefore, showing the nature, kind, shape, size, height, materials, and location of the proposed improvements on the lot, including but not limited to, the house, decks, garage, driveways, parking areas, plants, shrubs, trees (including trees to be removed), docks, marsh and wetland areas located on the lot, and any other permanent structures or changes to be made to the lot, shall have been first submitted to the Committee and expressly approved in writing. No subsequent alternation or modification which will result in an exterior, structural change to the residence, outbuilding, or significant changes to the landscaping may be undertaken on any of the lots without the prior review and express written approval of the Committee.

(c) In the event the Committee fails to approve or disapprove the site or design of any proposed improvements within thirty (30) days after plans and specifications have been submitted and received, approval will not be required, and the requirements of this article will be deemed to have been fully met; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Committee if they contain erroneous data or fail to present adequate information upon which the Committee can arrive at a decision.



(d) The Committee shall have the right, at its election, to enter upon any of the lots during site preparation or construction, erection or installment of improvements, to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plans and specifications and in a good and workmanlike manner, utilizing standard industry methods and good quality materials.

(e) The approval of any such plans, specifications or other items submitted to the Committee pursuant to this section shall not impose any liability or responsibility on the Committee or the Association with respect to either the compliance or non-compliance with any such plans, specifications, or other items (including any improvements or structures erected in accordance therewith) with applicable zoning ordinances, building codes or other governmental or quasi-governmental laws, ordinances, rules and regulations or defects in or arising from such plans, specifications or other items (including, without limitation, defects relating to engineering matters, structural and design matters and the quality or suitability of materials).

(f) For so long as Declarant is a class B regular member of the Association, or until such time as the Declarant notifies the Board of Directors in writing of its desire to have the Association elect the members of the Committee, the Declarant shall serve as the Committee, and shall exercise the authority to approve plans and other matters set forth in this article. After Declarant divests itself of all lots within the property, or so notifies the Association in writing, the Committee shall be appointed by the Board of Directors to serve for a term of one year or until their successors have been duly appointed in the event of the death, resignation or removal by the Board of Directors of a member of the Architectural Review Committee.

(g) With the submission of the plans and specifications, the owner shall pay a non-refundable architectural review fee to the Declarant in such amount as may be established from time to time by the Declarant for the review of the plans and specifications, so long as the Declarant is acting as the Committee, and thereafter shall pay to the Board of Directors such fee as may be approved from time to time for architectural review of the plans and specifications.

## Section 2. Use Restrictions.

(a) All numbered lots shall be used for single family residential purposes only. No structures shall be constructed, altered, placed or permitted to remain on any lot in the Subdivision unless the same is a single family residence.

(b) Mobile homes, recreational vehicles, trailers, manufactured homes, modular homes, tents and all other structures of a temporary character are expressly prohibited from being placed, put or maintained on any lot at any time. Provided, this prohibition shall not apply to shelters used by a contractor or builder during the construction of a single family dwelling so long as said temporary shelter is not used at any time as a residence and said temporary shelter is immediately removed following completion of the dwelling. As used herein, the term "mobile home" and "manufactured home" shall have those definitions and meanings set forth in G.S. 41-2.5, G.S. 143-143.9(6), and G.S. 143-145(7). Provided, that the width and length of a manufactured home, or mobile home shall be irrelevant and inapplicable as



it is the intent of these Covenants to prohibit manufactured homes, modular homes and mobile homes of all sizes regardless of length or width.

(c) Only stick built detached single family homes first submitted to and approved by the Architectural Control Committee shall be permitted on any of the lots within the Subdivision. A "modular" home which is defined herein as a prefabricated structure having floors, walls, ceilings, or roof composed of sections or panels of varying size which have been fabricated prior to erection on a building foundation, shall be prohibited. Nothing herein shall prohibit pre-assembled and manufactured floor and roof trusses or window or door components from being used. No buildings or structures of any kind shall be permitted on any lot within the Subdivision unless first submitted to and approved in advance by the Architectural Control Committee.

(d) All fuel tanks or similar storage receptacles are prohibited from being exposed to view and shall be buried underground if possible, or such receptacles may be installed only within the main dwelling house, within a permitted accessory building, or within a screened area. Provided, the Declarant shall be permitted to erect, place or permit the placement of tanks, equipment and other apparatus within the Subdivision for uses related to the provision of sewage, water and other utilities to the Subdivision.

Section 3. Minimum Building Requirements. No residential structure shall be constructed on any of the residential lots within the Subdivision unless the residential structure shall contain a minimum of 1600 square feet for lots 2 through 14 and a minimum of 1800 square feet of enclosed dwelling area for each residential structure on all remaining lots in Phases 1 and 2. For any dwelling containing more than a single story, (a) an one and one-half story must contain a minimum of 1600 square feet for lots 2 through 14 and 1800 square feet for all remaining lots, with 1000 square feet on the first floor; and (b) a two story dwelling must contain a minimum of 1600 square feet for lots 2 through 14 and 1800 square feet for all remaining lots with a minimum of 1000 square feet on the first floor. As used herein the term "enclosed dwelling area" shall mean the total enclosed heated area within a dwelling, excluding garages, terraces, decks, unenclosed porches, and similar areas. In the event the Declarant specifies a higher minimum square footage of enclosed dwelling area in deeds to purchasers of lots within the Subdivision than as set forth in this paragraph, then the higher minimum square footage figure set out in the deed shall be controlling and shall be complied with.

(a) No building shall be erected or allowed to remain on any lot in said Subdivision within 30 feet of the street abutting the front of each lot or within 10 feet of any side line of each lot, within 20 feet of any side street, or within 25 feet of the rear lot line, or as said setbacks may be shown on the recorded maps of the Subdivision, whichever is the greater amount of setback. Outbuildings other than the primary structure shall meet the zoning ordinance set back requirements as a minimum rear setback. If due to topography, irregular lot shape or similar factors directly related to other lots within the Subdivision, the setbacks herein would create a hardship or burden on an owner, upon written application to the Architectural Control Committee, the Committee is authorized to vary said setbacks the minimum amount necessary in order to provide for a suitable and aesthetically pleasing structure on the subject lot. However, any such variance by the Architectural Control Committee would be subject to prior approval by Onslow County or other governmental agency having authority over the issuance of building permits and enforcement of Subdivision or zoning setback requirements.

(b) The exterior of all houses and other structures must be completed within twelve (12) months after construction is commenced, except under such circumstances where such completion is impossible or would result in great hardship to the owner or builder due to strikes, fires, national emergency or natural calamities. No house may be occupied unless it has been built substantially in accordance with the approved plans and specifications as approved by the Committee and a certificate of completion has been issued by the appropriate governmental inspector. During all periods of construction, the lot owner shall be responsible for providing suitable receptacles for debris, trash, building materials, and the like, and shall be responsible for insuring that trash and debris from construction activities does not move to or accumulate on adjoining properties, the Subdivision streets or roads, or common areas. Additionally, each lot owner shall be responsible for the damages to Subdivision roads, utilities, and vegetation within the common areas, on adjoining lots, or within the Subdivision roads and utility easements, as may be caused by the acts or omissions of each lot owner's contractors, subcontractors, material suppliers, agents or employees.

(c) Each lot owner shall provide receptacles for garbage and trash in a screened area not generally visible from the road giving access to the premises, and the Declarant and/or Association may require the purchase and use of uniform specified roll-out containers meeting the requirements of the contractor providing trash pickup services. All fuel tanks shall be underground if possible, and wood piles shall be enclosed within a fence, wall or plant screen so that the same shall not be visible from any street or residence in the Subdivision. All mailboxes shall be uniform as approved and specified by the Architectural Review Committee and Declarant in order to meet Department of Transportation specifications and requirements.

(d) Each lot owner shall provide space for parking two automobiles off the street prior to the occupancy of any dwelling constructed on said lot and automobiles shall not be parked on the streets within said Subdivision, except for special events approved by the Association.

(e) Each lot owner may be permitted, if approved by the Architectural Review Committee, the right to build, erect or maintain either a detached garage or one additional detached structure if the garage is attached to the main dwelling. Any detached structure to be used as a cabana or gazebo shall not exceed one story in height, and any detached building used as a garage shall not exceed one and a half stories in height. No detached building shall be used for any activity normally conducted as a business. Any cabana or gazebo shall be so located where the same does not interfere with the view of adjoining lot owners as determined by the Architectural Control Committee. All detached buildings shall be prohibited from being constructed prior to the construction of the main dwelling, and all detached buildings shall comply with all setback requirements set forth herein for the main dwelling. Every detached building shall be built of the same quality and type of materials and so designed as to be compatible with the main dwelling house located on the same lot. All detached buildings shall be located no closer to the street on which the lot fronts than the detached single family dwelling located thereon.

(f) In order to protect the shoreline of lots and conservation areas located on the creek from erosion with regard to subsequent phases of the Subdivision and in order to attempt to reduce the amount of stormwater run-off of soil and lot coverings, each lot owner shall be prohibited from cutting, killing, or otherwise providing for the removal either directly or indirectly of any tree on any lot within the Subdivision exceeding six inches in diameter except for any tree or vegetation within the proposed

"footprint" of the dwelling or outbuilding to be constructed on the lot, or suitable safety zone around the same, without the prior written approval of the Architectural Control Committee. The Architectural Control Committee is authorized to allow the cutting or removal of trees that are diseased or damaged, or constitute a potential damage to structures, automobiles or persons on the subject lot or adjoining lots.

The Architectural Control Committee is further authorized to allow the removal of trees which obstruct the lot owners creek, marsh or conservation areas view.

"Footprint" as used herein is defined as the specific location on each lot where the dwelling, outbuilding, driveway, decks, terraces, and utilities systems are proposed to be located. Trees and vegetation within the footprint may be removed so long as the footprint of each lot is submitted to and approved in advance by the Architectural Control Committee. The Committee shall be guided by the intent of the Declarant herein that existing vegetation outside the footprint be protected.

(g) Clothes lines and television satellite disks exceeding twenty four (24) inches in diameter are expressly prohibited. Any television satellite disk meeting the requirements of not exceeding 24 inches in diameter shall additionally be installed at a location to the rear of the main dwelling and screened appropriately with fencing or vegetation so that the same may not be seen or observed from the Subdivision street on which the lot fronts.

(h) The pickup of garbage, trash and refuse shall be in accordance with such rules and regulations as may be established from time to time by the Forest Ridge Owners' Association, Inc. and the Association may require the purchase and use of rollout containers.

(i) All driveways leading from the Subdivision roads to the dwelling and/or structure located on said lots shall be paved with asphalt, concrete, paving brick or other materials as approved by the Architectural Control Committee. The paving of driveways with gravel or marl is prohibited unless approved in writing by the Architectural Control Committee.

(j) No campers, boats, recreational vehicles or commercial trucks shall be parked at any time on any lot unless the same is enclosed within a garage or accessory building which has been approved by the Architectural Control Committee.

(k) The only permitted access to each lot from the Subdivision streets shall be over a culvert and driveway constructed to Department of Transportation specifications over the drainage ditching and swales along the Subdivision roads. All runoff conveyance systems will be vegetated conveyances such as swales with minimum side slopes of 3:1(H:V) as defined in Division of Water Quality stormwater rules. No piping is permitted or allowed in swales and conveyances except for minimum amounts necessary to direct runoff beneath an impervious surface such as a road and the minimum amount needed under driveways to provide access to lots.

No lot owner shall fill in or alter any of the drainage system, ditches or swales of the Subdivision without the written approval of the Declarant and the NC Division of water Quality. The construction or placement of any headwalls or structures other than culverts will require prior approval of the Architectural Review Committee and the North Carolina Department of Transportation.

(l) Fencing shall have a maximum height of six (6) feet. All fencing visible from the street shall be white vinyl. Vinyl clad fencing may be permitted in the rear yard so long as the same is not visible from any street and the same has been approved in advance by the Architectural Review Committee. All fencing materials and the proposed location of the same shall be approved in advance by the Architectural Control Committee before being used or installed.

(m) Permanent above ground swimming and wading pools are prohibited. Portable "kiddie pools are permitted.

(n) An elevator located on the exterior of a house and visible from the street or adjoining lots are prohibited.

(o) The front yards of all houses shall be sodded from the street right of way on which the lot is located to the facade of the house. The sprigging, seeding or planting of grass except through the laying of sod in the front yard is prohibited except with the prior approval of the Architectural Review Committee.

(p) All roof drains must terminate at least 30 feet from the mean high water mark of the creek or body of water on which the lot is located.

#### Section 4. Nuisances, Inoperable Vehicles, Etc.

(a) No unserviceable motor vehicles, appliances or other assorted junk and useless materials may be kept on any lot. All lots shall be maintained free and clear of rubbish and debris.

(b) 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 horses, fowl, livestock or other animals shall be allowed on any of the lots, except that lot owners actually residing upon their lots may keep pets which are customarily domesticated, tame and considered house pets such as dogs, cats and birds. Pets will be on a leash and under the owner's control at all times.

(c) The Association shall have the right to adopt regulations controlling, prohibiting or limiting the playing of loud or amplified music, lyrics, and other sounds, to regulate the hours of parties, cookouts and similar gatherings so as not to interfere with the quiet repose of the neighborhood, and generally to adopt noise regulations in the interest of the general welfare of the residents.

(D) All buildings, structures and their appurtenances as well as the landscaping, sodding and appearance of each lot shall be maintained in a reasonable state of repair and aesthetically pleasing in appearance without unsightly weeds and similar conditions. In the event of damage to a building or other structure by fire or other casualty, the exterior of a building or structure shall be repaired within six (6) months or the building structure shall be demolished and the premises cleared of debris within six (6) months of the date the damage occurred. In the event a lot owner fails to comply with the requirements of this paragraph and written notice is given by the Declarant or Association specifying manner of default by the owner and the owner thereafter fails to correct the conditions, the Declarant and Association may cure

default by having the conditions corrected and the costs of the same may be assessed as a lien against the lot and the lot owner, and the lien may be enforced in the manner as set out in Section V above.

Section 5. Signs. Without the prior written permission of the Architectural Control Committee, no sign of any character shall be displayed on any lot except for a property identification sign not exceeding two square feet, and "for sale" or "for rent" signs not exceeding three square feet in size each. All signs must be either sandblasted or routed so that the appearance of signage is uniform. Nothing herein shall prohibit the Declarant from erecting, placing or maintaining such signs as may be deemed necessary or appropriate by the Declarant for carrying out the Declarant's identification and marketing of the Subdivision.

Section 6. Subdividing. Except as to any lot still owned by the Declarant, no lot shall be further subdivided, or its boundary lines changed, except with the prior written consent of the Declarant and the approval of Onslow County if approval is required. Likewise, no lot shall be used as a street, road, lane, way or easement over which access may be obtained from a Forest Ridge Subdivision lot to adjacent properties without the specific written consent of the Declarant. In the event the Declarant hereafter determines it necessary to alter or change any boundary lines or lot, then a revised plat of said Subdivision or section thereof subject to the alteration or change shall be recorded, and all such lots thereon shall be subject to the terms and conditions of these Covenants.

Section 7. Lot Recombinations. In the event an owner owns two adjoining lots and builds one residential structure thereon so that an additional primary residential structure may not be constructed thereon, so that the owner effectively combines two lots into one lot, then the owner upon application to and approval by the Association Board of Directors and Onslow County if so required, may be permitted to pay dues and assessments for only one lot. Upon such approval by the Board of Directors, thereafter binding on future boards and the owner's Association, the lot owner's vote at any special or annual meeting shall be reduced from one vote per lot to one total vote, and the minutes, records and membership list of the Association shall be so amended. Any further division of the recombined lots thereafter or the sale of one or more parts of either lot for future development will thereafter void such approval and the board is thereafter authorized to collect dues and assessments for each lot owned and the vote of the lot owner shall be restored to one vote per lot.

Section 8. Restrictions on Built-Up Area. In order to comply with the rules and regulations of the North Carolina Division of Coastal Management and other state agencies with regard to stormwater runoff, each owner of a lot shall be restricted to clearing, constructing and using as "built-upon" area not more than the specified total area or square footage of each lot, inclusive of that portion of the right-of-way between the front lot line and the edge of the pavement, structures, pavement, walkways of brick, stone, slate, but not including wood decking, for each section under State Stormwater Management permits, as set out on the attached exhibit.

Exhibit A sets out the maximum square feet of built-upon areas for Phases 1 and 2 lots per approved plans under permit # SW8 070529. As additional phases are submitted to these Covenants, an exhibit setting out the maximum square feet of built-upon areas for each lot in the subsequent phase shall be attached and binding on purchasers of the lots. The overall tract built-upon area percentage of the



project must be maintained at 25% per the requirements of 15 NCAC 2H.1005 of the stormwater rules.

"Built-upon area" is defined as that portion of a residential lot that is covered with impervious or partially pervious cover including buildings, pavement, recreation facilities, etc., but not including decking. The State of North Carolina is a third party beneficiary to the provisions of this paragraph and may enforce the same through proceedings, in law or in equity.

All lots shall maintain a minimum 30 foot wide vegetative buffer between all impervious areas and surface waters.

Section 9. Private Piers, Docks, Bulkheading and Filling of Lots. No lot shall be increased in size by filling in the waters or marsh on which it abuts without the prior written approval of the Architectural Review Committee, CAMA, and other appropriate state and federal agencies. Private docks are permitted but Declarant reserves the right to limit or restrict the number and location of private piers or docks on creekfront lots within subsequent sections hereafter brought under the operation of these Covenants.

Section 10. Docks and Compliance with Stormwater and Environmental Regulations. No docks, piers, walkways, gazebos, lifts or similar structures or facilities shall be permitted on or for any creekfront lot in Phases 1 and 2 or subsequent phases except with the prior approval of the Architectural Review Committee and appropriate federal and state agencies. The Declarant further reserves the right to regulate the number and location of private piers and docks and to ban walkways or docks over marsh areas if the Declarant determines in its absolute discretion that the same is necessary in order to protect or promote water views or to preserve the ecology.

Likewise, the drainage facilities, roads, utilities, areas of environmental concern, common areas and other properties within the Subdivision shall be maintained at all times in a manner consistent with all state and federal agencies, and the State of North Carolina shall have standing to enforce the provisions of these Covenants with regard to the Stormwater Management Permit and other relative matters. These covenants pertaining to stormwater may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality.

Section 11. Wetlands. Declarant has caused to be shown and delineated on a wetlands survey plat (herein wetlands survey) and verified by the U. S. Army Corps of Engineers, all wetland areas. All of the Properties subject to this Declaration shall also be subject to the special provisions herein relating to wetlands. Declarant in developing this Property has agreed with the State of North Carolina and the Department of the Army Corps of Engineers (pursuant to a permit issued by the State of North Carolina and the Corps of Engineers) to preserve and maintain the conservation areas as shown on the plats in perpetuity, and be these covenants hereby restricts and prohibits any future filling or other detrimental activities in the conservation and wetland areas which presently exist within the identified areas of the Property. Accordingly all conservation and wetlands areas shown and delineated on the wetlands survey shall be maintained in perpetuity in their natural or mitigated condition. No person or entity shall fill, grade, excavate, or perform any other land disturbing activities; nor cut, remove, burn or harm any vegetation; nor construct or place any roads, trails, walkways, buildings, signs utility poles, towers or



temporary or permanent structures, nor allow animal grazing or watering or any other agricultural use on such conservation area, nor drain or otherwise disrupt or alter the hydrology or drainage ways of the conservation areas, nor dump or store soil, waste or trash, or use for any agricultural or horticultural purpose. Benign structures, such as pile-supported walkways, may be permissible only after reviewed and written consent is provided by the U.S. Army Corps of Engineers.

The areas shown on the plat entitled "Conservation Area Plat of Forest Ridge" dated June 12, 2007, surveyed by Bell & Phillips Surveying, PLLC, as Conservation Area, said Area being hatched or shaded, shall be maintained in perpetuity in its natural or mitigated condition. No person or entity shall perform any of the following activities on such conservation area:

- a. Fill, grade, excavate or perform any other land disturbing activity;
- b. Cut, mow, burn, remove or harm any vegetation;
- c. Construct or place any roads, trails, walkways, buildings, mobile homes, signs, utility poles or towers, or any other permanent or temporary structures;
- d. Drain or otherwise disrupt or alter the hydrology or drainage ways of the conservation area;
- e. Dump or store soil, trash or other waste;
- f. Graze or water animals or use for any agricultural or horticultural purpose.

This covenant is intended to ensure compliance with the mitigation condition of authorizations issued by the United State of America, U.S. Army Corps of Engineers, Wilmington District, Action ID 2007 1463 067, and therefore may be enforced by the United States of America. These covenants and conditions are to run with the Property and shall be binding on the Declarant and all future owners of lots and all parties claiming thereunder.

This Section pertaining to the conservation areas and wetlands shall not be amended or modified without the express written consent of the U.S. Army Corps of Engineers, Wilmington District, with the following exceptions:

The owners of lots 57-59 and lots 69-76 in future phases shall have the right to apply for docks/piers through the NC Division of Coastal Management and shall be subject to all regulatory agencies pertaining to such application. The maximum corridor width for the docks/piers shall not exceed 10 feet. The owners of the common areas adjoining lot 76 in a future phase have a dedicated water access easement of a width not to exceed 22 feet.

## Section VII - Easements

A. Utility Easements. The Declarant reserves unto itself a perpetual, alienable and releasable easement and right-of-way on, over, under, through and upon the ground with men and equipment to erect, maintain, and inspect, repair and use electric and telephone poles, wires, cables, conduits, sewers, water mains and pipes and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewage, water and community utilities or conveniences in and over the front twenty feet of each lot and ten feet along one side line of each lot and such other areas as may be shown on the recorded map of the Subdivision, together with the right to cut drainways for surface water whenever action may appear to the Declarant to be necessary in or to maintain reasonable standards of health, safety

and appearance. These easements and rights-of-way expressly include the right to cut trees, bushes or shrubbery, grading of the soil, or to take similar actions reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. The Declarant further reserves the right to assign said easements to one or more public or private water and/or sewer utility companies for service to each lot in the future.

B. Street Lighting. The Declarant reserves the right to subject the real property in this Subdivision to a contract with Jones Onslow and/or Progress Energy or such other utility companies serving the property for the installation of underground electric cables which may require an initial contribution and/or the installation of street lighting, which will require a continuing monthly payment to the applicable electrical utility company by the owner of each building or the Association.

C. Drainage Easements. Each lot owner shall keep free and clear any and all drainage easements shown on the recorded map of the Subdivision, and each owner shall in no way obstruct, block or impede the flow of water through said drainage easements. In the event any lot owner should obstruct, block or impede the flow of water through said drainage easements or allow said obstruction or blockage to remain so as to impede the flow of water, then the Declarant, Association of property owners, or one or other property owners within the Subdivision shall have the right to clear said drainage easements and to recover from the party responsible the cost of said clearing if said obstruction or blockage were the results of deliberate acts or negligence of the responsible party.

D. Use and Maintenance of Public Roads; Street Disclosure. Pending transfer of the road to the North Carolina Department of Transportation or other governmental agency, all costs and responsibilities for maintenance and upkeep of the Subdivision roads shall belong to the Developer except that the Association shall cut the grass and fill in the shoulders of the road rights of way pending acceptance. The Developer has provided the County with a maintenance guaranty for these purposes. The Association shall provide as part of its annual dues all estimated costs for the cutting of grass and the filling of road shoulders pending acceptance by the Department of Transportation.

E. Subdivision Identification Signs. The Declarant reserves the right to place signs, fencing, brick or stucco walls, or other appropriate structures identifying Forest Ridge Subdivision in the middle of the entrance road or on one or more lots adjacent to or in close proximity to the intersection of the entrance road so as to identify said Subdivision and to protect the privacy and well-being of owners and residents upon approval of Onslow County. In the event any part of the walls, fencing or structures encroach onto any lot or road right of way, said encroachment may continue and the Declarant reserves the right to go on, over, under, through and upon the ground of such portion of the road or lots as may be necessary in order to make repairs or alterations to said walls and signs.

#### Section VIII - Covenants Run With the Land

These Covenants and restrictions shall run with the land and inure to the benefit of the lot owners for a term of twenty-five (25) years from the date these restrictive Covenants are recorded. Thereafter, said Covenants shall be automatically renewed and extended for successive periods of ten (10) years each. These Covenants and restrictions may be amended by an instrument executed by not less than two-thirds of

the lot owners within said Subdivision. Any amendment adopted pursuant to this section must be properly recorded.

#### Section IX - Violations

In the event of a violation or breach of any of these Covenants by any lot owner or other person, the Declarant, Owners' Association or any one or more 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 compliance with the terms and conditions set forth herein and to prevent the violation or breach of these Covenants, and to recover damages as compensation for a breach or violation of these Covenants. Any failure to enforce any right, reservation, or conditions contained in these Covenants, however long continued, shall not be deemed a waiver of the right 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.

#### Section X - Invalidation

The invalidation by a court or other public agency of any of the provisions of these Covenants shall not in any way affect any of the remaining provisions, and the same shall remain in full force and effect.

#### Section XI - Initial By-Laws and Rules and Regulations of Forest Ridge Owners Association, Inc.

The initial by-laws adopted by the Board of Directors of said Association are set forth on Appendix B attached hereto and incorporated by reference. All owners of lots and the guests, families and invitees of regular members, shall be bound by and fully comply with the by-laws of said Association as well as the Articles of Incorporation of said Association attached as exhibit a. the Association shall have the authority to adopt amendments to the by-laws governing the business and affairs of the Association from time to time in the manner and procedures prescribed by the by-laws and Articles of Incorporation attached as exhibits hereto. The by-laws set forth the organization of the Board of Directors and officers, the time and manner of meetings of the Association, quorum and voting procedures, and other rights, powers, responsibilities, duties and obligations of the officers, directors and members of the Association.

The Association shall further have the authority to adopt from time to time rules and regulations regarding the duties and responsibilities of the Association and its individual members with regard to the use, enjoyment, maintenance, ownership, upkeep and maintenance of Association properties and the purposes of the Association.

In witness whereof, the Declarant has executed this instrument on the day and year first above written.

PBB Investors, Inc.

By: 

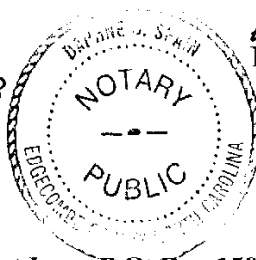
President

STATE OF NORTH CAROLINA  
COUNTY OF CARTERET

I, Daphne B. Spivey a Notary Public, in and for said County and State, do hereby certify that Alan Bell President of PBB Investors, Inc., a North Carolina Corporation, personally appeared before me this day and in the capacity as president of PBB Investors, Inc., acknowledged the due execution of the foregoing instrument for the purposes therein expressed for and on behalf of said corporation.

Witness my hand and official seal or stamp this the 7 day of November 2007.

My commission expires: 11/30/2008



Daphne B. Spivey  
Notary Public

Prepared by: **Richard L. Stanley, Attorney at Law, P.O. Box 150, Beaufort, North Carolina 28516**