

WITNESSETH:

THAT WHEREAS, Association is the owner of certain real property known as those streets shown on the plats of Ocean Hill, Section 1 recorded in Plat Cabinet A, Slides 136 through 140, Currituck County Registry and is the Successor in interest to Developers with regards to said streets; and WHEREAS, Owners are the owners of a majority of the lots within Section 1 of Ocean Hill Subdivision as shown on the aforesaid plat; and WHEREAS, the Developers of Ocean Hill Section 1 previously established the aforesaid property certain Restrictive Covenants, same being of record in Deed Book 157, page 143, et seq. As amended in the office of the Register of Deeds of Currituck County, North Carolina; and WHEREAS, pursuant to said covenants, an instrument signed by the majority of the owners within said Section 1 of said Subdivision may modify and change said covenants in whole or in part; and WHEREAS, Association and Owners, being owners of a majority of the streets and lots in section 1 Ocean Hill Subdivision, now deem it desirable to amend said Restrictive covenants as hereinafter set forth.

NOW, THEREFORE, for and in consideration of these premises, Association and Owners hereby covenant and agree that the following covenants and restrictions as herein amended are to run with the land and lots shown on the above mentioned plat and said covenants and restrictions shall be binding on all parties, entities or persons purchasing real property shown on the aforesaid plat or their heirs or designees or any persons claiming under them. *Book 776 page 520 ..., recorded 18 May 2004*

First: All lots in Ocean Hill, Section I shall be used for residential purposes only. No building shall be erected or placed or permitted to remain on any lot other than one detached single family dwelling not to exceed 2 1/2 stories in height and a private garage for not more than two cars; provided, however, where two or more contiguous lots are owned by the same person, firm or corporation, a dwelling and private garage, as herein provided, may be erected on one or more of the lots and on another contiguous lot there may be erected a detached private garage for not more than two cars in substitution for the attached garage on the principal lot, or a studio for the practice of the arts, such as but not limited to photography, painting, sculpturing, etc. or a horticultural green house for plants and flowers. *Book 157 pages 143-147 registered Aug 29, 1978*

SECOND: The design, materials and location on each lot of any home, residence, commercial structure or other permitted building or buildings or the alteration or addition thereto, before the beginning of work thereon, shall be submitted to the Ocean Hill 1 Property Owners Association Inc. for approval and its approval shall be a condition precedent to the beginning of work on the structure. *Book 776 page 520, recorded 18 May 2004*

Third: No building or structure, including porches, shall be erected on lots in Section I Ocean Hill nearer than 20 (twenty) feet to the front or side street line nor nearer than 15 feet to any interior site lot line, nor nearer than 30 feet to the rear lot line; provided, however, corner set backs shall be as shown on said plat. *Book 157 pages 143-147, registered Aug 29, 1978*

Fourth: No trailer, tent, shack or other temporary building shall be erected or placed on any lot within the subdivision. *Book 157 pages 143-147, registered Aug 29, 1978*

Fifth: No single-family dwelling shall be constructed on residential lots in section I Ocean Hill containing less than 1000 square feet of livable floor space. There shall be excluded from the above calculation all wall space, garages, breezeways, unfinished attics and Porches even though the breezeway and parches are enclosed. *Book 157 pages 143-147, registered Aug 29, 1978*

Sixth: No lot in said Subdivision shall be resubdivided or divided so as to form a lot having less area than contained in the original lot, but it is contemplated that Purchasers may purchase one or more lots or portions thereof, provided such lot so assembled shall not be of less area than either of the original lots forming a part thereof. *Book 157 pages 143-147, registered Aug 29, 1978*

Seventh: No sign of any kind shall be displayed to the public view on any lot except one sign of not more than five (5) square feet advertising the property for sale or rent.

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Eighth: No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot except that dogs, cats or other household pets may be kept provided they are not kept, bred or maintained for any commercial purposes. *Book 157 pages 143-147, registered Aug 29, 1978*

Ninth: No lot shall be used or maintained as a dumping ground for rubble. All trash, garbage or other waste shall be kept in sanitary containers and all incinerators or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. *Book 157 pages 143-147, registered Aug 29, 1978*

Tenth: No noxious or offensive activity shall be carried on upon any lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. *Book 157 pages 143-147, registered Aug 29, 1978*

Eleventh: No outside toilet shall be erected on said property and all toilets shall be connected with approved sanitary sewerage system. *Book 157 pages 143-147, registered Aug 29, 1978*

Twelfth: No jetty or fence of any type shall be erected or placed upon said lot except with the prior written approval of Ocean Hill 1 Property Owners Association, Inc. and all bulkheads must be of a type approved by the Ocean Hill 1 Property Owners Association Inc. and the Ocean Hill 1 Property Owners Association Inc's written approval shall be given prior to the beginning of construction of any bulkhead. *Book 776 page 520 ..., recorded 18 May 2004*

Thirteenth: These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for and up to August 15, 1978 after which time said covenants shall be automatically extended for successive ten year period of ten (10) years unless and instrument signed by a majority of the then owners of the Lots within Section 1, Ocean Hill Subdivision has been recorded agreeing to change said covenants in whole or in part. *Book 776 page 520 ..., recorded 18 May 2004*

Fourteenth: Fair Share Property Owner Obligations

14 (a) Property Owners Association: A corporation named Ocean Hill 1 Property Owners Association, Inc. (OH1POA) was formed in 1990 pursuant to the rules and requirements of the Nonprofit Corporation Act (Chapter 55A) of the General Statutes of North Carolina, as an association of the owners of Lots in Ocean Hill, Section 1. The purpose of this association is: to oversee, implement and enforce the covenants and conditions for preserving the architecture, appearance, and the community health and safety described in the Declaration of Protective Covenants and Conditions which are recorded in Book 157, Page 143 of the Currituck County Registry as amended ("Declaration"); to represent the interests of the property owners and members of OH1POA through meetings, newsletters, etc., with priority items decided on by majority vote of the membership and/or its Board of Directors; to perpetually own, hold, maintain, regulate, improve, and/or beautify without profit to itself, personal and real property to include roads, walkways and other common elements as shall be established, erected, or laid out by OH1POA to which the Declaration has been made applicable; to provide and pay for such insurance and other expenses and costs including reasonable attorney fees as may be necessary from time to time to insure and protect the association and any property owned or held by it; to engage in any lawful act or activity for which a nonprofit corporation may be organized under Chapter 55A of the North Carolina General Statutes; and to collect assessments to cover its costs for these activities as hereinafter stated.

14 (b) Membership: Each Owner of a Lot within Ocean Hill Section 1 shall be a member of the Association. Each member shall be entitled to one vote in person or by proxy for each Lot owned provided, however, when more than one person holds an interest in any Lot, all such persons shall be members and, the vote for such Lot shall be executed as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any Lot.

14 (c) Annual Dues Assessment: Each lot owner is responsible for payment of annual dues for the Ocean Hill 1 Property Owners Association, Inc. to enable the association to carry out its normal chartered responsibilities on behalf of all lot owners. Such assessment shall not exceed \$250.00 per lot in 2007 adjusted for inflation in following years. The annual dues assessment and a planned budget for each year shall be proposed by the Board of Directors and approved by a majority vote of the attendees in person or by proxy at the annual meeting at which a quorum is present.

14 (d) Special Assessments: The Association may from time to time make a Special Assessment to fulfill its chartered obligations including the cost of construction, repair or replacement of the community use elements. A Special Assessment proposal will include purpose, total amount, allocation by lot, payment terms and collection recourse. Each Special Assessment must be recommended by a majority vote of the Board of Directors and approved with the assent of fifty-one percent (51%) of the votes of all Lot Owners in the Subdivision in person or by proxy at a specially called meeting for that purpose. Proxies and votes may be forwarded by email. Each lot owner is then responsible for payment of that special assessment to the Ocean Hill 1 Property Owners Association, Inc. in accordance with the terms of the assessment.

14(e) Enforcement: The total amount of an approved assessment represents a lien against the property reduced by payments made according to the payment terms specified in the assessment. Any assessment payments not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum. For payments in arrears by more than 90 days the Association may bring an action at law against the Lot owner(s) personally obligated to pay the same, or foreclose the lien against the property in a like manner as a real estate mortgage or deed of trust pursuant to Chapter 45 of the North Carolina General Statutes and any attorney fees incurred by the Association as a result of its bringing an action at law or foreclosure shall be added to the assessment owing and shall be a lien upon the lot as allowed by law. Each such assessment, together with such interest thereon and cost of collection (including reasonable attorney's fees) thereof, shall also be the personal obligation of the person (or persons) who was the owner of such property at the time the assessment was approved. Payment in full of the outstanding balance of existing assessments, including penalties and legal expenses, are due upon sale of property.

14 (f) Subordination of the Lien to Mortgages: The lien of the assessments and related expenses including attorney fees provided for herein shall be subordinate to the lien of any valid mortgage provided, however, any such lien shall not be subordinate to any mortgage recorded after the assessment became due. *Book 992 pages 334-406 Recorded March 1, 2007.*

Covenant Change Process:

These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for and up to August 15, 1978 after which time said covenants shall be automatically extended for successive periods of 10 years with respect to said section unless an instrument signed by a majority of the then owners of the lots within said section has been recorded agreeing to change said covenants in whole or in part. *Book 157 pages 143-147, registered Aug 29, 1978*

Covenant Enforcement Process:

The Association and/ or any lot owner may enforce these covenants. Enforcement shall be by proceeding at law or in equity against any person or persons violating or attempting to violate any covenant either to restraint violation or recover damages. *Book 776 page 520 ..., recorded 18 May 2004*

Alternative Use Restriction

There are currently accesses for the benefit and use of Ocean Hill 1 owners to the Ocean. It is hereby declared that only Owners and their guests may use these accesses. The Association does hereby specifically forbid any group of people or type of entity to purchase a lot solely for the purpose of gaining access to the Ocean. *Book 559 page 880, 939 recorded 12 Dec 2001*