

RECORDED AND VERIFIED
REBECCA P. TURNER
REGISTRY OF DEEDS
NEW HANOVER CO. NC

STATE OF NORTH CAROLINA,
COUNTY OF NEW HANOVER.

DECLARATION OF JUN 8 4 42 PM '82
ARTICLES OF COVENANTS,
CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made this the 3rd day of JUNE, 1982, by CLUB COLONY OF WRIGHTSVILLE BEACH, INC., a North Carolina corporation, with its principal office at Camp Realty Company, P. O. Box 790, Wilson, North Carolina 27890, hereinafter referred to as DECLARANT;

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, the Declarant is the fee simple owner of a certain tract of real property located at Wrightsville Beach, New Hanover County, North Carolina as hereinbelow defined; and

WHEREAS, the Declarant desires to establish certain restrictions, covenants and conditions with respect to the use, enjoyment and ownership of the hereinbelow defined property for the purpose of protecting the value and desirability of the hereinbelow defined property, and which shall run with the said property, and which shall be binding on all parties having any right, title or interest in said property, or any parcel thereof, their heirs, devisees, personal representatives, successors and assigns, and which shall inure to the benefit of each owner thereof;

NOW, THEREFORE, with respect to all of the hereinbelow defined property and for the purposes stated hereinabove, the Declarant does hereby declare that all of the hereinbelow defined property shall henceforth be held, sold, and conveyed subject to the following Articles of Covenants, Conditions, and Restrictions.

ARTICLE I

DEFINITIONS

For the purpose of these Articles of Covenants, Conditions and Restrictions the following definitions shall apply:

1. "DECLARANT" shall mean and refer to CLUB COLONY OF WRIGHTSVILLE BEACH, INC., a North Carolina corporation, and/or its successors in interest.
2. "ASSOCIATION" shall mean and refer to the NORTH SHORES TOWNHOUSES HOMEOWNERS' ASSOCIATION with its office being located at 1304 North Lumina Avenue, Wrightsville Beach, North Carolina, and/or its successors in interest.
3. "PROPERTY" shall mean and refer to all of the real property subject to this Declaration, described as follows:

BEING all of Lot 3, Block 15 of North Shores as the same is shown on a map thereof duly recorded in Map Book 3 at Page 75 of the New Hanover County Registry, reference to which map is hereby made for a more complete description, and being the same property described in deed recorded in Book 1198 at Page 1164 of the New Hanover County Registry. Said property being shown on map of the NORTH SHORES TOWNHOUSES TRACT according to a survey by Jack Stocks, R. L. S., said map being recorded in Map Book 21 at Page 12 of the New Hanover County Registry.
4. "LOT" shall mean and refer to any one of those 2 parcels of real property, measuring 28 feet by 35 feet located on the above described property and designated by the numbers 1 and 2 upon the map of NORTH SHORES TOWNHOUSES by Jack Stocks, R. L. S., recorded in Map Book 21 at Page 12, of the New Hanover County Registry.
5. "TOWNHOUSE" shall mean and refer to any one of the 2 single-family residential dwellings constructed upon the 2 lots on the property.

6. "OWNER" shall mean and refer to any one of those individuals or entities who hereafter shall purchase, and/or are conveyed, and/or hold a fee simple title to any lot and townhouse, including contract sellers, but excluding the Declarant, and those holding or acquiring such title merely as security for the performance of any obligation.

7. "COMMON ELEMENTS" shall mean and refer to:

(a) all of the real property located within the property which is not shown as a lot upon the map of NORTH SHORES Townhouses recorded in Map Book 21 at Page 12 of the New Hanover County Registry.

(b) all of the improvements on the real property described in Paragraph (a) hereinabove, including, but not limited to:

(i) the pavements for drives and parking areas;

(ii) all lawns, trees, shrubs and other vegetation;

(iii) all drainage and sewer pipes and other such facilities located upon or under the common elements;

(iv) all utility installments, fixtures and facilities of whatever nature, excluding air conditioners but including fixtures and installations for electricity, lighting and water located upon, under or for the benefit of the common elements;

(v) all other apparatus, equipment and installations existing upon, beneath or for the benefit of the common elements, of whatever nature or kind.

8. "DEVELOPMENT" shall mean and refer to the whole of the planned residential development to be known as NORTH SHORES TOWNHOUSES which shall consist of all of the property, which the Declarant has subdivided into 2 lots and the common elements, plus the improvements to the common elements, as described hereinabove. Each of the 2 lots shall be improved by the Declarant by the construction thereon of a townhouse; each townhouse being a separate and independent dwelling; except, however, said townhouses shall share a party wall. The Townhouses shall share and enjoy a common roof and a common concrete slab. The common elements with the improvements constructed thereon by the Declarant, shall be conveyed to and owned by the Association. The development shall be a private residential community and all of the property, and all of the improvements thereon, shall be private property and nothing in these Articles, nor in the recording of any map or deed pursuant hereto, shall dedicate (or be deemed to dedicate) to public use any of the property, or the improvements thereon.

ARTICLE II

THE ASSOCIATION

1. PURPOSE. The NORTH SHORES TOWNHOUSES HOMEOWNERS' ASSOCIATION is a non-profit association of homeowners, the purpose of said Association being the establishment of a private homeowners' association for the owners of the lots and townhouses in the residential development known as NORTH SHORES TOWNHOUSES, and to provide the essential services necessary to preserve, protect, maintain, and care for the development known as NORTH SHORES TOWNHOUSES, to the mutual benefit of all owners of lots and townhouses therein, all as outlined hereinbelow, and more particularly described in the By-Laws of the Association.

2. MEMBERSHIP. There shall be 2 memberships in the Association and no others. Each membership shall be appurtenant to the ownership of a lot and townhouse in the development, and may not be severed or transferred separate or apart from the transfer of the lot and townhouse to which it is appurtenant. For the purposes of this Article, the Declarant shall be deemed an owner so long as it owns any lots and townhouses in the development.

3. OWNERSHIP. The Association shall be conveyed by the Declarant and shall own in fee all of the common elements of the property, and all of the improvements thereon. Additionally, the Declarant hereby grants to the Association

an easement of ingress, egress and regress over and upon each lot and townhouse for the purpose of performing the exterior and roof maintenance to the townhouses as more particularly described hereinbelow.

4. **MANAGEMENT AND CONTROL.** Subject to the provisions of Article III of this Declaration, the affairs of the Association shall be governed, managed and controlled by the Board of Directors, elected by the membership as provided in the Association's By-Laws, the terms and provisions of which are incorporated herein as if fully set forth.

5. **POWERS, PRIVILEGES, RIGHTS AND OBLIGATIONS.** The Association in order to fulfill the purposes for which it has been formed, shall have and possess, and shall perform and exercise the following powers, privileges, rights and duties:

(a) **RULE MAKING:** The Association shall, from time to time, make and amend, pursuant to the provisions of its By-Laws, reasonable rules and regulations governing the owners' use and enjoyment of their townhouses, lots, the common elements and the improvements thereon;

(b) **MAINTENANCE:** The Association shall be responsible for the upkeep, maintenance, protection, preservation, repairs, reconstruction and/or replacement of (i) the common elements, (ii) all improvements and any additions to the common elements, (iii) the asphalt shingle roofs of the townhouses, and (iv) the exteriors and appointments to the townhouses; provided, however, that in the event that any of the above is necessitated by the willful act or active or passive negligence of any owner, his family, guests, invitees or tenants, then the cost of the same shall be legally the personal obligation of said owner and if not paid to the Association upon demand, may be added to the annual assessment levied against said owner's lot and townhouse, as said assessment is defined hereinbelow;

(c) **INSURANCE:** The Association shall obtain and maintain, to the extent obtainable, the following:

(i) Fire Insurance with extended coverage, vandalism and malicious mischief endorsements, insuring all improvements upon the common elements and all townhouses (including the bathroom and kitchen fixtures initially installed therein by the Declarant, but not including furniture, furnishings, or other personal property supplied or installed by owners or tenants of owners) and covering the interests of the Association, the Board of Directors and all owners and their mortgagees or beneficiaries under deeds of trust, as their respective interests may appear;

(ii) Public Liability Insurance in such limits as the Board of Directors of the Association may, from time to time, determine necessary covering each member of the Board of Directors, each officer of the Association, the Association and each owner of a lot and townhouse; such public liability insurance shall also cover cross-liability claims of one insured against another;

(iii) such other insurance as the Board may determine is necessary for the protection of the development, the Association, its directors, officers and members.

(iv) the owners of townhouses and lots shall not be prohibited from carrying other insurance for their own benefit provided that such policy shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Association shall not be effected or diminished by reason of any such additional insurance obtained by any owner of a townhouse and lot in the development.

(d) FISCAL MANAGEMENT. The Association shall be responsible for annually preparing a budget for the Association, determining therein the projected annual costs to the Association of performing all of the duties of the Association. Once said budget has been approved by the membership of the Association as outlined in its By-Laws, the Association shall thereafter assess each owner of a lot and townhouse within the development his prorata share (one-half) of the projected annual costs to the Association, as described hereinabove. Said annual assessment shall constitute a lien in favor of the Association upon each lot and townhouse against which such assessment is levied, and shall remain a lien until paid. In addition, each assessment shall be the personal obligation of the owner of the lot and townhouse against which such assessment is levied at the time such assessment is levied. In the event the assessments as described hereinabove remain unpaid, the Association shall have the right and duty to attempt to recover such unpaid assessments, together with interest thereon, and the expenses of any and all proceedings necessary, including reasonable attorney's fees, in an action brought against the owner on his personal obligation to the Association or by foreclosure of the lien against the lot and townhouse in favor of the Association for the enforcement of such assessments. In the event the Association forecloses the lien against a lot and townhouse, the procedure therefor shall be the same as that provided for judicial foreclosures of mortgages or deeds of trust by the general laws of the State of North Carolina. The lien for unpaid assessments provided for herein shall be subordinated to the lien of any first mortgage or first deed of trust against any lot and townhouse held by an institutional lender;

(e) MISCELLANEOUS. The Association shall have, in addition to all of the above, any and all powers, privileges, rights and duties as set forth in its By-Laws and the general laws of the State of North Carolina and any and all incidental and necessary powers, privileges, rights and duties necessary to fulfill the purposes for which the Association has been formed and to provide for the mutual needs of the owners of townhouses and lots within the development to insure the protection of the value and desirability of all of the property and improvements thereon of the development.

ARTICLE III

THE OWNERS

Every owner of a fee simple title to a lot and townhouse within the development shall be deemed to own, possess and have accepted:

(a) The membership(s) in the Association appurtenant to his lot(s) and townhouse(s).

(b) An undivided one-half (1/2) interest for each membership in the Association owned, in the Association and all of its assets;

(c) An easement of enjoyment, equal to that of all other owners, in and to the common elements, subject to:

(i) the right of each owner of a lot to the exclusive use and possession of that portion of the common area that is appurtenant to his lot, to-wit: that portion of the common area that lies northwardly or southwardly of the dividing line between the two lots extended to the easternmost and westernmost lines of the townhouse tract;

(ii) the right of the Association to suspend the voting rights and the right to the use of any of the common elements by any owner for any period which any assessment against his lot remains unpaid; and for a period not to exceed 60 days for any infraction of the published rules and regulations of the Association governing the use and enjoyment of the common elements;

(iii) the right of the Association to dedicate or transfer all or any part of the common elements to any public agency, authority, or utility for such purposes and subject to such conditions as the Association may determine, acting by and pursuant to the provisions of its duly enacted By-Laws;

(iv) the right of the Association to enact reasonable rules and regulations governing the use and enjoyment of the common elements and the improvements thereto;

(v) the right of any owner to delegate in accordance with the By-Laws of the Association, his right of enjoyment to the common elements and its facilities to members of his family, his tenants or contract purchasers who reside on the property.

(d) the duty of complying with and abiding by all of the provisions of these Articles, the By-Laws of the Association, and the Rules and Regulations of the Association.

ARTICLE IV

THE DECLARANT

In addition to all other rights, powers and privileges reserved herein to the Declarant, the Declarant further:

a. Reserves the right and power to appoint or designate the members of the Board of Directors of the Association until either:

(i) the date on which 100 percent of the townhouses and lots within the development have been sold by the Declarant and paid for, or

(ii) January 1, 1984;

whichever date first occurs. Until said date occurs, the Declarant, acting by and through its appointees or designees, shall have absolute control of the Association and its affairs, and no action taken by the membership of the Association pursuant to this Declaration or the By-Laws of the Association shall have any effect whatsoever without the prior written approval of the Declarant, acting by and through said appointees or designees. Upon either of the above referenced dates, the president of the Association shall follow the procedures outlined in the By-Laws of the Association for the transition of control of the Association from the Declarant to the membership of the Association;

(b) Reserves the right absolutely to change, alter or redesignate the allocated, planned, platted or recorded use or designation of any of the property (so long as the Declarant retains title to said property) including, but not limited to, the right to change, alter or redesignate road, utility and drainage facilities and easements, and to change, alter or redesignate such other present and proposed amenities or facilities as may, in the sole judgment and discretion of the Declarant be necessary or desirable;

(c) Reserves unto itself a perpetual, alienable and releasable easement and right on, over and under the ground to erect, maintain and use electric and telephone poles, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone, television and cable facilities, gas, sewer, water, or other public conveniences, or utilities on, in or over any of the property. These easements and rights expressly include the right to cut any trees, bushes, or shrubbery, make any gradings of the soil, or to take any other similar actions reasonably necessary in the opinion of the Declarant to provide economical and safe utility installations;

(d) Reserves the right to subject the property to contracts with electric, telephone, cable television, and other utilities for the installation of underground cables, wires, pipes or other necessary conduits, for utilities, any of which may require an initial payment and continuing monthly payments for the use thereof by the owners of lots and townhouses within the development.

ARTICLE V

GENERAL PROVISIONS

(a) ENFORCEMENT. The Association, the Declarant or any owner, shall have the right to enforce, by any proceeding at law or in equity, all of the conditions, covenants and restrictions of these Articles, and any and all liens hereinafter imposed pursuant to the provisions of these Articles. Failure by the Association, the Declarant or any owner to enforce any of the above shall in no event be deemed waiver of the right to do so thereafter. In addition to the foregoing, the Declarant shall have the right whenever there shall have been built on any lot any structure which is in violation of these Articles, the By-Laws or the Rules and Regulations of the Association, to enter upon said lot where such violation exists, and summarily abate or remove the same at the expense of the owner, if after thirty days written notice of such violation, it shall not have been corrected by the owner, any such entry and abatement or removal shall not be deemed a trespass.

(b) INVALIDATION. The invalidation of any one of the covenants, conditions, or restrictions contained in these Articles by any court, agency, or legislature shall in no way affect any of the other covenants, conditions, or restrictions contained in these Articles, and they shall remain in full force and effect.

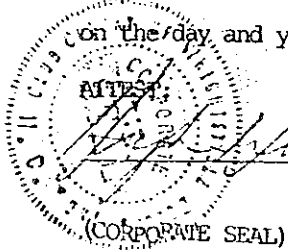
(c) DURATION AND AMENDMENT. All covenants, conditions or restrictions set forth within these Articles shall run with the property, and all portions thereof, and shall be binding upon all parties having any right, title or interest in the property, or any portion thereof, their personal representatives, heirs, devisees, successors and assigns, and shall inure to the benefit of the same, for the term of twenty (20) years, commencing with the date these Articles are recorded in the New Hanover County Registry, after which term these Articles shall be automatically extended for successive periods of ten (10) years unless one hundred percent of the then owners agree to revoke the same and do so by an instrument signed by one hundred percent of the then owners and recorded in the New Hanover County, North Carolina Registry. The word "owner" as used in this Paragraph is intended to include the Declarant as well as the owners of lots and townhouses, but not those having an interest in any of the property for the purpose of securing the performance of any obligation.

(d) GENDER. The use of the masculine gender in these Articles shall be deemed to include the feminine gender, and the neuter gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

(e) CAPTIONS. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Articles or the intent of any provision hereof.

(f) INCORPORATION. All of the powers, duties, privileges, obligations and rights of the Association, its Board of Directors, its officers, its members, the Declarant and all others who may hereafter own, hold or have any right, title or interest in or to the property or any portion thereof all as set forth in and all other provisions of, the duly enacted By-Laws and Rules and Regulations, and all duly adopted amendments, modifications and repeals thereof, of the Association are incorporated herein by reference and are made a part hereof as if fully stated herein.

IN WITNESS WHEREOF, the Declarant has executed this instrument on the day and year first hereinabove written.



[Signature]
Secretary

CLUB COLONY OF WRIGHTSVILLE BEACH, INC.
BY: *[Signature]*
President

STATE OF NORTH CAROLINA,

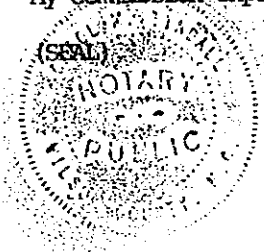
COUNTY OF Wilson

I, Carol M. Syndall, a Notary Public in and for the County and State of Wilson, North Carolina do hereby certify that Hugh M. Husey III personally came before me this day and acknowledged that he is Secretary of CLUB COLONY OF WRIGHTSVILLE BEACH, INC., a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President sealed with its corporate seal and attested by himself as its Secretary.

WITNESS my hand and notarial seal, this the 3rd day of June, 1982.

Carol M. Syndall
NOTARY PUBLIC

My commission expires: July 26, 1984



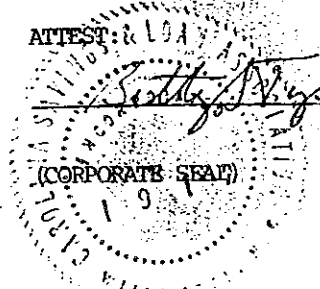
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JOINDER AND CONSENT OF TRUSTEE AND BENEFICIARY/MORTGAGEE

CAROLINA SAVINGS & LOAN ASSOCIATION and JAMES B. SWALLS, Trustee, join in the execution of this Declaration of Articles of Covenants, Conditions and Restrictions for the sole purpose of subjecting, submitting and subordinating and they, and each of them, do hereby subject, submit and subordinate any and all right, title and interest in the property described in the foregoing Declaration, that they have, or either of them has, or may have, by virtue of that Deed of Trust recorded in Book 1198 at Page 1166 of the New Hanover County Registry, and every provision hereof and to the jurisdiction of the NORTH SHORES TOWNHOUSES HOMEOWNERS' ASSOCIATION as the same may be amended or supplemented from time to time.

IN WITNESS WHEREOF, CAROLINA SAVINGS & LOAN ASSOCIATION has caused this instrument to be signed in its name by its proper corporate officers and its corporate seal to be hereto affixed and JAMES B. SWALLS, TRUSTEE has hereunto set his hand and seal, all on this the 8th day of June, 1982.

ATTEST: Betty S. Tyson



CAROLINA SAVINGS & LOAN ASSOCIATION
BY: A. E. Wood

James B. Swalls (SEAL)
JAMES B. SWALLS, TRUSTEE

STATE OF NORTH CAROLINA,
COUNTY OF NEW HANOVER.

I, S. Cory Gore, Jr., a Notary Public in and for the County and State of New Hanover, North Carolina do hereby certify that Betty S. Tyson personally came before me this day and acknowledged that she is Secretary of CAROLINA SAVINGS & LOAN ASSOCIATION, a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President sealed with its corporate seal and attested by herself as its Secretary.

WITNESS my hand and notarial seal, this the 8th day of June, 1982.

My commission expires: 12/22/85
(SEAL)

S. Cory Gore, Jr.
NOTARY PUBLIC

STATE OF NORTH CAROLINA,
COUNTY OF NEW HANOVER.

PERSONALLY appeared before me, S. Cory Gore, Jr., a Notary Public in and for the County and State of New Hanover, North Carolina JAMES B. SWALLS, TRUSTEE, who acknowledged the due execution of the foregoing instrument for the uses and purposes therein expressed.

WITNESS my hand and seal, this the 8th day of June, 1982.

My commission expires: 12/22/85
(SEAL)

S. Cory Gore, Jr.
NOTARY PUBLIC

STATE OF NORTH CAROLINA, New Hanover County
The Foregoing Certificate(s) of Carol M Tyndall and S. Corey Gore, Jr., Notaries
Public

(is)(are) certified to be correct.
This 8th day of June, A.D., 19 82

Rebecca P. Tucker, Register of Deeds
By 