

5/12/82

BOOK PAGE

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RECORDED AND VERIFIED  
REBECCA P. TUCKER  
REGISTER OF DEEDS  
NEW HANOVER CO. NC

MAY 12 3 36 PM '82

STATE OF NORTH CAROLINA : DECLARATION OF COVENANTS,  
COUNTY OF NEW HANOVER AND UNIT OWNERSHIP OF  
SAND RIDGE TOWNHOUSES II

THIS DECLARATION, made this 12<sup>th</sup> day of <sup>May</sup>~~February~~, 1982,  
by C & T INVESTMENT, a North Carolina General Partnership,  
hereinafter referred to as "DECLARANT";

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W I T N E S S E T H :

WHEREAS, DECLARANT is the owner of certain property in  
the Town of Wrightsville Beach, New Hanover County, North  
Carolina, which is more particularly described as follows:

BEING ALL of Sand Ridge Townhouses II as shown  
on the map thereof recorded in Condominium Plat  
Book 2 at Pages 95 and 96 of the New  
Hanover County Registry.

NOW, THEREFORE, DECLARANT hereby submits the above described  
property to unit ownership pursuant to North Carolina General  
Statutes §47A-13 and hereby declares that all of the properties  
described above shall be held, sold, and conveyed subject  
to the following easements, restrictions, covenants, conditions,  
uses and obligations which are for the purpose of protecting  
the value and desirability of and which shall run with the  
real property and be binding on all parties having any right,  
title or interest in the described properties or any part  
thereof, their heirs, successors and assigns, and shall inure  
to the benefit of each owner thereof.

ARTICLE I

DESCRIPTION OF BUILDINGS. The DECLARANT has constructed  
or will construct, upon the property described above, a two-  
story building with two (2) units to be used for residential  
purposes. A plat of survey by Jack G. Stocks, Registered  
Land Surveyor, showing the location of said building is hereto  
attached as Exhibit "A" and incorporated by reference. The

RETURNED TO

*David E. Hoffner*

building is of wood construction, contains 3,600 square feet and is divided into two (2) units. The building is constructed on raised wood pilings. The two (2) units are designated on Exhibit "A" hereto attached as Units 1 and 2. Each unit contains 6 rooms, 1,800 square feet and has access to all of the general common area designated in the above referenced Plat. The two (2) units share a common interior wall which separates the two units. Each unit is two stories in height and is bounded as to horizontal and vertical boundaries as follows: by the interior surfaces of its perimeter walls, two story ceilings and the land lying beneath the units as shown on the above referenced plat.

The general common areas and facilities are shown on Exhibit "A" and Exhibit "B" hereto attached. Each unit owner will receive with the conveyance of his unit an undivided one-half interest in general common area and facilities.

The limited common areas and facilities are also shown on Exhibit "A" and "B" hereto attached. Each unit owner will receive a one-half undivided interest and the exclusive right to possession of the limited common areas designated for use by his unit.

#### ARTICLE II

USE RESTRICTIONS. The use of the property shall be in accordance with the following provisions:

(a) Each of the Townhouses shall be occupied only by a family, its servants, and guests, as a residence and for no other purposes. No townhouse may be divided or subdivided into a smaller unit nor any portion thereof sold or otherwise transferred, but each unit may be rented by the owner thereof.

(b) The common areas and elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Townhouses.

(c) No use or practice shall be permitted on the Townhouse Property which is the source of annoyance to residents or

which interferes with the peaceful possession and proper use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor shall any fire hazard be allowed to exist. No Townhouse Owner shall permit any use of his Townhouse or of the Common Elements which will increase the rate of insurance upon the Townhouse Property or any part thereof. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. No single rooms may be rented.

(d) Reasonable regulations concerning the use of the Townhouse Property may be made and amended from time to time by the SAND RIDGE TOWNHOUSE II ASSOCIATION, (herein referred to as the "ASSOCIATION") in the manner provided by its By-Laws. Copies of the By-Laws and regulations are attached hereto and incorporated herein by reference.

#### ARTICLE III

EASEMENTS. Each of the unit owners shall have an easement in common with the other unit owner to use all pipes, ducts, cables, conduits, public utility lines and other common facilities, including but not limited to all sewer, water, gas, electricity, telephone, and cable television lines located in the other unit and serving his unit. Each unit shall be subject to an easement in favor of the owner of the other unit to use all pipes, ducts, cables, wires, conduits, public utility lines and other common facilities serving such other units and located in such unit. The ASSOCIATION shall have the right to be exercised by the Board of Managers or its Designee, to enter each unit from time to time, at reasonable hours as may be necessary for the operation of the property, to inspect the same, to remove violations therefrom, and to maintain, repair or replace the common facilities, if any, contained therein or else therein the building.

The DECLARANT hereby reserves and subjects the lands which are the subject to this Declaration to an easement of use and enjoyment by the owners and occupants of the respective townhouse units for ingress and egress to and from all of the common areas and facilities pertaining to SAND RIDGE TOWNHOUSES II. Easements are also hereby created for the installation, use, maintenance, repair and replacement of all necessary public utilities, including but not limited to sewer, water lines, gas, electricity, telephone and cable television for the use of the above described property known as SAND RIDGE TOWNHOUSES II.

All easements herein created and described shall be easements appurtenant to, and shall run with the land by whomsoever owned, whether or not the same shall be contained or referred to in any future deed or conveyance, and shall at all times inure to the benefit and be binding upon the undersigned, all its grantees and their respective heirs, successors, personal representatives or assigns.

ARTICLE IV

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

Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

ARTICLE V

NOTICE. The name and address of the process agent to

receive service of process in any matters affecting the property is as follows:

Mr. Terry F. Turner  
c/o Terry Turner, Inc.  
Suite B, The Landing  
530 Causeway Drive  
Wrightsville Beach, North Carolina 28480

ARTICLE VI

TAXES: Each individual unit and its one-half undivided interest in the common areas and facilities shall be deemed to be a separate parcel and shall be separately assessed and taxed for all types of taxes authorized by law, including but not limited to special ad valorem levies and special assessments. Each unit holder shall be liable solely for the amount of taxes against his individual unit and undivided interest in the common areas and facilities and shall not be affected by the consequence resulting from the tax delinquency of any other unit holder. Neither the building, the property, nor any of the common areas and facilities shall be deemed to be a separate parcel for the purposes of taxation.

ARTICLE VII

ASSESSMENTS. Assessments against unit owners by the Board of Managers made pursuant to the By-Laws shall, if not paid when due, create a lien on favor of the Association against the unit of the defaulting owner as provided in Chapter 47A of the North Carolina General Statutes, and shall be collected as provided therein and in the By-Laws hereto attached.-

ARTICLE VIII

LIENS. All liens provided for herein shall be subordinate, and are hereby subordinated, to the lien of any first mortgage or deed of trust given to any lender to secure a loan, the proceeds of which are used to finance the purchase of any unit or units, unless any such lien provided for herein shall have been recorded in the Office of the Clerk of Superior Court of New Hanover County prior to recordation to the said first lien mortgage or deed of trust in the Office of the Register of Deeds of New Hanover County, North Carolina.

ARTICLE IX

BINDING EFFECT. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the owner of any townhouse subject to this Declaration, their respective legal representatives, heirs, successors and assigns.

ARTICLE X

AMENDMENT. This Declaration may be amended at any time by an instrument in writing executed by the owners of both Units 1 and 2 of SAND RIDGE TOWNHOUSES and shall be effective upon the recording of such amendment in the Office of the Register of Deeds of New Hanover County.

IN WITNESS WHEREOF, C & T INVESTMENT has caused this instrument to be signed in its name by each of its partners, all on the day and year first above written.

C & T INVESTMENT,  
a North Carolina General Partnership  
By: TERRY TURNER, INC., Partner

By Terry Turner  
PRESIDENT

ATTEST:  
Margaret H. Turner  
Secretary

By: CAROLIN CORP., Partner

By LM Koso  
~~PRESIDENT~~ Senior Vice President

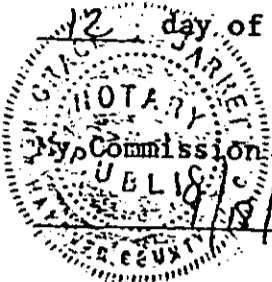
STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

I, a Notary Public in and for the aforesaid county and state do hereby certify that Margaret H. Turner personally appeared before me this day and acknowledged that she is the \_\_\_\_\_ Secretary of TERRY TURNER, INC., a North Carolina corporation, one of the Partners of C & T INVESTMENT, and that by authority duly given and as the act of the said 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 stamp or seal, this the



12 day of May, 1982.

Grace G. Barrett  
Notary Public

STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

I, a Notary Public in and for the aforesaid county and state  
do hereby certify that Betty S. Tyson personally appeared  
before me this day and acknowledged that she is the  
\_\_\_\_\_ Secretary of CAROFIN CORPORATION, a North  
Carolina corporation, one of the Partners of C & T INVESTMENT,  
and that by authority duly given and as the act of the said  
corporation, the foregoing instrument was signed in its name  
by its Sr. Vice President, sealed with its corporate seal, and  
attested by herself as its \_\_\_\_\_ Secretary.

WITNESS my hand and notarial stamp or seal, this the 12th  
day of May, 1982.

Grace G. Barrett  
Notary Public

My Commission expires:  
9/18/84



STATE OF NORTH CAROLINA, New Hanover County  
The Foregoing Certificate(s) of Grace G. Barrett, a Notary Public

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This 12th day of May, A.D., 19 82. (is/are) certified to be correct.

Rebecca P. Tucker, Register of Deeds  
By Linda P. Alston,  
Deputy

BY-LAWS  
OF  
SAND RIDGE TOWNHOUSE ASSOCIATION II

ARTICLE I.  
PLAN OF TOWNHOUSE UNIT OWNERSHIP

Section 1. TOWNHOUSE UNIT OWNERSHIP. The property located at 621 South Lumina Avenue, Wrightsville Beach, New Hanover County, North Carolina, hereinafter called the SAND RIDGE Townhouses II has been platted and a map thereof is recorded in the Office of the Register of Deeds of New Hanover County, North Carolina in Condominium Plat Book 2 at Pages 95 and 96.

Section 2. TITLE TO TOWNHOUSE UNITS. Title to Townhouse Units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants, or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary.

Section 3. APPLICABILITY OF BY-LAWS. The provisions of these By-Laws are applicable to SAND RIDGE TOWNHOUSES II, and its common elements and to the use and occupancy thereof. The term SAND RIDGE TOWNHOUSES II and its common elements as used herein shall include the land, the building and all other improvements thereon, all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith.

Section 4. APPLICATION. All present and future owners, mortgagees, lessees, and occupants of Townhouse Units and their employees and any other persons who may use the Declaration and Rules and Regulations pertaining to the use and operation of the Townhouse Property. The acceptance of a deed or conveyance, or the entering into of a lease, or the act of occupancy of a unit shall constitute an acceptance of the provisions of these instruments and an agreement to comply therewith.

Section 5. OFFICE. The office of the Owners Association and of the Board of Managers shall be located at 621 South Lumina Avenue, Wrightsville Beach, North Carolina, 28480.

ARTICLE II  
BOARD OF MANAGERS

Section 1. NUMBER AND QUALIFICATION. The affairs of the Townhouse Property and the Owners Association shall be managed by a Board of Managers. The Board of Managers shall be composed of two (2) persons, each of whom shall be an owner or spouse of an owner of a separate Townhouse unit, or in the case of partnership owners or mortgagees, shall be members or employees of such partnership, or in the case of corporate owners or mortgagees, shall be officers, shareholders, or employees of such corporations or in the case of fiduciary owners or mortgagees shall be the fiduciaries, or officers or employees of such fiduciaries.

Section 2. POWERS AND DUTIES. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Townhouse and Common Elements except such powers and duties as by law or by these By-Laws may not be delegated to the Board of Managers by the unit owners. The powers and duties to be exercised by the Board of Managers shall include, but not limited to, the following:

- (a) Operation, care, upkeep and maintenance of the common elements.
- (b) Determination of the amounts required for operation, maintenance and other affairs of the Townhouse and Common Elements.
- (c) Collection of the common charges from the unit owners;
- (d) Employment and dismissal of personnel as necessary for efficient maintenance and operation.

(e) Adoption and amendment of rules and regulations covering the details of the operation and use of the Townhouses and Common Elements.

(f) Opening of bank accounts on behalf of the Owners Association and designating the signatures required therefor;

(g) Obtaining insurance for the Townhouse Units, and Common Elements pursuant to the provisions of Article V, Section 2 hereof; and

(h) Making repairs, additions, and improvements to, or alterations of, the property and repairs to and restoration of the property in accordance with the provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

Section 3. ELECTION AND TERM OF OFFICE. The Board of Managers shall be elected at the first annual meeting of the unit owners, the term of office of the members of the Board of Managers shall be fixed at three (3) years. At the expiration of the initial term of office of each respective member of the Board of Managers, his successor shall be elected to serve for a term of three (3) years. The members of the Board of Managers shall hold office until their respective successors shall have been elected by the unit owners.

Section 4. VACANCIES. Vacancies in the Board of Managers caused by any reason shall be filled by vote of a special meeting of that unit's owners held for that purpose promptly after the occurrence of any such vacancy. Each person so elected shall be a member of the Board of Managers for the remainder of the term of the member so removed.

Section 5. ORGANIZATION MEETING. The first meeting of the members of the Board of Managers following the annual meeting of the unit owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by the unit owners at the meeting at which such Board of Managers

shall have been elected and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, providing a majority of the whole Board of Managers shall be present.

Section 6. REGULAR MEETINGS. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail or telegraph, at least three business days prior to the day named for such meeting.

Section 7. SPECIAL MEETINGS. Special meetings of the Board of Managers may be called by any board member on three business days notice to each member of the Board of Managers given by mail or telegraph, which notice shall state the time, place and purpose of the meetings.

Section 8. WAIVER OF NOTICE. Any member of the Board of Managers may, at any time, waive notice of any meeting of the Board of Managers in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 9. QUORUM OF BOARD OF MANAGERS. At all meetings of the Board of Managers, all members thereof must attend to constitute a quorum for the transaction of business, and the votes of all of the members of the Board of Managers shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than

a quorum present, the Board members present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, and business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 10. COMPENSATION. No member of the Board of Managers shall receive any compensation from the Association for acting as such.

Section 11. DEADLOCK. Any deadlock in voting shall be resolved by submitting the matter to arbitration in accordance with the Uniform Arbitration Act as set forth in the North Carolina General Statutes, Section 1-567.1 et seq.

ARTICLE III  
MEETINGS OF UNIT OWNERS

Section 1. PLACE. All meetings of the unit owners shall be held at the office of the Association or such other place as may be stated in the notice.

Section 2. ANNUAL MEETINGS.

(a) The annual meetings of the unit owners shall be held at Wrightsville Beach, North Carolina, in each year commencing in 1982, provided, however, that the first annual meeting will not be held until 30 days after the earlier of

(1) the sale of all condominium Property by the Declarant;

(2) notice by Declarant, or if not sooner held, the meeting shall be held on the first Friday in December, 1982.

At such meeting each unit owner shall elect a member of the Board of Managers. Thereafter, the annual meetings of the unit owners shall be held on the 1st Saturday in June, of each succeeding year. At such meeting the Board of Managers shall be elected by ballot of the unit owners in accordance with the requirements of Section 4 of Article II of these By-Laws.

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(b) Regular annual meetings subsequent to 1982 shall be held on the 1st Saturday in July of each succeeding year unless otherwise determined by the Board of Managers.

(c) All annual meetings shall be held at such hour as is determined by the Board of Managers.

(d) At the annual meeting, the members shall elect the new members of the Board of Managers and transact such other business as may properly come before the meeting.

Section 3. SPECIAL MEETINGS. It shall be the duty of the President to call a special meeting of the unit owners if so directed by resolution of the Board of Managers or upon a petition signed and presented to the Secretary by unit owners owning a total of at least fifty percent of the common interest. The notice of any special meeting shall state the time, place and purpose of the meeting. The business transacted at all special meetings shall be confined to the objects stated in the notice unless the Board of Managers unanimously consents to the transaction of business not stated in the notice.

Section 4. NOTICE OF MEETINGS. The Secretary shall mail to each unit owner of record a notice of each annual or special meeting of the unit owners, at least ten days but not more than twenty days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, at the building or at such other address as such unit owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this section shall be considered service of notice.

Section 5. ADJOURNMENT OF MEETINGS. If any meeting of unit owners cannot be held because a quorum has not attended, a majority in common interest of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not more than forty-eight hours from the time the original meeting was called.

Section 6. ORDER OF BUSINESS. The order of business at all meetings of the Unit Owners shall be as follows:

- (a) Roll Call;
- (b) Proof of Notice of Meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of Officers;
- (e) Report of Board of Managers;
- (f) Reports of Committees;
- (g) Election of members of the Board of Managers (when so required);
- (h) Unfinished business; and
- (i) New business.

Section 7. VOTING. The owner or owners of each Townhouse Unit, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be owner, shall be entitled to cast the votes appurtenant to such Townhouse Unit at all meetings of unit owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. The total number of votes of all Unit Owners shall be 2 and each unit owner shall be entitled to cast one vote at all meetings of the unit owners. A fiduciary shall be the voting member with respect to any Townhouse Unit owned in a fiduciary capacity.

Section 8. MAJORITY OF UNIT OWNERS. As used in these By-Laws the term "majority of unit owners" shall mean those unit owners having one hundred percent of the total authorized votes of all unit owners in person or by proxy and voting at any meeting of the unit owners, determined in accordance with the provisions of Section 7 of this Article.

Section 9. QUORUM. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit

Owners having one hundred percent of the total authorized votes of all unit owners shall constitute a quorum at all meetings of the unit owners.

Section 10. MAJORITY VOTE. The vote of a majority of unit owners at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where a higher percentage vote is required by law, or by these By-Laws.

Section 11. DEADLOCK. Any deadlock in voting shall be resolved by submitting the matter to arbitration in accordance with the Uniform Arbitration Act as set forth in the North Carolina General Statutes, Section 1-567.1 et seq.

ARTICLE IV  
OFFICERS

Section 1. DESIGNATION. The principal officers of the Owners Association shall be the President and Secretary and Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its judgment may be necessary. The President and Secretary and Treasurer must be members of the Board of Managers.

Section 2. ELECTION OF OFFICERS. Officers shall be elected annually by the Board of Managers.

Section 3. REMOVAL OF OFFICERS. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers or at any special meeting of the Board of Managers called for such purpose.

Section 4. PRESIDENT. The President shall be the chief executive officer of the Owners Association. He shall preside at all meeting of the unit owners and of the Board of Managers. He shall have all of the general powers and duties which are