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RECORDED & VERIFIED  
MARY SUE OOTS  
REGISTER OF DEEDS  
NEW HANOVER CO. NC

STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made this the 14<sup>th</sup> day of October, 1998, by Robert Alan Simmerman and wife, Susan S. Simmerman, William A. Peacock and wife Beverly S. Peacock, and James L. Kesler and wife, Jana L. Kesler, hereinafter referred to as "Declarant";

W I T N E S S E T H:

WHEREAS, Declarants are the owners of certain property in Wrightsville Beach, New Hanover County, North Carolina, which is more particularly described as follows:

Being all of Unit 4H in Station One Condominium, Phase 1, as the same is shown on a map thereof recorded in Condominium Map Book 1023 at Page 526 in the Office of the Register of Deeds of New Hanover County, North Carolina, to which map reference is hereby made for a more particular description, together with the appurtenant interest in the common area and facilities.

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NOW, THEREFORE, Declarant hereby declares that the property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, 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

Definitions

Section 1. Assessments means a share of the funds required for the payment of common expenses which from time to time are assessed to the unit owners.

Section 2. Common Expenses include the expenses of administration, maintenance, operation, repair and replacement (including a capital reserve for repair maintenance and replacement), for the Unit and payment of the premiums for master insurance policies, and such other expenses set out in this declaration or decided by the Unit Owners to be a common expenses.

Section 3. Declarant shall mean and refer to Robert Alan Simmerman and wife, Susan S. Simmerman, William A. Peacock and wife Beverly S. Peacock, and James L. Kesler and wife, Jana L. Kesler, their successors and assigns.

Section 4. Declaration shall mean this instrument as it may be from time to time amended or supplemented.

Section 5. Development shall mean the STATION ONE CONDOMINIUM.

Section 6. Eligible Mortgage Holder or eligible Holders is defined as a holder of a first mortgage or lien on a unit who has requested notice of certain matters from the Association.

Section 7. Managing Owner shall mean the Owner who handles the unit expense account, collection and deposit of assessments, and payment of the Unit expenses, as that person may change from time to time by agreement of the owners.

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Section 8. Mortgagee shall mean a beneficiary under a mortgage or Deed of Trust.

Section 9. Owners shall mean and refer to the Declarants, and their successors in title and assigns, the holders of a legal interest in the Unit. Owners may also be referred to as Unit Owners. If an interest is owned by a husband and wife, the couple shall be deemed one Owner, and shall not be able to split, or in any way divide their interest in the unit, or their right to use of the unit except as between themselves.

Section 10. Unit shall mean and refer to that certain real property hereinbefore described and shall be synonymous with Lot.

Section 11. Unit Expense Account shall mean that bank account opened to receive assessments and be used to pay unit expenses.

## ARTICLE II

### Property Rights

Section 1. Owners' Easements Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Unit and appurtenant rights, as limited by the terms contained in this Declaration, subject to the following provisions:

a. Each of the three interest owners shall have the right to use the Unit one third (1/3) of the time each year according to an agreed upon formula.

b. If don't pay assessments as required, the right to use of the Unit is automatically terminated. If other Unit Owners pay the assessments unpaid by another Owner, the paying Owner(s) shall be entitled to use the Unit for period that the defaulting owner would otherwise be entitled to use it.

Section 2. Assignment of Use. Owner may assign, in accordance his or her right of enjoyment to the Unit and facilities to the members of his family or guests.

Section 3. Rights of Enforcement. Any Owner is entitled to enforce the provisions contained in these covenants.

## ARTICLE III

### Right of First Refusal

In the event that any Owner of an interest in the Unit desires to sell their interest, they shall give written notice of such desire to the other owners of interests, and afford the other owners a reasonable opportunity (a minimum of 120 days) to purchase their interest before it is offered to non-owners. The sale price of the interest shall be determined as follows.

If all the owners cannot agree on the fair market price, the Selling owner shall choose an appraiser, the other owners shall choose an appraiser, and the two chosen appraisers shall choose a third appraiser. The fair market price shall be an average of the three appraisals.

If the selling owner's interest is not purchased by one, or more, of the non-selling owner(s), or a third party agreed upon by the non-selling owners within 120 days of receipt of the notice, then the entire unit shall be listed for sale at the agreed market value. The net proceeds of the sale shall be divided evenly among the owners.

Easements

Easements are reserved as necessary in the Unit for each Owner as may be reasonably necessary to perform emergency repairs originating in or threatening the unit regardless whether the owner that has the right, at that time, to occupy the unit. Any other owner, or any other person authorized by them, shall have the right to enter any unit for the purpose of remedying or abating the causes of such emergency and making any other necessary repairs. Any such right of entry shall be immediate.

ARTICLE V

Unit Control and Voting Rights

There shall be three (3) votes that control the use of and changes to the Unit and use thereof, one for each owner. Votes shall not be split. All decisions concerning the Unit, the use thereof and changes to the Unit and use thereof, shall be made only by a unanimous decision of the holders of the three votes.

ARTICLE VI

Covenants For Assessments

Section 1. Assessments. The Owners, whether or not it shall be so expressed in their deed, is deemed to covenant and agree to pay assessments as agreed upon by the owners.

Section 2. Purpose of Assessments. The assessments levied shall be used exclusively to promote the recreation, health, safety and welfare of the Owners of the Unit and for the improvements to and maintenance of the Unit, including but not limited to the following:

- a. Payment of all taxes and other municipal charges or fees assessed on the Unit, if any.
- b. To pay the premiums on all insurance carried by the unit owners that are for the benefit of all owners.
- c. Repair and upkeep of the unit and furnishing and fixtures that remain as part of the Unit.
- d. Homeowners association dues and assessments levied by the Station One Condominium association.

Section 3. Maximum Annual Assessment. There is no maximum annual assessment.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Unit, and to fixtures, and personal property related thereto.

Section 5. Rate of Assessment. Both annual and special assessments must be fixed at a rate that is sufficient to pay for all charges coming due for the unit. Dues will be collected on a monthly basis, or as determined by the Declarants, from time to time.

Section 6. Date of Commencement of Annual Assessments and Due Dates. The assessments provided for herein shall commence on the date as agreed upon by the unit owners.

Section 7. Effect of Nonpayment of Assessments and Remedies of the other Unit Owners. Any assessment 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, or the highest amount allowed by law, plus a Twenty Dollar (\$20) late payment handling fee. The other Unit Owners may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Unit or abandonment of his interest. Attorneys fees charged for collection shall be paid by, and a charge against, the non-paying unit owner.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any interest in the Unit pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 9. Rights of Eligible Mortgage Holders. To the extent permitted by law, an eligible mortgage holder upon written request to the Managing Unit Owner, identifying the name and address of the holder, will be entitled to timely written notice of:

- a. Any condemnation, loss or casualty loss which affects a material portion of the Unit on which there is a mortgage held by such eligible mortgage holder.
- b. Any delinquency in payment of assessments or charges owned by an owner of an interest in the Unit subject to a first mortgage held by such Eligible Holder, which remains uncured for a period of sixty days.
- c. Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders.

#### ARTICLE VII

##### Use Restriction

Section 1. Personal Residential Use. All interests in the Unit shall be used for personal residential purposes only. There shall be no commercial usage of the Unit, nor shall the Unit be part of the Station One, or any other similar, rental pool.

Section 2. Animals. No animals shall be kept or maintained in the Unit, including small dogs, cats or other household pets.

#### ARTICLE VIII

##### General Provision

Section 1. Enforcement. 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 unit owners to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no

way affect any other provision, ~~ratified~~ <sup>24,501</sup> other provisions shall remain in full force and effect.

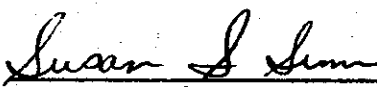
Section 3. Persons and Entities Subject to the Declaration. All present and future owners, tenants, and occupants of the Unit and their guests or invitees, shall be subject to, and shall comply with the provisions of the Declaration, as the Declaration may be amended from time to time. The acceptance of a Deed of conveyance or the entering into a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the Declaration are accepted and ratified by such owner, tenant or occupant and that they will fully comply with the terms and conditions of said Declaration. The covenants and restrictions of the Declaration shall inure to the benefit of and be enforceable by any Owner of an interest in the Unit, their respective legal representatives, heirs, successors and assigns, and shall run with and bind the land and shall bind any person having at any time an interest or estate in any Unit as though such provision were made a part of each and every deed of conveyance or lease.


Section 4. Amendment of Declaration. The covenants and restrictions of this Declaration may be amended by an instrument duly recorded in the Office of the Register of Deeds of New Hanover County signed by the Declarant, prior to transfer of Association control, and thereafter, by the President and Secretary of the Association, based on the requisite vote of the members at a meeting duly called at which a quorum existed; quorum is defined as all owners, if there are two or less Units, and 75% if there are more than two Units. No amendment shall alter any obligation to pay homeowners dues, ad valorem taxes, or assessments for public improvements, as herein provided, or affect any lien for the payment thereof established herein. In no event may the Declaration be amended so as to deprive the Declarant, its design or successors and assigns of any rights herein granted or reserved unto Declarant.

Section 5. Association documents available for inspection. The Managing Owner shall make available to other Unit Owners, holders of any first mortgage, and insurers or guarantors of any first mortgage, current copies of the Declaration, other rules concerning the Unit, and the books, records and financial statements for payment of expenses related to the Unit. "Available" means available for inspection, upon reasonable notice and request during normal business hours, or under other reasonable circumstances.

IN WITNESS WHEREOF, the Declarants, have hereunto set their hands and seals, all the day and year first above written.

  
\_\_\_\_\_  
Robert Alan Simmerman (SEAL)

  
\_\_\_\_\_  
Susan S. Simmerman (SEAL)

  
\_\_\_\_\_  
William A. Peacock (SEAL)

  
\_\_\_\_\_  
Beverly S. Peacock (SEAL)

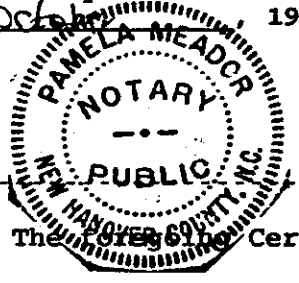
  
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James L. Kesler (SEAL)

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Jana L. Kesler (SEAL)  
Jana L. Kesler

STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

I, a Notary Public of the County and State aforesaid, certify that Robert Alan Simmerman and wife, Susan S. Simmerman, William A. Peacock and wife Beverly S. Peacock, and James L. Kesler and wife, Jana L. Kesler personally came before me this day and acknowledged the due execution of the foregoing instrument. Witness my hand and official stamp or seal, this 14 day of October 1998.



Pamela Meador  
Notary Public

My Commission Expires: 6/27/01

The above Certificate(s) of PAMELA MEADOR, A  
NOTARY PUBLIC

is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

MARY SUE OOTS, REGISTER OF DEEDS, FOR NEW HANOVER COUNTY.

BY: Jacqie Watson Deputy/Assistant-Register of Deeds