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STATE OF NORTH CAROLINA  
COUNTY OF BRUNSWICK

DECLARATION OF COVENANTS  
CONDITIONS, AND RESTRICTIONS  
OF  
HARBOUR LANDING SUBDIVISION

Prepared By: Thomas P. Heller

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF HARBOUR LANDING SUBDIVISION, made and entered into this 10<sup>th</sup> day of June, 2005 by SIDNEY MANSFIELD, WESLEY SIMPSON, DAVID S. BERNE, JEFF BERNE and CRAIG LEWIS to and with and on behalf of all persons hereafter owning, or acquiring any of the numbered lots shown upon that map of HARBOUR LANDING SUBDIVISION, recorded in Map Cabinet 32, at Page 361-363 of the Brunswick County Registry.

WITNESSETH:

WHEREAS, the undersigned are the owners and developers (hereinafter referred to as Developer or Declarant) of all of the numbered lots in HARBOUR LANDING SUBDIVISION, as shown on that map recorded in Map Cabinet 32, at Page 361-363 of the Brunswick County Registry; and

WHEREAS, the undersigned Developer desires to provide a uniform plan of development of said property for residential purposes, for the benefit of itself and all future owners of any of the numbered lots shown upon the said map;

NOW THEREFORE, the undersigned Developer does declare that each of the lots described above shall be owned, held, sold, and conveyed subject to the following covenants, conditions, restrictions, and easements which are for the purpose of protecting property herein described, 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.

## DEFINITIONS

Section 1. "Association" and "POA" shall be used interchangeably to mean and refer to HARBOUR LANDING PROPERTY OWNERS ASSOCIATION, INC., a private non-profit corporation formed or to be formed by the Declarant primarily as a Property Owners Association for the lot owners in HARBOUR LANDING SUBDIVISION, all of whom shall be members of the Association.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners.

Section 5. "Lot" shall mean and refer to any of the lots as shown on the plat of HARBOUR LANDING SUBDIVISION, recorded in Map Cabinet 32, at Page 36 of the Brunswick County Registry, together with the structure or dwelling thereon which structure may be separately referred to as a "Residential Unit", or "Unit".

Section 6. "Declarant" shall mean and refer to Sidney Mansfield, Wesley Simpson, Davis S. Berne, Jeff Berne and Craig Lewis or their successors in interest if such successors should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean this instrument as it may be from time to time amended or supplemented.

Section 8. "Eligible Mortgage Holder" or "Eligible Holders" is defined as a holder of a first mortgage or lien on a lot who has requested notice of certain matters from the Association.

Section 9. "Mortgagee" shall mean a beneficiary under a mortgage or Deed of Trust.

Section 10. "Developer" shall mean the individuals or other legal entities developing the subdivision.

## PROPERTY RIGHTS

Section 1. OWNERS' EASEMENTS OF ENJOYMENT. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every lot subject to the following provisions:

- a. The right of the Association to limit the number of guests or members.
- b. The right of the Association to suspend the voting rights and right to the use of the recreational facilities by an Owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.
- c. The rights of the Declarant (as set forth in Article XI).
- d. The right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area.
- e. The right of the Association to mortgage or convey all or part of the common area subject to such conditions as may be agreed to by the Association. No such dedication or transfer shall be effective unless an instrument creating such a dedication or transfer is signed by two-thirds (2/3) of each class of members (which votes may be cast in person or by proxy) and properly recorded. NO SUCH CONVEYANCE OR ENCUMBRANCE SHALL BE VALID UNLESS IT IS MADE SUBJECT TO EACH MEMBER'S RIGHT OF INGRESS AND EGRESS OVER SAID COMMON AREA AND, SO LONG AS THERE IS A CLASS B MEMBERSHIP, HUD, FHA, OR VA APPROVAL MAY BE REQUIRED. Nothing in this section shall limit Declarant's rights under Article XI herein.

Section 2. DELEGATION OF USE. Owner may delegate, in accordance with the by-laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. DECLARANT. Declarant specifically reserves the right to dedicate any or all common utility lines together with maintenance easements and roadways to the Town of Sunset Beach, at such time as the Declarant, at its sole discretion deems appropriate.

**EASEMENTS**

Section 1. Easements are reserved and may be granted by Declarant or the Association as necessary in the Common Areas for installation and maintenance of underground utilities and drainage facilities.

Section 2. The Association, acting through its officers, agents, servants, and/or employees shall have the right of unobstructed access at all reasonable times to all properties as may be reasonably necessary to perform the exterior maintenance called for in Article X of this Declaration.

Section 3. Easements are reserved over those portions of the Common Areas, Limited Common Areas and facilities that may be necessary or required to accommodate overhanging eaves or other cantilevered construction which may encroach upon the Common Areas or Limited Common Areas or the air and light space above such Common Areas.

Section 4. Each lot and all common areas and facilities and limited common areas and facilities are hereby subjected to an easement for landscape maintenance and for the repair, maintenance, expansion, reduction, inspection, removal, relocation, or other service of or to all gas, electricity, television, telephone, water, plumbing, sewer, utility, drainage, or other common areas and facilities, whether or not the cause of any or all of those activities originates on the lot or unit in which the work must be performed.

Section 5. Each lot and the property included in the Common Area, shall be subject to an easement for encroachments created by construction, settling and overhangs for all buildings constructed by Declarant, including sidewalks, walks, paths, patios, decks, fences, and other such similar appurtenances. A valid easement for said encroachments and for the maintenance of same, so long as such encroachments stand, stand and does exist. In the event that any structure containing two or more townhouses is partially or totally destroyed and then rebuilt, the owners of the townhouses so affected and other adjacent units agree that minor encroachments of or on parts of the adjacent townhouse units or Common Areas due to construction shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist.

Section 6. Ingress and egress is reserved for pedestrian traffic over, through, and across sidewalks, paths, walks, and lanes as the same from time to time may exist upon the common areas and facilities; and, for vehicular traffic over, through and across all driveways and streets as from time to time may be constructed and intended for such purposes, for all lot owners in all sections and phases of HARBOUR LANDING SUBDIVISION, their guests, families, invitees, and lessees, the Association, the Declarant, their successors and assigns. Declarant hereby reserves alienable easements over all streets and common areas as necessary to provide access for future development by Declarant or its successors and assigns of any properties adjoining the Project.

Section 7. An easement is hereby granted to all police, fire protection, ambulance and all similar persons, companies or agencies performing emergency services to enter upon the lots or units and common area in the performance of their duties.

Section 8. In case of any emergency originating in or threatening any unit or lot or the common areas and facilities, regardless of whether the lot owner is present at the time of such emergency, the Board of Directors or any other person authorized by it, 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 not performed by the unit owners, and such right of entry shall be immediate.

Section 9. All easements and rights described herein are easements appurtenant, running with the land, and shall inure to the benefit of and be binding on the undersigned, its successors and assigns, and any owner, purchaser, mortgagee and other person having an interest in said land, or any part or portion thereof, regardless of whether or not reference to said easement is made in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Declaration.

#### ARTICLE IV

##### MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

- a. CLASS 'A'. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot.
- b. CLASS "B". The Class B member shall be the Developer, and it shall be entitled to twenty (20) votes for each lot owned by it. The Class B membership shall cease and be converted to Class A membership upon the happening of either of the following events, whichever occurs earlier: (a) when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership, or (b) on \_\_\_\_\_

**ARTICLE V****COVENANTS FOR ASSESSMENTS**

**Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENT.** The Declarant, for each lot owned within the Properties, hereby covenants, and each Owner of any lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- a. Annual assessments or charges, and
- b. Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided;

The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. The Declarant shall not be required to pay assessments for lots owned by Declarant.

**Section 2. PURPOSE OF ASSESSMENTS.** The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvements and maintenance of the Common Area, specifically including, but not limited to, the maintenance, repair, and replacement of all streets, driveways, parking areas, access easements, and any other area intended for vehicular access and parking as shown on the recorded plats HARBOUR LANDING SUBDIVISION, maintenance and repair of all stormwater retention and drainage facilities as herein provided, maintenance and repair of all utility equipment not otherwise maintained and repaired by municipal, public, or private utility authorities, landscape maintenance, maintenance and operation of all lighting, fencing, and refuse collection facilities, including the prompt and full payment of all ad valorem property taxes and insurance for said common area(s).

**Section 3. ANNUAL ASSESSMENTS.** Lots shall not be subject to annual assessments until sold by the Declarant to an Owner. A unit shall become subject to annual assessments from the day following the day of conveyance by the Declarant to the Owner. The annual assessments shall be determined as follows:

- a. Until January 1 of the year immediately following the conveyance of the first lot to an Owner, the annual assessments shall be in an amount determined to be fair and reasonable by the Directors of the Association to carry out the responsibilities of the Association.

- 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 each year not more than five (5%) percent above the maximum assessment for the previous year without a vote of the membership.
- c. 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 five (5%) percent by vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- d. The Board of Directors may fix annual assessment in an amount not in excess of the maximum.

#### 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 the year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, PROVIDED THAT any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or proxies entitled to cast sixty percent (60%) of all of the votes of each class of membership 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 (1/2) 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 6. UNIFORM RATE OF ASSESSMENT. Both annual and special assessments must be fixed at a uniform rate for all lots or units and may be collected on a monthly or quarterly basis.

Section 7. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS AND DUE DATES. The annual assessments provided for herein shall commence as to all lots on the first day following the day of conveyance of the lot to an Owner, The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors and the Board of Directors shall have the authority to require the assessments to be paid in pro

rata monthly installments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid. The Declarant shall not be required to pay assessments for lots owned by Declarant.

**Section 8. EFFECT OF NONPAYMENT OF ASSESSMENTS AND REMEDIES OF THE ASSOCIATION.** Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum legal rate, together with all costs and reasonable attorney's fees associated with their collection, and all such sums shall become a lien upon the Owner's lot. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his unit.

**Section 9. 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 unit pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relive such units from liability for any assessments thereafter becoming due or from the lien thereof.

**Section 10. RIGHTS OF ELIGIBLE MORTGAGE HOLDERS.** TO the extent permitted by law, an eligible mortgage holder, upon written request to the Association, identifying the name and address of the owner and the holder, will be entitled to timely written notice of:

- a. Any condemnation, loss or casualty loss which affects a material portion of the project or any units on which there is a mortgage held by such eligible mortgage holder.
- b. Any delinquency in payment of assessment or charges owed by an owner of the unit subject to a first mortgage held by such Eligible Holder which remains uncured for a period of sixty days.
- c. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
- d. Any proposed action which would require the consent of a specific percentage of Eligible Mortgage Holders.
- e. In addition to the foregoing rights, the Eligible Mortgage Holders shall be afforded the following rights subject to the extent permitted by law and as allowed by the North Carolina General Statutes as they now exist or as may be amended from time to time.

- (1) Any election to terminate the legal status of the project after substantial destruction or a substantial taking in condemnation of the project property must require the approval of at least 51% of the votes of the unit estates subject to Eligible Mortgage Holders.
- (2) Unless otherwise provided in the Declaration or by-laws, no reallocation of interest in the common areas resulting from a partial condemnation or partial destruction of the project may be affected without the prior approval of Eligible Holders holding mortgages on all remaining unit estates whether existing whole or in part, and which have at least 51% of the votes of such remaining unit estates subject to Eligible Holders of mortgages.

**Section 11. INSURANCE.** It shall be the duty of the Association to maintain in effect casualty and liability insurance as follows:

- a. **Amount and Scope of Insurance:** The Association shall obtain insurance on the common areas and improvements thereon. All insurance policies shall be secured by the Board of Directors or its designee on behalf of the Association with full authority, which shall obtain such insurance against (1) loss or damage by fire or other hazards normally insured against, and (2) such other risks, including public liability insurance, for projects similar in construction. However, such liability coverage shall be for at least \$1,000,000.00 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insured for property damage, bodily injuries, and deaths of persons in connection with the operation, or maintenance or use of the common and limited common areas and legal liability arising out of lawsuits relating to employment contracts of the Association.
- b. **Insurance Provisions.** The Board of Directors shall make diligent efforts to ensure that said insurance policies provide for the following:
  - (1) A waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent or employee of the Association, the lot owners and their employees, agents, tenants and invitees.
  - (2) A waiver by the insurer of its right to repair and reconstruct instead of paying cash.
  - (3) Coverage may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least thirty days prior written notice to the named insured.

- (4) Coverage will not be prejudiced by act or neglect of the lot owners when said act or neglect is not within the control of the Association.
  - (5) The policy on the common area cannot be canceled, invalidated or suspended on account of the conduct of any one or more individual lot owners.
  - (6) The policy on the common area cannot be canceled, invalidated or suspended on account of any officer or employee of the Board of Directors without prior demand in writing that the Board of Directors cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association.
- c. **Premiums.** All insurance premiums on the common area for the benefit of the Association purchased by the Board of Directors or its designee and any deductibles payable by the Association upon loss shall be a common expense and the Association shall levy against the Owners equally as the Association shall levy against the Owners equally as an additional annual assessment, (herein called "Insurance Assessment") which shall be in addition to the amounts provided for under Section 3 above, an amount sufficient to pay the annual cost of all such insurance premiums.
  - d. **Proceeds.** All insurance policies purchased pursuant to these provisions shall provide that all proceeds shall be payable to the Board of Directors as insurance trustee or to such attorney at law or institution with trust powers as may be approved by the Board of Directors.
  - e. **Policies.** All insurance policies purchased by the Board of Directors shall be with a company or companies permitted to do business in the State of North Carolina and holding a rating of "A" or better by the current issue of Best's Insurance Reports. All insurance policies shall be written for the benefit of the Board of Directors and the lot owners and their mortgagees as their respective interests may appear, and shall provide that all proceeds thereof shall be payable to the Board of Directors and duplicates of said policies and endorsements and all renewals thereof, or certificates thereof, together with proof of payment of premiums, shall be delivered to the Owners at least ten (10) days prior to the expiration date with respect to the then current policies.

Section 12. **DISTRIBUTION OF INSURANCE PROCEEDS.** Proceeds of insurance policies shall be distributed to or for the benefit of the beneficial owners in the following manner:

- a. **Expenses of Trust.** All reasonable expenses of the insurance trustee shall be first paid or provisions made therefor.
- b. **Reconstruction or Repair.** The remaining proceeds shall be used to defray the cost of repairs for the damage or reconstruction for which the proceeds are paid. Any proceeds remaining after defraying such cost shall be distributed to the beneficial owners, including lienholders or record, or retained by the Association for such common expenses or purposes as the Board shall determine.

## **ARTICLE VI**

### **FIDELITY BONDS**

**Section 1. GENERAL.** The Association shall maintain blanket fidelity bonds for all officers, directors, employees and all other persons handling or responsible for funds of the Association. If the Association shall delegate some or all the responsibility for the handling of its funds to a management agent, such fidelity bonds shall be maintained by such management agent for its officers, employees and agents handling or responsible for funds of or administered on behalf of the Association.

**Section 2. AMOUNT OF COVERAGE.** The total amount of fidelity bond coverage required shall be based upon best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three months aggregate assessments on all units plus reserve funds.

**Section 3. OTHER REQUIREMENTS.** Fidelity bonds required herein must meet the following requirements:

- a. Fidelity bonds shall name the Association as an obligee.
- b. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions.
- c. The premiums on all bonds required herein for the Association (except for premiums on fidelity bonds maintained by a management agent for its officers, employees and agents) shall be paid by the Association as a common expense.
- d. The bonds shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at

least ten (10) days prior written notice to the Association, to any insurance trustee and each Eligible Mortgage Holder.

## ARTICLE VII

### ARCHITECTURAL CONTROL

Section 1. No landscaping, building, fence, wall other structure shall be permitted upon the Properties, nor shall any exterior addition to or change or alteration therein (including color of paint or finish) be made until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board.

Section 2. All duties and responsibilities conferred upon the Board of the Architectural Control Committee by this Declaration or the by-laws of the Association shall be exercised and performed by the Declarant or its designee, so long as Declarant shall own any lot in the Properties or any additional annexed thereto by Supplemental Declaration of Amendment to this Declaration.

## ARTICLE VIII

### USE RESTRICTIONS

Section 1. **LAND USE AND BUILDING TYPE.** All lots shall be used for residential purposes except that so long as the Declarant or the Developer shall retain ownership of any lots, it may utilize any such lot for sales or rentals, offices, models or other usage for the purpose of selling or renting lots or units within said project including the right to place "For Sale" or "For Rent" signs on such lot. The Declarant may assign this limited commercial usage right to any other person or entities as it may choose; provided, however, that when all lots have been sold, this right of commercial usage by the Declarant, its successors and assigns shall immediately cease. Co-ownership of lots shall not be prohibited. Any building erected, altered, placed, or permitted to remain on any lot shall be subject to the provisions of Article VIII of this Declaration of Covenants, Conditions, and Restrictions relating to Architectural Control.

Each single-family dwelling shall have an enclosed, heated living area (exclusive of open porches, garages, any other unheated spaces) not less than: For Lots 1-36; eighteen hundred (1800) square feet and for Lots 37-67; two thousand (2000) square feet. The design, location and construction of all improvements on each lot, (regardless of when such improvements are made), must be by a design approved in advance by the architectural review committee.

No lot shall be subdivided, or its boundary lines changed, except with the written consent of Declarant. However, Declarant expressly reserves to itself, its heirs and assigns, the right to re-plat any two or more unsold lots in order to create a modified

building lot or lots and to take such other steps as are reasonably necessary to make such re-platted lot or lots suitable and fit as a building site.

Section 2. NUISANCES. 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.

Section 3. JUNK VEHICLES. No inoperable vehicle or vehicle without current registration, current state inspection sticker, current license plate, and current insurance will be permitted on the premises. The Association shall have the right to have any other vehicles towed away at the owner's expense.

Section 4. OUTSIDE FURNITURE AND GRILLS. No furniture shall be permitted on the front porch of any unit except porch furniture and plants. All grills must be kept in the garage at each unit when these items are not in use, and when such grills are used, the grill must be used in the rear area of the units at least ten (10) feet away from any building. Provided however, grills may be stored outside if they are of a "fixed" type and supplied by the unit builders.

Section 5. FOR SALE SIGNS PROHIBITED. Except as provided in Section 1 above, no "For Sale" signs or any other signs shall be permitted on any lot or unit or in the common areas and facilities.

Section 6. TEMPORARY STRUCTURES. No structure of a temporary character, trailer basement, tent, shack, garage, barn or other outbuilding shall be used on any lot any time as a residence either temporarily or permanently.

Section 7. RECREATIONAL VEHICLES. No boat, motor boat, camper, trailer, motor or mobile homes, or similar type vehicle, shall be permitted to remain on any lot, or in parking spaces, at any time, unless by consent of the Association.

Section 8. ANIMALS. No animals, livestock or poultry of any kind shall be kept or maintained on any lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and provided further that they are not allowed to run free and are at all times properly leashed and personally escorted.

Section 9. OUTSIDE ANTENNAS. No outside radio or television antennas shall be erected on any lot or unit within the Properties unless and until permission for the same has been granted by the Board of Directors of the Association or its architectural control committee.

Section 10. EXTERIOR LIGHTS. All light bulbs or other lights installed in any fixture located on the exterior of any building or any lot shall be clear, white, or non-frost lights or bulbs.

**ARTICLE IX****DECLARANT'S RIGHTS**

Section 1. Except as provided in Section 2 below, annexation of additional property shall require the assent of two-thirds (2/3) of the Class A members and two-thirds (2/3) of the Class B members, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

Section 2. The Declarant hereby reserves the right to annex additional land within the area described in Exhibit "A" attached hereto, or such additional lands as shall be contiguous to such land described in Exhibit A, without the consent of the Class A members within ten (10) years of the date of this instrument provided that HUD, the FHA or VA determines that the annexation is in accord with the general plan hereto approved by them. Any property annexed for such purpose will be subject to and under the jurisdiction of the Association and shall be designated as consecutively numbered phases or such other similar designations for any additional phase added.

Section 3. The rights reserved by Declarant also include the power to amend the Declaration of Covenants and Restrictions to subject any property described in Section 2 to the jurisdiction of the Association and to the rights and obligations of this Amendment to Declaration of Covenants and Restrictions without the consent of Class A members.

**ARTICLE X****GENERAL PROVISIONS**

Section 1. **MUNICIPAL WATER AND UTILITIES.** Municipal water service shall be provided by the Town of Sunset Beach.

Section 2. **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 an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

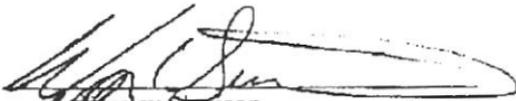
Section 3. **SEVERABILITY.** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no manner affect any other provisions which shall remain in full force and effect.

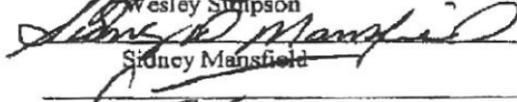
Section 4. **LOTS SUBJECT TO DECLARATION.** All present and future owners, tenants and occupants of lots and their guests or invitees, shall be subject to, and shall comply with the provisions of the Declaration, and as the Declaration may be

amended from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any lot shall constitute an agreement that the provisions of the Declaration are accepted and ratified by such owner, tenant or occupant. The covenants and restrictions of this Declaration shall inure to the benefit of and be enforceable by the Association, or the Owner of any lot or 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 any interest or estate in any lot as though such provisions were made a part of each and every deed of conveyance or lease.

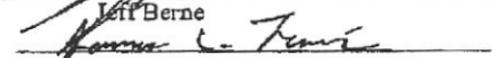
Section 5. AMENDMENT OF DECLARATION. The covenants and restrictions of this Declaration may be amended by an instrument signed by two-thirds (2/3) of each class of members (which votes may be cast in person or by proxy) duly recorded in the Brunswick County Register of Deeds. Declarant's power to amend this Declaration as provided in Article XI of these Restrictions shall not require the consent of the Class A members and shall be valid when signed by the Declarant and recorded in the Brunswick County Register of Deeds.

IN WITNESS WHEREOF, Declarants have hereunto caused this instrument to be executed in their names.

  
Wesley Simpson

  
Sidney Mansfield

  
David S. Berne

  
Jeff Berne

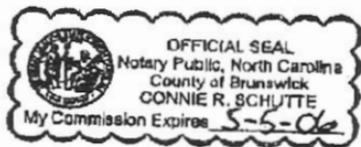
  
James C. Lewis

I, a Notary Public of the County and State aforesaid, certify that Sidney Mansfield personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and notarial stamp or seal, this 10<sup>th</sup> day of June, 2005.

Connie R. Schutte  
Notary Public

My Commission Expires:  
5-5-06



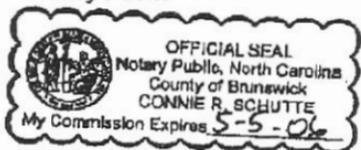
STATE OF NORTH CAROLINA  
COUNTY OF BRUNSWICK

I, a Notary Public of the County and State aforesaid, certify that Wesley Simpson personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and notarial stamp or seal, this 10<sup>th</sup> day of June, 2005.

Connie R.  
Notary Public

My Commission Expires:  
5-5-06



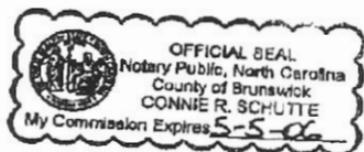
STATE OF NORTH CAROLINA  
COUNTY OF BRUNSWICK

I, a Notary Public of the County and State aforesaid, certify that David S. Berne personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and notarial stamp or seal, this 10<sup>th</sup> day of June, 2005.

Connie R. Schutte  
Notary Public

My Commission Expires:  
5-5-06



STATE OF NORTH CAROLINA  
COUNTY OF BRUNSWICK

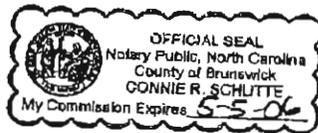
I, a Notary Public of the County and State aforesaid, certify that Jeff Berne personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and notarial stamp or seal, this 10<sup>th</sup> day of June, 2005.

Connie R. Schutte  
Notary Public

My Commission Expires:

5-5-06



STATE OF NORTH CAROLINA  
COUNTY OF BRUNSWICK

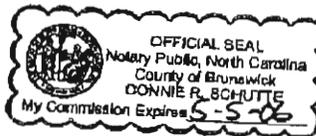
I, a Notary Public of the County and State aforesaid, certify that James C. Lewis personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and notarial stamp or seal, this 10<sup>th</sup> day of June, 2005.

Connie R. Schutte  
Notary Public

My Commission Expires:

5-5-06



STATE OF NORTH CAROLINA  
COUNTY OF BRUNSWICK

CONNIE R. SCHUTTE

The Foregoing (or annexed) Certificate(s) of \_\_\_\_\_

Notary(ies) Public is (are) Certified to be Correct. \_\_\_\_\_ 14<sup>th</sup> Day of \_\_\_\_\_ June \_\_\_\_\_ 2005  
This Instrument was filed for Registration on this \_\_\_\_\_ Day of \_\_\_\_\_  
in the Book and page shown on the First Page hereof.

Robert J. Robinson  
ROBERT J. ROBINSON, Register of Deeds

BEING all of Tract "A," a 12.72 acre tract, more or less; all of Tract "B," a 8.58 acre tract, more or less; all of Tract "C," a 1.81 acre tract, more or less; and all of Tract "D," a 6.14 acre tract, more or less; all as shown on a survey plat by James R. Tompkins, P.L.S., dated 4 August 2004, entitled "Survey for Jerry Stanaland of Tracts A-D, Being the Remaining Portion of Tract 9C, MB 4-129," and recorded in the Office of the Register of Deeds for Brunswick County, North Carolina in Map Book 31 at 365 to which map reference is made for greater certainty of description.

There is also conveyed herein a non-exclusive right of way and easement for purposes of ingress, egress, regress and the provision of public utility services over, along, within those certain roads known as "Ocean Harbour Golf Club Road SW," "Peakwood Drive," and "Schuyler Drive," and roads being delineated a survey plat by James R. Tompkins, P.L.S., dated 4 August 2004, entitled "Survey for Jerry Stanaland of Tracts A-D, Being the Remaining Portion of Tract 9C, MB 4-129, and recorded in the Office of the Register of Deeds for Brunswick County, North Carolina in Map Book 31 at 365 to which map reference is made for greater certainty of description. The above referenced right of way and easement shall be appurtenant to and shall run with title of the land conveyed herein.