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DECLARATION OF CONDOMINIUM

SOUTH HARBOUR VILLAGE MIXED USE CONDOMINIUM

PREPARED BY AND MAIL TO:
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DECLARATION OF CONDOMINIUM
SOUTH HARBOUR VILLAGE MIXED USE
CONDOMINIUM

THIS DECLARATION OF CONDOMINIUM FOR SOUTH HARBOUR VILLAGE MIXED USE CONDOMINIUM, made this 22nd day of April, 2004, by and among SOUTH HARBOUR VILLAGE, LLC, E. L. BURNETT, III, CAROLYN D. BURNETT; JAMES BURNETT, MARJORIE A. BURNETT, VIABLE CORP., QUALITY FARM, INC., LEE ROY SMYRE, DIANE M. SMYRE, AND CHARLES F. GREEN, III, (hereinafter collectively "Declarant"), pursuant to the North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes ("Act").

WITNESSETH:

WHEREAS, Declarant is the owner in fee simple of certain real estate situated in or near the Town of Oak Island, County of Brunswick, and State of North Carolina, more particularly described on Exhibit A attached hereto and made a part hereof, together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate; and

WHEREAS, Declarant desires to submit all of said property, except as otherwise indicated, to the Act.

NOW, THEREFORE, Declarant, as the owner of said property, hereby declares as follows:

ARTICLE I.

Definitions

Definitions. As used herein, the following words and terms shall have the following meanings:

1.1 Act

The North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes.

1.2 Amenities

The clubhouse, pool and tennis court to be constructed as common area and common facilities of South Harbour Master POA, Inc. for the non-exclusive use and enjoyment of members of the herein defined Association and others.

1.3 Association; Master Association

The Association shall be South Harbour Mixed Use Condominium Owners Association, Inc., and/or South Harbour Mixed Use COA, Inc, a nonprofit corporation organized under Section 7C-3-101, North Carolina General Statutes. The Master Association shall be South Harbour Master POA, Inc., and/or South Harbour Master Property Owners Association, Inc., of which South Harbour Mixed Use Condominium Owners Association, Inc., shall be a member and subject to the Declaration of Covenants and Restrictions of the said Master Association.

1.4 Board

The Executive Board of the Association.

1.5 Bylaws

The Bylaws of the Association which have been adopted by the Association.

1.6 Common Elements

All portions of the Condominium except the Units. Limited Common Elements are Common Elements.

1.7 Common Expenses

Expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

1.8 Condominium

The condominium created by this Declaration, and any additional properties added to the original property herein defined.

1.9 Declarant

South Harbour Village Associates, LLC, Viable Corp., E. L. Burnett, III, Carolyn D. Burnett, James Burnett, Marjorie A. Burnett, Lee Roy Smyre, Diane M. Smyre,, and Charles F. Green, III, and any other owner who has executed this Declaration except First Mortgagees and except persons whose interests in the Property will not be conveyed to Unit Owners and (ii) any person who succeeds to any Special Declarant Rights as defined in Section 47C-1-103(23) of the Act.

1.10 Declarant Control Period

The period commencing on the date hereof and continuing until the earlier of (i) the date two (2) years after Declarant has ceased to offer Units for sale in the ordinary course of business, or (ii) the date upon which Declarant surrenders control of the Condominium, or (iii) the date one hundred twenty (120) days after the Declarant has conveyed eighty-five percent (85%) of the maximum number of Units which Declarant may create on the Property.

1.11 First Mortgage and First Mortgagee

A First Mortgage is a mortgage or deed of trust which has been recorded so as to give

constructive notice thereof, and which is a first lien on the Unit or Units described therein. A First Mortgagee is the holder, from time to time, of a First Mortgage as shown by the records of the Office of the Register of Deeds for Brunswick County, North Carolina, in which the First Mortgage is recorded, including the Federal National Mortgage Association and including a purchaser at foreclosure sale upon foreclosure of a First Mortgage until expiration of the mortgagor's period of redemption. If there be more than one holder of a First Mortgage, they shall be considered as, and act as, one First Mortgage for all purposes under this Declaration and the Bylaws.

1.12 Limited Common Elements

Those portions of the Common Elements allocated by this Declaration, the Plans or by operation of Section 47C-2-102(2) or (4) of the Act for the exclusive use of at least one but fewer than all of the Units including, but not limited to, any balcony, porch or patio appurtenant to a Unit and any attic storage areas appurtenant to a Unit. That portion of the property upon which heating and air conditioning equipment serving a Unit is located shall constitute a Limited Common Element allocated specifically to the Unit served by such equipment. "Common Properties" and/or "Common Elements" shall mean and refer to all real and personal property, including easements, which the Association owns, leases or holds possession or use rights for the common use and enjoyment of the Owners.

1.13 Occupant(s)

Any person or persons in possession of a Unit, including Unit Owners, the family members, lessees, guests and invitees of such person or persons, and family members, guests and invitees of such lessees.

1.14 Person

A natural person, corporation, partnership, trust or other legal or commercial entity, or any combination thereof.

1.15 Plans

The plans of the Condominium, including a survey map depicting the Condominium (the "Map") recorded in Condominium Book. 9 , Pages 377, 378, 379, and 380, inclusive, the Office of the Register of Deeds for Brunswick County, North Carolina, and by the Act made a part of this Declaration.

1.16 Property; Additional Property

The real estate described on the plats recorded as noted in Section 1.15 above, together with all building and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate. Additional Property shall be annexed by the Declarant to the Property, which Additional property is designated as "5005 O'Quinn Blvd. Must Be Built" on the above described and recorded plats.

1.17 Rules and Regulations

The rules and regulations of the Condominium promulgated by the Board or the

Association from time to time.

1.18 Shared Common Properties, Shared Common Amenities, and/or Shared Common Elements or Areas

All real and personal property, including covenants, which may be owned by a third party but which are, in consideration of prorated charges, made available to the members of the Association.

1.19 Special Declarant Rights

The rights as defined in Section 47C-1-103(23) of the Act for the benefit of a Declarant, including but not limited to the following: to complete the improvements indicated on the Plans; to maintain sales offices, management offices, models and signs advertising the Condominium; to exercise any development right as defined in Section 47C-2-110 of the Act; to use easements through the Common Elements; to elect, appoint or remove members of the Board during the Declarant Control Period; and to withdraw any portion of the Property from the Condominium.

1.20 Units

A portion of the Condominium, whether or not contained solely or partially within a building, together with its percentage of undivided interest in the Common Elements as set forth on Exhibit B. Each Unit is designated and delineated on the Plans.

1.21 Unit Boundaries

The boundaries of each Unit, both as to vertical and horizontal planes, as shown on the Plans, are the undecorated surfaces of the perimeter walls, exterior doors and exterior windows facing the interior of the Unit, the undecorated surfaces of the roof facing the interior of the Unit, and the topmost surfaces of the subflooring, and include the decoration on all such interior and topmost surfaces, including, without limitation, all paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the decorated surfaces thereof, and also includes all spaces, interior partitions and other fixtures and improvements within such boundaries. Also included as a part of the Unit shall be those portions of the heating and air conditioning system for the Unit which are located within the perimeter walls of the Unit and those portions of the heating and air conditioning system located in the Common Elements, wherever located.

1.22 Unit Owner(s)

The person or persons, including the Declarant, owning a Unit in fee simple. Notwithstanding any applicable theory of the deed of trust, "owner" shall not mean or refer to the Trustee or cestui que trust unless and until there has been a transfer of title pursuant to foreclosure of any proceeding in lieu of foreclosure.

ARTICLE II.

Submission of Property to the Act

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO

2.1 Properties submitted to the Act: The real property which is, and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration and the Declaration of Covenants and Restrictions of South Harbour Master POA, Inc., is more particularly described in Exhibit "A" attached hereto and made a part hereof.. This real property is hereby expressly made subject to the Act.

2.2 Name: The Property shall hereafter be known as SOUTH HARBOUR VILLAGE MIXED USE CONDOMINIUM.

2.3 Division of Property into Separately Owned Units

Declarant, pursuant to the Act, and to establish a plan of condominium ownership for the Condominium, does hereby divide the property into twenty (20) Units and does hereby designate all such Units for separate ownership, subject however, to the provisions of Section 2.4 hereof. Further, up to an additional ten units, may be added by the Declarant , or any of them, making a maximum total of thirty (30) condominium units.

2.4 Alterations of Units

Subject to the provisions of the Bylaws, a Unit may be altered pursuant to the provisions of Section 47C-2-111 and 47C-2-112 of the Act. In addition, Units may be subdivided pursuant to Section 47C-2-113 of the Act.

2.5 Limited Common Elements

The Limited Common Elements serving or designed to serve each Unit are hereby allocated solely and exclusively to each such Unit.

2.6 Unit Allocations

The allocations to each Unit of a percentage of undivided interest in the Common Elements and of a percentage of the Common Expenses are as stated on Exhibit B. The allocation of undivided interest in the Common Elements and of the Common Expenses has been determined by dividing the total number of units now built (20) into one hundred (100%) percent. The votes are equally allocated to all Units with each Unit Owner having one (1) vote for each unit owned.

2.7 Encumbrances

The liens, defects and encumbrances affecting the Property to which the rights of Unit Owners and Occupants are hereby made subject are set out on Exhibit C.

2.8 Condominium Ordinances

The Condominium is not subject to any code, real estate use law, ordinance, charter provisions, or regulation (i) prohibiting the condominium form of ownership; or (ii) imposing conditions or requirements upon a condominium which are not imposed upon physically similar developments under a different form of ownership. This statement is

made pursuant to Section 47C-1-106 of the Act for the purpose of providing marketable title to the Units in the Condominium.

2.9 Reservation of Special Declarant Rights

Declarant hereby reserves all Special Declarant Rights, as defined in Article 1.18, including the right to subdivide a Unit or convert a Unit previously created into additional Units, Common Elements or both pursuant to the provisions of Section 47C-2-110 of the Act.

2.10 Additions to Existing Property.

- (a) Expansion. Additional lands may become subject to this Declaration and the Act, which lands are designated as such as "5005 O'Quinn Blvd. Must Be Built" on the above noted recorded condominium plats. The additions authorized hereunder shall be made in one additional phase. No more than a total of thirty (30) condominium units shall be constructed within the development. Said additions shall be made by filing of record a Supplemental Declaration of Covenants and Restrictions with respect to the additional property desired to be annexed, which Supplemental Declaration shall extend the scheme of these Covenants and Restrictions to such property by adopting these Covenants and Restrictions by reference. Such Supplemental Declaration may contain such complementary additions and modifications of the Covenants and Restrictions contained in this Declaration as may be necessary to reflect the difference in character, if any, of the added properties and as such are not inconsistent with the scheme of this Declaration. In no event, however, shall such Supplemental Declaration revoke, modify or add to the Covenants established by this Declaration. Any annexation made hereunder must be completed on or before January 15, 2015. Any such supplemental declarations shall specify the date upon which dues and assessments are payable for Lots annexed thereby.
- (b) Mergers. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, and subject to the provisions of the Act, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property together with the Covenants and Restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall affect any revocation, change or addition to the Covenants established by this Declaration within the Property except as hereinafter provided.

ARTICLE III.

Easements

3.1 Encroachments

In the event that, by reason of the construction, reconstruction, rehabilitation, alteration or improvement of the buildings or improvements comprising a part of the Property, any part of the Common Elements now or hereafter encroaches upon any part of any Unit, or any part of Common Elements an easement for the continued existence and maintenance of each such encroachment is hereby declared and granted and shall continue for so long as each such encroachment exists; provided that in no event shall an easement for such encroachment be created if such encroachment is detrimental to or interferes with the reasonable use and enjoyment of the Common Elements or Units so encroached upon.

3.2 Easements Through Walls

Easements are hereby declared and granted to the Association and to such persons as are authorized by the Association, to install, lay, maintain, repair and replace any chutes, flues, ducts, vents, pipes, wires, conduits and other utility installations, and structural components running through the walls of the Units, whether or not such walls be in whole or in part within the boundaries of any Unit.

3.3 Easements to Repair, Maintain, Restore and Reconstruct

Wherever in, and whenever by, this Declaration, the Bylaws or the Act, a Unit Owner, the Association, the Board or any other person, is authorized to enter upon a Unit or the Common Elements to inspect, repair, maintain, restore or reconstruct all or any part of a Unit or the Common Elements, such easements as are necessary for such entry and such repair, maintenance, restoration or reconstruction are hereby declared and granted.

3.4 Easements for Utilities

The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant (until Declarant shall have satisfied all of its obligations under the Declaration and Bylaws and all commitments in favor of any Unit Owner and the Association), the Association, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements provided for by this Section 3.4 shall include, without limitation, rights of Declarant, the Association, any company providing utility installation or maintenance, any service company, and any governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television and equipment facilities (cable or otherwise), electrical wires, conduits and equipment and ducts and vents and any other appropriate equipment and facilities over, under, through, along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Section 3.4, unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such

easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant to a grantee other than the Declarant, or so as not to materially interfere with the use of occupancy of the Unit by its owners.

3.5 Declarant's Easement

Declarant hereby reserves such easements through the Common Elements as may be reasonably necessary for the purposes of discharging its obligations, exercising Special Declarant Rights, and completing the development and construction of the Condominium, which easements shall exist as long as reasonably necessary for such purpose.

3.6 Easements to Run With Land

All easements and rights described in this Article III are appurtenant easements running with the land, and except as otherwise expressly provided in this Article III shall be perpetually in full force and effect, and shall inure to the benefit of and be binding upon Declarant, its successors and assigns owning the Property, or any portion thereof, Declarant's mortgagees, the Association, Unit Owners, Occupants, First Mortgagees and any other person having any interest in the Condominium or any part thereof. The Condominium and every part thereof shall be conveyed and encumbered subject to and together with all easements and rights described in this Article III, whether or not specifically mentioned in any such conveyance or encumbrance.

ARTICLE IV.

Restrictions, Conditions and Covenants

4.1 Compliance with Declaration, Bylaws and Rules and Regulations

Each Unit Owner and Occupant shall comply with all applicable provisions of the Act, this Declaration, the Bylaws, the Articles of Incorporation of the Association, and the Rules and Regulations promulgated by the Board or the Association, as amended. Failure to comply shall be grounds for an action by the Association, an aggrieved Unit Owner, or any person adversely affected, for recovery of damages, injunction, or other relief.

4.2 Administration of Condominium

The Condominium shall be administered in accordance with the provisions of the Act, this Declaration and the Bylaws.

4.3 Use Restricted: Use by Declarant.

(a) Except as may be otherwise expressly provided in this Declaration, each Unit may be used for the following described uses and for such other purposes as are incidental to said uses and are, in the opinion of the Board in its sole discretion,

consistent with the maintenance of the general character of the Property as a first class mixed use condominium.

Uses permitted

- (i) Delicatessens, sandwich shops; restaurants; general business offices such as real estate, insurance, physicians, boat and/or marine sales; general retail shops; overnight lodging accommodations , including bed and breakfast lodging, containing no more than ten (10) dwelling units in any one building.
- (b) Except as reserved by Declarant, no advertising signs, billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on the Property subject to this Declaration without the prior written approval of the Board.
- (c) The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, Declarant shall have an easement to maintain sales offices and models for sales of Units throughout the Condominium. Declarant shall have the right to relocate, from time to time, and to discontinue and reestablish, from time to time, within the Condominium, until all of the Units have been conveyed to a Unit Owner other than a Declarant, any one or more of such offices or models. Declarant also shall have the right to change the use or combination of uses of such offices or models, provided that such offices or models shall be used only for sales offices or models.
- (d) Declarant shall also have an easement to maintain signs on the Common Elements advertising the Condominium until all of the Units have been conveyed to Unit Owners other than a Declarant. Declarant shall remove all such signs not later than thirty (30) days after all of the Units have been conveyed to Unit Owners other than Declarant and shall repair or pay for the repair of all damage done by removal of such signs.
- (e) No noxious or offensive activity shall be carried on in any Unit lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.
- (f) No inoperable vehicles or vehicle without current registration and insurance will be permitted on the premises. The Association shall have the right to have all such vehicles towed away at the owner's expense.
- (g) No furniture shall be permitted in the common areas. No furniture shall be permitted on the front porch of any Unit except porch furniture and plants. Porch furniture shall be permitted in the courtyard of each living Unit.
- (h) No "For Sale" signs or any other signs shall be permitted on any Unit or in the common areas and facilities or displayed from any living Unit, except the Declarant or its designee may place "For Sale" or "Directional Signs" for as long as Declarant shall retain ownership of any unsold Units (s).

(i) No boat, motor boat, camper, trailer, motor or mobile homes, or similar type vehicle, shall be permitted to remain on portion of the Property, including in any parking spaces, at any time, unless by express written consent of the Association.

(j) No outside radio or television antennas except satellite dishes measuring one meter or less shall be erected on Unit within the Properties unless permission for the same has been expressly granted by the Board of Directors of the Association or its architectural control committee.

(k) All drapes, curtains or other similar materials hung at window, or in any manner so as to be visible from the outside of any building erected upon the Property, shall be of a white or neutral background or material, unless the Board of Directors approves another color.

(l) All light bulbs or other lights installed in any fixture located on the exterior an any building or any lot shall be clear, white or non-frost lights or bulbs.

4.4 Hazardous Use and Waste

Nothing shall be done to or kept in any Unit or the Common Elements that will increase any rate of insurance maintained with respect to the Condominium without the prior written consent of the Board. No Unit Owner or Occupant shall permit anything to be done to or kept in his Unit or the Common Elements that will result in the cancellation of insurance maintained with respect to the Condominium, or that would be in violation of any law, or that will result in the commitment of waste (i.e., damage, abuse, or destruction) to or in his Unit or the Common Elements.

4.5 Alterations of Common Elements

No Unit Owner or Occupant, except Declarant during the Declarant Control Period, shall alter, construct anything upon, or remove anything from, the Common Elements, or paint, decorate, landscape or adorn any portion of the Common Elements, without the prior written consent of the Board.

4.6 Lease of Units

Any lease of a Unit or portion thereof shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the Declaration, Bylaws and Rules and Regulations for the Condominium (the "Condominium Documents") and that any failure by the lessee to comply with all the terms of such Condominium Documents shall constitute a default under the Lease. Further, no Lease shall be for a period of less than thirty (30) consecutive calendar days. This lease restriction shall not be applicable to those uses providing overnight accommodations.

4.7 Rules and Regulations

In addition to the foregoing restrictions, conditions and covenants concerning the use of the Condominium, reasonable rules and regulations not in conflict therewith and supplementary thereto may be promulgated and amended from time to time by the Board

or the Association, as more fully provided in the Bylaws. Further, the Master Association shall adopt additional rules and regulations which shall be binding upon the Association and all of its members.

4.8 Restrictions, Conditions and Covenants to Run With Land

Each Unit Owner and Occupant shall be subject to all restrictions, conditions and covenants of this Declaration, and all amendments and/or supplements thereto, and all such restrictions, conditions and covenants shall be deemed to be covenants running with the land, and shall bind every person having any interest in the Property, and shall inure to the benefit of every Unit Owner.

4.9 Access Easement

Each Unit Owner may be granted certain access and common area easement rights and privileges set forth in the Master Declaration recorded in the Brunswick County Registry (the "Master Declaration"). Such rights and privileges shall be deemed Common Elements or Common Areas and are further described and/or shown on Exhibit "A" attached and/or the recorded plans referred to in Section 1.15 hereof.

4.10 Use of the Easements and Property Rights

The use of the easements and property rights granted herein shall be subject in all respects to the restrictions, conditions and covenants of the Master Declaration and the expenses therefore shall be an obligation of the Association.

4.11 Access to Units

The Association and its agents shall have access to each Unit from time to time during reasonable working hours, upon oral or written notice to its Unit Owner or Occupant of the Unit, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association and its agents shall also have access to each Unit at all times without notice, as may be necessary to make emergency repairs to prevent damage to Common Elements or to other Units.

ARTICLE V.

Assessments

5.1 Assessment Liens

The Board has the power to levy assessments against the Units for Common Expenses. Such assessments, together with a late payment charge as herein provided for assessment which remains unpaid for more than thirty (30) days past the due date with interest at the rate of eighteen percent (18%) per annum, costs and reasonable attorney's fees shall be a lien on the Units against which they are assessed, and if and payment thereof becomes delinquent, the lien may be foreclosed and the Unit sold, or a money judgment obtained against the persons liable therefor, all as set forth in the Bylaws.

5.2 Personal Liability of Transferees; Statement; Liability of First Mortgage

(a) The personal obligation for assessments which are delinquent at the time of transfer of a Unit shall not pass to the transferee of said Unit unless said delinquent assessments are expressly assumed by said transferee. However, the original obligor shall be and remain fully liable for the repayment of such delinquent assessments.

(b) Any transferee referred to in (a) above shall be entitled to a statement from the Board, pursuant to Section 5.2 of the Bylaws, and such transferee's Unit shall not be subject to a lien for any unpaid assessments against such Unit in excess of the amount therein set forth.

(c) Where a First Mortgagee, or other person claiming through such First Mortgagee, pursuant to the remedies provided in a mortgage or deed of trust, or by foreclosure or by deed, or assignment, in lieu of foreclosure, obtains title to a Unit, the liability of such First Mortgagee or such other person for assessments shall be only for the assessments, or installments thereof, that would become delinquent, if not paid, after acquisition of title. For purposes hereof, title to a Unit shall be deemed acquired by foreclosure upon expiration of the applicable period of redemption.

(d) Without releasing the transferor from any liability therefore, any unpaid portion of assessments which is not a lien under (a) above, or, resulting, as provided in (c) above, from the exercise of remedies in a mortgage or deed of trust, or by, foreclosure thereof or by deed, or assignment, in lieu of such foreclosure, shall be a Common Expense collectible from all Unit Owners, including the transferee under (b) above and the First Mortgagee of such other person under (c) above who acquires ownership by foreclosure or by deed, or assignment, in lieu of foreclosure.

5.3 No Exemption from Liability for Contribution Toward Common Expenses
No Unit Owner may exempt himself from liability for his share of the Common Expenses assessed by the Association by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit or otherwise.

5.4 Date of Commencement of Annual Assessments
The annual assessments provided for herein shall commence as to all Units on the first day of the month following the conveyance of the first Unit by the Declarant. The first annual assessment shall be adjusted according to the number of months then remaining in that fiscal year.

5.5 Assessments
Assessments shall be due and payable in advance annually. As provided in Article VI of the Bylaws and as legally required by Section 47C-1-115 of the Act, Declarant shall pay all accrued expenses of the Condominium until assessments are levied against the Units. An assessment shall be deemed levied against a Unit upon the giving of notice by the Board to a member of the Association who is a Unit Owner of that unit. Unit Owners shall have no obligation to pay annually assessments until an assessment is levied.

5.6. Assessments levied by the Master Association shall have the same legal force and effect, and be collectible by the same means and procedures, as assessment levied by the Board.

5.7 The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety and welfare of the residents in the Properties and in particular for the improvement and maintenance (1) of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and (2) of the Units situated upon the Properties. Without Limitation, such uses shall include satisfaction of the Association's obligations regarding the Common Properties to pay: 1) hazard and liability insurance for the common areas and living units, 2) ad valorem taxes, 3) governmental assessments for public and private capital improvements made to or for the benefit thereof, 4) the repair, replacements and additions thereto, and for the cost of labor, equipment, materials, management and supervision. Assessments may also be charged of the members to pay such assessments as may be charged to the Association by the Master Association. Any such assessments by the Master Association shall have the same legal force and effect, and may be enforced in the same manner, as any assessments charged by the Association.

5.8 Notwithstanding any provision to the contrary contained herein, should the Association's Board of Directors determine that the Annual Assessment for the next succeeding assessment period will exceed the Annual Assessment for the current assessment period by more than ten percent (10%), then, in such event, such increase in the Annual Assessment shall be approved by a majority vote of the Owners voting in person or by proxy at a duly called meeting of the Members of the Association, at which a quorum of members is present in person or by proxy, prior to its adoption by the Board of Directors of the Association.

5.9 Regular assessments shall be levied against all Units subject to assessment based upon the level of service required by each Unit and shall be at a level reasonably expected to fulfill its obligations and shall include reserves for future repairs.

5.10 In addition to the annual assessments authorized by this document, the Association may levy, in an 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 a capital improvement upon the Common Properties including fixtures and personal property related thereto, provided that any such assessment shall have the assent of not less than two-thirds (2/3) of the votes of each class of members who are voting in person or proxy at a meeting duly called for this purpose.

5.11 The Association may change the basis of the assessments fixed hereby prospectively for any such period, provided that any such change shall have the assent of not less than two-thirds (2/3) of the votes of the Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to

all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

5.12 Any assessment, or installment thereof, which is not paid within thirty (30) days after its due date, will be delinquent. In the event that an assessment, or installment thereof, becomes delinquent, or in the event a Default assessment is established pursuant to any section or provision hereof, the Association, in its sole discretion, may take any or all of the following actions:

- a. assess a late charge for each delinquency at uniform rates set by the Board of Directors from time to time.
- b. charge interest from the date of delinquency at the maximum rate allowed by law;
- c. suspend the voting rights of the Owner during any period of delinquency;
- d. accelerate all remaining assessment installments for the assessment period in question so that unpaid assessments for the remainder of the assessment period will be due and payable at once;
- e. bring an action at law against any Owner personally obligated to pay the delinquent assessment charges; or
- f. file a claim of lien with respect of the Unit and foreclose the lien against the Unit in the same manner as provided for the foreclosure of a mortgage under the statutes of the State of North Carolina.

The remedies provided under Declaration will not be exclusive and the Association may enforce any other remedies to collect delinquent assessments as may be provided by law.

If the assessment is not paid within thirty (30) days after the delinquency date or a written arrangements for payment consented to by the Association, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and may be charged a \$15.00 late fee for monthly assessments not received by the fifteenth (15th) of each month.

5.13 At the time title is conveyed by Developer to an Owner, the Owner shall contribute to the Association as a working capital contribution in the amount of \$250.00. Such funds shall be used solely for initial operating and capital expenses of the Association, such as prepaid insurance, supplies and the common areas and facilities, furnishings and equipment, etc. Amounts paid into the working capital fund are not to be considered as advance payment or regular assessments. Any working capital funds remaining at the end of the first full operating year shall be transferred to and become

part of the general funds of the Association, in the discretion of the Board of Directors.

ARTICLE VI.

Management, Maintenance, Repairs
Replacements, Alterations and Improvements

6.1 Common Elements

(a) By the Association. The management, replacement, maintenance, repair, alteration, and improvement of the Common Elements shall be the responsibility of the Association (provided such responsibility may be assigned by the Association to the Professional Center Association described in the Professional Center Declaration with regard to the Common Elements that are not Limited Common Elements, and so long as the Association pays for the costs associated with the assumption of such responsibilities), and subject to the provisions of Section 6.2 hereof, the cost thereof shall be a Common Expense to the extent not paid by Unit Owners pursuant to Section 6.1 (b) hereof. In addition, the Association shall be responsible for providing and paying for water and sewer for all Units. All damage caused to a Unit by any work on or to the Common Elements done by or for the Association shall be repaired by the Association, and the cost thereof shall be a Common Expense.

(b) By Unit Owners. Each Unit Owner shall pay all costs to repair and replace all portions of the Common Elements that may become damaged or destroyed by reason of his negligent or intentional acts or the negligent or intentional acts of any Occupant of his Unit. Such payment shall be made upon demand made by the Association.

6.2 Common Expenses Associated with Limited Common Elements or Benefiting Less Than All Units

(a) Any Common Expenses associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed against the Unit, or in equal shares to the Units, to which such Limited Common Element was allocated at the time the expense was incurred.

(b) In addition, the Association may assess any Common Expense benefiting less than all of the Units against the Units benefited in proportion to their Common Expense liability.

6.3 Units

Each Unit Owner shall maintain his Unit, and any Limited Common Elements appurtenant thereto, at all times in a good and clean condition, and repair and replace, at his expense, all portion of his Unit; shall perform his responsibilities in such manner as

not to unreasonably disturb other Occupants; shall promptly report to the Board, or its agents, any defect or need for repairs the responsibility for which is that of the Association; and, to the extent that such expense is not covered by the proceeds of insurance carried by the Association, shall pay all costs to repair and replace any portion of another Unit that has become damaged or destroyed by reason of his own acts or omissions, or the acts or omissions of the any Occupant of his Unit. Such payment shall be made upon demand by the Unit Owner of such other Unit. Nothing herein contained shall modify and waiver by insurance companies of rights of subrogation.

6.4 Waiver of Claims

Except only as provided in Section 6.5(a) and (b), the Association agrees that it shall make no claim against a Unit Owner or Occupant, and each Unit Owner and Occupant agrees that he shall make no claim against the Association, the members of the Board, officers of the Association, or employees or agents of any thereof, or against any manager retained by the Board, or his or its officers, directors, employees or agents, or other Unit Owners or Occupants, for any loss or damage to any of the Property, or to a unit of personal property therein, even if caused by the omission or neglect of any one or more of such persons and all such claims are hereby waived and released; provided, that this waiver shall not apply to any such loss or damage due to intentional acts.

6.5 Right of Entry

(a) By the Association. The Association, and any person authorized by the Association, may enter any Unit or any of the Limited Common Elements in case of any emergency or dangerous conditions or situation originating in or threatening that Unit or any of the Limited Common Elements or other Units. The Association, and any person authorized by the Association, after reasonable notice to a Unit Owner or Occupant, may enter that Unit or any of the Limited Common Elements for the purposes of performing any of the Association's powers under the Act, this Declaration or the Bylaws with respect to that or any other Unit, any Limited Common Elements, or the Common Elements. Notwithstanding Section 6.4, the Association shall be responsible for the repair of any damage caused by the Association or its authorized person to the entered Unit, and the cost thereof shall be a Common Expense. All such entries shall be made and done so as to cause as little inconvenience as possible to the Unit Owner and Occupant of the entered Unit or any portion of the Limited Common Elements allocated to the Unit Owner.

(b) By Unit Owners. Each Unit Owner and Occupant shall allow other Unit Owners and Occupants, and their representatives, to enter his Unit, or Limited Common Elements allocated to his Unit, when reasonably necessary for the purpose of altering, maintaining, repairing or replacing the Unit, or performing the duties and obligations under the Act, this Declaration or the Bylaws, of the Unit Owner or Occupant making such entry, provided that requests for entry are made in advance and that such entry is at a time convenient to the Unit Owner or Occupant whose Unit or Limited Common Element is to be entered. In case of an emergency or dangerous condition or situation,

such right of entry shall be immediate. Notwithstanding Section 6.4, the person making such entry shall be responsible for repair of any damage caused by such person to the entered Unit or Limited Common Element.

ARTICLE VII.

Insurance

7.1 Casualty Insurance

The Association shall maintain, to the extent available, casualty insurance upon the Property in the name of, and the proceeds thereof shall be payable to, the Association as trustee for all Unit Owners and First Mortgagees as their interest may appear, and be disbursed pursuant to the Act. Such insurance shall be in an amount equal to not less than one hundred percent (100%) of the full insurable value of the Property on a replacement cost basis exclusive of land, excavations, foundations and other items normally excluded from property policies, and shall insure against such risks and contain such provisions as the Board from time to time shall determine, but at a minimum shall conform in all respects to the requirements of the Act, and shall provide that, notwithstanding any provision thereof that gives the insurer an election to restore damage in lieu of making a cash settlement, such option shall not be exercisable if such restoration is prohibited pursuant to Section 47C-3-113(h) of the Act.

7.2 Public Liability Insurance

The Association shall maintain public liability insurance for the benefit of the Unit Owners, Occupants, the Association, the Board, the managing agent, if any, the Declarant, and their respective officers, directors, agents and employees, in such amounts and with such coverage as shall be determined by the Board; provided that the public liability insurance shall be for at least One Million and no/100 Dollars (\$1,000,000.00) per occurrence for death, bodily injury and property damage. Said insurance shall comply in all respects with the requirements of the Act and shall contain a severability-of-interest endorsement precluding the insurer from denying liability because of negligent acts of any insured; insure all of such benefited parties against such liability arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the streets, sidewalks and public spaces adjoining the Condominium; and insure the Association, the Board, the managing agent, if any, and their respective officers, directors, agents and employees against such liability arising out of or in connection with the use or maintenance of the Units.

7.3 Insurance Unavailable

If the insurance described in Sections 7.1 or 7.2 is not reasonably available, the Association shall promptly cause notice of such fact to be hand-delivered or sent prepaid by United States mail to all Unit Owners.

7.4 Other Insurance

The Association may procure such other insurance, including worker's compensation

insurance, as it may from time to time deem appropriate to protect the Association or the Unit Owners.

7.5 Insurance Trustee

The Board may engage, and pay as a Common Expense, any appropriate person to act as an insurance trustee to receive and disburse insurance proceeds upon such terms as the Board shall determine, consistent with the provisions of the Act and this Declaration.

7.6 Individual Policy for Unit Owners

Each Unit Owner may obtain insurance, at his own expense, affording personal property, condominium assessment, personal liability, and any other coverage obtainable, to the extent and in the amounts such Unit Owner deems necessary to protect his own interest; provided that any such insurance shall contain waivers pursuant to Section 6.4 and shall provide that it is without contribution as against the insurance purchased by the Association. If a casualty loss is sustained and there is a reduction in the amount of the proceeds that would otherwise be payable on the insurance purchased by the Association due to the proration of the insurance purchased by a Unit Owner under this Section, such Unit Owner shall be liable to the Association to the extent of such reduction and shall pay the assigns the proceeds of his insurance, to the extent of such reduction, to the Association.

ARTICLE VIII.

Casualty Damage

If all or any part of the Property shall be damaged or destroyed, the same shall be repaired or replaced unless: (1) the Condominium is terminated, (2) repair or replacement would be illegal under any State or local health or safety statute or ordinance, or (3) the Unit Owners elect not to rebuild or replace by a ninety percent (90%) vote, including one hundred percent (100%) approval of Owners of Units not to be rebuilt or Unit Owners assigned to Limited Common Elements not to be rebuilt. All proceeds of insurance shall be used and applied in accordance with the provisions of Section 47C-3-113(e) and (h) of the Act.

ARTICLE IX.

Condemnation

In the event of a taking by eminent domain, or by a conveyance in lieu thereof, of all or any part of the Property, the awards paid on account thereof shall be applied in accordance with Section 47C-1-107 of the Act and the Bylaws.

ARTICLE X.

Termination

The Condominium may be terminated only in strict compliance with Section 47C-2-118 of the Act and the Bylaws.

ARTICLE XI.

Amendment

This Declaration may be amended only in strict compliance with the Act, including, without limitation, Sections 47C-2-105 and 47C-2-117 of the Act, except that no amendment altering or impairing Special Declarant Rights may be made without the written consent of Declarant.

ARTICLE XII.

Rights of First Mortgagees

The following provisions shall take precedence over all other provisions of this Declaration and Bylaws:

12.1 Availability of Condominium Documents, Books, Records and Financial Statements

The Association shall, upon request and during normal business hours, make available for inspection by Unit Owners and the First Mortgagees and the insurers and guarantors of a First Mortgage on any Unit, current copies of the Declaration, the Bylaws, the Rules and Regulations governing the Condominium and the books, records and financial statements of the Association. The Association shall provide a financial statement for the preceding fiscal year it requested in writing by a First Mortgagee or insurer or guarantor of a First Mortgage. The Association shall, upon request and during normal business hours, make available for inspection by prospective purchasers of Units, current copies of the Declaration, Bylaws, the Rules and Regulations governing the Condominium, and the most recent annual financial statement.

12.2 Rights of Action

The Association and any aggrieved Unit Owner shall have a right of action against Unit Owners and any aggrieved Unit Owner shall have a right of action against the Association for failure to comply with the provisions of this Declaration, the Bylaws and the Rules and Regulations, and decisions of the Association made pursuant to authority granted to the Association in this Declaration and the Bylaws.

12.3 Notice

Each First Mortgagee and each insurer or guarantor of a First Mortgage, upon written request stating its name and address and describing the Unit encumbered by the First Mortgage, held, insured or guaranteed, shall be entitled to timely written notification by the Association of (i) any condemnation or casualty loss that affects either a material

portion of the Condominium or the Units securing its First Mortgages; (ii) any 60-day delinquency in the payment of assessments or charges owed by the Unit Owner of the Unit on which the First Mortgagee held its First Mortgage or in the performance of any obligation under this Declaration or the Bylaws by said Unit Owner; or (iii) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

ARTICLE XIII.

General Provisions

13.1 Conflict With the Act; Severability

Should any of the terms, conditions, provisions, paragraphs, or clauses of this Declaration conflict with any provisions of the Act, the provisions of the Act shall control unless the Act permits the Declaration to override the Act, in which event the Declaration shall control. The invalidity of any covenant, restriction, condition, limitation, provision, paragraph or clause of this Declaration, or of any part of the same, or the application thereof to any person or circumstance, shall not impair or affect in any manner the validity, enforce-ability or effect of the rest of this Declaration, or the application of any such covenant, restriction, condition, limitation, provision, paragraph or clause to any other person or circumstance.

13.2 Interpretation of Declaration

Whenever appropriate singular may be read as plural, plural may be read as singular, and the masculine gender may be read as the feminine or neuter gender. Compound words beginning with the prefix "here" shall refer to this entire Declaration and not merely to the part in which they appear.

13.3 Captions

The captions herein are only for convenience and reference and do not define, limit or describe the scope of this Declaration, or the intent of any provision.

13.4 Exhibits

All Exhibits attached hereto are hereby made a part hereof.

13.5 Invalidity

The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity or enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

13.6 Waiver

No provision of this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or

13.7 Law Controlling

This Declaration shall be construed and controlled by and under the laws of the State of North Carolina.

13.8 Common Amenities:

Point Associates, L.L.C., or others, may construct a clubhouse, pool and/or tennis courts, which, if constructed, shall be common amenities to members of the South Harbour Master POA, Inc. and their respective members in good standing. It is understood and agreed that the Amenities above described are not for the exclusive use of the owners within South Harbour Village Mixed Use Condominium but that all dues paying owners (in good standing within their respective Association) within the other development areas established throughout the master development known as "South Harbour Village", including, by way of illustration and not limitation, Westport at South Harbour Village, Glen Cove at South Harbour Village, Village Green Townhomes at South Harbour Village at Westport, and Barnes Bluff, have the right to use such Amenities.

13.9 General Enforcement. The Declarant, the Association, or any Owner, and, where applicable, the State of North Carolina, 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 Declarant, the Association, an Owner, or the State of North Carolina to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

13.10 Enforcement Of Stormwater Runoff Regulations. The covenants set forth herein are intended to ensure the ongoing compliance with all existing State Stormwater Management Permits as issued by the Division of Water Quality under NCAC 2H1000. The State of North Carolina is hereby made a beneficiary of this Declaration to the extent necessary to enforce its stormwater runoff regulations as the same may be amended from time to time and to maintain compliance with the above noted stormwater management permit(s). These covenants shall run with the land and be binding upon all persons and parties claiming under them. The Built Upon Area for each Lot shall that which has been established by the said State, unless and until the State of North Carolina shall revise its stormwater runoff regulations to permit a greater Built Upon Area for such Lot or Lots. For purposes of this section, the allowable "Built Upon Area" shall include that portion of the right-of-way between the front lot line and the edge of the pavement. Further, built upon areas shall include, but not be limited to, structures, pavement, walkways of asphalt, concrete, gravel, brick, stone, slate, or coquina, but shall not include raised, open wood or synthetic material decking, or the water surface of a swimming pool. Any Owner may, in accordance with applicable government regulations, borrow from another Owner any Built Upon Area which is not being utilized by the other Owner, without the

approval of any Owner(s) not involved in such transaction, the Developer, or the Association.

Any covenants pertaining to stormwater regulations may not be changed or deleted without the concurrence of the Division of Water Quality of the North Carolina Department of Environment and Natural Resources. Lots within the Area of Environmental Concern (AEC) of Coastal Area Management (CAMA) may have the built-upon area reduced to CAMA jurisdiction within the AEC. Alteration of the drainage as shown on the approved plan shall not take place without the concurrence of the State of North Carolina. Furthermore, all drainage easements, and/or any portion thereof which is located on any portion of any lot within the subdivision shall be preserved, protected, and maintained by the owner of said lot. Further, the filling in or piping of any vegetative conveyances (ditches, swales, etc.) within or used by the subdivision, except for average driveway crossings, is strictly prohibited. Each lot will maintain a thirty (30) foot wide vegetated buffer between all impervious areas and surface waters. All roof drains shall terminate at least thirty(30) feet from the mean high water mark.

With respect to any curb and gutter located within the subdivision, the following additional restrictions shall apply:

(A) Filling in, piping or altering any designated 5:1 curb outlet swale associated with the subdivision is prohibited by any person or persons.

(B) With respect to any curb outlet system, each designated curb outlet swale shown on the approved plan must be maintained at a minimum of 100 feet long with a 5:1 (H:V) side slope or flatter, have a longitudinal slope no steeper than 5%, carry the flow from a 10 year storm in a non-erosive manner, and maintain a dense vegetated cover.

13.11. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, or otherwise delivered, to the last known address of the person who appears as a Member or Owner on the records of the Association at the time of such mailing.

13.12 Roads and Streets. All roads and streets made subject to this Declaration are common property and shall be designated as private and shall be maintained by the Association until such time as the South Harbour Master POA, Inc. is created and takes responsibility of the roads and streets as required by their Declaration of Covenants and Restrictions. Furthermore, Declarant for itself, its designees or assigns shall have a right of ingress and egress over and across all of such roads and streets for purposes of accessing any property described on the exhibits hereto or any adjoining properties owned by Declarant or its successors and assigns. The Association shall maintain private roads and streets in good condition, readily available for normal use at all times until the maintenance of the roads and streets are maintained by the South Harbour Master

Association, Inc.

13.13 Parking. All parking spaces immediately adjacent to a designated Living Unit should be available for the sole use of the owner of such Unit, and all other parking should be jointly available for the owner of all Units and their guest, subject to reasonable rules and regulations adopted from time to time by the Board of Directors.

13.14 Golf Facility. Any Unit owner by accepting and recording a Deed, acknowledges and agrees that the Declarant, or others, may, but are by no means required to, construct, maintain, and/or operate one or more Golf Facilities near the Property. No Unit Owner shall have any right, solely by virtue of such ownership or by payment of assessments to any homeowner's association, have any right to use or access to or across, entry onto, membership in, or other use or enjoyment of any Golf facility. Use of any part of a Golf Facility by any person in accordance with the reasonable rules and regulations established by the owner of the Golf Facility, including use of a Golf Facility for golf tournaments or social events shall not constitute a nuisance

(1) Limitation of Liability. Neither the Declarant, any Builder, any Homeowner's Association, nor any of the members, managers, shareholders, officers, directors, employees, agents, contractors, affiliates, subsidiaries, predecessors, successors, or assigns of the Declarant, Builder, or the Association shall be responsible or liable in any way to the any Owner or to any other person for any claims, causes or action, damages to person or property, judgments, liens, losses, injuries, demands, interference, liabilities, or obligations whatsoever, arising out of or resulting from any one or more of the following: (i) any interference of any Owner's use and enjoyment of any Common Property or any portion of the lands conveyed hereby by anyone using the Golf Facility; (ii) improper design or operation or use of the golf course or any other portion of a Golf Facility; (iii) the level of skill of any golfer; (iv) trespass by any golfer on any portion of the properties; (v) golf balls (regardless of the number and frequency or occurrences) hit or thrown over or onto any portion of said lands; (vi) golf equipment; (vii) Golf Facility maintenance equipment and devises; (viii) social events held at a Golf Facility; (ix) the exercise by any golfer or the owner of a Golf Facility of any easement reserved or established for golfers or that Golf Facility by this Deed or shown on any plat of the properties recorded in the Registry. Provided, however, the foregoing liability limitations are not applicable to any of the named persons with respect to their acts or omissions as golfers, members or guests using the Golf Facility, or as owners, managers, agents or employees of a Golf Facility.

(2) No Golf Facility, nor any owner or management, thereof, nor any member, partner or shareholder thereof or any affiliate of any such member, partner or shareholder, nor their respective employees, officers, directors or agents, nor any architects, builders, contractors or land planners hired or retained by the owner of such Golf Facility, in the foregoing capacities, shall be liable for any damage or injury resulting from errant golf balls hit by their parties, retrieval or errant golf balls by third

parties from the reasonable over spray of water from that Golf Facility. Provided, however, the foregoing liability limitations are not applicable to any of the name persons with respect to their acts or omissions as golfers, members or guests using the Golf Facility.

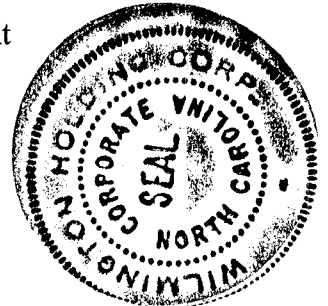
However, it is expressly understood that nothing herein expressly stated, or otherwise implied, shall require the Declarant, or any person, firm, or corporation, or either of them, or their successors and assigns, to own, provide, operate, and/or maintain a Golf course or facility as above is described or otherwise. Declarant, and any current or future owner of the golf facilities expressly reserve the right to close all or any part or portion of the said Golf facility and property and, they further do reserve the right to develop all or any portion of the golf course property for such purposes as they, or any of them, in their sole discretion shall deem appropriate.

WITNESS WHEREOF, SOUTH HARBOUR VILLAGE ASSOCIATES, LLC has caused this instrument to be duly executed by its authorized Member-Managers, and Viable Corp. and Quality Farm, Inc., have caused this instrument to be duly executed by their respective officers as was authorized by their respective Boards of Directors, and the individual signatories have hereunto set their respective hands and seals, as of the day and year first above written.

SOUTH HARBOUR VILLAGE ASSOCIATES, LLC, Declarant

By: Wilmington Holding Corp., Member-Manager

By [Signature]
Vice President



Attest:

[Signature]
Secretary

VIABLE CORP., Declarant

By [Signature]
E. L. Burnett, III, President



Attest:

[Signature]
Assistant Secretary

QUALITY FARM, INC.

By E. L. Burnett, III
E. L. Burnett, III, President

Attest: [Signature]
Assistant Secretary

E. L. Burnett, III (SEAL)
E. L. BURNETT, III, Declarant

Carolyn D. Burnett (SEAL)
CAROLYN D. BURNETT, Declarant

Lee Roy Smyre (SEAL)
LEE ROY SMYRE, Declarant

Diane M. Smyre (SEAL)
DIANE M. SMYRE, Declarant

James S. Burnett (SEAL)
JAMES S. BURNETT, Declarant

Marjorie A. Burnett (SEAL)
MARJORIE A. BURNETT, Declarant

Charles F. Green, III (SEAL)
CHARLES F. GREEN, III, Declarant

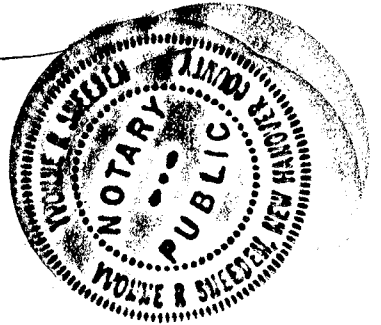
STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I, a Notary Public of the County and State aforesaid, certify that Jerry Thomason personally came before me this day and acknowledged that she is the Assistant Secretary of Wilmington Holding Corp., a North Carolina corporation, which corporation is a Member-Manager of POINT ASSOCIATES, LLC., a North Carolina Limited Liability Company, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by herself as its Assistant Secretary, on behalf of and as the act and deed of the said POINT ASSOCIATES, LLC.

WITNESS my hand and official stamp or seal, this 22 day of April, 2004.

Gwonne R. Sueder
Notary Public

My commission expires: 11-12-2006



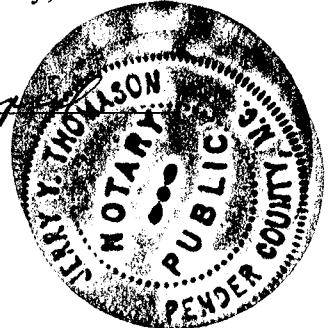
STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I, a Notary Public of the County and State aforesaid, certify that Alton Y. Lennon personally came before me this day and acknowledged that he is the Assistant Secretary of Viable Corp., a North Carolina 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 Assistant Secretary, all as was duly authorized by its Board of Directors.

WITNESS my hand and official stamp or seal, this 22nd day of April, 2004.

Jerry Z. Thomason
Notary Public

My commission expires: 12-08-05



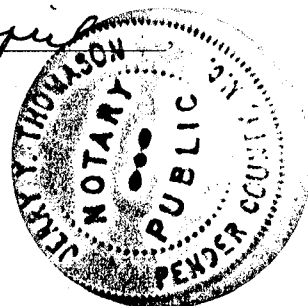
STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I, a Notary Public of the County and State aforesaid, certify that Alton Y. Lennon personally came before me this day and acknowledged that he is the Assistant Secretary of Quality Farm, Inc., a North Carolina 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 Assistant Secretary, all as was duly authorized by its Board of Directors.

WITNESS my hand and official stamp or seal, this 22nd day of April, 2004.

Jerry Z. Thomason
Notary Public

My commission expires: 12-08-05



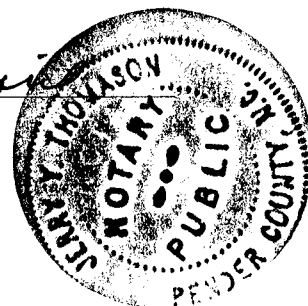
STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I, a Notary Public of Pender County and the State aforesaid, certify that CHARLES F. GREEN, III, personally came before me this day and acknowledged his due execution of the foregoing and annexed instrument.

WITNESS my hand and official stamp or seal, this 22nd day of April, 2004.

Jerry Z. Thomason
Notary Public

My commission expires: 12-08-05

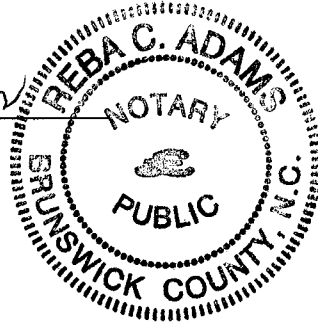


STATE OF NORTH CAROLINA
COUNTY OF

I, a Notary Public of Brunswick County and the State aforesaid, certify that E. L. BURNETT, III, and wife CAROLYN D. BURNETT, each personally came before me this day and acknowledged their due execution of the foregoing and annexed instrument.

WITNESS my hand and official stamp or seal, this 22nd day of April, 2004.

Reba C Adams
Notary Public



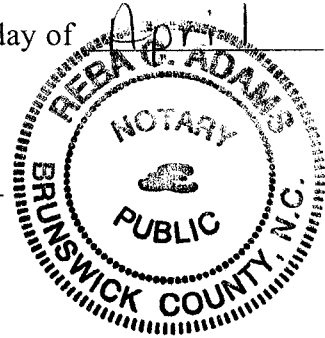
My commission expires: May 23, 2004

STATE OF NORTH CAROLINA
COUNTY OF

I, a Notary Public of Brunswick County and the State aforesaid, certify that JAMES S. BURNETT and wife MARJORIE A. BURNETT, each personally came before me this day and acknowledged their due execution of the foregoing and annexed instrument.

WITNESS my hand and official stamp or seal, this 22nd day of April, 2004.

Reba C Adams
Notary Public



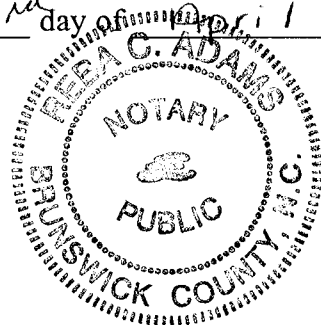
My commission expires: May 23, 2004

STATE OF NORTH CAROLINA
COUNTY OF

I, a Notary Public of Brunswick County and the State aforesaid, certify that
LEE ROY SMYRE and wife, DIANE M. SMYRE, each personally came before me this
day and acknowledged their due execution of the foregoing and annexed instrument.

WITNESS my hand and official stamp or seal, this 23rd day of April,
2004.

Reba C Adams
Notary Public



My commission expires: May 23 2004

AYL2004A:SHVMUCONDODECnt

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

The Foregoing (or annexed) Certificate(s) of YVONNE R SNEEDEN, JERRY Y THOMASON, REBA C ADAMS

Notary(ies) Public is (are) Certified to be Correct.
This Instrument was filed for Registration on this 21st Day of May, 2004
in the Book and page shown on the First Page hereof.

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

EXHIBIT "A"
(Page 1 of 2)

TRACT ONE

The Following Description is of a Tract
Which Contains The Multi Unit Building
at 5001 O'Quinn Boulevard
Oak Island, North Carolina

To arrive at the true point of beginning commence at a railroad spike on the center-line of Fish Factory Road (60 foot right-of-way), also known as SR 1101. Said spike being at the southern terminus of the public right-of-way. Said spike being 4900 feet, more or less southwardley, as measured along the center-line, from the intersection of Fish Factory Road with N. C. 133. Said spike being located North 01 degrees 59 minute 04 seconds East 911.94 feet, from U. S. Corps of Engineers Atlantic Intracoastal Water Way right-of-way monument "TI-20" having N. C. Grid Coordinates (NAD27), of North 63665.8037 East 2284571.19556 and a combined factor of 1.000139424. All bearings in this description are relative to N. C. Grid NAD27 and all distances are field horizontal. Go thence from said spike South 13 degrees 13 minutes 01 second East 550.81 feet, to a new iron pipe, THE TRUE POINT OF BEGINNING. Running thence from said beginning pipe:

1. South 06 degrees 34 minutes 18 seconds West 75.00 feet, passing through a new iron pipe at 72.00 feet, to a point on the southerly face of a concrete bulkhead; thence
2. North 83 degrees 25 minutes 42 seconds West 116.35 feet, along the southerly face of said bulkhead to a new "x"-cut in said bulkhead; thence
3. North 06 degrees 34 minutes 18 seconds East 75.00 feet, to a new iron pipe; thence
4. Continuing North 06 degrees 34 minutes 18 seconds East 15.23 feet, to a new "x"-cut in a concrete walk; thence
5. South 83 degrees 17 minutes 21 seconds East 116.35 feet, along the face of said walk to a new "x"-cut in concrete; thence
6. South 06 degrees 34 minutes 18 seconds West 14.95 feet, to the point of beginning.

The above described tract contains 0.20 acres, more or less. The same being a portion of that tract described in Deed Book 1407 at Page 1387 of the Brunswick County Registry.

TRACT TWO

The Following Description is of a Tract
Which Contains The Multi Unit Building
at 5003 O'Quinn Boulevard
Oak Island, North Carolina

To arrive at the true point of beginning commence at a railroad spike on the center-line of Fish Factory Road (60 foot right-of-way), also known as SR 1101. Said spike being at the southern terminus of the public right-of-way. Said spike being 4900 feet, more or less, southwardley, as measured along the center-line, from the intersection of Fish Factory Road with N. C. Highway 133. Said spike being located North 01 degrees 59 minutes 04 seconds East 911.94 feet, from U. S. Corps of Engineers Atlantic Intracoastal Water Way right-of-way monument "11-20" having N. C. Grid Coordinates (NAD27), of North 63665.8037 East 2284571.19556 and a combined factor of 1.000139424. All bearings in this description are relative to N. C. Grid NAD27 and all distances are field horizontal. Go thence from said spike South 13 degrees 13 minutes 01 second East 550.81 feet, to a new iron pipe, THE TRUE POINT OF BEGINNING. Running thence from said beginning pipe:

1. North 06 degrees 34 minutes 18 seconds East 14.95 feet, to a new "x"-cut in concrete; thence
2. South 83 degrees 17 minutes 21 seconds East 100.00 feet, along the face of a concrete walk to a new "MAG" nail in concrete; thence
3. South 06 degrees 34 minutes 18 seconds West 14.71 feet, to a new iron pipe; thence
4. Continuing South 06 degrees 34 minutes 18 seconds West 72.00 feet, to a point on the northerly face of a bulkhead; thence
5. North 83 degrees 25 minutes 42 seconds West 100.00 feet, along the face of said bulkhead, to a new iron pipe; thence
6. North 06 degrees 34 minutes 18 seconds East 72.00 feet, to the point of beginning.

The above described tract contains 0.16 acres, more or less. The same being a portion of that tract described in a deed recorded in Deed Book 1407 at Page 1387 of the Brunswick County Registry.

<u>Unit Number</u>	<u>Percentage in Common Elements and Common Expenses</u>
Unit 5001-A	5%
Unit 5001-B	5%
Unit 5001-C	5%
Unit 5001-D	5%
Unit 5001-E	5%
Unit 5001-F	5%
Unit 5001-G	5%
Unit 5001-H	5%
Unit 5001-I	5%
Unit 5001-J	5%
Unit 500 1 -A	5%
Unit 500 1 -B	5%
Unit 500 1 -C	5%
Unit 500 1 -D	5%
Unit 500 1 -E	5%
Unit 500 1 -F	5%
Unit 500 1 -G	5%
Unit 500 1 -H	5%
Unit 500 1 -I	5%
Unit 500 1 -J	5%

Total Units now subject to this Declaration: Twenty (20).

SUBJECT TO:

Any restrictions of record not inconsistent herewith.

All rights of way and easements of record and/or as are shown upon recorded maps or plats of the area, including, without limitation, all plats of the properties of Point Associates, L.L.C., South Harbour Village Associates, LLC., and/or Marina Club at South Harbour Village Condominiums, (and all Sections or Phases thereof) and/or their successors and/or assigns.

All matters and things set forth in that Deed from Standard Products of North Carolina, Inc., to Point Associates, L.L.C., recorded in Book 1125 at Page 1252 of the Brunswick County, North Carolina, Registry.