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Prepared by and Return to: Stevens, McGhee, Morgan, Lennon, Toll & Carter, L.L.P.
602 Market Street, Wilmington, NC 28401

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

DECLARATION OF CONDOMINIUM
FOR
SOUTH HARBOUR STATION CONDOMINIUM



**DECLARATION OF CONDOMINIUM
FOR
SOUTH HARBOUR STATION CONDOMINIUM**

This Declaration is made on April 23, 2007, by STATION DEVELOPMENT CORP., a North Carolina Corporation, hereinafter referred to as "Declarant." Declarant hereby states and declares as follows:

A. Declarant is the owner of that tract of real estate located in Brunswick County, North Carolina, described on Exhibit "A" attached hereto and made a part hereof, as is shown on that plat or map recorded in Condominium Book 11 at Page 359 of the Brunswick County Registry. The tract of real estate and all rights and privileges appurtenant thereto are hereinafter collectively referred to as "the Property."

B. Declarant desires and intends to convert the Property into a condominium pursuant to N.C.G.S. Chapter 47C.

C. Declarant also desires and intends to subject the Property to certain covenants, conditions and restrictions to be binding upon all owners of any interest in the condominium and their lessees, guests, mortgagees, heirs, executors, administrators, successors and assigns.

THEREFORE, pursuant to N.C.G.S. §47C-2-101, Declarant hereby executes this Declaration to create SOUTH HARBOUR STATION CONDOMINIUM, and declares that henceforth the condominium and all units and garages thereof shall be held and owned subject to the following terms, provisions, covenants, conditions and restrictions, which shall be binding upon all owners of any unit of the condominium and their lessees, guests, mortgagees, heirs, executors, administrators, successors and assigns:

I. Definitions. The definitions set forth in N.C.G.S. §47C-1-103 shall apply to this Declaration and are incorporated herein, except that the terms listed below shall have the specific meanings stated:

(a) "Association" shall mean SOUTH HARBOUR STATION UOA, INC., a North Carolina nonprofit corporation, its successors and assigns.

(b) "Declarant" shall mean STATION DEVELOPMENT CORP., its successors and assigns.

(c) "Declaration" shall mean this Declaration of Condominium for SOUTH HARBOUR STATION CONDOMINIUM.

2. Name. The name of the condominium created by this Declaration is "SOUTH HARBOUR STATION CONDOMINIUM."

3. Master Association; Master Declaration. The Master Association is South Harbour Village Master POA, Inc., which Master Association is more particularly described in the Master Declaration of Covenants, Conditions, and Restrictions for South Harbour Village (the "Master Declaration") which is recorded in Book 2104 at Page 574 of the Brunswick County Registry, and all amendments thereto and ratifications thereof, reference to which Master



Declaration and related documents is hereby made. *It is expressly understood and agreed that the Association has, by instrument recorded in Book 2409 at Page 500 of the Brunswick County Registry, ratified and adopted the above noted Master Declaration, and is, therefore, bound thereby, and has also thus become a member of the Master Association and has agreed to be bound by its rules, restrictions, and provisions.*

4. Maximum Number of Units. The maximum number of units of SOUTH HARBOUR STATION CONDOMINIUM which the Declarant may create at any time is forty-five (45). The number of presently existing units is fifteen. As stated in Section 7 below, the Declarant reserves the right to annex additional real estate to the condominium, and to create an additional thirty (30) units.

5. Description of Units. The presently existing fifteen (15) units are contained in one (1) three-story wood or some other composite material frame building located on the Property and designated as Phase 1, 4132 Vanessa Drive. Each building contains fifteen (15) units, with five (5) units located on each floor. The buildings and the units within each building are more fully described and depicted by those plans entitled "Phase 1 (4132 Vanessa Drive) South Harbour Station Condominium" of record at Condominium Book 11 at Pages 359, 360, and 361, Brunswick County Registry, which plans are incorporated herein and are hereinafter referred to as "the Plans." Each Phase may include a garage facility constructed to provide one parking space for each unit in each Phase which is actually built. No garage space may be transferred by any unit owner except as a part of the transfer of the said unit to which the garage space has been assigned. The identifying number for each unit and each garage space is as is shown on the Plans. Other amenities may, at Declarant's sole discretion, be provided.

6. Boundaries of Units. The horizontal boundaries of each unit and garage are the interior surfaces of its perimeter walls. The vertical boundaries of each unit and garage are the interior surfaces of its ceilings and floors. In determining whether materials or items are common elements, limited common elements or parts of a unit, the terms and provisions of N.C.G.S. §47C-2-102 shall apply, and are incorporated herein.

7. 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 or any additional Property.

8. 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.

9. 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 possessor or use rights for the common use and enjoyment of the Owners. As above stated, a garage facility may be constructed for each Phase, which, if built, will provide one parking space for each Unit in said Phase.

10. 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.

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

12. Plans. The plans of the Condominium, including a survey map depicting the Condominium and Common Elements (the "Map") recorded in Unit Ownership File No. 11 Pages 359, 360 and 361 in the Office of the Register of Deeds for Brunswick County, North Carolina, and by the Act made a part of this Declaration.

13. Property; Additional Property. The Property shall be the real estate described on Exhibit "A" attached, 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 the real estate described or designated as "Possible Future Development" on the plat recorded in Condominium Book 11 at Page 359, Brunswick County Registry. Additional Property shall be annexed by the Declarant to the Property, which Additional Property and/or Building (s) is designated as such on the said plat recorded in Condominium Book 11 at Page 359 or otherwise defined or described in Section 21 hereof.

14. Rules and Regulations. The rules and regulations of the Condominium promulgated by the Board or the Association from time to time.

15. 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 may be, in consideration of prorated charges, made available to the members of the Association.

16 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.



17. Units. A portion of the Condominium, whether or not contained solely or partially within a building, and a garage space which, if built, shall be transferred solely and exclusively with said unit, together with its percentage of undivided interest in the Common Elements as set forth on Exhibit "B." Each Unit and garage is designated and delineated on the Plans.

18. Unit and Garage Boundaries. The boundaries of each Unit and garage, 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 and garage, the undecorated surfaces of the roof facing the interior of the Unit and garage, 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 and garage 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.

19. 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.

20. Limited Common Elements. In determining whether materials or items are limited common elements and how they should be allocated, the terms and provisions of N.C.G.S. §47C-2-102 shall apply, and are incorporated herein. In addition, any part of a heating, ventilation and air conditioning system exclusively serving a unit that is located outside of the boundaries of the unit is a limited common element to be allocated exclusively to that unit.

21. Development Rights and Development Plan. The Declarant reserves the right to add to SOUTH HARBOUR STATION CONDOMINIUM that tract or tracts of real estate located in Brunswick County, North Carolina, and designated on the above noted recorded plat as "Possible Future Development." The Declarant also reserves the right to create out of Phases 2 and 3 a maximum of thirty (30) additional units of the condominium, together with a garage facility for each Phase providing a parking space for each unit, and together with additional common elements and limited common elements. The development rights described in this section must be exercised within five (5) years of the date of recording of this Declaration. The Declarant plans to construct two additional buildings on Phases 2 and 3, that shall be virtually identical in style, composition and construction to the building(s) in Phase 1 as shown by the Plans, together with additional parking areas, garages, and roadway to support the additional units. All improvements to Phase Two shall be substantially completed before Phase 2 is added to the condominium. Likewise, all improvements to Phase 3 shall be substantially completed before Phase 3 is added to the condominium.

22. Reservation of Easements. Pursuant to N.C.G.S. §47C-2-16, the Declarant hereby reserves unto itself, its successors and assigns, such easements over all of the common elements of the condominium as may be reasonably necessary to exercise the development rights specified in section 7 above and the Special Declarant Rights specified in section 8 above. Further, the Declarant, for itself, its successors, assigns, and for all future condominium unit



owners acknowledges that a portion of the Property and/or the Additional Property is and shall continue to be subject to an easement or easements for utility construction and maintenance and/or drainage so as to provide certain neighboring properties, access to a retention pond (located on a portion of the Additional Property) which pond serves as an integral part of the state permitted storm water retention system for the Property, Additional Property, and the area. All parties using the said retention pond shall be responsible to contribute, on a prorata basis, to the cost of pond and related system maintenance and repair when needed.

23. Allocated Interests. The undivided interests in the common elements, the common expense liability and votes in the Association (collectively, "the allocated interests") are to be allocated among all units equally on a per unit basis. The allocation of interests and obligations among the presently existing units is one-fifteenth (1/15) per unit. If the Declarant exercises its development right to add units to the condominium, the allocated interests shall be reallocated among all then existing units equally on a per unit basis.

24. SOUTH HARBOUR STATION UOA, Inc. Every unit owner shall be a member of the Association. Ownership of a fee interest in a unit shall be the sole qualification for membership, and membership shall be appurtenant to and shall not be separated from such ownership. The basic purposes and duties of the Association shall be to manage the condominium pursuant to the terms and provisions of Article 3 of Chapter 47C of the North Carolina General Statutes, this Declaration, any Bylaws promulgated by the Association and any Rules and Regulations promulgated by the Association or its executive board; and to promote and to protect the enjoyment and beneficial use and ownership of the units. The Association shall have all of the powers stated in N.C.G.S. §47C-3-102, the terms and provisions of which are incorporated herein. The Association shall also have the power to enforce in its own name the terms and provisions of this Declaration, any bylaws promulgated by the Association and any Rules and Regulations promulgated by the Association. In addition, the Association shall have the power to:

- (a) Adopt and amend bylaws and rules and regulations;
- (b) Adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from unit owners;
- (c) Hire and terminate managing agents and other employees, agents, and independent contractors;
- (d) Institute, defend, or intervene in its own name in litigation or administrative proceedings on matters affecting the condominium;
- (e) Make contracts and incur liabilities;
- (f) Regulate the use, maintenance, repair, replacement, and modification of common elements;
- (g) Cause additional improvements to be made as a part of the common elements;
- (h) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, provided that common elements may be conveyed or subjected to a security interest only pursuant to G.S. 47C-3-112;
- (i) Grant easements, leases, licenses, and concessions through or over the common elements;
- (j) Impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements and for services provided to unit



owners;

- (k) Impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines not to exceed one hundred fifty dollars (\$150.00) for violations of the declaration, bylaws, and rules and regulations of the Association;
- (l) Impose reasonable charges for the preparation and recordation of amendments to the declaration, resale certificates or statements of unpaid assessments;
- (m) Provide for the indemnification of and maintain liability insurance for its officers, executive board, directors, employees and agents;
- (n) Exercise all other powers that may be exercised in North Carolina by a nonprofit corporation; and
- (o) Exercise any other powers necessary and proper for the governance and operation of the Association.
- (p) The Association is authorized to and has become a member of the Master Association as is defined herein.

25. Restrictions on Use. All units and any garage unit assigned, shall be subject to the following restrictions on use:

- (a) Except for use by the Declarant as a sales model and/or sales office, each unit shall be used for residential purposes only. Subject to the stated exception for the Declarant, no commercial activities shall be conducted in or from any unit, except home occupations that do not involve physical access or visitation to the unit by any member of the general public and that do not involve any increased use whatsoever by any person of any of the common elements of the condominium or any general services provided to the condominium (such as trash removal).
- (b) The maximum number of occupants of any one unit shall be that number which is the product of the number of bedrooms in a unit, as originally designed, times two, regardless of the age of any of the occupants.
- (c) Noxious, offensive or loud activities shall not be conducted within any unit. Each unit owner shall refrain from any use of his or her unit which could reasonably cause embarrassment, discomfort, annoyance or nuisance to any other unit owner or occupant.
- (d) All governmental codes, regulations and ordinances applicable to a unit shall be observed.
- (e) No unit may be subdivided.
- (f) No animals of any kind shall be kept within any unit or on any of the common elements of the condominium.
- (g) No unit shall be used for hotel or other transient residential purposes. Every lease relating to any unit must be in writing, must be for a term of at least thirty (30) days and must provide that the tenant is obligated to observe all applicable terms and provisions of this Declaration, the bylaws



of the Association and any rules and regulations promulgated by the Association or its executive board.

- (h) All window coverings or dressings within a unit shall appear white or off-white from the exterior.
- (i) No sign shall be exhibited on or from any unit.
- (j) The Association may adopt such other rules and restrictions as may be reasonably required to promote and/or maintain the proper and orderly development of the Condominium and the use thereof by its unit owners.

26. **Maintenance and Assessments.** The Association shall maintain all of the common elements of the condominium, including the limited common elements, and assess all of the units for the costs thereof, pursuant to N.C.G.S. §47C-3- 107 and 113, the terms and provisions of which are incorporated herein. Further, the Association has become a member of the Master Association. The Association thus shall have the power to assess its members to pay for any dues or assessments levied by the said Master Association. Any such dues or assessments charged or levied by the Master Association shall be enforceable and collectable in the same manner as dues and/or assessment charged or levied by the Association, Further, the Association shall also have the power to assess the units as set forth in the above noted statutes, and as follows:

(a)Regular Assessments. The Association shall establish an adequate reserve fund for the periodic maintenance, repair and replacement of the common elements. The Association shall charge each unit on a quarterly or monthly basis (as determined by its executive board) a Regular Assessment as its share of the common expenses and its contribution to the reserve fund.

(b)Special Assessments. In addition to the Regular Assessments authorized in subsection (a) above, the Association may charge each unit, in any fiscal year of the Association, a Special Assessment applicable to that fiscal year only for the purpose of defraying, in whole or in part, the cost of any construction of a capital improvement upon and to any part of the common elements, including fixtures and personal property related thereto; provided that any such Special Assessment must be approved by the affirmative vote of at least two-thirds (2/3) of all units existing at the time of the vote, cast in person or by proxy at a meeting duly held in accordance with the bylaws of the Association. If authorized by the Association, Special Assessments may be paid by unit owners in monthly or quarterly installments, as determined by the executive board of the Association.

(c)Rates of Regular and Special Assessments. Regular and Special Assessments shall be assessed against all units equally on a per unit basis.

(d)Commencement of Regular and Special Assessments. Each unit shall be and become subject to Regular and Special assessments from and after the date of recording of a deed from the Declarant conveying said unit to a third party.

(e)Initial Assessments. In order to provide initial operating funds for the Association, each unit shall be assessed an Initial Assessment at the time of first occupancy of the unit. The

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Initial Assessment shall be due and payable at closing on sale of the unit to the first unit owner who intends to occupy the unit or lease the unit for occupancy. The amount of the Initial Assessment shall be an amount equal to three (3) months' Regular Assessment for each unit. The Initial Assessment due from each unit pursuant to this subsection shall be in addition to all other assessments created hereunder, and shall not be credited against any other assessment.

(f) Maintenance of Limited Common Elements. Any common expense associated with the maintenance, repair or replacement of a limited common element must be assessed only against the unit to which that limited common element is allocated.

(g) Assessments for Fines. The Association may assess individual units for any fines owed to the Association by the owner(s) of the unit for violations of this Declaration or any Bylaws or Rules and Regulations promulgated by the Association. Any such fine shall not exceed One Hundred Fifty Dollars (\$150.00) per occurrence.

(h) Certificates of Assessments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association stating whether all assessments against a specified unit have been paid. A properly executed certificate of the Association as to the status of assessments against a unit shall be binding upon the Association as of the date of its issuance.

(i) Payment and Collection of Assessments. Each of the applicable assessments described above, together with interest thereon and the costs of collection thereof, including reasonable attorney's fees, and together with late fees, if any, shall be a lien upon each unit and the personal obligation of all of the owners of such unit. Assessments shall be paid in such manner and on such dates as the executive board of the Association may establish, which may include discounts for early payment, reasonable late fees for late payment and special requirements for unit owners with a history of late payment. No unit owner may exempt himself from liability for assessments by non-use of common elements, abandonment of his unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each unit owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action taken by the Association. Any assessment against any unit which remains unpaid for a period of thirty (30) days after delivery of a request for payment thereof shall be past due, and interest shall accrue on any unpaid amount from the date that it became past due at the rate of twelve percent (12.00%) per annum. The Association shall have the power to take whatever action is necessary, at law or in equity, to collect any past due assessment, together with interest, late fees and costs of collection, including reasonable attorney's fees. When an assessment becomes past due, the lien created hereunder may be filed by the Association against the delinquent unit owner in the office of the Clerk of Superior Court of Orange County. The lien may be foreclosed by the Association in like manner as a mortgage on real estate under power of sale pursuant to Article 2A of Chapter 45 of the North Carolina General Statutes. All liens apply to the subject unit as well as to its assigned garage unit.

(j) Subordination of Lien to First Mortgages. The lien created by subsection (h) above shall be subordinate to the lien of any first mortgage. Sale or transfer of any unit shall not affect the lien of any assessment, except that the sale or transfer of any unit pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of any assessment against



the unit that first became due prior to such sale or transfer.

27. Insurance. The Association shall purchase, maintain in force and administer insurance coverage as provided by N.C.G.S. §47C-3-I 13, the terms and provisions of which are incorporated herein. In addition, the Association shall meet the following requirements regarding insurance:

(a)Property Insurance. All common elements of the condominium (including all limited common elements), except land, excavations, foundations and other items normally excluded by property insurance policies, shall be insured by the Association in an amount equal to at least one hundred percent (100%) of their insurable replacement value as determined annually by the Association, with the assistance of the insurance company underwriting the coverage. Such coverage shall provide protection against loss or damage by fire and other hazards or risks covered by a standard extended coverage endorsement.

(b)Liability Insurance. The Association shall acquire and maintain in full force and effect a policy of insurance which insures the Association against any liability arising out of the use, ownership, maintenance and control of the common elements, any commercial space leased or owned by the Association and any public rights-of-way within the Property, with limits of liability therefor of not less than One Million Dollars (\$1,000,000.00) per occurrence, which policy shall include an endorsement to cover liability of the Association to a single unit owner.

(c)Other Insurance. There shall also be obtained such other insurance coverage as the Association shall from time to time determine to be desirable and necessary or as may be required by the Federal Housing Administration, Veterans Administration or Federal National Mortgage Association.

(d)Waiver of Subrogation. All policies of insurance required to be carried hereunder shall contain waivers of subrogation.

(e)Fidelity Insurance or Bond. All persons responsible for or authorized to expend funds or otherwise deal in the assets of the Association shall first be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties in an amount not less than the estimated maximum of funds, including reserve funds, in the custody of the Association or its agent at any given time during the term of the bond (however, in no event shall the amount of the bond be less than a sum equal to three (3) months' aggregate assessments against all units plus reserve funds).

(f)Qualifications of Insurance Carriers. The Association shall obtain the insurance coverages specified herein only from carriers licensed and admitted to transact business in North Carolina and which have received an A- or better rating by the latest edition of A.M. Best's Insurance Rating Service.

(g) Proceeds. All contracts of property insurance purchased by the Association shall be for the benefit of all of the unit owners and their mortgagees, as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Association or its authorized representative as insurance trustee under this Declaration. Each unit owner and his mortgagee, if any, shall be beneficiaries of each insurance policy in the percentage of the unit owner's undivided interest in the condominium. The sole duty of the Association or its authorized

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representative as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein. Subject to the provisions of N.C.G.S. §47C-3-1 13, proceeds of insurance received by the insurance trustee shall be distributed to or for the benefit of the beneficiaries in the following manner:

- (i) Proceeds shall first be paid to cover the cost of reconstruction and repair of any damage covered;
- (ii) Proceeds shall then be paid to the trustee to reimburse it for costs reasonably incurred in discharging its duties as trustee; and
- (iii) Any remaining proceeds shall then be distributed to the beneficiary or beneficiaries of the trust, as their interests may appear.

28. Availability of Documents and Records of the Association. The Association shall make reasonably available for examination true copies of this Declaration and of all bylaws, rules and regulations, books, records and current financial statements of the Association, to the following: (a) unit owners and their agents and mortgagees, and (b) contract purchasers of units and their agents and prospective mortgagees. Upon written request from any governmental agency holding, insuring or guaranteeing any mortgage against any unit of the condominium, the Association shall provide a copy of an audited financial statement of the Association for the immediately preceding fiscal year to the requesting agency within a reasonable period of time.

29. Notices to Lenders. Upon written request from any entity holding, insuring or guaranteeing a mortgage against any unit of the condominium, the Association shall provide the requesting entity with timely written notice of:

- (a) any proposed amendment to this Declaration;
- (b) any proposed termination of the condominium;
- (c) any condemnation of or loss, destruction or damage to the condominium which affects a material portion of the condominium or any unit against which there is a mortgage held, insured or guaranteed by the requesting entity;
- (d) any delinquency of sixty (60) days or more in payment of any assessments due from the owner(s) of any unit against which there is a mortgage held, insured or guaranteed by the requesting entity; and
- (e) any lapse, cancellation or material modification of any insurance coverage held by the Association.

30. General Provisions.

30.01.(a) Parties Bound. All persons and entities acquiring any interest in any of the units, including but not limited to lessees, shall be bound by the provisions of this Declaration. All guests and invitees of such persons and entities, and any other occupants of any of the units, shall likewise be bound.

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30.02.(b)Duration. The provisions of this Declaration shall run with and bind the Property perpetually, unless rescinded pursuant to subsection (c) below.

30.03 (c)Amendment or Rescission. Except as provided herein, this Declaration may be amended or rescinded only by a written instrument executed by the Association and authorized by the affirmative vote of at least two-thirds (2/3) of all units existing at that time, cast in person or by proxy at a meeting duly held in accordance with the bylaws of the Association; provided that the terms and provisions of this Declaration may be amended by the Declarant at any time within five (5) years of the date of recording of this Declaration, without the approval of the Association or any other party, as necessary to exercise the development rights reserved in Section 7 above or if the proposed amendment is required to obtain any approval of HUD, FRA, VA, FNMA or FHLMC. Any amendment or rescission must be recorded at the Brunswick County Registry to be effective.

30.04 (d)Enforcement. The Declarant, any unit owner, the State of North Carolina if and when applicable, and/or the Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, and obligations imposed by this Declaration. The Declarant, the State, the Association or any unit owner may bring any action necessary to enjoin any violation or breach of the provisions of this Declaration, and/or to recover damages therefore. The Declarant, the Association, the State, and/or any unit owner shall be entitled to recover reasonable attorney's fees incurred in bringing and prosecuting such action from the breaching or violating unit owner(s).

30.05 Common Amenities:

Persons other than the Declarant may construct various amenities, which, if constructed, shall be common amenities for the use and benefit of 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 shall not be available for use by unit owners of this Condominium unless and until the Association is accepted as a member of the Master Association, and subject to its rules and regulations, and further, that the Condominium is permitted to become part of South Harbour Village and therefore subject to the Master Declaration. Such amenities are for the use by 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.

30.06 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 the development shall be 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 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 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. Any 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.

30.07 Failure to Enforce Not a Waiver. The failure by any authorized party to enforce any right, reservation, covenant or restriction contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so thereafter.

30.08 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any of the other provisions of this Declaration, which shall remain in full force and effect.

30.09 Captions. The captions herein are inserted only as a matter of convenience and for reference, and shall not be construed to define, limit or describe the scope of any provision of this Declaration.

30.10 Law Controlling. This Declaration shall be construed and governed pursuant to the laws of North Carolina.

30.11 References to Statutes. All references herein to any statutory provision shall be construed to include and apply to any subsequent amendments to or replacements of such provision.

31. Notices. Any notice required to be sent to any Member or Owner under the



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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.

32. 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 unless and until such time as the South Harbour Master POA, Inc. takes responsibility of the roads and streets as required by their Declaration of Covenants and Restrictions. However, Vanessa Drive shall not be subject to this Declaration. 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 unless and until the maintenance of the roads and streets are maintained by the South Harbour Master POA, Inc.

33. Parking. All parking spaces designated for the exclusive use of a Living Unit shall be provided in a garage facility constructed for each Phase, which spaces will be available for the sole use of the owner of such Unit as designated, 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.

34. 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, 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

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.



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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.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed by its President and its corporate seal to be affixed hereto on the date shown above.

STATION DEVELOPMENT CORP.

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

BRUNSWICK COUNTY, NORTH CAROLINA

I certify that the following person personally appeared before me this day, acknowledging to me that he signed the foregoing document:

E. L. Burnett, III, President of Station Development Corp.

Date: 4-23-07

Jerry Y. Thomason
Jerry Y. THOMASON, Notary Public
(Printed Name of Notary)
My commission expires: 12-08-2010





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Exhibit "A" to the DECLARATION OF CONDOMINIUM FOR
SOUTH HARBOUR STATION CONDOMINIUM
PHASE 1 - SOUTH HARBOUR STATION CONDOMINIUM
4132 VANESSA DRIVE

Beginning at a point in the western property line of Tract 3 of South Harbour Station as recorded in Map Cabinet 38, Page 61 of the Brunswick County Registry, said point also being the intersection of said western line with the northern line of Old Bridge Road (60' R/W), running thence from said beginning point

1. S79°00'14"E 100.00' to a point; thence,
2. S06°42'34"W 128.10' to a point; thence,
3. S33°35'41"W 188.14' to a point; thence,
4. N56°33'26"W 96.35' to a point; thence,
5. N33°26'34"E 24.43' to a point; thence,
6. N56°24'42"W 65.73' to a point; thence,
7. N33°33'01"E 181.32' to a point; thence,
8. N45°13'11"E 59.71' to the point of beginning.

Containing 0.95 ac± and being a portion of said Tract 3.

However, together with and subject to a 60' Access Easement as shown on said map of South Harbour Station

Together with a Ingress/Egress Easement described as follows:

Beginning at the southwestern corner of Tract 3 of South Harbour Station as recorded in Map Cabinet 38, Page 61 of the Brunswick County Registry, said point also being located in the Northern line of Vanessa Drive (60' R/W); thence, leaving said northern line from said beginning point

1. N06°40'17"E 174.50' to a point; thence,
2. N83°41'27"W 207.12' to a point; thence,
3. N06°42'34"E 117.20' to a point; thence,
4. N33°20'53"E 86.71' to a point in the southern line of the above described Phase 1; thence, along said line
5. S56°33'26"E 30.00' to a point thence,

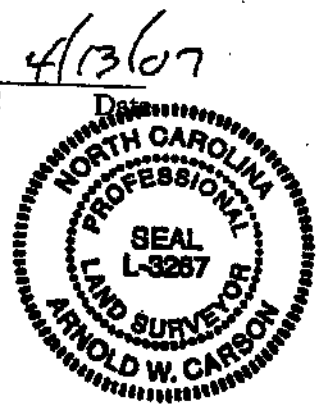


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- 6. S33°20'53"W 79.60' to a point; thence,
- 7. S06°42'34"W 59.89' to a point; thence,
- 8. S83°41'27"E 237.08' to a point; thence,
- 9. S06°40'17"W 224.50' to point in aforesaid north line of Vanessa Drive; thence,
with said line
- 10. N83°41'27"W 60.00' to the point of beginning.

Containing 0.64 AC± and being a portion of said Tract 3 of South Harbour Station.

[Signature]
 Arnold W. Carson PLS PC
 406 North Third Street
 Wilmington, NC 28401
 (910) 772-9113





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EXHIBIT "B"

**TO THE DECLARATION OF
SOUTH H ARBOUR STATION CONDOMINIUM**

UNIT NUMBER	PERCENTAGE OF UNDIVIDED OWNERSHIP
4132 UNIT # 1	1/15
4132 UNIT # 2	1/15
4132 UNIT # 3	1/15
4132 UNIT # 4	1/15
4132 UNIT # 5	1/15
4132 UNIT # 6	1/15
4132 UNIT # 7	1/15
4132 UNIT # 8	1/15
4132 UNIT # 9	1/15
4132 UNIT # 10	1/15
4132 UNIT # 11	1/15
4132 UNIT # 12	1/15
4132 UNIT # 13	1/15
4132 UNIT # 14	1/15
4132 UNIT # 15	1/15