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STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR TIDEWATER AT OCEAN ISLE

****THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS.****

THIS DECLARATION, made this 30th day of November, 2007, by TIDEWATER AT OCEAN ISLE, INC., a South Carolina corporation ("**Declarant**").

WITNESSETH:

WHEREAS, the Declarant is the owner of certain real property in Brunswick County, North Carolina, known as TIDEWATER AT OCEAN ISLE, as the same is more particularly shown on a plat thereof recorded in Map Book 47 at Pages 1-8 of the Brunswick County Registry (the "Property"); and

WHEREAS, Declarant has developed the Property as a residential community with substantial concerns for the protection of the natural beauty and ecological well being of the Property consistent with the nature and scope of development; and



WHEREAS, Declarant desires to provide for the continuing upkeep and maintenance of Common Areas and facilities in an exceptional manner, consistent with standards for other exclusive residential communities; and

WHEREAS, Declarant deems it in the best interest of the Property that design of all improvements, landscaping and uses within the Property be in harmony with a common plan of development as envisioned by Declarant; and

WHEREAS, Declarant further subjects the Property to the terms and conditions of Chapter 47F of the General Statutes of the State of North Carolina entitled "The Planned Community Act" (the "Act"); and

WHEREAS, by the execution and recording of this Declaration, Declarant further subjects the Property to certain protective covenants, conditions, restrictions, liens and charges as hereinafter set forth for the mutual benefit of Declarant and succeeding Owners consistent with the values set forth above, and Declarant desires that said covenants, conditions, restrictions, liens and charges run with the land and be binding upon the Declarant, its successors and assigns.

NOW, THEREFORE, the Declarant hereby declares that all of the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property and which shall run with the Property and shall be binding on all parties having or acquiring any right, title or interest in the described Property or any part thereof, and shall inure to the benefit of each Owner thereof.



ARTICLE I

Definitions

Section 1: "Act" shall mean the North Carolina Planned Community Act as set forth in Chapter 47F of the General Statutes of the State of North Carolina as the same may be amended from time to time.

Section 2: "**Annexed Property**" shall mean those properties which may be annexed and added to the Property and hereafter subjected to this Declaration pursuant to the provisions of Article XI hereof.

Section 3: "**Amenity Package**" shall mean those certain recreational improvements or amenities, if any, constructed or placed upon the Property for the mutual use and benefit of the Owners. The Amenity Package may include pier facilities.

Section 4: "**Association**" shall mean and refer to Tidewater at Ocean Isle Home Owners Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 5: "**Board of Directors**" or "**Board**" means those persons elected or appointed and acting collectively as the directors of the Association.

Section 6: "**Bylaws**" mean the Bylaws of the Association as they now or may hereinafter exist.

Section 7: "**Building**" shall mean and refer to a detached, free-standing dwelling or place of residence and attached or detached garage, and other outbuildings as may be approved by the Design Review Board and constructed upon a Lot within the Property.



Section 8: "Common Areas" shall mean and refer to all land within the Property owned by the Association, along with facilities and improvements erected or constructed thereon, for the use and enjoyment of the Members (as hereinafter defined) as shown on the Map. In addition, all private streets, water lines located outside public rights-of-way and individual Lots, all sewer lines located outside public rights-of-way, public sanitary sewer easements outside and within the boundaries of individual Lots, which water or sewer lines serve the Property are declared to be Common Area. Declarant reserves the right to alter and amend the recorded Map to amend, delete or relocate Common Areas and facilities as Declarant, in its sole discretion, deems appropriate.

Section 9: "Common Expenses" shall mean and include:

- a. All sums lawfully assessed by the Association against its Members pursuant to the Act;
- b. Expenses of administration, maintenance, repair or replacement of the Common Areas (specifically including the Amenity Packages). Without limiting the foregoing, such expenses shall extend to the administration, maintenance repair and replacement of any private streets, detention and or retention ponds, fishing ponds, boat docks, swimming pools, community buildings, walkways (including those walkways which may be constructed above wetlands), bulkheads and any and all expenses relating to installation and maintenance of landscaping in the Common Areas and within the right of ways of public streets (to the extent permitted by law);
- c. Expenses declared to be Common Expenses by the provisions of this Declaration, the Bylaws or the Act;
- d. Insurance premiums for liability, casualty, officer and director liability and other coverage as is required by the Act, this Declaration or the Bylaws;

e. Expenses agreed by the Members to be Common Expenses of the Association including but not limited to the maintenance and landscaping of yards and other areas which may not be included within a Lot;

f. Any ad valorem taxes and public assessments levied against the Common Areas;

g. Expenses incurred as a result of the design and maintenance of any community signage located within or neighboring the Property;

h. Expenses associated with any installation and maintenance of lighting structures and/or street lighting within the Property as directed by the Declarant or the Association, as well as the payment of any and all ongoing fees and expenses relating to the operation and maintenances of the lighting structures;

i. Expenses relating to the maintenance of any and all storm water drainage and facilities in accordance with the terms of the stormwater permit as the same may be amended from time to time; and

j. Expenses relating to the provision and/or operation of recreational or other facilities (including any Amenity Package) or programs of any nature serving the Owners.

Section 10: "**Declarant**" shall mean and refer to Tidewater at Ocean Isle, Inc., its successors and those assigns to whom the rights of Declarant are expressly transferred, in whole or in part, by written instrument as required by North Carolina General Statutes Section 47F-3-104.

Section 11: "**Declaration**" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Tidewater at Ocean Isle as the same may be amended and supplemented from time to time in accordance with the terms of this Declaration.

Section 12. “**Design Review Board**” shall mean and refer to the board, whose members are appointed by Declarant of the Association in accordance with Article VII hereof, and which is charged with review and approval of the construction of improvements and landscaping at the Property in accordance with the provisions hereof.

Section 13: “**Limited Common Elements**” shall mean a portion of the common elements, if any, referenced in this Declaration or by designation as such on the Map or by operation of law for the exclusive use of one or more but fewer than all of the Lots.

Section 14: “**Lot**” shall mean and refer to those seventy-eight (78) plots of land, other than the Common Area or Limited Common Elements, designated on the Map as Lots 1 through 78. The number of Lots may be increased or decreased as determined by the Declarant in accordance with the provisions of this Declaration.

Section 15: “**Map**” shall mean that map recorded in Map Book 47 at Pages 1-8 of the Brunswick County Registry, as the same may be modified or supplemented from time to time. Map shall also include any map recorded in the Brunswick County Registry for the Property which has been annexed in accordance with the provisions of this Declaration.

Section 16: “**Master Association**” means any organization to which powers have been delegated to act on behalf of or for the benefit of one or more other planned communities in accordance with the provisions of North Carolina General Statutes Section 47F-2-120.

Section 17: “**Member**” shall mean and refer to every person who is a member of the Association.

Section 18: “**Owner**” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract

sellers, but excluding those who have such interests merely as security for the performance of any obligation.

Section 19: "Person" shall mean and refer to an individual, corporation, partnership, association, trustee or other legal entity.

Section 20: "Property" shall mean and refer to that certain real property shown on the Map. Property shall also mean and refer to any additional real property annexed as provided herein upon such annexation.

ARTICLE II

Property Rights

Section 1: **Owner's Easements of Enjoyment:** Every Owner shall have a right to and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every designated Lot, subject to each of the following provisions:

- a. The right of the Association to limit the number of guests of Members.
- b. The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Areas and facilities and in aid thereof to mortgage the Common Areas and facilities and the rights of such mortgagee in said properties shall be subordinate to the rights of the Owners hereunder.
- c. The right of the Association to suspend the voting rights and rights to the use of the Common Areas and facilities (except streets) by a Member, or any person to whom he has delegated his voting right, for any period not to exceed sixty (60) days for an infraction of its published rules and regulations.
- d. Those easements as provided in Article VIII hereon.



Section 2: **Delegation of Use:** Any Owner may delegate the right of enjoyment of the Common Areas to the members of his family, his tenants, guests and invitees, provided, the Declarant or the Board may enact rules and regulations requiring that any guest or invitee shall be accompanied by the Owner, a family member or tenant actually residing in a Building. Special rules and regulations may be established by the Board regulating the Amenity Package.

Section 3: **Maintenance of Common Areas:** The maintenance of the Common Areas shall be the responsibility of the Association. The Board may contract with a third party for the maintenance of the Common Areas upon terms and conditions that it deems satisfactory.

Section 4: **Parking Rights and Restrictions:** The Design Review Board may require off-street parking for the parking of automobiles and other vehicles for some but not all Lots in the Property. Neither Owners nor their guests or invitees may park commercial trucks, boats, or trailers on the streets or Common Areas located on the Property without the express written permission of the Association. No boats, trailers or commercial vehicles shall be stored, housed or parked on the Property except within an enclosed garage or properly screened by landscaping approved by the Design Review Board.

ARTICLE III

Membership

Every person who is record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, but excluding persons who hold an interest merely as security for the performance of any obligations, shall be a Member of the Association. Ownership of such interest shall be the sole qualification for such membership. Membership shall be appurtenant to and may not be separated from ownership of



any Lot which is subject to assessment. The Board of Directors may make reasonable rules regarding proof of ownership.

ARTICLE IV

Voting Rights

Section 1: **Classes:** The Association shall initially have the following two classes of voting membership:

a. Class A: Class A Members shall be all Owners, with the exception of the Declarant. Class A Members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot all such persons shall be Members. The vote for such Lot shall be exercised as the Owners thereof determine, but in no event shall more than one vote be cast with respect to any Lot, and no fractional vote may be cast with respect to any Lot. In the event all Owners of a Lot are unable to agree upon the casting of a vote, the vote shall be deemed present for quorum purposes but shall not be considered for the purpose of voting upon any matter.

b. Class B: The Class B Member shall be the Declarant, and it shall be entitled to three (3) votes for each Lot in which it holds a fee or undivided fee interest, provided that the Class B membership shall cease and shall be converted to Class A membership upon the happening of any of the following events, whichever occurs earlier:

(1) When the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership;

(2) The tenth (10th) anniversary of recordation of this Declaration;

or

(3) When Declarant, in its sole discretion, elects to terminate the Class B memberships and to convert them to Class A memberships; provided, however, Declarant shall give the Association not less than sixty (60) days written notice of its intention to terminate and convert.

c. Resumption of Class B Membership Upon Annexation: Declarant may annex additional real property pursuant to Article XI hereof. Upon such annexation, Declarant shall be entitled to a Class B membership for each Lot (including any real property annexed hereto). Furthermore, in the event Class B memberships have theretofore ceased pursuant to paragraph (b) above, at the election of Declarant, the Class B membership shall be reinstated with all rights, privileges, responsibilities and voting rights as set forth above upon annexation of additional real property.

ARTICLE V

Adoption and Ratification of Budget; Covenant for Assessments

Section 1: **The Proposed Budget:** By majority vote, the Board of Directors shall adopt an annual budget for the subsequent operational year which shall provide for the allocation of expenses and assessment rates in such manner that the obligations imposed by this Declaration as any and all supplements hereto will be met.

Section 2: **Ratification of Proposed Budget:** The Board of Directors shall adopt a proposed budget for the Association not less than once annually. Within thirty (30) days after the adoption of the proposed budget, the Board of Directors shall send a copy of the proposed budget to the Members and shall give written notice to the Members of a meeting of the Members to consider ratification of the budget. Such meeting shall be held no sooner than ten (10) days nor more than



sixty (60) days after the mailing of such notice, and may, but need not be, combined with the annual meeting of the Members. There shall be no requirement that a quorum be present to vote on ratification of the budget (although a quorum must be present to vote on other matters in accordance with the terms and conditions hereof and in compliance with all statutory requirements). The budget shall be deemed ratified unless, at the meeting, Member having sixty-seven percent (67%) of the votes of the entire membership (not just those present at the particular meeting) vote to reject the budget. If any proposed budget is rejected by the Members, the budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board. Notwithstanding anything in the foregoing to the contrary, and as set forth specifically below in this Declaration, if the proposed budget calls for a maximum annual assessment of less than one hundred ten percent (110%) of the annual assessment for the prior year, the budget shall be deemed ratified unless no less than eighty percent (80%) of the votes of the entire membership vote to reject the budget.

Section 3: Creation of the Lien and Personal Obligation for Assessments: The Declarant, for each Lot and for additional Lots which may be hereafter annexed and subjected to this Declaration, hereby covenants, and every Owner by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association:

- a. Annual assessments or charges;
- b. Special assessments for capital improvements; and
- c. Working capital assessments.

Such assessments shall be fixed, established and collected from time to time as hereinafter provided. Working capital assessments shall be equal to three (3) months of annual assessments and shall be payable by the purchaser of any Lots at the time of closing on such Lot. In the event Declarant assigns its Declarant rights upon the transfer of any Lots, no working capital assessment shall be due until the Lot is sold by the successor Declarant to a purchaser without any assignment of Declarant rights.

Working capital assessments, annual, and special assessments, together with such interest thereon, costs of collection thereof, and reasonable attorneys' fees as may be established by the Association, shall be a charge on the land and shall be a continuing lien upon the Lot and improvements against which each such assessment is made. Each such assessment, together with such interest and costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time the assessment became due or, in the case of the working capital assessments, the purchaser of the Lot. The personal obligation of an Owner for delinquent assessments shall not pass to his successors in title unless expressly assumed by them and then only with the consent of the Association. All Owners of a Lot shall be jointly and severally obligated to pay the assessments as set forth herein.

Section 4: Purpose of Assessments: The assessments levied by the Association shall be used exclusively for promoting the recreation, health, safety and welfare of the residents and the Property; for enforcing this Declaration and the rules of the Association; for providing for the maintenance, repair, replacement, use and enjoyment of the Common Area and facilities; for the purpose of payment of common expenses; and for the maintenance and upkeep of all water lines and systems as well as for payment of sums due for water service to the Common Areas, roadways and



other areas landscaped or maintained by the Association and for the Amenity Package; for the maintenance of all ponds and bulkheads within or abutting the Property including retention and detention ponds and all other portions of the stormwater system; and for maintenance of private roadways (if any). Without limiting the foregoing, assessments shall be used for payment of the Common Expenses.

Section 3: **Amount of Annual Assessment:**

a. **Initial Annual Assessment:** Assessments shall commence for all Lots on July 1, 2008.

b. **Initial Maximum Increase by Association Board of Directors:** Through and including December 31, 2008, the maximum annual assessment shall be \$675.00 per Lot. Commencing January 1, 2009, the annual assessment which may be established effective January 1 of each year by the Board of Directors shall be subjected to the requirements set forth above in Section 2 of this Article V.

c. **Criteria for Establishing Annual Assessment:** In proposing the annual assessment for any assessment year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts and reserves for future needs. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due date shall be established by the President of the Association. The Association, within fourteen (14) days of any demand and upon the payment of its reasonable costs in obtaining such information, shall furnish a certificate in writing signed by a member of the Association setting forth whether the assessments on a specified Lot have been paid. A properly

executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

d. **Criteria for Establishing Annual Assessment:** In proposing the annual assessment for any assessment year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts and reserves for future needs.

e. **Due Date of Annual Assessments:** The Board shall fix the amount of the annual assessment against each Lot at least ten (10) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due date shall be established by the Board.

Section 4: **Special Assessments for Capital Improvements:** In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the costs of construction or reconstruction, repairs or replacement of described capital improvements upon the Common Areas and within the Amenity Package, including the necessary fixtures and personal property related thereto, and specifically including the water lines and systems within the Property provided that any such assessment shall have the assent of 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 such meeting, setting forth the purpose of the meeting, shall have been sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. The voting rights set forth in Article IV hereof shall be applicable to all votes for special assessments.



Section 5: **Uniform Rate of Assessment:** Both annual and special assessments must be fixed at a uniform rate for all Lots, on a per Lot basis, and may be collected on a monthly, quarterly or annual basis as determined by the Board of Directors.

Section 6: **Payment of Annual Assessments:** The annual assessments provided for herein shall be paid in advance in monthly, quarterly or annual installments as determined by the Board of Directors. Assessments shall be prorated for any partial month.

Section 7: **Certificate of Assessment Due:** The Association, upon demand and at any time, shall furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A certificate of the Association executed by such person as is authorized by the Board as to the status of payment of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8: **Effect of Nonpayment of Assessments: Remedies of the Association:** Any assessments or portions thereof which are not paid when due shall be delinquent. If the assessment or any portion thereof is not paid within thirty (30) days after the due date, the same shall bear interest from the date of delinquency at the lesser of the rate of eighteen percent (18%) per annum and the maximum rate permitted by law. The Association may bring an action against the Owner personally obligated to pay the same, or foreclose the lien against the Lot, and, in either event, interest, costs and reasonable attorney's fees incurred in the prosecution of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Areas or abandonment of the Lot.

Section 9: **Subordination of the Lien to Mortgages and Ad Valorem Taxes:** The lien of the assessments provided for herein on any Lot shall be subordinate to the lien of any first



mortgage and ad valorem taxes on such Lot. The sale or transfer of any Lot shall not affect the assessment lien; however, the sale or transfer of any Lot pursuant to such mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VI

Maintenance and Landscaping

The Association may contract for the landscaping and maintenance (including irrigation) of all Common Areas, including any alleyways located within the Property. The expense of providing such services shall be deemed a Common Expense and shall be shared equally by all Owners as provided in ARTICLE V above.

Each Owner shall be responsible for the exterior maintenance of each Building located upon the Owner's Lot, as well as all landscaping, irrigation and maintenance of any areas surrounding the Owner's Building(s) extending to the roadway (public or private) adjoining the Owner's Lot and agrees to maintain the Building(s) and the Lot(s) in a good and acceptable manner.

If the Board of Directors determines that any Owner (1) has failed to maintain any Building or Lot owned by him in a manner which is reasonably neat and orderly and consistent with other Lots and Buildings within the Property and compliance with the rules, regulations and directives of the Design Review Board, or (2) fails to keep improvements constructed thereon in a state of repair so as not to be unsightly, or (3) fails to comply with the landscaping requirements set forth above (including buffer areas) or as may be adopted by the Design Review Board as hereafter set forth, the Board of Directors, upon the affirmative vote of two-thirds (2/3) of the members of the Board of

Directors, and following ten (10) days written notice to the Owner, may make or cause to be made repairs to such Buildings and perform such maintenance on the Lot as the removal of trash, cutting of grass, pruning of shrubbery, weeding and items of erosion control. The Association shall have an easement over and through each Lot for the purpose of accomplishing the foregoing and shall not be liable to Owner for any trespass or alleged trespass or for any damage resulting from the entry except for gross negligence upon the part of the Board or its agents. The reasonable costs incurred by the Association in rendering all such services, plus a service charge of fifteen percent (15%) of such cost, shall be added to and become a part of the assessment to which such Lot is subject.

The Design Review Board may, with the written approval of Declarant or its designee, establish landscaping and architectural guidelines throughout the Property, provided such differing guidelines and landscape architecture do not violate any of the provisions hereof or of the Bylaws of the Association. The landscaping and architectural guidelines need not be uniform and may impose different requirements upon certain portions of the Property to preserve different design themes and diversity in the topography and the natural features of the Property.

ARTICLE VII

Design Review Board; Use Restrictions

Section 1: **Number and Qualification:** The Design Review Board shall consist of three (3) individuals appointed as hereinafter set forth. Members need not be Owners.

Section 2: **Appointment By Declarant:** For so long as Declarant owns any Lot, it shall be entitled to appoint all members of the Design Review Board and may remove and replace any member as it deems appropriate. In the event Declarant sells and conveys all of its Lots but subsequently annexes additional Lots and Property as provided herein, the Declarant



shall again and , immediately upon such annexation, have the right to appoint all members of the Architectural Review Board.

Section 3: **Appointment by Board of Directors:** At such time as Declarant no longer has the right to appoint all members of the Design Review Board as set forth in Section 2 above, or at such time as Declarant may voluntarily assign such right to the Association, the Board of Directors shall be entitled to appoint all members to the Design Review Board.

Section 4: **Rules and Regulations:** The Board of Directors of the Association shall each have the power to formulate, amend, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the yards of each Lot and Common Areas. Any rules and regulations formulated by the Association, along with all policy resolutions and policy actions taken by the Board of Directors of the Association, shall be recorded in a book of minutes which shall be maintained in a place convenient to the Owners and available to them for inspection during normal business hours.

Section 5: **Use of Property:** Each Lot, Building and the Common Areas shall be for the following uses and subject to the following restrictions, and conditions:

- a. All Lots, Buildings and the Common Areas shall be used solely for single family residential purposes and for purposes incidental or accessory thereto, including any common recreation and meeting areas, as approved by Declarant.
- b. No Lot may be subdivided without prior written approval of the Declarant.



c. Declarant may use up to three (3) homes at any given time for offices and/or for sales or display purposes and may place signage thereon as allowed under Article XII hereof. Declarant may also place such offices and signage upon Common Areas.

d. Nothing shall be kept and no activity shall be carried on in any Lot which will increase the rate of insurance, applicable to residential use, for the surrounding Property or the contents thereof.

e. No Owner shall do or keep anything, or cause or allow anything to be done or kept, in his Lot or upon the Common Areas which will result in the cancellation of insurance on any portion of the Property, or the contents thereof, or which will be in violation of any law, ordinance, or regulation.

f. No waste shall be committed by any Owner upon on any portion of the Common Areas.

g. No Lots shall be used or maintained as a dumping ground for rubbish, trash or garbage. Trash, garbage or other waste materials shall not be burned or disposed of on any Lot. All garbage receptacles, containers and enclosures shall be located so as not to be unsightly and said locations shall be as originally designated or constructed by Declarant or as approved by the Design Review Board. All refuse collection shall be by a carrier or provider designated by the Declarant or the Board of Directors. All containers and receptacles shall promptly removed from the street, roadway or alleyway following the day(s) scheduled for collection by the carrier or provider.

h. No immoral, improper, offensive or unlawful use shall be made of the Property, or any part thereof, and all valid laws, ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed, including any impervious surface regulations.



i. Nothing shall be done in or to any Lot, including Buildings located thereon, or upon any of the Common Areas which will impair the structural integrity of any Building or adversely impact any Common Areas, except in the manner provided in this Declaration.

j. Subject to the provisions of subparagraph (c) above, no industry, business, trade, occupation or profession of any kind, whether commercial or otherwise, shall be conducted, maintained or permitted on any part of the Property. The foregoing shall not preclude the use of a portion of a residence for "home office" purposes so long as such use does not allow the physical presence of customers, clients, agents, employees, contractors, subcontractors, suppliers or any other persons associated with such activity.

k. Except as may be required by municipal ordinance, no Owner shall display, or cause to allow to be displayed to public view any sign, placard, poster, billboard or identifying name or number upon any Building or any portion of the Common Areas, except as may be approved by the the Design Review Board or the Declarant. This shall include prohibition on the display of all real estate sale, lease, or rental signs and signs of a political nature, among others, without said approval.

l. No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Areas except at the direction of and with the express written consent of the Association.

m. The Common Areas shall be used only for the purposes for which they are intended and reasonably suited and which are incidental to the use and occupancy of the Buildings, subject to any rules or regulations that may be adopted by the Association pursuant to its Bylaws.



n. Minimum square footage requirements for residences shall be established for different portions of the Property as determined by the Design Review Board. Notwithstanding the foregoing, the requirements shall not require a minimum square footage requirement greater than 1800 square feet of heated living area, exclusive of porches, decks and garages.

o. All Buildings shall satisfy the architectural guidelines promulgated by the Design Review Board. Upon receipt of a request for approval to construct a Building by an Owner, which request shall be accompanied by such documentation and application fees as may be required by the guidelines then adopted by the Design Review Board, the Design Review Board shall have thirty (30) days thereafter to approve, disapprove or request additional information or documentation relating to the request. If the request is disapproved or if additional documentation is required, the Design Review Board shall notify the Owner in writing, setting forth the reason for the disapproval or the additional documentation required. If no response is provided by the Design Review Board within said thirty (30) day period, the request shall be deemed approved. If additional documentation is required or if revisions to the plans and documentation has been requested by the Design Review Board, upon receipt of the requested documentation or revisions and any additional fees as may be required pursuant to the guidelines, the Design Review Board shall again approve, disapprove or request additional documentation within fifteen (15) days of receipt of the additional documentation or revisions. In the event the Design Review Board disapproves the request or again requests additional documentation, it shall so notify the Owner in writing, again stating the reason for disapproval or the additional documentation that is required. If no written



notification is given to the Owner within the fifteen (15) day period, the request is deemed approved.

p. No Owner may construct any boat dock within the Property or the adjoining waters unless such construction is approved by the Board and upon such terms as it may require in its sole discretion. Declarant, or its designee, shall have the exclusive right otherwise to install piers, boat docks and/or boat slips upon the Property.

q. All mailboxes at the Property shall conform to those approved in the architectural guidelines promulgated by the Design Review Board, which guidelines may require that all mailboxes be identical in all respects.

r. Any fencing installed by an Owner or its agent shall be solely in the rear yard of the Owner's Lot. All fencing must be located in such area as approved by the Design Review Board and be of a type included within the architectural guidelines promulgated by the Design Review Board. No chain link, split rail or welded wire fences shall be allowed on any Lot. Prior to installing any fencing, any Owner must submit a written request, including detailed plans and specifications, to the Design Review Board for approval.

t. Construction activities on or in any Building shall take place solely from Monday through Saturday between the hours of 8:00am and 6:00pm. No construction vehicle may be parked on any Lot, roadway or Common Area overnight. All construction equipment, trailers or other commercial equipment and building supplies and materials must be kept within the boundaries of the Lot, properly secured and kept in a clean and neat manner.

u. No yard sales may be conducted on the Property at any time.



v. No outdoor clotheslines or similar equipment shall be erected or located on any Lot or within the Common Areas, except as specifically approved by the Design Review Board.

x. No outside burning (not to include outdoor grills or approved outdoor chimneys) shall be permitted except as may be approved by the Association in advance (provided that in no such event shall burning be permitted except in compliance with all applicable governmental regulations).

Section 6: Landscaping: Prior to commencement of construction of any improvement upon any Lot, the Owner must submit a landscaping plan to The Design Review Board for review and approval. The Design Review Board shall establish standards and guidelines for the quality and quantity of the plans to be submitted, fees required with each submission and modification thereof, as well as general guidelines relating to landscaping of each Lot which may include required and permitted sod as well as certain species which may or may not be used in connection with the landscaping. The procedure for submission shall be as set forth in Section 5(o) above. Upon approval of the landscaping plan, the Lot shall be landscaped as approved and shall thereafter be maintained by the Owner in strict accordance with the approved plans.

Without limiting the foregoing, the following specific requirements shall apply to all Lots:

a. No tree or vegetation twelve inches or larger at ground level may be removed without written approval of the Design Review Board and only upon such terms and conditions as are satisfactory to the Committee.

b. Wetlands must remain in a pristine condition and Owners shall take no action which materially impairs or impacts any wetland.



c. No grass or vegetation may be planted in any wetland area or within ten (10) feet of any wetland or the high water mark of any navigable water without first obtaining the written approval of the Design Review Board and any applicable governmental agencies or authorities.

d. Trees within ten (10) feet of any wetland on the high water mark of any navigable water may be trimmed but not cut without the prior written consent of the Design Review Board and any applicable governmental agencies or authorities.

Section 7: **Animals.** No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and provided further that they are kept in a Building or in such other area as is approved by the Design Review Board.

Section 8: **Lease of Buildings:** No Building shall be leased for transient or hotel purposes, nor may any Owner lease less than the entire Building, nor shall any such lease be for any period of less than six (6) months. Any lease must be in writing and provide that the terms of the lease and occupancy of the Building shall be subject in all respect to the provisions of this Declaration and the Bylaws, and any failure by a lessee to comply with the terms of such documents shall be a default under the lease.

ARTICLE VIII

Easements

Section 1: **Walks, Drives, Parking Areas and Utilities:** All of the Property, including Lots and Common Areas, shall be subject to a perpetual non-exclusive easement or easements in favor of all Owners of Lots for their use and the use of their immediate families, guests, invitees,



tenants or lessees for all proper and normal purposes and for ingress, egress and regress in and to such easements for private streets, driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television antenna lines and other public utilities as shall be established prior to subjecting the Property to this Declaration by the Declarant or its predecessors in title. The Association shall have the power and authority to grant and to establish in, over, upon and across the Common Areas conveyed to it such further easements as are requisite for the convenient use and enjoyment of the Property.

Section 2: **Reservation to Declarant:** Every Lot shall be subject to an easement for entry and encroachment by the Declarant for a period not to exceed twenty-four (24) months following conveyance of a Lot to an Owner for the purpose of correcting any problems that may arise relating to grading and drainage or other potential matters. The Declarant, upon making entry for such purpose, shall restore the affected Lot or Lots to as near the original condition as practicable.

Further, Declarant reserves the right to subject the Property to a contract with any public utility providing electrical or gas service (the "Utility Provider") for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or continuing monthly payment to the Utility Provider by the Owner of each Lot.

Section 3: **Emergencies:** Every Lot and Building shall be subject to an easement for entry by the Association for the purpose of correcting, repairing or alleviating any emergency condition which arises upon any Lot or within any Building and which endangers any Building or portion of the Common Areas.



Section 4: **Utility Easements:** An easement is hereby established over all Lots and Common Areas for the benefit of applicable governmental agencies for the setting, removing and reading of water, gas and electric meters, maintaining and replacing water, drainage and drainage facilities, maintaining and replacing gas and electric facilities, fire fighting, law enforcement, garbage collection and the delivering of mail.

Section 5: **Declarant's Access Easement:** A non-exclusive easement is hereby established and reserved in favor of Declarant for pedestrian and vehicular ingress, egress and regress and for the installation and maintenance of utilities over and through all Common Areas for access to other properties whether or not the same are adjacent to the Property.

Section 6: **Landscaping and Maintenance Easement:** An easement is hereby established in favor of the Declarant and the Association, their agents and assigns over all Lots for the purpose of providing and maintaining landscaping, for installation and maintenance of irrigation lines and facilities and for other activities reasonably relating to the maintenance of the Common Areas and other premises, including ponds and bulkheads.

Section 7: **Appurtenance Easements:** An easement is hereby established in favor of the Declarant and the Owner of any Lot for the existence and maintenance for any appurtenance extending from a dwelling which may encroach upon an adjoining Lot, including but not limited to roofs, steps and heating and air conditioning units. The easement provided in Section 5 hereof shall be applicable to the maintenance or reconstruction of such appurtenances.

Section 8: **Owner's Easement for Repair and Reconstruction:** If any Building is located closer than five (5) feet from its Lot line, the Owner thereof shall have a non-exclusive perpetual access easement over the adjoining Lot to the extent reasonably necessary to repair,



maintain or reconstruct the Building. Such repair, maintenance or reconstruction shall be done expeditiously and, upon completion of the work, the Owner performing the work shall restore the adjoining Lot to as near the same condition as existed prior to the commencement of work as is reasonably practicable.

Section 9: **Easement for Additional Properties.** Without limiting any rights heretofore granted or retained by Declarant, Declarant reserves the right to grant easements over the roads, street and Common Areas to access other tracts or parcels of lands which are not included within the Property or annexed thereto.

ARTICLE IX

Rights of Institutional Lenders

Section 1: The prior written approval of each institutional holder of a first deed of trust on Lots in the Property will be required for the following:

- a. The abandonment or termination of the planned unit development except for abandonment or termination as provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;
- b. Any material amendment to the Declaration or to the Bylaws of the Association, excluding, however, amendments made by Declarant pursuant to Article XIII hereof.

Section 2: Upon written request and reasonable notice to the Association, any institutional holder of a first deed of trust on a Lot will be entitled to:

- a. Inspect the books and records of the Association during normal business hours;



b. Receive an annual financial statement of the Association within ninety (90) days following the end of any fiscal year; and,

c. Written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

Section 3:

a. In the event of substantial damage or destruction of any Lot or any part of the Common Areas, the institutional holder of any first mortgage on a Lot will be entitled to timely written notice of any such damage or destruction.

b. If any Lot or portion thereof or the Common Areas or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the institutional holder of any first mortgage on a Lot will be entitled to timely written notice of any such proceeding or proposed acquisition.

c. The holder of the first mortgage on any Lot shall be given prompt notice of any default in the Lot mortgagor's obligation hereunder not cured within thirty (30) days of each default, such notice to be directed to such mortgagee at its address shown on the recorded security instrument.

ARTICLE X

Rights Reserved by Declarant

Pursuant to Section 47F-1-103 of the Act, Declarant hereby reserves for its benefit the following rights:

a. To complete of any improvements indicated on the Map;



- b. To exercise any and all rights it may have as developer of the Property;
- c. To maintain sales offices, management offices, signs and advertising the Property, and any model units Declarant wishes to utilize in conjunction with the process in accordance with the terms of this Declaration;
- d. The right to make use of any and all easements and rights of ways within the Property and Annexed Property and to transfer and assign non-exclusive rights to said easements and rights of ways as Declarant, in its sole discretion, deems appropriate;
- e. To make the Property part of a larger Planned Community or group of Planned Communities, as defined in the Act;
- f. To make the Property part of a Master Association, as defined in the Act;
- g. To appoint and/or remove any officer(s) or executive Board member of the Association or any Master Association, as defined in the Act, during a time of Declarant control of the Board;
- h. To assign Declarant's rights as provided in North Carolina General Statutes Section 47F-3-104;
- i. The right to modify and amend this Declaration for so long as it owns any of the Property or Property described on Exhibit A as it, in its sole discretion, deems advisable;
- j. The right to withdraw any portion of the Property or Annexed Property from the terms of this Declaration; and



k. The right to exercise any “Special Declarant Rights” set forth in North Carolina General Statutes Section 47F-1-103(28) as the same may be amended and supplemented from time to time.

The rights reserved herein are in addition to and supplement any and all other rights reserved to the Declarant or otherwise allowed by law.

ARTICLE XI

Additional Phases and Annexation

In addition to the rights set forth in Article X above and without limiting the rights in any fashion, Declarant reserves the right to establish one or more phases of the Property and submit the same, together with Common Areas to the terms of this Declaration. All such annexation shall be accomplished by virtue of the execution and recordation of a supplemental Declaration identifying the property to be annexed and subjecting said property to the terms of this Declaration as it may be amended from time to time. The property described on Exhibit A is the property that is the subject to being annexed.

ARTICLE XII

Compliance with State Stormwater and CAMA Regulations

The following covenants are intended to ensure ongoing compliance with state stormwater management permit number SW8-060733, as issued by the Division of Water Quality. These covenants may not be changed or deleted without the consent of the State of North Carolina. The covenants are as follows:



(a) No more than the following shall be covered by structures or impervious surfaces:

- (1) 1,898.3 square feet of lots 1-16, 18-36 and 38-78;
- (2) 2,257.5 square feet of lots 17 and 37; and
- (3) 2,000 square feet of the neighborhood pool parcel.

Impervious materials include asphalt, gravel, concrete, brick, stone, slate or similar material but do not include wood decking or the water surface of swimming pools. Further, community paths and/or sidewalks do not count toward the aforementioned allowable limits on the lots in which they are located.

(b) Swales shall not be filled in, piped or altered except as necessary to provide driveway crossings.

(c) Built-upon area in excess of the permitted amount requires a state stormwater management permit modification prior to construction.

(d) All permitted runoff from outparcels or future development shall be directed into the permitted stormwater control system. These connections to the stormwater control system shall be performed in a manner that maintains the integrity and performance of the system as permitted.

(e) Contribution of pervious concrete areas toward the allowable limits may be reduced by 30%. Pervious concrete must include a minimum six-inch (6") gravel base course.

(f) The Association shall be responsible for the general maintenance of all pervious concrete located at the Property, including all pervious concrete in the rights-of-ways and on the individual Lots. This provision is meant to ensure compliance with the aforementioned regulations and permits. The Association shall have the right and option, but not the obligation, to replace worn and defective pervious concrete areas on any Lot. All such costs incurred by the Association in



connection therewith shall be reimbursed to the Association by the Lot Owner. If unpaid, all such costs shall be a lien upon the Lot and the Association may collect the lien like any assessment lien created under these restrictions.

(g) Lots within the Coastal Area Management Act's ("CAMA") Area of Environmental Concern ("AEC") may have the permitted built-upon area reduced due to CAMA jurisdiction within the AEC.

(h) Each Lot Owner shall maintain a thirty (30) foot wide vegetated buffer between all impervious areas and the mean high water line of Saucepan Creek.

(i) Each Lot Owner shall maintain filter trenches on any Lot, in compliance with the requirements hereof and subject to the approval of the appropriate local, state and federal authorities. Each filter trench shall be maintained at a level equal to that which was ground level prior to any development on the Lot. Each Lot Owner shall also be responsible for the general maintenance of all filter trenches on his or her Lot. The Association shall be responsible for inspecting individual filter trenches and ensuring compliance with this restriction. Brunswick County personnel shall have the right to enter upon any Lot for the purpose of inspecting filter trenches. If any filter trench is found unsatisfactorily maintained by either the Association or Brunswick County, the Association (upon receipt of notice from Brunswick County, if such deficiency is uncovered by Brunswick County) shall direct the Lot Owner to repair the filter trench. In the event any Lot Owner fails to repair a filter trench upon receipt of such order, the Association may, but shall not be obligated to, repair the filter trench on behalf of the Lot Owner. All costs incurred by the Association in connection therewith shall be reimbursed to the Association by the Lot Owner. If unpaid, all such costs shall be



a lien upon the Lot and the Association may collect the lien like any assessment lien created under this Declaration.

(j) The Association shall be responsible for maintenance of all stormwater swales in common areas, rights of way, and drainage easements. The Association and Brunswick County personnel will have the right to enter individual lots for the purpose of inspecting stormwater swales throughout the Property.

ARTICLE XIII

Insurance Provisions

Section 1. **By Association.** The Association, as a Common Expense, shall procure, maintain and pay for all insurance required pursuant to the Act. Without limiting the foregoing, the Association shall procure and maintain the following insurance:

a. Casualty/Hazard Coverage. The Common Areas shall be insured in an amount equal to at least eighty percent (80%) insurable replacement value as determined annually by the Board. Such coverage shall provide protection against:

(1) Loss or damage by fire and other hazards, including extended coverage, vandalism and malicious mischief; and

(2) Such other risks as from time to time shall be customarily covered with respect to the Common Areas.

b. Liability. Public liability insurance shall be secured by the Association with limits of liability of no less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence.



c. Fidelity. The Association shall procure fidelity coverage against dishonest acts on the part of all persons, whether officers, directors, trustees, employees, agents or independent contractors, responsible for handling funds, or the assessments, in an amount determined by the Association in its reasonable discretion. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

d. Beneficiaries/Named Insureds. All insurance policies upon the Common Areas shall be purchased by the Association for the benefit of all the Association and the Owners and their mortgagees as their interest may appear, and provisions shall be made for the issuance of mortgagee endorsements to any mortgagees, unless otherwise required under the Act.

e. Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association and shall be included as part of the Common Expenses.

f. Proceeds. All proceeds from insurance policies purchased by the Association shall be payable to the Association as insurance trustee under this Declaration. The sole duty of the Association as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purpose stated herein or stated in the Bylaws and for the benefit of the Owners and their mortgagees as provided in the Act.

g. Subrogation. Each insurer shall waive its right to subrogation under any policy maintained pursuant to this section against any Owner or member of Owner's household.

h. Other Insurance. If, at the time of a loss, there is other insurance in the name of an Owner covering the same risk covered by the Association's policy, the Association's policy shall provide primary insurance.

i. Issuance of Certificates; Cancellation. Any insurer that has issued an insurance policy under this Section shall issue certificates or memoranda of insurance to the Association and, upon written request, to any Owner, mortgagee or beneficiary under a deed of trust. Any insurer issuing an insurance policy under this Section may not cancel or refuse to review the policy until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, each Owner and each mortgagee or beneficiary under a deed of trust to whom certificates or memoranda of insurance have been issued at their respective last known addresses.

Section 2. **Additional Insurance.** In addition to the insurance coverage required herein or otherwise required pursuant to the Act, the Association may also maintain such other insurance coverages, including flood insurance and worker's compensation, as it shall determine from time to time to be desirable.

ARTICLE XIV

General Provisions

Section 1: **Enforcement:** The Declarant or any Owner shall have the right to enforce, by a 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 of the Declarant or

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

Section 2: **Severability:** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3: **Amendment:** The covenants, conditions and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless amended or terminated as set forth below. This Declaration may be amended by the Declarant in its sole discretion for a period of seven (7) years from the date of recording by the recording of an Amendment in the Office of the Register of Deeds of Brunswick County which has been executed by Declarant or assignee or designee. Thereafter, this Declaration may be amended or terminated only by affirmative vote or written agreement signed by Owners of Lots to which at least sixty-seven percent (67%) of the votes in the Association are allocated, or by the Declarant if necessary for the exercise of any rights reserved to Declarant pursuant to the Act or this Declaration.

Section 4: **Conflict:** In the event of any conflict between the Declaration and the Bylaws of the Association, the provisions of this Declaration shall control. In the event of any conflict between this Declaration or the Bylaws of the Association and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.

Section 5: **Future Property:** Declarant hereby reserves the right to create additional associations to govern (a) other portions of the Property, including any Amenity Package and (b) any future development parcels annexed as provided herein.

Further, at the request of Declarant, the Association shall merge with any additional association or Master Association, as defined in the Act, to form one uniform association and the Association shall work with Declarant, or its designee, to prepare all such documents necessary for such combination. Declarant, pursuant to its rights under the Act and in accordance with Article X hereof, hereby reserves the right to require that the Association merge with another planned community association or with any Master Association.

Section 6: Conservation Areas: The areas shown on the Map as conservation areas shall be maintained in perpetuity in their natural or mitigated condition. No person or entity shall perform any of the following activities on such conservation area:

- a. Fill, grade, excavate or perform any other land disturbing activities.
- b. Cut, mow, burn, remove, or harm any vegetation.
- c. Construct or place any roads, trails, walkways, buildings, mobile homes, signs, utility poles or towers, or any other permanent or temporary structures, with the exception that elevated boardwalks and vehicular bridges supported by pilings will be allowed. It is also understood that temporary impacts to conservation areas will occur during construction of improvements located immediately adjacent to conservation areas and during construction of any elevated boardwalks or vehicular bridges. Such temporary impacts are to be minimized with a high level of care which will include logging mats placed over any conservation areas which must be accessed by heavy equipment.
- d. Drain or otherwise disrupt or alter the hydrology or drainage ways of the conservation area.
- e. Dump or store soil, trash, or other waste
- f. Graze or water animals, or use for any agricultural or horticultural purpose

This provision is intended to ensure continued compliance with the mitigation condition of a Clean Water Act authorization issued by the United States of America, U.S. Army Corps of Engineers, Wilmington District, Action ID 200501078, and therefore may be enforced by the United States of America. The text of this Section 6 cannot be amended without the express written consent of the U.S. Army Corps of Engineers, Wilmington District.



IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed in its corporate name by its duly authorized officers and its corporate seal affixed hereto, the day and year first above written.

TIDEWATER AT OCEAN ISLE, INC. (SEAL)

Name: SETH CASON
Title: PRESIDENT



STATE OF North Carolina

COUNTY OF Brunswick

I, Matthew G. Nestor, a Notary Public of the County of Brunswick, State of NC, certify that Seth Cason, personally appeared before me this day and acknowledged that he is President of Tidewater at Ocean Isle, Inc. and that he, as President, being authorized to do so, voluntarily executed the foregoing instrument on behalf of said company for the purposes stated therein.

I certify that the Signatory personally appeared before me this day, and
(check one of the following):

(I have personal knowledge of the identity of the Signatory); or

(I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of: (check one of the following)

a driver's license; or

other (describe: _____); or

(a credible witness has sworn to the identity of the Signatory).

WITNESS my hand and official seal this 30 day of November, 2007.

Notary Public Matthew G. Nestor
(type or print name)

My commission expires: 02/02/08

(SEAL)

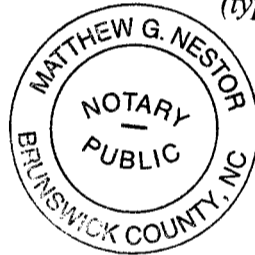




Exhibit A

Property Which May be Annexed

Any and all of those certain properties labeled as "Potential Future Development" tracts on the Map (as defined herein and as recorded in Map Book 41 at Pages 1-8 of the Brunswick County Registry), including but not limited to the following:

- (a) that certain property now or previously owned by William Todd more particularly described in Deed Book 534 at Page 269 and Deed Book 304 at Page 472 of the Brunswick County Registry;
- (b) that certain property now or previously owned by Fredrick Hewett more particularly shown in Map Cabinet 1 at Page 1 of the Brunswick County Registry;
- (c) that certain property now or previously owned by Barbara Holden more particularly described in Deed Book 172 at Page 128 of the Brunswick County Registry;
- (d) that certain property now or previously owned by Elsie C. Wilson more particularly described in Deed Book 1264 at Page 798 of the Brunswick County Registry;
- (e) that certain property now or previously owned by Louie Stanley more particularly described in Deed Book 134 at Page 348 of the Brunswick County Registry;
- (f) that certain property now or previously owned by Samuel Edwards more particularly described in Map Cabinet P at Page 224 of the Brunswick County Registry;
- (g) that certain property now or previously owned by Teresa Babson more particularly described in Deed Book 601 at Page 978 of the Brunswick County Registry; AND
- (h) those certain areas labeled on the Map as (1) Potential Future Development Area A (2) Potential Future Development Area B (3) Potential Future Development Area C (4) Potential Future Development Area D and (5) Potential Future Development Area E.



JOINDER AND CONSENT BY TRUSTEE AND LENDER

The Property described in the foregoing Declaration is encumbered by a Deed of Trust from Declarant to Southland Associates, Inc., successor to E. Dixon Harrill, Jr. as trustee (“Trustee”) and SunTrust Bank (“Lender”) dated October 5, 2007 and recorded October 11, 2007 in Book 2687, Page 360 in the Office of the Register of Deeds of Brunswick County (the “Deed of Trust”). Trustee and Lender hereby join in the execution of this Declaration for the purpose of consenting to the terms set forth in the Declaration and for the purpose of subjecting and subordinating their interests in the Property described herein to the terms of the Declaration. Declarant, by execution of this Joinder and Consent, does hereby assign any and all rights of Declarant to Trustee as additional collateral for the Note evidenced by the Deed of Trust.

Except as modified herein, the terms of the Deed of Trust are hereby reaffirmed.

This Joinder and Consent may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

Southland Associates, Inc.,
a North Carolina corporation

By: Jeffrey A. Dodt (SEAL)

Name: Jeffrey A. Dodt

Its: Vice President

SunTrust Bank

By: [Signature] (SEAL)

Tidewater at Ocean Isle, Inc.

By: [Signature] (SEAL)

President

STATE OF North Carolina

COUNTY OF Durham

I, ANGELIA WATLINGTON, a Notary Public for said County and State, certify that Jeffrey A. Dodt personally appeared before me this day and acknowledged that he is Vice President of Southland Associates, Inc., a North Carolina corporation, and that he, as Vice President, being authorized to do so, voluntarily executed the foregoing on behalf of the corporation for the purposes stated therein.

I certify that the Signatory personally appeared before me this day, and
(check one of the following):

(I have personal knowledge of the identity of the Signatory); or

(I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of: (check one of the following)

a driver's license; or

other (describe: _____); or

(a credible witness has sworn to the identity of the Signatory).

WITNESS my hand and official seal this 28th day of November, 2007.

Angelia Watlington
Notary Public ANGELIA WATLINGTON

(type or print name)

My commission expires: April 2nd 2012

(NOTARY SEAL)





STATE OF SC

COUNTY OF Charleston

I, Sheila Underwood, a Notary Public for said County and State, certify that Lori W Swan personally appeared before me this day and acknowledged that he/she is Vice President of SunTrust Bank, a _____ corporation, and that he/she, as Vice President, being authorized to do so, voluntarily executed the foregoing on behalf of the corporation for the purposes stated therein.

I certify that the Signatory personally appeared before me this day, and
(check one of the following):

(I have personal knowledge of the identity of the Signatory); or

_____ (I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of: (check one of the following)

_____ a driver's license; or

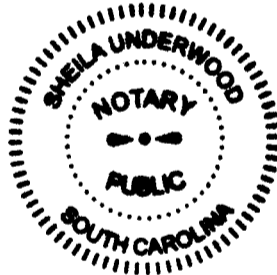
_____ other (describe: _____); or

_____ (a credible witness has sworn to the identity of the Signatory).

WITNESS my hand and official seal this 29th day of November, 2007.

Sheila Underwood
Notary Public Sheila Underwood
(type or print name)
My commission expires: 7-24-2016

(NOTARY SEAL)





STATE OF North Carolina

COUNTY OF _____

I, Matthew G. Nestor, a Notary Public for said County and State, certify that Seth Cason personally appeared before me this day and acknowledged that he/she is President of Tidewater at Ocean Isle Inc., a South Carolina corporation, and that he/she, as President, being authorized to do so, voluntarily executed the foregoing on behalf of the corporation for the purposes stated therein.

I certify that the Signatory personally appeared before me this day, and
(check one of the following):

(I have personal knowledge of the identity of the Signatory); or

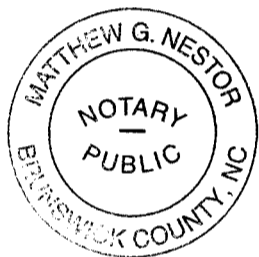
_____ (I have seen satisfactory evidence of the Signatory's identity, by a current state or federal identification with the Signatory's photograph in the form of: (check one of the following)

_____ a driver's license; or

_____ other (describe: _____); or

_____ (a credible witness has sworn to the identity of the Signatory).

WITNESS my hand and official seal this 30 day of November, 2007.



Notary Public Matthew G. Nestor
(type or print name)

My commission expires: 02/02/08

(NOTARY SEAL)