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PAGE

RECORDED AND VERIFIED  
REBECCA P. TUGGER  
REGISTER OF DEEDS  
NEW HANOVER COUNTY, NC

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STATE OF NORTH CAROLINA )  
COUNTY OF NEW HANOVER )

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RECORDED AND VERIFIED  
REBECCA P. TUGGER  
REGISTER OF DEEDS  
NEW HANOVER COUNTY, NC  
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SUPPLEMENTAL DECLARATION TO DECLARATION CREATING  
UNIT OWNERSHIP OF PROPERTY UNDER THE PROVISIONS OF  
CHAPTER 47A OF THE GENERAL STATUTES OF NORTH CAROLINA  
(Recorded in Book 1308 at Page 626)

\*\*\*\*\* WRIGHTSVILLE DUNES, PHASE 5 \*\*\*\*\*

THIS SUPPLEMENTAL DECLARATION made this 22 day of February, 1991,  
by FIRST WASHINGTON CORPORATION, a North Carolina corporation with its  
principal place of business in Wilmington, New Hanover County, North  
Carolina, hereinafter referred to as "DECLARANT";

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, the Declarant is the owner of that certain real  
property located in the County of New Hanover and State of North Carolina  
which is more particularly described on Exhibit "B" as set forth in  
Declaration recorded in Book 1308 at Page 626 of the New Hanover County  
Registry; and

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WHEREAS, the Declarant is the owner of the one multi-unit building  
and certain other improvements, heretofore constructed upon that tract  
described on the attached Exhibit "A" which is a part of the foresaid  
property; and

WHEREAS, it is the desire and the intention of the Declarant to  
market, sell and convey interests in the property and the improvements  
thereon as a condominium project pursuant to the provisions of Chapter  
47A of the North Carolina General Statutes entitled "Unit Ownership Act";  
and

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WHEREAS, said real property is located on North Lumina Avenue,  
Wrightsville Beach, North Carolina and is a portion of the real property  
described in Exhibit "B" of the Declaration Creating Unit Ownership of  
Property under the provisions of Chapter 47A of the General Statutes of  
the State of North Carolina (hereinafter "Declaration") establishing  
WRIGHTSVILLE DUNES, PHASE ONE Condominium, said Declaration being  
recorded in Book 1308 at Page 626 of the New Hanover County Registry.  
The site plan for said Phase One is attached to said Declaration as  
Exhibit "A" and is also recorded in Condominium Plat Book 7 at Page 166  
of the New Hanover County Registry. In Article 4 of said Declaration,  
the Declarant reserved the right and option to add and subject to the  
provisions of said Declaration the property described in Exhibit "B" to  
the Declaration so long as said addition and subsection was accomplished  
on or before December 31, 1995.

WHEREAS, it is the desire and intention of the Declarant in the  
recordation of this Supplemental Declaration in the Office of the  
Register of Deeds of New Hanover County, North Carolina, to submit all of  
the following real property and the improvements thereto to the provi-  
sions of the said Chapter 47A and specifically to the provisions of the  
above referenced recorded Declaration, said property being described as  
follows:

BEING all of that property described on the attached  
Exhibit "A" and also shown on a map of Wrightsville Dunes  
Phase 5 recorded in Condominium Plat Book 10 at Pages  
76 through 80 in the Office of the Register of Deeds  
of New Hanover County, North Carolina.

NOW, THEREFORE, THE DECLARANT DOES HEREBY DECLARE THAT ALL OF THE  
REAL PROPERTY DESCRIBED ABOVE, AS WELL AS ALL OF THE IMPROVEMENTS  
CONSTRUCTED THEREON, ARE HELD AND SHALL BE HELD, CONVEYED, HYPOTHECATED,  
ENCUMBERED, USED, OCCUPIED, AND IMPROVED SUBJECT TO THE FOLLOWING  
ARTICLES OF COVENANTS, CONDITIONS, RESTRICTIONS, USES, LIMITATIONS, AND  
OBLIGATIONS, ALL OF WHICH ARE DECLARED TO BE IN FURTHERANCE OF A PLAN FOR

THIS DOCUMENT IS BEING RERECORDED IN ORDER TO CORRECT UNIT NUMBERS TO WHICH  
GARAGE SPACES ARE ALLOCATED ON PAGE FOUR OF THIS DOCUMENT.

*David C. Warecott*  
DAVID C. WARECOTT, ATTORNEY AT LAW

*Johnson Hancock  
Treas. F.*

RETURNED TO

THE IMPROVEMENT OF SAID PROPERTY AND THE DIVISION THEREOF INTO CONDOMINIUM UNITS AND SHALL BE DEEMED TO RUN WITH THE LAND AND SHALL BE A BURDEN AND A BENEFIT TO THE DECLARANT, ITS SUCCESSORS AND ASSIGNS, AND ANY PERSON OR ENTITY ACQUIRING OR OWNING AN INTEREST IN THE REAL PROPERTY AND IMPROVEMENTS OR ANY SUBDIVISION THEREOF, THEIR GRANTEEES, SUCCESSORS, HEIRS, EXECUTORS, ADMINISTRATORS, DEVISEES AND ASSIGNS.

#### ARTICLE I

##### SUBMISSION OF PROPERTY

A. Pursuant to the provisions of Chapter 47A of the North Carolina General Statutes, Section 47A-2, the Declarant does hereby submit all of the real property described on Page 1 hereof, together with all improvements thereon and described herein, to the provisions of the "Unit Ownership Act" of the State of North Carolina, which is codified as Chapter 47A of the General Statutes of the State of North Carolina.

B. In furtherance thereof, Declarant declares and affirms that the real property described on Page 1 hereof, is a portion of the real property described in Article 4 of the DECLARATION CREATING UNIT OWNERSHIP OF PROPERTY UNDER THE PROVISIONS OF CHAPTER 47A OF THE NORTH CAROLINA GENERAL STATUTES (hereinafter "Declaration") which is recorded in Book 1308 beginning at Page 626 in the Office of the Register of Deeds of New Hanover County, North Carolina, and therefore, by virtue of the exclusive right and option belonging to the Declarant, as reserved to it in Article 4 of said Declaration, the Declarant further declares that all of the real property described on Page 1 hereof as well as all of the improvements constructed thereon, are hereby subjected to and henceforth shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to each and every provision of those Articles of Covenants, Conditions, Restrictions, Uses, Limitations and Obligations which are set forth in that recorded Declaration referred to hereinabove, except those provisions that are or have been altered or changed by prior Supplements to the Declaration or for this submission as set forth hereinbelow.

Hereinbelow, Declarant has set forth those provisions of said recorded Declaration which have been changed for this submission, and has incorporated by reference those provisions which have not.

#### ARTICLE 2

##### DEFINITIONS

The definitions for the terms used in this Supplemental Declaration and used in the Articles of the said recorded Declaration (recorded in Book 1308 at Page 626) as they are applicable to this Submission of real property by incorporation herein shall be as follows:

1. The terms Condominium Unit, Association, Condominium, Singular, Plural, and Gender are defined in Article 2 of the Declaration recorded in Book 1308 at Page 626 of the New Hanover County Registry referred to hereinabove and said definitions are incorporated herein by reference. The term The Declarant shall be defined as FIRST WASHINGTON CORPORATION, its successors and/or assigns.

2. The term Declaration shall mean and refer to that DECLARATION CREATING UNIT OWNERSHIP OF PROPERTY UNDER THE PROVISIONS OF CHAPTER 47A OF THE GENERAL STATUTES OF NORTH CAROLINA which is recorded in Book 1308 at Page 626 of the New Hanover County Register of Deeds.

#### ARTICLE 3

##### IDENTIFICATION OF PROPERTY

A. LAND: The description of the land on which the building and improvements are located is set forth in Exhibit "A" of this Supplemental Declaration.

B. BUILDING: Building shall mean and refer to the one (1) multi-unit building which has been constructed upon the real property described on Exhibit "A", to be used for residential purposes as hereinafter

provided. Reference is hereby made to Condominium Plat Book 10 at Pages 76 through 80 of the New Hanover County Registry which consists of a survey of the real property prepared by SHERWIN D. CRIBB, R.L.S., License No. L-1099, as well as floor plans of the building prepared by Boney Architects, showing all particulars as required by law. In general, the building has three (3) full stories which lofts and is designated on the survey as Building "B".

Building B has a total of approximately 19,929 net square feet of heated area. Building B has been subdivided into twelve (12) condominium units. A schedule of the designation and net square feet contained in each of the twelve (12) units is as follows:

Building B:

<u>UNIT:</u>	<u>SQUARE FOOTAGE</u>
1A	1710
1B	1498
1C	1501
1D	1691
2A	1703
2B	1498
2C	1500
2D	1702
3A	2067
3B	1500
3C	1500
3D	2059

Every unit has its own separate entrance and deck. The decks serving each unit are designated as limited common areas for the sole and exclusive use and enjoyment of the owners of the units served thereby, their invitees, licensees, and tenants. The Building has been principally constructed with concrete and has asphalt shingle roofing.

C. UNIT DESIGNATION: The unit designation of each condominium unit, its location, its dimensions, approximate area, common areas, limited common areas and facilities to which it has immediate access, are shown on the survey and plans hereinabove referred to and made a part hereof. No unit bears the same identifying number as does any other unit. Each unit is bounded both as to horizontal and vertical boundaries by the interior surface of its perimeter walls, ceilings, and floors which are shown on said plans, subject to such encroachments as are contained in the Building, whether the same now exist or may be caused or created by construction, settlement, or movement of the Building, or by permissible repairs, construction or alteration.

D. COMMON AREAS AND FACILITIES:

(1) Extent: The common areas and facilities consist of all of the property described in Exhibit "A" other than the units therein as described in said survey and plans, together with the property (Amenity Tracts) described in Exhibit "D" to the Declaration.

(2) Nature of Interest: Each of the unit owners in Wrightsville Dunes, Phases 1, 2, 3, 4 and 5 shall own an undivided interest in the common areas and facilities (the Common Elements) and said undivided interest, stated as a percentage of such ownership in the said common elements, is set forth in Exhibit "B" which is annexed to this Supplemental Declaration and made a part hereof.

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(3) All areas of the described property not within any units shall be common areas; and all portions of any building or other improvements not included within a unit shall be a common facility. The common facilities shall include amenities such as swimming pools, tennis courts and club house as well as all installations, items and equipment for utility service to more than one unit and shall also include tangible personal property required for the maintenance and operation of the condominium even though owned by the Association. The use of the term "common elements" in this document shall be synonymous with "common areas and facilities".

(4) Any portion of the common areas which is designated "limited common area" shall be owned as set forth in Paragraph (3) (d) (2) above. However, the use of a "limited common area" shall be limited to the owner or owners of the units served thereby.

(a) Storage Spaces: There are twelve (12) storage spaces designated on the above referenced survey and plans as follows:

<u>Storage Space</u>		<u>Unit</u>
# 1	allocated to	3C
# 2	allocated to	2C
# 3	allocated to	1C
# 4	allocated to	1D
# 5	allocated to	2D
# 6	allocated to	3D
# 7	allocated to	3B
# 8	allocated to	2B
# 9	allocated to	1B
#10	allocated to	1A
#11	allocated to	2A
#12	allocated to	3A

Each Storage Space is hereby declared to be Limited Common Area allocated to the exclusive use of the Unit designated above.

(b) Garage Space: There are six (6) Garage Spaces designated on the above referenced survey and plans as follows:

<u>Garage Space</u>		<u>Unit</u>
#1	allocated to	3A
#2	allocated to	1B
#3	allocated to	
#4	allocated to	
#5	allocated to	
#6	allocated to	3D

Each Garage Space is hereby declared to be Limited Common Area allocated to the exclusive use of the unit as designated above. Spaces #3, #4, #5 are presently unallocated but shall be allocated by the Declarant in the deeds to the units to which such spaces shall be assigned.



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(c) Nature of Allocation: The allocation of each Storage Space to each unit is permanent in character and the conveyance of the unit carries with it automatically and without mention exclusive use to the allocated Storage Space. The allocation of each Garage Space to a designated unit is not permanent and the unit owner of a unit that has appurtenant to it an allocated Garage Space may lease or sell the space to another unit owner. In no event shall the right to use a Garage Space be severed from the ownership of a unit in the building. Any such assignment or purported sale or transfer of a garage space to one not a unit owner shall be null and void.

(d) Special Assessment for Garage Spaces: The books and records of the Association will be kept in such a manner that it is possible to determine and ascertain such sums as are expended by the Association for the maintenance and upkeep of the Garage Space and these sums shall be prorated and specifically assessed against the units to which the Garage Spaces are allocated and collected with the regular annual assessment.

## ARTICLE 4

PLAN OF DEVELOPMENT AND SCOPE OF DECLARATION

The name by which this condominium project shall henceforth be known as is WRIGHTSVILLE DUNES, Phase 5. First Washington Corporation has caused to be constructed upon the real property described in Exhibit "A" one multi-unit building, containing twelve (12) units as well as the common areas and facilities of both the building and the real property, all as defined hereinabove and as shown upon the above referenced survey and plans made a part hereof by reference. The units together with their privileges and appurtenances, shall be offered for sale to the public by First Washington Corporation or its assigns, as residential condominium units pursuant to the provisions of Chapter 47A of the General Statutes of the State of North Carolina, subject to the covenants, conditions, restrictions and obligations stated in the Articles of this Supplemental Declaration, the original Declaration, as supplemented, the Articles of Incorporation of the Homeowners Association, its duly adopted By-Laws and its Rules and Regulations.

First Washington Corporation, by this Supplemental Declaration, submits only the real property described in Exhibit "A" attached hereto, together with the improvements thereon, to the Act and hereinafter this submission shall be referred to as "WRIGHTSVILLE DUNES, PHASE 5". Nevertheless, First Washington Corporation, for itself, its successors and/or assigns hereby reserves the exclusive right and option, but not the obligation, to add to or expand the property subject to the Declaration by the addition of all or any portion or portions of the real property described on Exhibit "B" to the Declaration in one or more additional phases of WRIGHTSVILLE DUNES upon the following terms and in the following manner:

A. Any addition of real property subject to the Declaration, if any, shall occur only by the registration in the Office of the Register of Deeds of New Hanover County, North Carolina, of one or more supplements to the Declaration, which shall be executed by the Declarant and/or its assigns. The addition to or expansion of the real property subject to the Declaration shall be at the sole discretion of the Declarant without consultation with or consent of any unit owner. Every unit owner in WRIGHTSVILLE DUNES, all phases, by accepting a deed for a unit therein, shall be deemed to have agreed for himself, his heirs, devisees, successors and assigns, to such addition to or expansions of the property subject to the Declaration in accordance with the provisions of this Article; and

B. The right and option as described hereinabove shall terminate on the 31st day of December, 1995;

C. In the event the Declarant adds to the real property subject to the Declaration all of the real property described in said Exhibit "B", the Declarant covenants and agrees that no more than a total of twenty-seven (27) units will be added to the seventy-nine (79) units in WRIGHTSVILLE DUNES, Phase 1, 2, 3, 4 and 5.

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D. The Declarant covenants and agrees that all buildings containing units built upon the real property which may be subjected to the Declaration under this Article shall consist of not more than three (3) stories with lofts and shall be constructed on pilings situated above finished grade and shall be constructed with materials of like or substantially better quality than those used in WRIGHTSVILLE DUNES, Phases 1, 2, 3 and 4 and in conformance with and compliance with the approved Plan of Development for WRIGHTSVILLE DUNES as approved by the Town of Wrightsville Beach; and

E. It is understood and declared that the undivided fractional or percentage interest owned by each unit owner of units in WRIGHTSVILLE DUNES, Phase 1, Phase 2, Phase 3, Phase 4 and Phase 5 is as stated in Exhibit "B" hereunder. However, it is further declared that in the event the Declarant, pursuant to the provisions of this Article, adds to or expands the property, and therefore, the number of units, unit owners, and common areas and facilities subject to the Declaration and the jurisdiction of the Association, then consequently the fractional or percentage interest owned by each unit owner of units in WRIGHTSVILLE DUNES, all phases, in the expanded common areas and facilities of WRIGHTSVILLE DUNES, all phases, shall necessarily have to change from that as established in Exhibit "B" hereunder. It is further understood that the Act provides that the fractional or percentage undivided interest of each unit owner in the common areas and facilities as expressed in any Declaration shall have a permanent character and shall not be altered except with the unanimous consent of all unit owners expressed in an amended Declaration duly recorded. Therefore, in the event the Declarant adds to or expands the property subject to the Declaration, pursuant to this Article, then every unit owner of units in WRIGHTSVILLE DUNES, any phase, by the acceptance of the deed for his unit shall be deemed to have specifically agreed for himself, his heirs, devisees, successors and/or assigns that the Declarant shall have the exclusive right and power, as attorney-in-fact for every unit owner, to establish the undivided fractional or percentage interest of each such unit owner in the expanded common areas and facilities of WRIGHTSVILLE DUNES, all phases, as well as the right and power to establish the undivided fractional or percentage interest in the expanded common areas and facilities of WRIGHTSVILLE DUNES, all phases, to be appurtenant to additional units of WRIGHTSVILLE DUNES, and, therefore, (a) the liability of each unit owner for common expenses, not specifically assessed, (b) the interest of each unit owner in any common surplus, and (c) the voting rights in the Association of each unit owner; which such undivided fractional or percentage interests shall be stated in any supplement to the Declaration required to be executed and recorded in the Office of the Register of Deeds of New Hanover County, North Carolina, in order to expand or add to the property subject to the Declaration as is provided for hereinabove. It is hereby declared and agreed that the Declarant shall establish said undivided interests without prior consultation with or consent of any unit owner of any unit in WRIGHTSVILLE DUNES, any phase; and that the Declarant covenants and agrees to establish such undivided fractional or percentage interests for all units at such times as may be necessary pursuant to this Article in the proportions that the then fair market value of each unit, new and existing, as shall be determined solely by the Declarant, bears to the then aggregate fair market value of all units on the date of the supplemental declaration, or declarations. In determining such fair market value for any additional unit added to or made subject to the Declaration, Declarant may use the offering or purchase price of such unit or the fair market value as established by any independent appraiser. In determining the fair market value of units previously subjected to the Declaration, the Declarant may use the value as then established for tax purposes by the appropriate authorities or the value established by any independent appraiser.

F. Nothing herein shall be deemed to limit or alter the Declarant's right, hereby reserved, to vary the internal layout, size, or configurations of any units hereafter constructed so long as the Declarant substantially conforms with the provisions of this Article.

#### ARTICLE 5

#### THE NATURE AND INCIDENTS OF UNIT OWNERSHIP

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A. Each unit shall be conveyed and treated as an individual real property capable of independent use and fee simple ownership, and the owner of each unit shall also own, as an appurtenance to the ownership of each said unit, an undivided interest in the common areas and facilities of WRIGHTSVILLE DUNES, Phase 1, 2, 3, 4 and 5 and future phases, if any. The undivided interest in the common areas and facilities of WRIGHTSVILLE DUNES, Phase 1, 2, 3, 4 and 5, appurtenant to each of the seventy-nine (79) units of WRIGHTSVILLE DUNES, Phases 1, 2, 3, 4 and 5 is set forth on Exhibit "B" attached.

The proportional interest in the common areas and facilities that is appurtenant to each unit has been determined in a manner consistent with the Act.

B. No unit may be divided or subdivided into a smaller unit or units than as shown on the recorded plans, nor shall any unit or portion thereof be added to or incorporated into any other unit unless written approval is first obtained from the Board of Directors of the Association. The undivided interest in the common areas and facilities declared to be an appurtenance to each unit shall not be conveyed, devised, encumbered, or otherwise dealt with separately from said unit, and the undivided interest in common areas and facilities appurtenant to each unit shall be deemed conveyed, devised, encumbered, or otherwise included with the unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering, or otherwise dealing with such unit. Any conveyance, mortgage, or other instrument which purports to grant any right, interest or lien in, to or upon a unit, shall be null, void and of no effect insofar as the same purports to affect any interest in a unit and its appurtenant undivided interest in common areas and facilities, unless the same purports to convey, devise, encumber, or otherwise trade or deal with the entire unit. Any instrument, conveying, devising, encumbering, or otherwise dealing with any unit, which describes said unit by the letter/numerical designation assigned thereto without limitation or exception shall be deemed and construed to affect the entire unit and its appurtenant undivided interest in the common areas and facilities. Nothing herein contained shall be construed as limiting or preventing ownership of any unit and its appurtenant undivided interest in the common areas and facilities by more than one person or entity, as tenants in common, joint tenants, or as tenants by the entirety. However, time-sharing marketing of a unit is expressly prohibited.

C. The common areas and facilities (including all amenities) shall be, and the same are hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the owners of units in WRIGHTSVILLE DUNES, Phases 1, 2, 3, 4 and 5, for their use and the use of their immediate families, guests or invitees, for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of said owners of units. Notwithstanding anything above provided in this Article, the Association shall have the exclusive right to establish the rules and regulations pursuant to which the owner of any unit, his family, guests or invitees may be intitled to use the common areas and facilities, including the right to establish regulations concerning the use of the pool and tennis courts.

#### ARTICLE 6

##### INCORPORATION

The terms and provisions of Articles 6, 7, 8, 9, 10 and 11 of the Declaration are hereby adopted in their entirety and incorporated herein by reference.

#### ARTICLE 12

##### MANAGEMENT AND MAINTENANCE

A. **MANAGER:** The Association may enter into a contract with a Management Company or Manager for the purposes of providing all elements of the operation, care, supervision, maintenance and management of the property. However, any such contract may not exceed three (3) years in

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duration, and such agreement must provide for termination by either party without cause and without payment of a termination fee upon 90 days' or less written notice. All the powers and duties of the Association necessary or convenient for such maintenance and management may be delegated to and vested in the Manager by the Board of Directors, except such as are specifically required by the Declaration, the By-Laws, or the Unit Ownership Act, to have the approval of the Board of Directors of the Association. The Manager is hereby further authorized to recommend the annual budget, and, upon approval thereof by the Board of Directors, make assessments for common expenses, and collect such assessments in the manner provided for in the Declaration and the By-Laws, subject always to the supervision and right of approval of the Board of Directors.

**B. OWNER'S MAINTENANCE:**

(1) Each unit owner agrees as follows:

(a) To maintain in good condition and repair his unit and all interior surfaces within his unit (such as walls, ceilings and floors) which are not common elements or exterior surfaces, the maintenance of which shall be the responsibility of the Association and assessable to all the unit owners as a common expense.

(b) Not to make or cause to be made any structural addition to the common elements without the prior written consent of the Association.

(c) To make no alteration, repair, replacement or change of the common elements or to any outside or exterior portion of the building whether within a unit or part of the common elements.

(d) To permit the Board of Directors or the Manager, or the agents or employees of the Association to enter with notice at any reasonable hour of the day, for the purpose of maintenance, inspection, repair, replacement of improvements within the unit or the common elements, or to enter without notice in the case of emergency, threatening any unit(s) or the common elements or to determine compliance with the provisions of the Declaration, the By-Laws or the Rules and Regulations promulgated thereunder.

(2) In the event a unit owner fails to maintain the unit as required herein or makes any structural addition or alteration to the common areas without the required written consent of the Board of Directors, or fails to permit entrance to the Board or the Manager as required above, the Manager on behalf of the Board of Directors or Association, or the Board on its own behalf, shall have the right to proceed either at law or in equity for whatever appropriate remedy the circumstances require. In lieu thereof and/or in addition to this remedy, the Association, through the Board of Directors, shall have the right and power to levy an assessment against the owner of the unit and the unit itself for such necessary sums to remove any unauthorized structure or alteration and to restore the property to its former condition. The Association and/or the Board of Directors on its behalf, shall have the further right and power to have its employees or agents, or any subcontractor appointed by it, enter the unit at any and all reasonable times, to do such work as is deemed necessary by the Board to enforce compliance with the provisions hereof.

**C. LIMITATION OF LIABILITY:** Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable to unit owners for injury or damage caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or other owners or persons.

ARTICLE 13

ASSESSMENTS



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The common expenses shall be assessed against each unit owner as provided for in Paragraph 11 above. Assessments which are unpaid for over thirty (30) days after due date shall bear the maximum interest allowed by law, (but not to exceed the monthly rate of one and one-half percent (1 1/2%) from the due date until such unpaid assessment is paid in full.)

Unit owners shall be subject to assessment by the Board of Directors upon acquiring title to their unit. The Declarant shall not be liable for assessments for unsold units until one hundred twenty (120) days after conveyance of title to the first unit sold in each phase of WRIGHTSVILLE DUNES.

In addition to the usual monthly assessment, Unit Owners shall be subject to pay a one time initial assessment upon acquiring title to their unit from Declarant equal to twice the standard monthly assessment in order to fund contingent or unascertained expenses of the Association during initial phases of operation for each phase.

Any sum assessed remaining unpaid for more than thirty (30) days shall constitute a lien upon the delinquent unit or units when filed of record in the Office of the Clerk of Superior Court of New Hanover County in the manner provided for by Article 8 of Chapter 44 of the General Statutes of North Carolina as amended. The lien for unpaid assessments shall also secure reasonable attorney's fees incurred by the Manager or the Board of Directors incident to the collection of such assessment or the enforcement of such lien. In any foreclosure of a lien for assessments, the owner of the unit subject to the lien shall be required to pay a reasonable rental for the unit, and the Manager or Board of Directors shall be entitled to the appointment of a receiver to collect the same. Any Purchaser who obtains title to a condominium unit at a sale held to foreclose a lien for assessments pursuant to this Paragraph shall not be responsible for the payment of any monthly assessment due prior to the time of his taking of title. Any holder of a first lien deed of trust on a unit, upon request, will be entitled to written notification from the Association of any default in the performance by an individual owner-borrower of any obligation under the Condominium Declaration and By-Laws not cured within sixty (60) days.

#### ARTICLE 14

##### INCORPORATION

The terms and provisions of Articles 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23 of the Declaration are hereby adopted in their entirety and incorporated herein by reference.

#### ARTICLE 24

##### RIGHTS RESERVED UNTO INSTITUTIONAL LENDERS

"Institutional Lenders" or "Institutional Lender" as the terms are used herein shall mean and refer to banks, savings and loan associations, insurance companies or other reputable mortgage lenders. So long as any Institutional Lender or Institutional Lenders shall hold any mortgage upon any Condominium Unit or Units, or shall be the owner of any Condominium Unit or Units, such Institutional Lender or Institutional Lenders shall have the following rights, upon written request to the Association, to wit:

A. To approve the company or companies with whom casualty insurance is placed.

B. To be furnished with at least one copy of the Annual Financial Statement and Report of the Association, prepared by an Accountant designated by the Association, such Financial Statement and Report to be furnished by April 15 of each calendar year.

Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the unit number or address, any such eligible mortgage holder or eligible insurer or guarantor will be entitled to timely written notice of:

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A. Any condemnation loss or any casualty loss which affects a material portion of the project or any unit on which there is a first mortgage held, insured or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable.

B. Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to a first mortgage held, insured or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of 60 days.

C. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

D. Any proposed action which would require the consent of a specified percentage of mortgage holders.

E. The call of any meeting of the membership to be held for the purpose of considering any proposed Amendment to this Declaration of Condominium, or the Articles of Incorporation and By-Laws of the Association, which notice shall state the nature of the Amendment being proposed.

ARTICLE 25

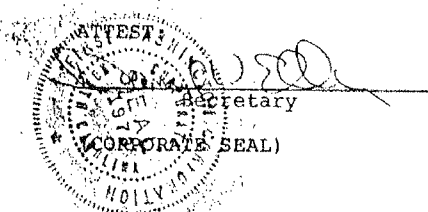
SERVICE OF PROCESS

W. Talmage Jones is hereby designated to receive service of process in any action which may be brought against or in relation to this condominium development and/or the Association. Said person's address is 101 South Third Street, P. O. Drawer 2178, Wilmington, NC 28402, which is within the County in which the development is located. The Board of Directors of WRIGHTSVILLE DUNES H.O.A., INC. may revoke the appointment of such agent and appoint a successor, all pursuant to the By-Laws of the Association.

IN WITNESS WHEREOF, FIRST WASHINGTON CORPORATION has caused this instrument to be signed in its name by its proper corporate officers and its corporate seal to be hereto affixed all by authority of its Board of Directors duly given and granted, all on the day and year first hereinabove written.

FIRST WASHINGTON CORPORATION

By [Signature]  
President

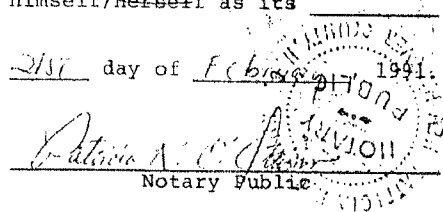


STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

I, Patricia K. Quinn, a notary public in and for the said county and state, hereby certify that David W. C. Mc personally came before me this day and acknowledged that he/she is Secretary of FIRST WASHINGTON CORPORATION, a North Carolina corporation, and that by authority duly given and as the act of the corporation the foregoing instrument was duly signed in its name by its President, sealed with its corporate seal and attested by himself/herself as its Secretary.

WITNESS my hand and seal, this the 21st day of February 1991.



My commission expires: Nov. 12, 1991  
(SEAL)

1533 6437

~~1530 6913~~

## EXHIBIT A

Beginning at a new iron pipe in the easterly line of North Lumina Avenue Extension (60-foot right-of-way), said beginning pipe being located 0.99 miles as measured along said North Lumina Avenue Extension from its intersection with Mallard Street. Said beginning pipe being in a curve having a radius of 1,147.47 feet. Said beginning pipe also being located North 30 degrees 03 minutes East a chord distance of 150.10 feet from the southerly end of Curve #7 as shown on a map of North Shell Island Subdivision recorded in Map Book 25 at Page 20 of the New Hanover County Registry. Last said point being located North 33 degrees 48 minutes East 16.10 feet as measured along the easterly line of said North Lumina Avenue Extension from an old iron pin at the intersection of said easterly line with the dividing line between Tract 15 and Tract 16 as shown on said map of North Shell Island Subdivision. Running thence from said beginning point;

1. along the curved easterly line of said North Lumina Avenue Extension to an old iron pin that is North 23 degrees 14 minutes 50 seconds East a chord distance of 122.22 feet from the point of beginning; thence
2. South 82 degrees 35 minutes 35 seconds East 38.55 feet to an old iron pin; thence
3. South 55 degrees 15 minutes East 309.27 feet to an old iron pin in the dividing line between said Tract 16 and Tract 22 as shown on said map of North Shell Island Subdivision; thence
4. South 34 degrees 08 minutes 45 seconds West 185.52 feet along the dividing line between said Tract 16 and Tract 22 to a point; thence
5. North 55 degrees 36 minutes West 150.00 feet to a point; thence
6. North 34 degrees 08 minutes 45 seconds East 50.00 feet to a point; thence
7. North 55 degrees 36 minutes 00 seconds West 170.58 feet to the point of beginning.

The above described tract contains 1.21 acres, more or less, and is a portion of Tract 16 as shown on said map of North Shell Island Subdivision recorded in Map Book 25 at Page 20 of the New Hanover County Registry.

EXHIBIT "B"

PERCENTAGES OF OWNERSHIP

BUILDING H

UNIT 1-A	1.483799%
UNIT 1-B	1.178675%
UNIT 1-C	1.178675%
UNIT 1-D	1.178675%
UNIT 1-E	1.178675%
UNIT 1-F	1.483799%
UNIT 2-B	1.178675%
UNIT 2-C	1.178675%
UNIT 2-D	1.178675%
UNIT 2-E	1.178675%
UNIT 3-A	1.245276%
UNIT 3-B	1.178675%
UNIT 3-C	1.178675%
UNIT 3-D	1.178675%
UNIT 3-E	1.178675%
UNIT 3-F	1.245276%

BUILDING C

UNIT C-1	1.483799%
UNIT C-2	1.245276%
UNIT C-3	1.178675%
UNIT C-4	1.178675%
UNIT C-5	1.178675%
UNIT C-6	1.178675%
UNIT C-7	1.178675%
UNIT C-8	1.178675%
UNIT C-9	1.178675%
UNIT C-10	1.178675%
UNIT C-11	1.178675%
UNIT C-12	1.483799%
UNIT C-13	1.245276%

BUILDING D

UNIT D-1	1.483799%
UNIT D-2	1.245276%
UNIT D-3	1.178675%
UNIT D-4	1.178675%
UNIT D-5	1.178675%
UNIT D-6	1.178675%
UNIT D-7	1.178675%
UNIT D-8	1.178675%
UNIT D-9	1.178675%
UNIT D-10	1.178675%
UNIT D-11	1.178675%
UNIT D-12	1.483799%
UNIT D-13	1.245276%

BUILDING G

UNIT 1A	1.618549%
UNIT 1B	1.178675%
UNIT 1C	1.178675%
UNIT 1D	1.178675%
UNIT 1E	1.618549%
UNIT 2B	1.178675%
UNIT 2C	1.178675%
UNIT 2D	1.178675%
UNIT 3A	1.245276%
UNIT 3B	1.178675%
UNIT 3C	1.517099%
UNIT 3D	2.636145%

EXHIBIT "B"

PERCENTAGES OF OWNERSHIP

PAGE 2

BUILDING F

UNIT 1A	1.376928%
UNIT 1B	1.121368%
UNIT 1C	1.121368%
UNIT 1D	1.376928%
UNIT 2A	1.376928%
UNIT 2B	1.121368%
UNIT 2C	1.121368%
UNIT 2D	1.376928%
UNIT 3A	1.236757%
UNIT 3B	1.149247%
UNIT 3C	1.177901%
UNIT 3D	1.149247%
UNIT 3E	1.236757%

BUILDING B

UNIT 1A	1.318846%
UNIT 1B	1.161638%
UNIT 1C	1.161638%
UNIT 1D	1.318846%
UNIT 2A	1.318846%
UNIT 2B	1.161638%
UNIT 2C	1.161638%
UNIT 2D	1.318846%
UNIT 3A	1.595326%
UNIT 3B	1.161638%
UNIT 3C	1.161638%
UNIT 3D	1.595326%

-----  
79 UNITS

-----  
100.000000%

JOINDER AND CONSENT OF TRUSTEES AND BENEFICIARIES/MORTGAGEES

VAIDEN P. KENDRICK, Trustee, and SOUTHERN NATIONAL BANK OF NORTH CAROLINA, Mortgagee, join in the execution of this Supplemental Declaration of Covenants, Conditions and Restrictions for the sole purpose of subjecting, submitting and subordinating, and they, and each of them, do hereby subject, submit and subordinate any and all right, title and interest in the property known as WRIGHTSVILLE DUNES, PHASE 5 and shown on a map of said property recorded in Condominium Plat Book 10 at Pages 76-80 of the New Hanover County Registry, that they have, or either of them has, or may have, by virtue of that deed of trust recorded in Book 1520 at Page 1487 of the New Hanover County Registry to said Declaration, and every provision thereof, and to the jurisdiction of WRIGHTSVILLE DUNES H.O.A. INC. as the same may be amended from time to time.

IN WITNESS WHEREOF, VAIDEN P. KENDRICK, TRUSTEE, has hereunto set his hand and seal, and SOUTHERN NATIONAL BANK OF NORTH CAROLINA has caused this JOINDER AND CONSENT to be signed in its corporate name by its duly authorized officers and its corporate seal to be hereunto affixed all by authority of its Board of Directors all on this the 21<sup>st</sup> day of February, 1991.

VAIDEN P. KENDRICK (SEAL)  
VAIDEN P. KENDRICK, TRUSTEE

SOUTHERN NATIONAL BANK OF NORTH CAROLINA

BY: DAVID BULLI  
Vice President

ATTEST: [Signature]  
Secretary  
(CORPORATE SEAL)

STATE OF NORTH CAROLINA )  
COUNTY OF NEW HANOVER )

PERSONALLY APPEARED before me, Carol Lewis, a Notary Public in and for the said County and State, VAIDEN P. KENDRICK, TRUSTEE, who acknowledged the due execution of the foregoing instrument for the uses and purposes therein expressed.

WITNESS my hand and notarial seal, this 21<sup>st</sup> day of February, 1991.

Carol Lewis  
Notary Public

My Commission Expires:  
7-24-94

(SEAL)  
CAROL LEWIS  
NOTARY  
PUBLIC  
NEW HANOVER COUNTY, NC

BOOK PAGE  
1533 0441

1530 0917

STATE OF NORTH CAROLINA )  
COUNTY OF NEW HANOVER )

I, Debra W. Peterson, a Notary Public in and for the State and County aforesaid, do hereby certify that William D. Robinson personally appeared before me this day and acknowledged that he is Asst Secretary of SOUTHERN NATIONAL BANK OF NORTH CAROLINA, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by its Asst Secretary.

WITNESS my hand and notarial seal, this 21<sup>st</sup> day of February, 1991.

Debra W. Peterson  
Notary Public

My Commission Expires:  
1-16-92



STATE OF NORTH CAROLINA - New Hanover County  
The foregoing Certificate (s) of William D. O'Quinn, Carl Lewis and Debra W. Peterson, Notary Public is (are) certified to be correct.  
This 22 day of Feb, A.D., 1991

Rebecca P. Tucker, Register of Deeds  
by Rebecca P. Tucker

1533 0442

~~1530 0910~~

AS BUILT VERIFICATION

I, PAUL DAVIS BONEY, a North Carolina Registered Architect, being duly sworn, do hereby certify that the plans being filed simultaneously with this Declaration of Condominium fully depict the layout, ceiling and floor elevations, unit numbers and dimensions of the units as built.

WITNESS my hand and seal, this 21st day of February, 1991.

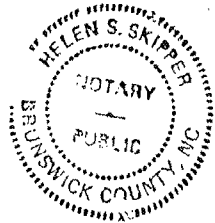
Paul Davis Boney (SEAL)  
PAUL DAVIS BONEY

SWORN TO AND SUBSCRIBED before me

this 21 day of February, 1991.

Helen S. Skipper  
Notary Public

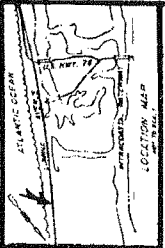
My Commission Expires: 10/28/94





1533 0443

1530 0918



STATE OF NORTH CAROLINA  
COUNTY OF WASHINGTON  
PLANNING AND ZONING DEPARTMENT  
PLANNING BOARD  
MEETING OF THE PLANNING BOARD  
Held at the Planning Board Office  
2502 Lumina Avenue  
Wrightsville Beach, North Carolina  
February 14, 1991  
The Planning Board has reviewed the site plan for the proposed development and has recommended that the Board approve the site plan for the proposed development.

PLANNING BOARD  
WRIGHTSVILLE BEACH, NORTH CAROLINA  
RESOLUTION NO. 1991-02  
APPROVED AND ADOPTED this 14th day of February, 1991, by the following members of the Planning Board:  
[Signatures]

STATE OF NORTH CAROLINA  
COUNTY OF WASHINGTON  
PLANNING AND ZONING DEPARTMENT  
PLANNING BOARD  
MEETING OF THE PLANNING BOARD  
Held at the Planning Board Office  
2502 Lumina Avenue  
Wrightsville Beach, North Carolina  
February 14, 1991  
The Planning Board has reviewed the site plan for the proposed development and has recommended that the Board approve the site plan for the proposed development.

PLANNING BOARD  
WRIGHTSVILLE BEACH, NORTH CAROLINA  
RESOLUTION NO. 1991-02  
APPROVED AND ADOPTED this 14th day of February, 1991, by the following members of the Planning Board:  
[Signatures]

PLANNING BOARD  
WRIGHTSVILLE BEACH, NORTH CAROLINA  
RESOLUTION NO. 1991-02  
APPROVED AND ADOPTED this 14th day of February, 1991, by the following members of the Planning Board:  
[Signatures]

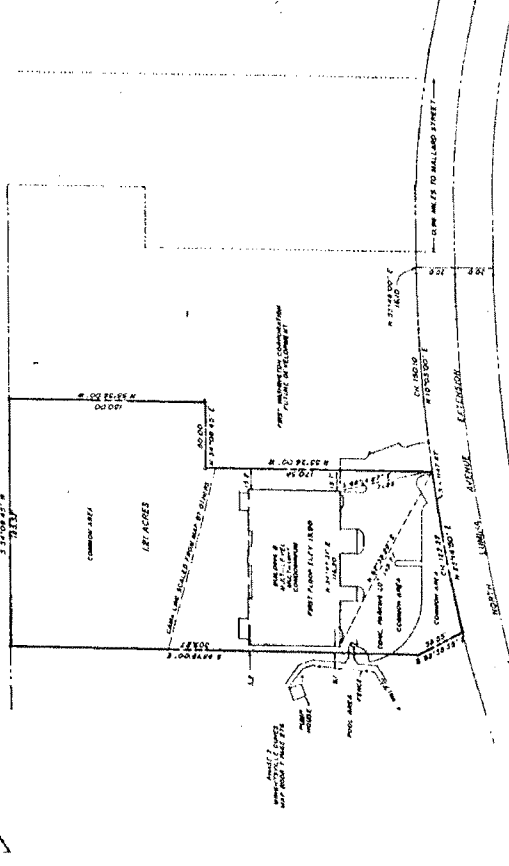


EXHIBIT C  
WRIGHTSVILLE DUNES  
BUILDING "B"  
PHASE FIVE

2502 LUMINA AVE.  
WRIGHTSVILLE BEACH  
NORTH CAROLINA  
20 FEBRUARY 1991

PHASE 5  
WRIGHTSVILLE DUNES  
FIRST WASHINGTON CORPORATION  
WRIGHTSVILLE BEACH, NORTH CAROLINA

SCALE: 1" = 40'  
DATE: FEBRUARY 14, 1991  
DRAWN BY: [Signature]  
CHECKED BY: [Signature]

BUILDING "B"  
PHASE FIV.

WRIGHTSVILLE  
DUNES

2502 LUMINA AVI  
WRIGHTSVILLE BEACH  
NORTH CAROLINA

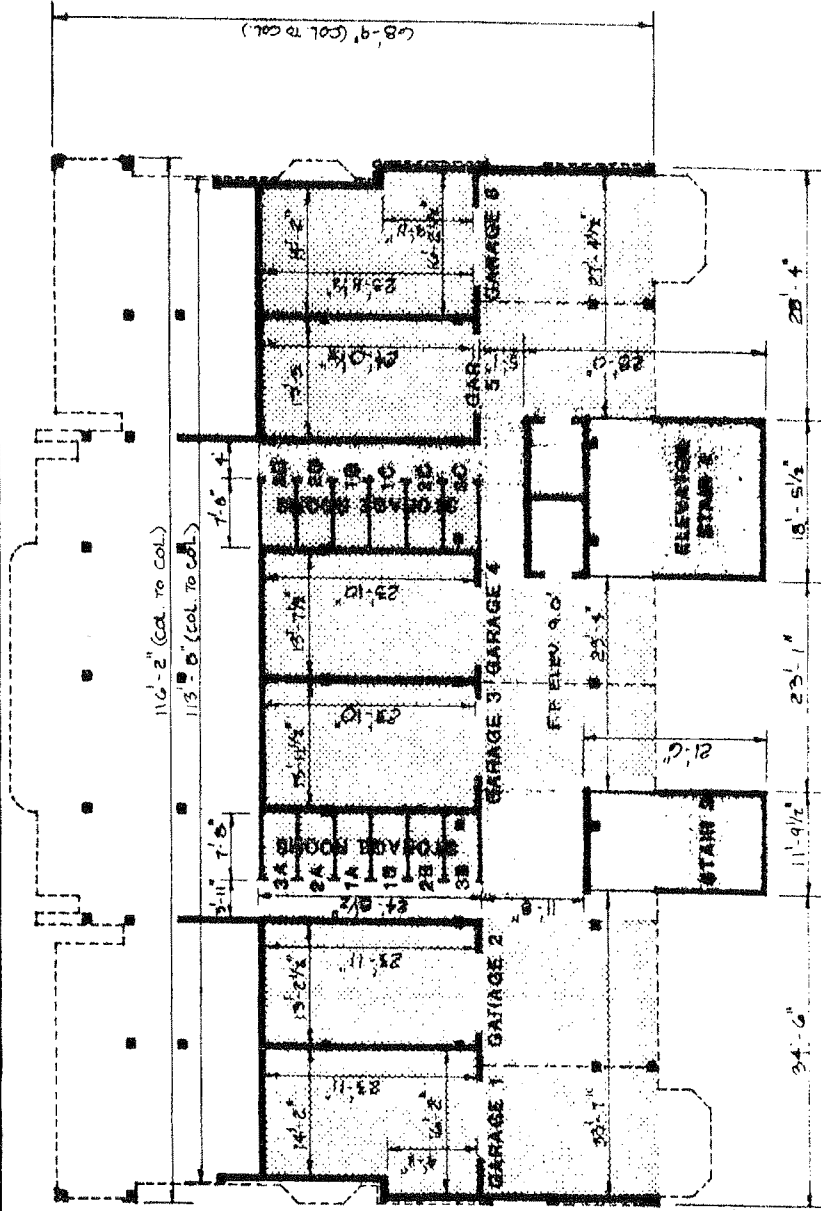
GROUND FLOOR



20 FEBRUARY 199

EXHIBIT C

PROP. 2 OF 7



INDICATES BOUNDARY LINE OF UNITS

INDICATES LIMITED COMMON AREAS

INDICATES COMMON AREAS

INDICATES CONDOMINIUMS

UNIT

1A, 1B, 1C, 1D,  
2A, 2B, 2C, 2D,  
3A, 3B, 3C & 3D

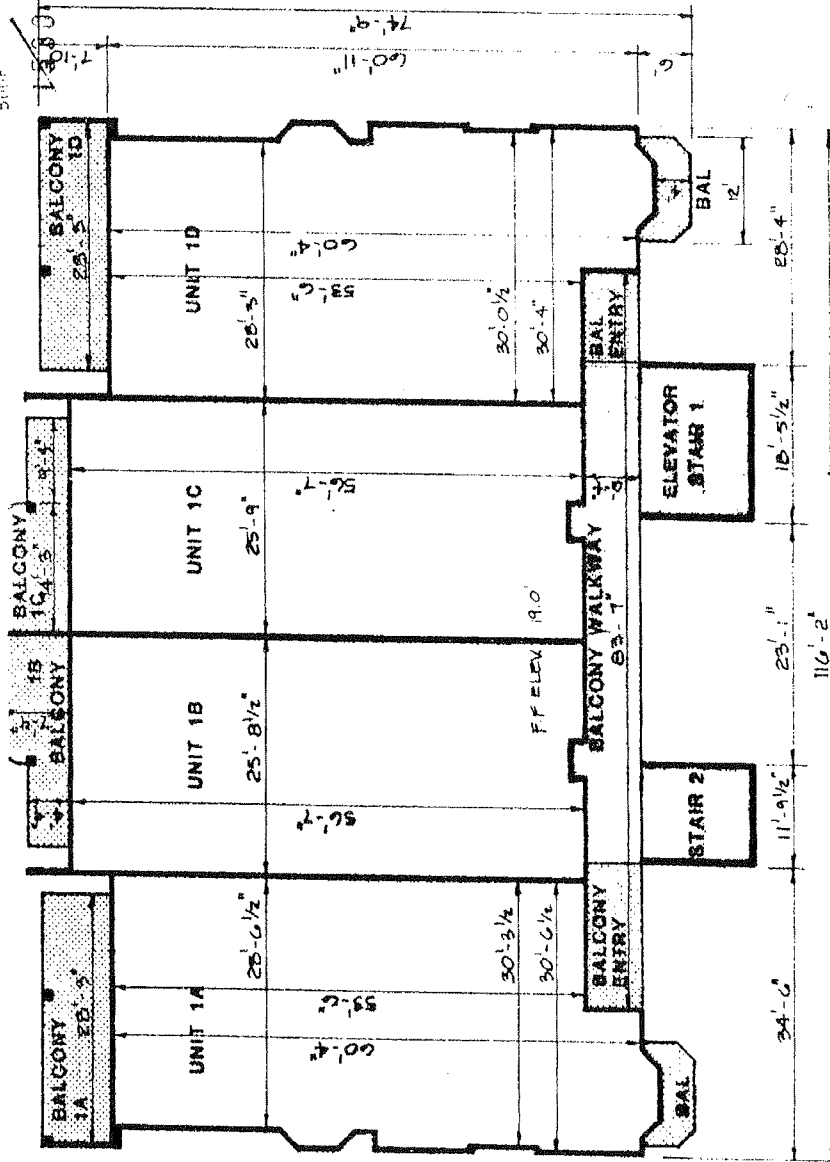
1533 444

**boney architects**

120 south fifth avenue  
wilmington north carolina



PAGE 3007  
 1300  
 0821



INDICATES BOUNDARY LINE OF UNITS  
 INDICATES LIMITED COMMON AREAS  
 INDICATES COMMON AREAS  
 INDICATES CONDOMINIUMS

1A, 1B, 1C, 1D,  
 2A, 2B, 2C, 2D,  
 3A, 3B, 3C & 3D

540 8851 UNIT  
 4008

**ooney architects**  
 20 south fifth avenue  
 wilmington north carolina

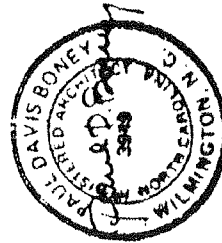
**ooney**

BUILDING "B"  
 PHASE FIVE

WRIGHTSVILLE  
 DUNES

2502 LUMINA AVE.  
 WRIGHTSVILLE BEACH  
 NORTH CAROLINA

FIRST FLOOR



20 FEBRUARY 1991

EXHIBIT C

Page 3 of 7

BUILDING "B"

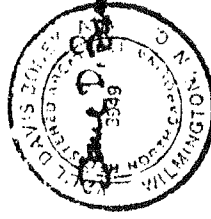
PHASE FIVE

WRIGHTSVILLE  
DUNES

2502 LUMINA AV.

WRIGHTSVILLE BEACH  
NORTH CAROLINA

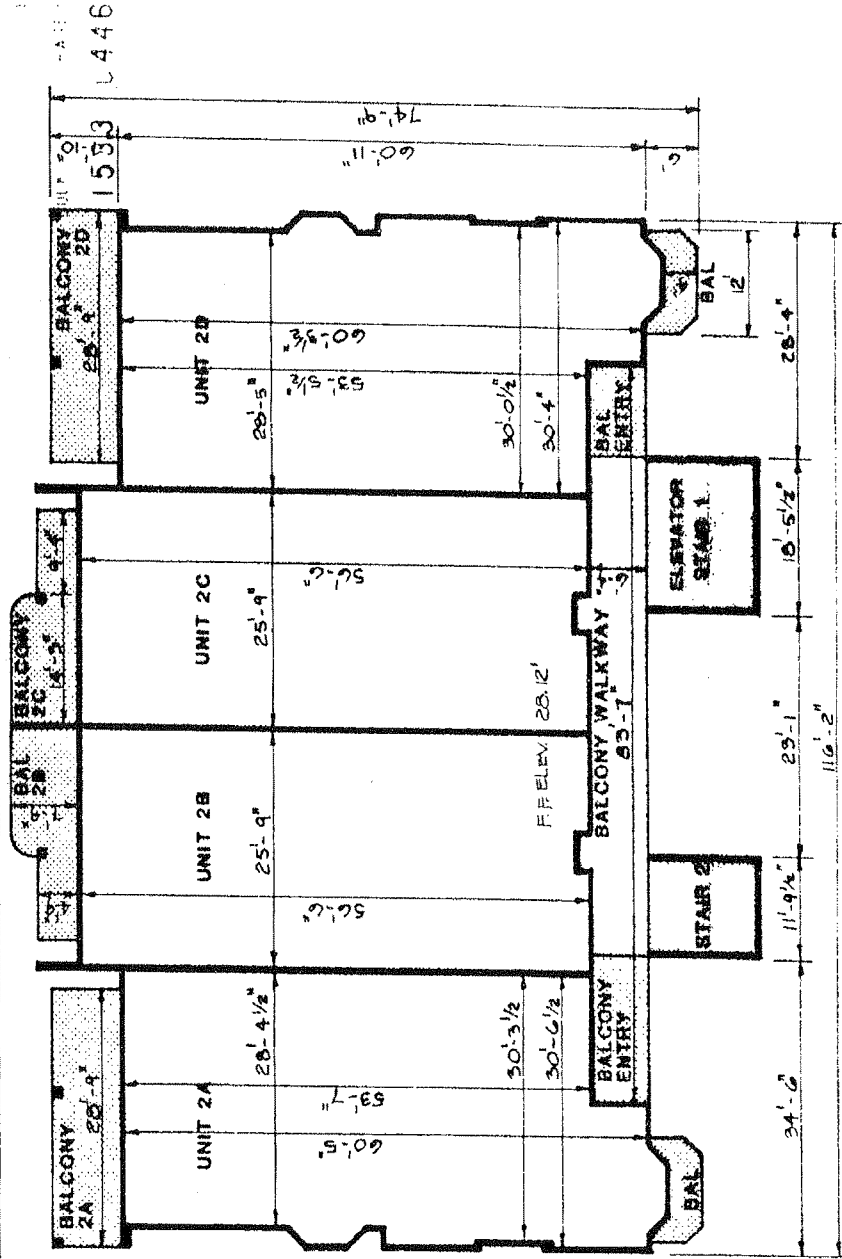
SECOND FLOOR



20 FEBRUARY 1991

EXHIBIT C

Page 4 of 7



INDICATES BOUNDARY LINE OF UNITS  
 INDICATES LIMITED COMMON AREAS  
 INDICATES COMMON AREAS  
 INDICATES CONDOMINIUMS



UNIT

1A, 1B, 1C, 1D,  
 2A, 2B, 2C, 2D,  
 3A, 3B, 3C & 3D

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 wilmington north carolina



BUILDING 'E'

PHASE

WRIGHTSVILLE  
DUNES

2502 LUMINA AV

WRIGHTSVILLE BEACH  
NORTH CAROLINA

THIRD FLOOR

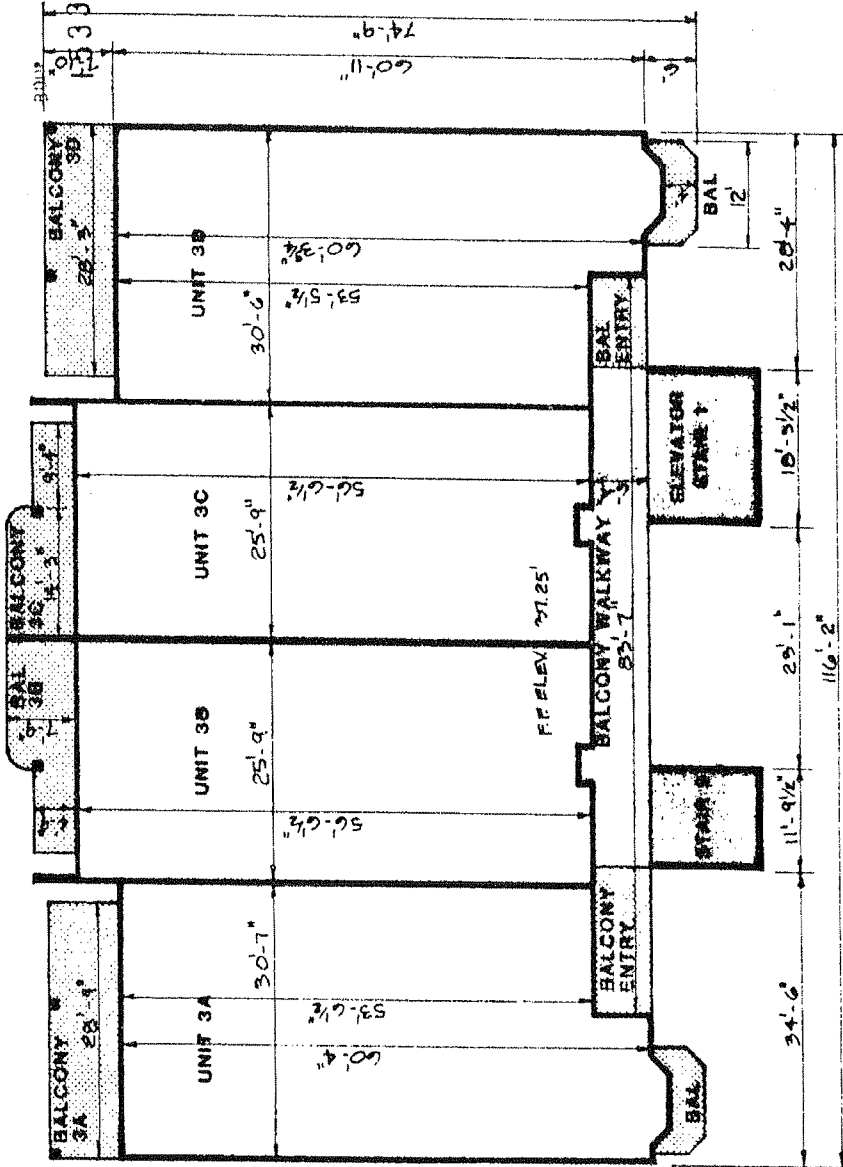


20 FEBRUARY 19

EXHIBIT C

Page 5 of 7

PAGE  
0447



- INDICATES BOUNDARY LINE OF UNITS
- INDICATES LIMITED COMMON AREAS
- INDICATES COMMON AREAS
- INDICATES CONDOMINIUMS

UNIT  
1A, 1B, 1C, 1D,  
2A, 2B, 2C, 2D,  
3A, 3B, 3C & 3D

boney architects

120 south fifth avenue  
wilmington north carolina



UNIT

0737 0851

4/10/88

BUILDING "B"  
PHASE FIVE

WRIGHTSVILLE  
DUNES

2502 LUMINA AVE  
WRIGHTSVILLE BEACH  
NORTH CAROLINA

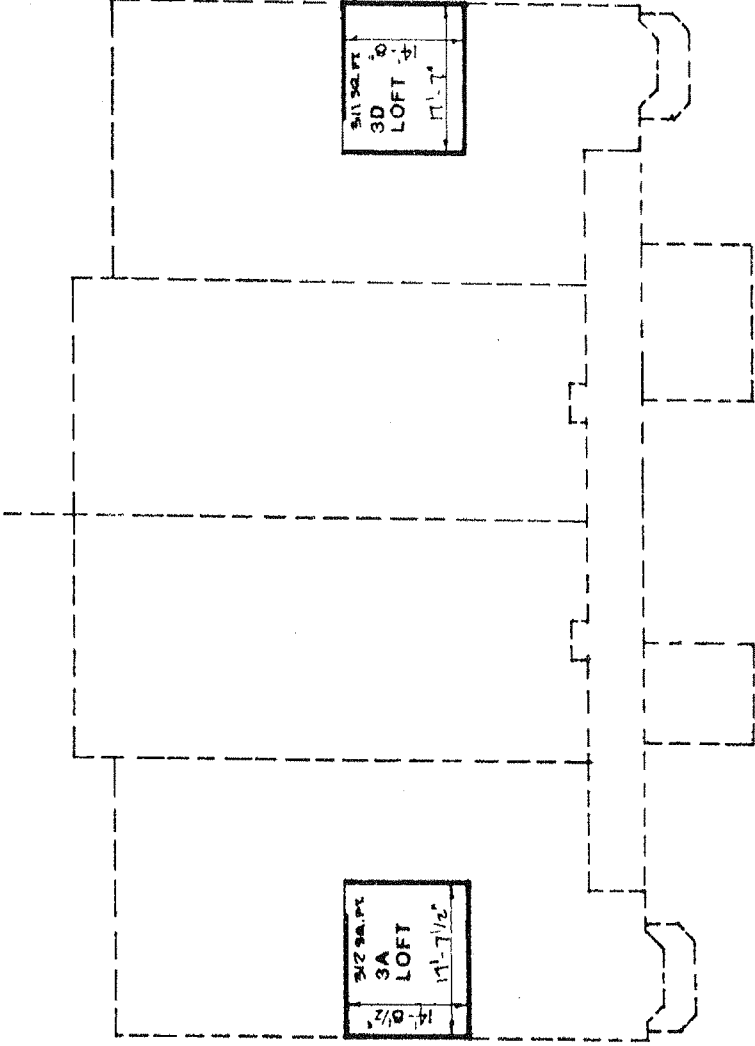
LOFT FLOOR



20 FEBRUARY 1999

EXHIBIT C

Page 6 of 7



PLAN  
1530  
1533  
DATE  
0448

boney architects

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wilmington north carolina



BUILDING 'B'  
PHASE FIVE

WRIGHTSVILLE  
DUNES

2502 LUMINA AV  
WRIGHTSVILLE BEACH  
NORTH CAROLINA

LONG SECTION



20 FEBRUARY 1995

EXHIBIT C

Page 7 of 7

3A LOFT		ATTIC	ATTIC	ATTIC	ATTIC	3D LOFT	55.34'
UNIT 3A		UNIT 3B	UNIT 3C	UNIT 3D	UNIT 3E	UNIT 3F	46.40'
UNIT 2A		UNIT 2B	UNIT 2C	UNIT 2D	UNIT 2E	UNIT 2F	31.25'
UNIT 1A		UNIT 1B	UNIT 1C	UNIT 1D	UNIT 1E	UNIT 1F	20.12'
GARAGE 1	GARAGE 2	STO	STO	GARAGE 3	GARAGE 4	GARAGE 5	19.0'
PASS		STO		GARAGE 6		9.0'	

SQUARE FOOTAGE

HEATED AREA PER FLOOR	6,400 SF	GEOLNO. FLOOR LIMITED COMMON AREAS	542 SF
1ST FLOOR TOTAL AREA	6,403 SF	GARAGE 1	613 SF
2ND FLOOR TOTAL AREA	6,503 SF	GARAGE 2	556 SF
3RD FLOOR TOTAL AREA	6,523 SF	GARAGE 3	548 SF
LOFT TOTAL AREA	19,329 SF	GARAGE 4	586 SF
TOTAL HEATED FLOOR AREA		GARAGE 5	644 SF
		GARAGE 6	3,588 SF
		TOTAL	378 SF
		STORAGE ROOMS	

HEATED AREA PER UNIT	1,710 SF	AREA	6,577	COMMON AREA	1,198 SF
UNIT 1A	1,498 SF	GROUND FLOOR	1,471	1ST FLOOR	728 SF
UNIT 1B	1,501 SF	1ST FLOOR	1,041 SF	2ND FLOOR	731 SF
UNIT 1C	1,691 SF	2ND FLOOR	1,046 SF	3RD FLOOR	4,108 SF
UNIT 1D	1,703 SF	3RD FLOOR	1,041 SF	TOTAL	3,368 SF
UNIT 2A	1,498 SF	STORAGE ROOMS			
UNIT 2B	1,500 SF				
UNIT 2C	1,702 SF				
UNIT 2D	2,087 SF				
UNIT 2E	1,500 SF				
UNIT 2F	1,500 SF				
UNIT 3A	2,059 SF				
UNIT 3B					
UNIT 3C					
UNIT 3D					

boney architects

120 south fifth avenue  
wilmington north carolina



State Of North Carolina )  
New Hanover County )

Explanation Statement to Correct Obvious Errors  
Made in an Instrument as Originally Recorded  
In Book 1530 at Page 903 N. Hanover Co. Registry  
("DECLARATION")

Original Grantor: FIRST WASHINGTON CORPORATION ("DECLARATION")  
Original Grantee: WRIGHTSVILLE DUNES, PHASE 5 (CONDOMINIUM PROJECT)

I, We, The Undersigned, hereby certify that the following corrections are made in the above  
named recorded instrument in accordance with the provisions of G.S. 47-36.1, ratified 6/30/36.

Description of Correction(s): Correction of Unit Numbers to which Garage Spaces are  
allocated on page 4 of the document.

This the 7th day of March 1991

David C. Barefoot (SEAL)  
David C. Barefoot, Attorney At Law  
Co-Draftsman of document (SEAL)

This explanation together with the attached instrument duly rerecorded at 9:57 o'clock AM,  
This the 8 day of March, ~~198~~ 1991 in the Book & Page shown on the first page hereof.

Rebecca P. Decker  
Register of Deeds  
By: P. Jones  
~~Deputy/Assistant~~ Register of Deeds



GENERAL JOURNAL REGISTER

ACCOUNT # ORDER

Current Period: 12/01/08 to 12/31/08 Batch #: 360

ACCOUNT #	DESCRIPTION	DATE	REF-#	DEBIT-AMT	CREDIT-AMT	REFERENCE
1105-000	PREPAID EXPENSES	12/31/08	RECORD		18.75	RECORD DEC 08 EXPENSES
		12/31/08	RECORD		60.00	RECORD DEC 08 EXPENSES
			Totals:	.00	78.75	
6210-000	TELEPHONE	12/31/08	RECORD	60.00		RECORD DEC 08 EXPENSES
6292-000	SECURITY MONITORING	12/31/08	RECORD	18.75		RECORD DEC 08 EXPENSES
			GND TOTAL	78.75	78.75	4 Transactions

\* Indicates a date outside current period in G/L

-- End of report --