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by: SUE H. WHITFORD
REGISTER OF DEEDS
BOOK 450 PAGE 843

**DECLARATION OF CONDOMINIUM OWNERSHIP
OF
THE COTTAGES AT NEUSE VILLAGE**

THIS DECLARATION, made this 25th day of July, 2005, by SHAREHEART DEVELOPMENT CORPORATION, LLC, a North Carolina Limited Liability Corporation having an office in Pamlico County, North Carolina, known as Declarant, which hereby states and declares as follows:

WHEREAS, the Declarant is the owner of and desires to submit that certain real property situated near Oriental, in Arapahoe, Pamlico County, North Carolina, more particularly described in Exhibit A hereto attached (the "Land") on which there will be located eight (8) buildings, designated at Cottage Units 1 - 8, and all other improvements located, or to be located, erected or constructed thereon, including all easements, rights and real property interests appurtenant thereto, and all fixtures and equipment intended for the mutual use and benefit of the owners (hereinafter collectively referred to as the "Property") to a condominium regime under the Act to be known as THE COTTAGES AT NEUSE VILLAGE (the "Condominium"); and

WHEREAS, the Declarant has filed the Plats and Plans for the Condominium in the Office of the Register of Deeds for Pamlico County in Condominium Book 1, at Page 139 - (the "Plat"), which shall be incorporated herein by reference.
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NOW, THEREFORE, the Declarant hereby declares that the Property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which shall run with the real property and be binding upon all owners having right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

DEFINITIONS

"Act" means the North Carolina Condominium Act as set forth in Chapter 47C of the General Statutes of North Carolina, including all revisions and/or amendments.

"Association" means the (Condominium) Association, its successors and assigns.

"Bylaws" means the bylaws of the Association.

RETURNED TO Hollowell
DATE RETURNED 7-29-05

"Common Area" means all portions of the Property marked "Common Area" within the tract marked "Common Area," other than the Units as indicated on the Plat.

"Condominium" means the (Condominium), which shall be governed by the provisions of this Declaration.

"Declarant" means the parties hereinabove set forth and referred to as "Declarant," their successors and assigns.

"Declaration" means this Declaration of Condominium Ownership.

"Executive Board" means the body designated in the Declaration to act on behalf of the Association.

"Land" means that certain parcel of real estate described in the Plat upon which the Property of the Condominium and the Common Areas are located.

"Limited Common Area" means any portion of the Common Area allocated by the Declaration for the exclusive use of one or more but less than all of the Units and shall include that 7.5' area surrounding each unit as designated in the "Typical Detail" of the Limited Common Area on the Plat.

"Member" means every person or entity who or which holds membership in the Association.

"Owner" means the record owner, whether one or more persons or entities, including the Declarant, of a fee simple title to any Unit which is a part of the Property, together with an undivided interest in the Common Area as hereinafter set forth, but excluding those having such interest merely as security for the performance of an obligation.

"Period of Declarant Control" means the period commencing on the date of the recording of this Declaration and continuing until the earlier of: (i) five (5) years after the date of the first conveyance of a Unit to an Owner other than Declarant; (ii) 120 days after conveyance of one hundred percent (100%) of the Units (including any Unit or Units which may be created pursuant to special declarant rights) to a Unit Owner other than Declarant; (iii) two (2) years after Declarant has ceased to offer Units for sale in the ordinary course of the business; (iv) two (2) years after any right to add new Units was last exercised, or (v) the date upon which Declarant voluntarily surrenders control of the Condominium.

"Plat" means the plat recorded in the Pamlico County Register of Deeds office and hereinabove mentioned.

"Property" means all the Land, property and space described and/or located on the Plat, all improvements and buildings currently located therein or thereon, or to be located, erected, constructed or contained therein or thereon, including Condominium buildings and all easements, rights and real property interests appurtenant thereto, and all fixtures and equipment intended for the mutual use, benefit or enjoyment of the Owners, submitted to the provisions of the Act.

"Special Declarant Rights" means that the Declarant reserves the following rights, which shall apply to all of the Property and which must be exercised within five (5) years of the date of recording of this Declaration, and which are freely transferrable to Declarant's successors and/or assigns at Declarant's option:

- (1) to complete all improvements shown on the Plans;
- (2) to maintain signs advertising the condominium on the Common Area
- (3) to use easements through the Common Areas for the purpose of improvements to the Property and to the real estate described herein;

- (4) to amend this Declaration as necessary to exercise the development rights reserved pursuant to these restrictions, or if required by any federal or state agency; and
- (5) to appoint or remove any officer or member of the Executive Board of the Association, subject to the limitations stated in NCGS § 47C-3-103(d) and (e), which are incorporated herein.

"Unit" means the separate numerically identified Cottage Units which are designated on the Plat, with each Unit containing the floor plan as shown on the Plat but excluding the spaces and improvements lying or being:

- (1) Beneath the designated floor elevation of all floors;
- (2) Beneath or behind the interior surfacing material of all perimeter walls;
- (3) Beneath or behind the interior surfacing material of all interior bearing walls and/or bearing partitions, except for the surface material attached thereto (in the event any of the interior bearing walls and/or bearing partitions are not covered by or with interior surfacing material, then any such interior bearing walls and/or bearing partitions are Common Areas); or
- (4) Above the designated existing ceiling elevation of all ceilings as shown on the Plat (in the event any of the ceiling joists protrude beneath the ceiling elevation, then only such ceiling joists are Common Areas); and further excluding, except as herein specifically provided otherwise, all pipes, ducts, wires and conduits into the space (as defined above) constituting the respective Unit, with the exception that all heating and air conditioning equipment situated wholly or within or outside a Unit, including hot water heaters, compressors, pipes, ducts, wires, conduits and other equipment incidental thereto, shall be a part of the respective Units to which such equipment provides service.

ARTICLE ONE ADOPTION OF CONDOMINIUM DECLARATION

Section 1.1 Applicable Law; Waiver of Certain Rights. The Declarant agrees that this Declaration has been adopted in compliance with the terms of the Act, and that this Declaration, and the rights of the parties hereunder, their successors and assigns, in all respects shall be governed by the Act. To the extent that the terms of this Declaration are inconsistent with the provisions of the Act, the terms of this Declaration shall govern.

Section 1.2 Submission of Property to the Act. The Declarant hereby submits the Property to the Condominium and agrees that all such property shall be governed from and after the date of the recording of this Declaration exclusively by the Plat, this Declaration and the Act.

**ARTICLE TWO BOOK 450 PAGE 846
UNITS**

Section 2.1 Identification of the Units. The Condominium shall be known as THE COTTAGES AT NEUSE VILLAGE. The Condominium shall consist of the Units as shown on the Plat. All Units shall be deemed legally described for purposes hereof provided such description sets for the name of the Condominium, the recording data of this Declaration and of the Plat, the county in which the Property is located and the identifying number of such Unit as set forth on the Plat.

Section 2.2 Permitted Use. No Unit or portion thereof shall be used except for single family residential or for residential rental purposes.

Section 2.3 Limited Common Area. All decks, porches, balconies, patios and exterior stairs and steps, and all other exterior doors and windows and other fixtures designed to serve a single Unit but located outside the Unit's boundaries, including the 7.5' area designated "Typical Detail" of the Limited Common Area on the Plat, are Limited Common Areas allocated exclusively to that Unit and the maintenance, upkeep and repair of such areas shall be the sole responsibility of the Unit served by such Areas.

**ARTICLE THREE
DEVELOPMENT RIGHTS/SPECIAL DECLARANT RIGHTS**

Section 3.1 Reservation. The Declarant reserves the following development rights and special declarant rights pursuant to Section 47C-2-105(A)(8) of the Act:

- (a) to maintain signs on the Common Area within the Condominium advertising the Condominium; and
- (b) to use easements through the Common Area for the purposes of making improvements or repairs within the Condominium pursuant to Section 47C-2-116 of the Act, including those needed to exercise the development rights specified herein.

Section 3.2 General.

- (a) The Special Declarant Rights and development rights of the Declarant shall be freely transferable by the Declarant, its successors and assigns, by an instrument evidencing such transfer joined in by the transferee and recorded in the county in which the Condominium is located.
- (b) The Declarant or any transferee of the development or special rights may exercise such rights at any time prior to five (5) years from the recordation of this Declaration.

**ARTICLE FOUR
PROPERTY RIGHTS BOOK 450 PAGE 847**

Section 4.1 Title. The Ownership of a Unit shall vest fee simple title to such Unit in the Owner.

Section 4.2 Title to Common Areas. The Declarant shall convey by deed all Common Areas to the Association in fee simple absolute before the conclusion of the Declarant's Control Period as defined herein. Any such conveyance shall be subject to taxes for the year of conveyance, and to restrictions, conditions, limitations and easements of record.

Section 4.3 Interest in Common Areas. Every Owner shall own an undivided one-eighth (1/8) interest in the Common Areas and shall have a right and easement of enjoyment in the Common Areas which shall be appurtenant to and shall pass with the title to every Unit. The undivided interest of every Unit Owner in the Common Areas shall be equivalent to that shown on the recorded Plat and the right and easement of enjoyment in such Common Areas shall be subject to the following:

- (a) the Association shall have the right to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Areas; such fees to be an amount sufficient to maintain or repair any Common Area, including recreational facilities, in a reasonable and good condition;
- (b) the Association shall have the right to suspend the voting rights and right of use of any recreational facilities by and Owner for any period during which any assessment against his Unit remains unpaid; and for a period not to exceed sixty (60) days for each infraction of its published rules and regulations;
- (c) the Association shall have the right to adopt such rules and regulations as may be needed or desired to regulate the use and enjoyment of the Common Areas;
- (d) the Special Declarant Rights and development rights as set forth in ARTICLE THREE;
- (e) the rights of others to use the Common Areas, pursuant to agreements with the owner or owners of the property designated as on the Plat;
- (f) the Association shall have the right to dedicate or transfer or encumber all or any part of the Common Areas, subject to approval of the Owners as provided by Section 47C-3-112 of the Act.

Section 4.4 Parking. Parking spaces shall be provided in the Common Areas for use in common by the Owners, tenants occupants and guests of the Units. In addition, boat parking shall be allowed as a Limited Common Area for one boat per unit, so long as each boat is stored on a trailer of suitable size and proportion for the boat and the parking space, subject to Association discretion.

Section 4.5 Enjoyment. Any Owner may delegate his right of enjoyment to the Common Areas to members of his family or tenants.

Section 4.6 No Partition of Common Areas. Except as required by law, the Common Areas shall remain undivided and no Owner shall bring any action for partition or division of the Common Areas. Any covenant or agreement to the contrary shall be null and void.

Section 4.7 No Severance of Ownership. No Owner shall execute any deed, deed of trust or mortgage affecting title to said Owner's Unit without including therein both said Owner's interest in the Unit, Owner's interest in the corresponding percentage of ownership in the Common Areas. No severance of an Owner's interest in his Unit from the Owner's corresponding percentage interest in the Common Areas as provided in this Declaration shall be permitted, as long as the Property is subject to the Act. Any such deed, deed of trust or mortgage or other instrument purporting to affect the one without also including the other shall be void. Nothing contained in this Declaration shall be construed as prohibiting any Unit from being owned by any person or persons as tenants in common, joint tenants or as tenants by the entirety or through a corporation, general partnership or limited partnership.

Section 4.8 Amenities. Declarant has already improved the beach area, which shall be an amenity accessible to Cottage Unit owners in accordance with the easements described on the Plat. In addition, Declarant pledges to use its best efforts to complete construction of the proposed pier no later than June 30, 2006 and the proposed pool no later than January 31, 2007. Ownership of said beach, pool and pier, hereafter known as "Amenities" shall be retained by Declarant, but easements granted to Cottage Unit owners in the Plat shall be effective upon completion of each item.

ARTICLE FIVE EASEMENTS

Section 5.1 Utility Easements. Easements for ingress, egress and regress and for installation and maintenance of utilities, septic and other drainage facilities are reserved as shown on the recorded plat. No structure, planting or other material shall be placed or permitted to remain within these easements which may interfere with the installation and maintenance of utilities or which may obstruct or change the flow of drainage channels within the easements.

Section 5.2 Encroachment. All Units and Common Areas shall be subject to easements for the encroachment of improvements constructed on adjacent Units by the Declarant to the extent that such improvements actually encroach, including, but not limited to, such items as overhanging balconies, porches, misaligned common wall foundation footing and walls, provided such encroachment does not interfere with the reasonable use of the Common Areas or Units so encroached upon.

Section 5.3 Improvements. Declarant shall have a reasonable construction easement across the Common Areas for the purpose of constructing improvements on the Units. Declarant shall also have such easements through the Common Areas as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising special declarant or development rights as provided herein.

Section 5.4 Repairs/Maintenance. The Association and its employees and agents shall have a right of entry upon the Units and any Limited Common Areas to effect emergency repairs and a reasonable right of entry upon the Units and Common Areas to effect other repairs, improvements, replacements or maintenance as necessary.

Section 5.5 Easements in Gross. All easements granted herein and on the Plat are appurtenant to and shall run with the Property, shall inure to the benefits of and be binding upon the Declarant, the Association, the Owners, occupants and lien holders, and any other person or entity having an interest in the Condominium.

Section 5.6 Access Easement. Appurtenant to each Cottage Unit is an easement over any Common Area for necessary pedestrian and vehicular ingress and egress to and from any such Unit, to and from NCSR # 1302 and Neuse Village Road. The easement shall be over such walkways, driveways, and/or other paths as are designated by the Declarant and/or the Association and shall be subject to the terms of this Declaration, as well as the Association's Bylaws and their Rules and Regulations.

ARTICLE SIX ASSOCIATION OF UNIT OWNERS

Section 6.1 Association. The Declarant will form a non-profit corporation under the Non-Profit Corporation Act of the State of North Carolina, under the name The Cottages at Neuse Village Association (the "Association"). The Association, upon its creation, is the governing association for all of the Owners for the maintenance, management, operation, repairs and replacements of the Common Areas as provided in the Act, this Declaration and the Bylaws.

The Association shall have all of the powers stated in N.C.G.S. §47C-3-102, the terms and provisions of which are incorporated herein. The Association shall also have the power to enforce in its own name the terms and provisions of this Declaration, any bylaws promulgated by the Association and any Rules and Regulations promulgated by the Association. In addition, the Association shall have the power to:

- (a) Adopt and amend bylaws and rules and regulations;
- (b) Adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from unit owners;
- (c) Hire and terminate managing agents and other employees, agents, and independent contractors;
- (d) Institute, defend, or intervene in its own name in litigation or administrative proceedings on matters affecting the condominium;
- (e) Make contracts and incur liabilities;

- (f) Regulate the use, maintenance, repair, replacement, and modification of common areas;
- (g) Cause additional improvements to be made as a part of the common areas;
- (h) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, provided that common areas may be conveyed or subjected to a security interest only pursuant to G.S. 47C-3-112;
- (i) Grant easements, leases, licenses, and concessions through or over the common areas;
- (j) Impose and receive any payments, fees, or charges for the use, rental, or operation of the common areas and for services provided to unit owners;
- (k) Impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines not to exceed one hundred fifty dollars (\$150.00) for violations of the declaration, bylaws, and rules and regulations of the Association;
- (l) Impose reasonable charges for the preparation and recordation of amendments to the declaration, resale certificates or statements of unpaid assessments;
- (m) Provide for the indemnification of and maintain liability insurance for its officers, executive board, directors, employees and agents;
- (n) Exercise all other powers that may be exercised in North Carolina by a nonprofit corporation; and
- (o) Exercise any other powers necessary and proper for the governance and operation of the Association.

Section 6.2 Membership. Each Cottage Unit Owner shall automatically be a member of the Association as long as he, she or it shall be an Owner. Such membership shall be non-transferable and shall automatically terminate when he, she or it ceases to have an interest as an Owner, and upon the transfer of part or all of his, her or its ownership interest, the person succeeding to such ownership interest shall automatically succeed to such corresponding membership in the Association. No person, firm, corporation, partnership or other entity holding any lien, deed of trust or other encumbrance upon any Unit shall be entitled, as a result of such lien, deed of trust or other encumbrance, to membership in the Association or to any of the rights of privileges of such membership.

Section 6.3 Liability. Notwithstanding the duty of the Association to maintain, manage, operate, repair and replace parts of the Property, no officer, member of the Executive Board of the Association or the Association shall be liable for any act, omission, injury or damage, except that which is due to the willful or gross negligence of such officers or directors of the Association.

Section 6.4 Voting. Each Unit Owner, shall be entitled to one vote in the Association per unit as shown on the Plat. In the event of the addition of Units pursuant to Declarant's Special Declarant Rights or any other procedure, each Unit, including each additional Unit, shall be entitled to one vote in the Association per Unit at the time

such Unit is completed. A "Completed unit" shall be defined as that date upon which a deed is recorded from Declarant.

Section 6.5 Declarant Control of Board. Declarant reserves the right, exercisable during the Period of Declarant Control, to appoint and remove any Executive Board members.

ARTICLE SEVEN COVENANT FOR MAINTENANCE ASSESSMENTS

Section 7.1 Assessment. The Declarant, for each Unit owned within the Property, and each Owner, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, hereby covenants and agrees to pay the Association: (i) annual assessments or charges, and (ii) special assessments or charges for capital improvements, such assessments to be established and collected as hereinafter provided. The liability of each Owner for the common expenses of the Association shall be proportionate to the ownership of the total number of Cottage Units.

Any assessment levied against a Unit which remains unpaid for a period of thirty (30) days or longer from the date of the assessment shall constitute a lien against that Unit when filed of record in the office of the Clerk of Superior Court of Pamlico County in accordance with Section 47C-3-116 of the Act. Such lien shall accrue interest at a rate to be set by the Association not to exceed eighteen percent (18%) per annum. The Association may bring an action at law against the Owner, or foreclose the lien against the Unit. Fees (including attorneys' fees), charges, late charges, fines and interest are also enforceable as assessments. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Unit at the time the assessment was due. The personal obligation for delinquent assessment shall not pass to such Owner's successor in title unless expressly assumed by such successor in title.

Section 7.2 Priority. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage and to any *ad valorem* taxes. Sale or transfer of any Unit shall not affect the assessment lien. The sale or transfer of any Unit pursuant to mortgage or tax foreclosure or any proceeding in lieu thereof, however, may extinguish the lien of such assessments (but not the personal obligation of the prior Owner in default) as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 7.3 Use of Assessments. The annual assessments determined by the Executive Board and levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and in particular for the acquisition, improvement and maintenance of the Condominium, services and facilities devoted to this purpose, and for the use and enjoyment of the Common Areas.

The Association may also levy a special assessment payable in a manner as specified by the Association for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon

the Common Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the consent of a percentage majority of the Owners, with each Owner having one vote per Unit.

Section 7.4 Uniform Rate. Both annual and special assessments must be fixed at a uniform rate for all Cottage Units based upon the voting percentage rights of the Cottage Units and may be collected on a monthly basis.

Section 7.5 Ratification. Within thirty (30) days after the adoption of a proposed budget for the Condominium, the Executive Board shall provide a summary of the budget to all Unit Owners, and shall set a date for the meeting of the Unit Owners to consider ratification of the budget not less than fifteen (15) nor more than thirty (30) days after the mailing of the summary. There shall be no requirement that a quorum be present at such meeting. The budget is deemed ratified unless at the meeting a two-thirds (2/3rds) majority in percentage of the voting rights of all Unit Owners (such percentage being determined as set forth in the last sentence of *Section 7.3* hereinabove) reject the budget. In such event, the periodic budget last ratified shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Executive Board. The budget shall provide the basis of determination of the annual assessment.

Section 7.6 Notice of Annual Assessment. The annual assessments provided for herein shall commence at a date established by the Association. Once such annual assessments are established, written notice of the annual assessments shall be sent to every Owner subject thereto. The due dates for such assessments shall be established by the Executive Board.

ARTICLE EIGHT EXTERIOR MAINTENANCE

Section 8.1 Architectural Control. To assure a community of congenial Owners and to preserve the architectural appearance of the Condominium, the value of the Units and the Property, including all improvements comprising a part thereof, the Condominium shall be subject to the following restrictions and such other rules and regulations as may be promulgated by the Association:

- (a) No building, fence, wall, landscaping scheme or other improvement shall be commenced, erected or maintained on the Condominium, nor shall any construction, painting, or exterior additions or changes or reconstruction thereto be made to any portion of a Unit or other improvement located within the Condominium, including any Limited Common Areas appurtenant thereto, until and unless the plans and specifications showing the nature, kind, shape, color, height, materials and location of same shall have been submitted and approved in writing as to the harmony of external design and location in relation to surrounding structures and as to compatibility with the overall improvements in the Condominium as determined by the Architectural Committee. The Architectural Committee shall be composed of persons serving on the Executive Board.

- (b) Owner may make improvements and alterations within Owner's Unit; provided, however, that no Owner shall make any structural alterations in a Unit or remove any portion thereof or make any additions thereto or do any work which would or might otherwise jeopardize or impair the safety, soundness or structural integrity of Owner's Unit or any other Unit, or otherwise materially lessen the support of any portion of the Condominium; nor shall any Owner impair or change any easement without first obtaining the written consent of the Architectural Committee and that of the Owner or Owners and their mortgagees for whose benefit such easement exists.
- (c) The design, color, color of light emitted, type, location, size and intensity of all exterior lights mounted on a Unit shall be subject to approval by the Architectural Committee.
- (d) To provide a neat, attractive and harmonious appearance throughout the Condominium, no awnings, shades, screens or other items shall be attached to, hung or used on the exterior of any window or door of a Unit or on the exterior of any building, nor shall outside clotheslines or other outside facilities for drying or airing clothes be allowed unless first approved in writing by the Architectural Committee.
- (e) The exterior color of a Unit cannot be changed unless approved by the Architectural Committee.

8.2 Special Exterior Maintenance Provisions. The Condominium as initially established consists of eight buildings designated as "Cottage Units 1 - 8" on a 2.805 acre Parcel on the Plat, with an additional 4.534 acre parcel of Common Area across Neuse Village Road.

ARTICLE NINE USE RESTRICTIONS

Section 9.1 Use Restrictions. The use of the Property of the Condominium shall be used in accordance with the following provisions:

- (a) Except as set forth in subsection (l) herein, each of the Units shall be occupied only by a family, its servants and guests, or tenants and their servants and guests, as a single family residence and for no other purpose. No Unit may be used for any commercial or professional purpose; provided, however, this restriction shall not prohibit any Owner from renting, leasing or letting his Unit for residential purposes only for any period of time.
- (b) The Common Areas shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Units of the Condominium.
- (c) An Owner may keep a pet or pets in Owner's Unit, but only under the rules and regulations as promulgated by the Association from time to time. No person may keep any other animals, livestock or poultry nor may any of the same be raised, bred or kept upon any portion of the Condominium, including the Common Areas, balconies, decks and terraces.

The Association shall have the authority to declare any pet or pets a nuisance and may cause the Owner thereof to remove such pet or pets from the Condominium.

- (d) No use or practice shall be permitted in the Condominium which is the source of annoyance or nuisance to other Owners or which interferes with the quiet and peaceable possession and proper use of the Property by the other Owners, their guests or tenants. All Units shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor shall any fire hazards be allowed to exist. No Owner shall permit any use of that Owner's Unit, or the Common Areas or the Limited Common Areas, which increase the rate of insurance upon the Condominium or any part thereof. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed by all Owners.
- (e) Owners shall not park or store any camper, trailer, trailer vehicle or similar vehicle anywhere on the Property. No trucks shall be permitted except for standard two-ton pickup or smaller sized trucks. One trailerable boat per Unit may be parked in designated Common Area known as "Boat Parking Area."
- (f) Except as set forth in Subsection (g) herein, no signs (including, but not limited to, "for sale" and "for rent") shall be erected or maintained on any Unit or any portion of the Common Areas or Limited Common Areas, except with the written consent of the Executive Board; provided, however, that the Declarant may place and erect signs not exceeding five feet in height and twenty square feet in total size to adequately advertise the units for sale upon the Property.
- (g) Until the Declarant has completed and sold all of the Units, neither the Owners nor the Association nor the use of the Condominium shall interfere with the completion of the contemplated improvements and sale of the Units. The Declarant may make such use of the unsold Units and Common Areas as may facilitate such completion and sale, including, but not limited to, the rental of such Units, the maintenance of a sign, sales office or model, the showing of the property and the display of signs and use thereof for a prospective buyer.
- (h) Each Unit shall be responsible for all charges and assessments made by any utility company, telephone company or municipal agency for service furnished each individual Unit. Charges and assessments for utilities furnished to the Common Areas, such as general exterior lights, shall be a common expense borne by the Association; provided, however, charges for utilities used within and by a Unit shall be the responsibility of the Unit Owner.
- (i) Reasonable regulations concerning the use of the Condominium may be made and amended from time to time by the Association.
- (j) In the event of a violation or breach of any of these use restrictions or of any other covenant of this Declaration by any Owner or and Owner's guest, tenant, invitee, licensee, or agent, the Executive Board of the Association shall have the right to proceed at law or in equity to compel a

- compliance of the terms hereof or to prevent the violation or breach in any event and deny the use of any recreational facilities of the Condominium.
- (k) No unit may be subdivided without consent of the Executive Board.

ARTICLE TEN GENERAL PROVISIONS

Section 10.1 Captions. The captions of the various Articles and Sections are for purposes of reference only, and are not deemed to have any substantive effect.

Section 10.2 North Carolina Condominium Act. To the extent that any of the terms or provisions of this Declaration attempt to vary, modify or waive any provisions of the Act, such terms or provisions shall be so varied, modified or waived to the extent permitted by the Act, it being the intention of the parties hereto that the terms and provisions of this Declaration shall prevail over conflicting provisions in the Act, to the extent permitted by the Act.

Section 10.3 Executive Board. All powers granted in the Declaration or the Bylaws to the Association shall be exercisable by the Executive Board, except as expressly provided in the Declaration, the Bylaws or the Act.

Section 10.4 Rules and Regulations. The Association may adopt and enforce reasonable rules and regulations not in conflict with the Declaration and supplement thereto, as more fully provided in the Bylaws.

Section 10.5 Enforcement. The Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the Act, the Bylaws and Articles of Incorporation of the Association. Failure by the Association to enforce any covenant or restrictions therein shall in no event be deemed a waiver of the right to do so thereafter.

Upon notice to the Association of a violation hereunder and a failure of the Association to take action upon said violation within ninety (90) days, any Unit Owner, or other holder of an interest in the Condominium may undertake the enforcement of the provisions of this Declaration at that party's own expense.

Section 10.6 Savings Clause. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions hereof which shall remain in full force and effect.

Section 10.7 Amendment. Except as otherwise provided in Section 47C-2-117 of the Act, this Declaration may be amended only by the affirmative vote of, or a written consent agreement duly signed by, Unit Owners of Units to which at least sixty-seven percent (67%) of the then-existing votes in the Association (determined as set forth in Section 6, above) are allocated. Provided that the terms and provisions of this Declaration may be amended by the Declarant at any time during the Period of

Declarant Control without the approval of the Association or any other party, as necessary to exercise the development rights reserved herein. Any such amendment shall be effective upon recording in the Pamlico County Registry.

Section 10.8 Termination. This Condominium may be terminated only by the written and executed agreement of Unit Owners in the Condominium to which at least eighty percent (80%) of the votes in the Association (determined as set forth in the last sentence of Section 6, hereinabove) by the execution of a termination agreement, or ratification thereof, executed in recordable form by the requisite percentage voting number of Unit Owners. Such termination shall proceed in accordance with Chapter 47 of the General Statutes of North Carolina.

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed in the manner prescribed by law as of the day and year first above written.

DECLARANT:
SHAREHEART DEVELOPMENT CORPORATION, LLC

By: Michelle J. Perdue-Peele (SEAL)
Michelle J. Perdue-Peele,
Member-manager

By: J. Edwin Peele (SEAL)
J. Edwin Peele,
Member-manager

STATE OF NORTH CAROLINA

COUNTY OF Pamlico

I, Bernard B. Hollowell, Jr., do hereby certify that Michelle J. Perdue-Peele and J. Edwin Peele, Member-Managers, personally came before me this day and acknowledged that they are authorized representatives of SHAREHEART DEVELOPMENT CORPORATION, LLC, a North Carolina Limited Liability Company, and that by authority duly given and as the act of the entity, the foregoing instrument was signed in its name by the authorized representative.

Witness my hand and official seal this 25th day of July, 2005.



Bernard B. Hollowell, Jr.
Notary Public

NORTH CAROLINA

PAMLICO COUNTY

The foregoing certificate of Bernard B Hollowell, Jr.,
notary public in and for said county and state, is certified to be correct. This instrument
was presented for registration this day and hour and duly recorded in the Office of the
Register of Deeds of Pamlico County, North Carolina.

Sue H. Whitford
Register of Deeds

BY: Carrie E. Holden
Assistant/Deputy Register of Deeds