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FOR
 AMENDED CONSOLIDATED MASTER DECLARATION AND DEVELOPMENT PLAN
 FOR
 SEA TRAIL PLANTATION

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ST. Ann Libby
 TOTAL 120.00
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 CASH 100.00
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AMENDED CONSOLIDATED MASTER DECLARATION AND DEVELOPMENT PLAN

FOR
SEA TRAIL PLANTATION
INCLUDING
COVENANTS, CONDITIONS AND RESTRICTIONS

THIS AMENDED CONSOLIDATED MASTER DECLARATION AND DEVELOPMENT PLAN made and entered into this 24 day of December, 1989 by SEA TRAIL CORPORATION, a North Carolina Corporation with offices in Sunset Beach, North Carolina hereinafter called "Developer".

W I T N E S S E T H

WHEREAS, the Developer is developing certain property near Sunset Beach and desires to establish certain covenants, conditions and restrictions in the use of certain of its property for the mutual benefit of present and future Owners of the property; and

WHEREAS, it is possible that some of the Multi-Family Attached Dwelling Parcels within the property will be sold to and developed by different Owners; and

WHEREAS, the Developer desires to provide to the Single-Family Detached Dwelling Lot Owners a clubhouse, swimming pool and tennis courts to be operated and maintained by a non-profit corporation created by the Developer and to be known as Sea Trail Plantation Master Association; and

AND WHEREAS, the Developer also desires to provide to the Multi-Family Attached Dwelling Owners a clubhouse, swimming pool

and tennis courts to be operated and maintained by the non-profit corporation created by the Developer as above indicated.

WHEREAS, the Developer has incorporated under the Laws of the State of North Carolina as a non-profit corporation, Sea Trail Plantation Master Association, Inc. for the purposes of exercising the functions stated above and as contained in this Master Development Plan, which Association is not a condominium association as described in the North Carolina Condominium Act; and

WHEREAS, it is anticipated that the Common Areas and Limited Common Areas depicted on the various maps of parcels subject to this Master Development Plan will be conveyed to the Master Association; and

WHEREAS, the Developer desires: (1) to provide for the preservation of the values and amenities in the residential communities which will be subjected to this Master Development Plan and for the maintenance, repair, replacement and administration of such Common Areas and Limited Common Areas and facilities located thereon and; (2) to establish the classes of persons entitled to use of the Common Areas and Limited Common Areas and their respective rights and obligations relative to such use and the payment of their respective shares of the cost of maintenance, repair, replacement and administration; and

NOW, THEREFORE, the Developer declares that the real property as subject to this Master Development Plan shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, conditions, easements, charges, fines and liens as hereinafter set forth.

ARTICLE I**DEFINITIONS**

Section 1. The following words when used in this Master Declaration and Development Plan for Sea Trail Plantation hereinafter called, Master Development Plan or Declaration, shall have the following meaning:

(a) **"ARTICLES"** means the Articles of Incorporation of the Association, a copy of which is attached hereto as Exhibit 1.

(b) **"ASSOCIATION"** shall mean and refer to the Sea Trail Plantation Master Association, Inc., a-not-for-profit corporation, whose purpose is to administer the property which is made subject to this Master Development Plan.

(c) **"BOARD"** means the Board of Directors of the Association.

(d) **"BYLAWS"** means the Bylaws of the Association, a copy of which is attached hereto as Exhibit 2.

(e) **"COMMON AREAS"** means all real and personal property:

(a) designated and shown in writing and/or on a plat by the Developer as Common Areas;

(b) conveyed to the Association for the use and benefit of the Association;

(c) held by Sea Trail Corporation for the benefit of the Association; and such real property includes for example, but not by way of limitation, roads, driveways, walkways,

any rights-of-way reserved to the Association, drainage easements and open spaces both landscaped and natural, lakes, ponds, or lagoons.

(f) **"DECLARATION"** shall mean and refer to this document. This document may also be referred to as the Master Development Plan.

(g) **"DEVELOPER"** means Sea Trail Corporation, a North Carolina Corporation with offices at Sunset Beach, North Carolina, its successors and assigns. The Developer may assign or pledge any or all of its rights reserved under the Land Use Documents to an assignee in an instrument of conveyance or assignment.

(h) **"DWELLING"**, **"LIVING UNIT"** shall mean and refer to any dwelling quarters whether a detached or attached unit. In case of a condominium, the term unit or dwelling has the same meaning as that contained in the Condominium Declaration.

(i) **"GATE OR PARCEL"** means an area shown on a plat filed of public record by the Developer which designates a type of area (ie. Single-Family Detached Dwelling or Multi-Family Attached Dwelling Area) involved.

(j) **"LAND USE DOCUMENTS"** shall mean this Master Development Plan (Declaration), the Articles, the Bylaws, and the Rules and Regulations promulgated by the Board.

(k) **"LIMITED COMMON AREAS"** means all real and personal property which is limited to the exclusive use of specific owners of certain classes of property and/or within certain locations in the Plantation.

By way of explanation, a clubhouse, swimming pool, and tennis courts limited to the use of the owners of Multi-Family Attached Units which are located anywhere in the Plantation is presently constructed and available for use. These facilities together with their furniture, fixtures, equipment, and appliances are limited common areas.

A clubhouse, swimming pool and tennis courts will also be constructed and made available for use by the owners of single-family detached dwelling properties located anywhere within the Plantation. Likewise, this will be a limited common area limited for use only by this class of owners. Other Limited Common Areas may be made available in the future, and if so, the class or classes of property owners will be designated by the Developer in writing on a recorded plat showing the Limited Common Area involved together with an amendment to this Declaration fully explaining the intended use of the new Limited Common Area. The Limited Common Area may be used by the owners of the appropriate class of property together with their invitees, agents, guest, licenses, tenants and members of their household. Facilities which are owned by a Townhouse Association, Condominium Association or other similar separate association is not a Limited Common Area under this Declaration.

(l) "LOT" means a space on the earth's surface to be used exclusively for a single dwelling.

(m) "MASTER DEVELOPMENT PLAN" see the definition for Declaration above.

(n) "MEMBER" shall mean and refer to all Owners of any Lot or Dwelling Unit which is subject to this Master Development Plan as provided in Article V Section 1.

(o) "MULTI-FAMILY ATTACHED DWELLING AREA" means those areas restricted to the erection of condominiums, townhouses, and any other form of attached single-family dwelling structures.

(p) "OWNER" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Dwelling Unit situated upon any property subject to this Master Development Plan; provided, however, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee, unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(q) "RULES" means any and all rules and regulations of the Association promulgated by the Board pursuant to its powers under this Master Development Plan or any other "Land Use Document".

(r) "SINGLE-FAMILY DETACHED DWELLING AREA" means those areas restricted to the erection of a single-family detached dwelling on a single platted lot.

(s) "SUBDIVISION" means all gates, areas, lots or parcels in Sea Trail Plantation which this Master Development Plan has been made applicable by this document or as may be added pursuant to this Master Declaration.

(t) "TURNOVER" shall mean that date following conversion of the Class "B" Member to Class "A" Member and upon

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which the Developer conducts a special meeting of the Members for the purposes of election of the officers and directors as set forth in Article V of this Master Declaration.

ARTICLE II

PLAN OF DEVELOPMENT

Sea Trail Corporation is the owner of approximately 1,500 acres of land lying North of the Intracoastal Waterway partially located in Sunset Beach and partially located beyond the Town Limits of Sunset Beach, Brunswick County, North Carolina. Presently located on this property is The Oyster Bay Golf Course, The Rees Jones Golf Course, The Maple Golf Course, and The Byrd Golf Course. These courses have clubhouses, restaurants, maintenance facilities, driving ranges, putting greens and other attendant facilities which are operated as free standing ongoing business ventures. Ownership of a lot or dwelling unit confers no ownership, either legal or equitable, in any of the Golf Courses or their attendant facilities. Certain portions of the over-all property owned by Sea Trail is now commercial in nature. Some of the areas within the perimeters of the Property shown on Exhibit 3 will be used for single-family detached dwellings, others will be used for multi-family attached dwellings and other areas may be designated for commercial use. Other than the development now already underway, none of the remaining portions of Sea Trail Plantation are limited to any specific use, except as described in this Plan of Development. The plat showing new areas within the Plantation will designate on the face of the map what type of use is to be made of the area shown on the plat.

The Developer has already constructed a clubhouse, swimming pool, and tennis courts as a Limited Common Area for the use and benefit of the Multi-Family Attached Property Owners, their invitees, agents, guest, licenses, tenants and members of their household. The Developer intends to construct a clubhouse, swimming pool, and tennis courts as a Limited Common Area for the use and benefit of the Single-Family Lot Owners, their invitees, agents, guest, licensee, tenants and members of their household located within the Plantation. Other Limited Common Areas may be constructed in the future, but no representation that such facilities will be made available is made by this Declaration.

The Common Areas presently consist of the streets, drainage areas, lakes, lagoons, ponds, landscaping and a parcel of property located on Sunset Beach Island which will serve as a common parking area for the property owners located within Sea Trail Plantation. Other common areas may be added in the future but no representation that such facilities will be made available is made by this Declaration. Title to the Common Areas and Limited Common Areas will ultimately be vested in the Association.

ARTICLE III

PROPERTY SUBJECT TO THIS MASTER DEVELOPMENT PLAN

Section 1. APPLICABILITY: This Master Development Plan shall apply to so much of the property outlined on Exhibit 3 attached hereto and incorporated herein as is now or may hereafter

be developed for residential purposes. At this time, the following property has been developed for residential purposes:

Single-Family Detached areas - Maps Cabinet O, Page 124, Cabinet O, Page 125, Cabinet T, Page 102, Cabinet U, Page 15, Cabinet Q, Page 143, Cabinet T, Page 133, Cabinet T, Page 332, Cabinet T, Page 333, Cabinet Q, Page 341, Cabinet T, Page 125 and Cabinet T, Page 268;

Multi-Family Attached areas - Maps Cabinet T, Page 245, Cabinet U, Page 2, Cabinet U, Page 57, Cabinet U, Page 100 and Cabinet U, Page 149, Brunswick County Registry.

At the time each new parcel or gate is platted and made ready for sale, the plat showing the area shall carry a gate or area designation and shall state on the face of the map the type of area involved, that is, if it is a single-family detached dwelling area that shall be stated. If the area being developed is a multi-family attached dwelling area, that shall be stated on the face of the map or if the area is commercial in nature that shall also be stated on the face of the map at the time it is recorded. Supplemental Declarations may also be filed as a part of the process of showing additional areas of development from the property as deemed appropriate by the Developer to properly identify the particular land use involved on the plat being recorded.

Notwithstanding any other provision of this document, The Oyster Bay Golf Course, The Rees Jones Golf Course, The Maples Golf Course, and The Byrd Golf Course nor any other golf course, clubhouse, restaurant, driving range, putting green and other appurtenant areas and facilities or any area designated for

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commercial use by the Developer within the perimeters of the property described in Exhibit 3 are not subject to this Master Declaration nor the covenants, restrictions, or conditions contained herein.

ARTICLE IV

GENERAL PROVISIONS

Section 1. DURATION: This Master Development Plan shall affect and run with the land and shall exist and be binding upon all parties and all persons claiming under them until December 31, 2015 and shall continue in full force and effect thereafter until 60 percent of the Owners have by written vote agreed to amend or terminate them. The Developer reserves the right to modify or amend this Master Development Plan after any plat has been recorded subjecting the Lot or Parcel thereon to them provided such modification of the Master Development Plan does not materially alter the Plan of Development of the particular gate, lot or area involved or the Plantation in general as set out in Article II of this Declaration. Once the Master Development Plan has been amended or modified such amendment or modification shall extend to and be applicable to all the lots or parcels subject to the amendment or modification whether sold prior to or subsequent to such amendment or modification. Any such modification or amendment of the Master Development Plan by the Developer shall not require the joinder of the Association or any lender. This right to amend shall not render these covenants and restrictions purely personal to the Developer

and the benefits and burdens shall remain mutual and reciprocal to all owners. The Association, after Turnover, as herein provided may also modify or amend this Master Development Plan upon a 60 percent vote of the Owner's approval.

Section 2. USE: No Lot or Parcel to which this Master Development Plan applies shall be used except for residential purposes. Certain Lots, Areas or Parcels will be designated for Single-Family Detached Dwellings. Other Lots, Areas or Parcels will be designated for Multi-Family Attached Dwelling Areas. In those Areas or Lots designated for Single-Family Detached Dwellings, no structures shall be erected or permitted to remain on any Lot other than one detached Single-Family Dwelling which shall be subject, however, to additional limitations set out in Section 3 hereof. Nothing herein contained shall preclude the right to maintain a sales office by the Developer in any building located either in a Single-Family Detached Dwelling Area or in a Multi-Family Attached Area, so long as such sales activity is related to the sale of Lots or Units within the project. Further, the Developer, reserves the right to erect and maintain a general sales/rental office within any area of the subdivision; and to operate and maintain that general sales and/or rental office so long as it deems appropriate without regard to whether such sales office is located within a particular residential building or is a separate permanent general office.

Section 3. ARCHITECTURAL REVIEW:

A. All plans and specifications for any structure or improvement whatsoever to be erected on any Lot or Parcel, and the proposed location thereof on any Lot or Parcel, the construction material, the roofs and exterior color schemes, any later changes or additions after initial approval thereof any remodeling, reconstruction, alterations, or additions thereto on any Lot or Parcel shall be subject to and shall require the written approval of the Association before any such work is commenced.

B. There shall be submitted to the Association two (2) complete sets of the final plans and specifications for any and all proposed improvements, the erection or alteration of which is desired and no structures or improvements of any kind shall be erected, altered, placed or maintained upon any Lot or Parcel unless and until the final plans, elevations, and specifications therefor have received such written approval as herein provided. Such plans shall include plot plans showing the location on the Lot or Parcel of the building(s), or other structures(s) proposed to be constructed, altered, placed or maintained together with the proposed construction material, color schemes for roofs and exteriors thereof and proposed landscape plan.

C. The Association shall approve or disapprove plans, specifications, and details within thirty (30) days from the receipt thereof. One (1) set of said plans and specifications and details with the approval or disapproval endorsed thereon, shall be returned

to the person submitting them and the other copy thereof shall be retained by the Association for its permanent files.

D. The Association shall establish written architectural and aesthetic criteria to be used in reviewing all plans, specifications and details submitted for its approval in the detached Single-Family Dwelling Lot Areas, and copies of such criteria may be obtained from the Association upon request. Such criteria shall be subject to revision by the Association.

E. The Association shall have the right to disapprove any plans, specifications or details submitted to it in the event the same are not in accordance with any of the provisions of this Master Development Plan, the written criteria or the general plan of the Lots or Parcels, if the design or color schemes of the proposed building(s) or other structure(s) is not in harmony with the general surroundings of such Lot or Parcel or with the adjacent buildings or structures, if the plans and specifications submitted are incomplete, or in the event the Association deems the plans, specifications or details, or any part thereof, to be contrary to the interest, welfare or rights of all or any part of the real property subject hereto, or the Owners thereof.

F. Prior to commencement of construction, a building certificate must be obtained from the Association and prior to occupancy, an occupancy permit must be obtained from the Association. The Association or its agents shall have the right to inspect all construction to insure that the structure is in

accordance with the approved plans, specifications and details. No structure or improvement shall be made unless it conforms strictly to the approved plans, specifications and details. These required certificates are in addition to those required by the local, county, or state authorities.

G. As part of the building permit application, the Owner must submit, if needed, plans for installing a culvert in the drainage ditch where his driveway is to cross the drainage ditch between the roadway and Lot or Parcel. The cost of the culvert and covering is to be borne by the Owner and the construction specifications must meet the Association's approval. The culvert must be installed before any construction may begin on the Lot or Parcel.

H. Neither the Association nor any architect or agent thereof shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications, their inspection being for the purpose of aesthetics and not structural soundness or integrity of the proposed building(s).

Section 4. COMPLIANCE WITH LOCAL REGULATION: Buildings must in all particulars meet the requirements of the appropriate Sunset Beach zoning ordinances and the Brunswick County Health Department regulations. No construction may commence on any lot or parcel without having obtained prior approval of these respective units of local government.

Section 5. TEMPORARY STRUCTURES: No temporary house, trailer, tent, garage, or other building shall be placed or erected on any Lot or Parcel, provided, however, that the Association may grant permission for any such temporary structures for storage of materials during construction. No such temporary structures as may be approved shall be used at any time as a dwelling place.

Section 6. COMPLETION OF STRUCTURES: Once construction or improvement is started on any Single-Family Detached Dwelling, it must be substantially completed in accordance with the plans and specifications as approved within six (6) months from date of commencement. Once construction or improvement is started on any Multi-Family Attached Dwelling building, it must be completed within 12 months from date of commencement.

Section 7. OCCUPANCY: No residence shall be occupied until the same has been substantially completed in accordance with its plans and specifications, and a certificate of occupancy has been issued by the Association.

Section 8. ANIMALS AND PETS: No animal or livestock of any description, except the usual household pets, shall be kept on any Lot or Parcel. Should the household pet be a dog or other large pet, it shall be kept in the dwelling or kept on a leash accompanied by a person and shall not be allowed to run loose in the subdivision.

Section 9. STORAGE RECEPTICALS: Every fuel storage tank shall be buried below the surface of the ground or screened to the satisfaction of the Association. Every outdoor receptical for

ashes, trash, rubbish or garbage shall be installed underground, screened or so placed and kept as not to be visible from any street or recreation area.

Section 10. PLACEMENT OF OUTDOOR CLOTHES DRYING

STRUCTURES: No outdoor clothes poles, clothes lines or similar equipment shall be placed on any Lot or Parcel unless it be screened so that it is not visible from any street, recreational area or adjoining property.

Section 11. MAINTENANCE OF UNOCCUPIED LOTS:

All unoccupied Lots or Parcels, shall be well-maintained, and no unattractive growth or accumulation of rubbish or debris shall be permitted. All unoccupied Lots or Parcels shall, as a minimum, be mowed or bushhogged at least once during the period commencing with September 1 and ending with October 15.

Section 12. OFFENSIVE AND ILLEGAL ACTIVITIES:

No noxious, offensive or illegal activities shall be carried on within the subdivision nor shall anything be done that shall be or become an unreasonable annoyance or nuisance to any person whomsoever.

Section 13. PARKING:

No vehicle shall be parked within any street right-of-way over night in the subdivision. No truck larger than that described as a half-ton pickup truck shall be parked for longer than forty-eight (48) hours on any Lot or Parcel in such a manner as to be visible to occupants of other Lots or Parcels or users of any streets or recreational area. Should this requirement become burdensome, the Association may grant limited

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relief for a specified time period if it deems such relief to be reasonable and expedient in the circumstances. No stripped, partially wrecked, or junk motor vehicle, or part thereof, shall be permitted to be parked or kept on any street, Lot or Parcel.

Section 14. REPAIR OR REMOVAL OF BUILDINGS: Any building which may be destroyed in whole or in part by fire, windstorm or from any other cause or act of God must be rebuilt or all debris removed and the Lot or Parcel restored to a sightly condition with reasonable promptness, provided, however, that in no event shall such debris remain longer than three (3) months.

Section 15. REMOVAL OF TREES AND NATURAL VEGETATION: No tree over six (6) inches in diameter nor any dogwood, flowering, shrub or bush shall be removed from any lot or parcel without the prior written consent of the Association.

Section 16. OUTSIDE BURNING: No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted, except in accordance with a validly issued burning permit from the Town of Sunset Beach.

Section 17. DIVISION OF SINGLE-FAMILY LOTS: No Single-Family Detached Dwelling Lot shall be subdivided, or its boundary lines changed except with the written consent of the Developer. However, the Developer hereby expressly reserves to itself, its successors or assigns, the right to replat any two (2) or more Single-Family Detached Lots shown on a plat thereof prior to delivery of a deed in order to create a modified Single-Family

Detached Dwelling Lot. The Developer may also create a modified Single-Family Detached Dwelling Lot by the sale of two or more adjacent Lots to one party, followed by the construction thereon of a Dwelling Unit in such a manner as to require the total lots to be treated as one modified lot in order to meet the set back and side line requirements, without the necessity of replatting. The restrictions and covenants herein apply to each lot so created.

Section 18. STORAGE OF BOATS, MOTOR HOMES AND TRAVEL

TRAILERS: No boat, motor home or travel trailer shall be stored longer than forty-eight (48) hours on any lot or parcel unless it is stored within a garage or carport. Should this requirement become burdensome, the Association may grant limited relief for a specific time period if it deems such relief to be reasonable and expedient in the circumstances.

Section 19. MOTOR VEHICLES AND NOISE LEVEL: No

motorcycle, motorbike, go cart, all terrain vehicle (ATV) or similar motor vehicle except automobiles and pickup trucks shall be used on the streets except for the purposes of coming from the state highway to a particular Lot or Parcel or from a particular Lot or Parcel to a fixed location within the subdivision or the state highway. No dirt bikes may be used within the subdivision at all under any circumstances. All motor vehicles operated in the subdivision shall have quiet mufflers. Further, no person shall operate any such vehicle except he hold a valid drivers' license.

Section 20. EXTERIOR MAINTENANCE OF BUILDINGS: The

exterior portion of all buildings or structures located on any Lot

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or Parcel together with the yards, shrubbery and common areas associated therewith, if any, shall be maintained in a sightly condition. Should the Association deem affirmative enforcement of this provision necessary, it shall appoint an aesthetic committee. Upon recommendation of the aesthetic committee and concurrence by the Board of Directors of the Association, the Association shall notify the offending Property Owner or the Condominium or Townhouse Owners Association having specific maintenance responsibility for the offending property, as the case may be, of the aesthetic deficiency, and the action necessary to correct deficiency, whereupon the Owner or Owners Association, as the case may be, shall correct the deficiency within 15 days.

Section 21. TELEVISION ANTENNAS: No outside television antennas or satellite disks may be placed or erected on any Lot or Parcel within the subdivision.

Section 22. ADDITIONAL RULES: The Developer, until Turnover and thereafter the Board of Directors of the Association, may establish such additional rules and regulations as may be deemed for the best interest of the Owners in the subdivision.

ARTICLE V

MEMBERSHIP, VOTING RIGHTS AND TURNOVER

Section 1. MEMBERSHIP: Every person or entity who is an Owner of a Lot or fee interest in any condominium unit or other type of Multi-Family Attached Dwelling Unit situated upon the property subject to this Master Development Plan shall be a member

of the Association, provided that any such person or entity who holds an interest merely as security for the performance of an obligation shall not be a member.

Section 2. VOTING RIGHT: The Association shall have two classes of voting membership;

(a) Class "A" - Class "A" Member shall be all those Owners as defined in Section 1 of this Article with the exception of the Developer. Class "A" Members shall be entitled to one vote for each Lot or Dwelling Unit in which they hold the interest required for membership by Section 1. When more than one person holds such interest in any Lot or Dwelling Unit, all such persons shall be members and the vote for such Lot or Dwelling Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot or Dwelling Unit. The Bylaws may establish procedures for voting when the title to a Dwelling Unit or Lot is held in the name of a corporation or more than one person or entity.

(b) Class "B"

(i) Class "B" Member shall be the Developer. The Class "B" Member shall be entitled to four votes for each Lot or Dwelling Unit in which it holds the interest required for membership by Section 1; provided that Class "B" membership shall cease and become converted to Class "A" membership on the happening of the earlier of either of the following events:

1. When the total votes outstanding in the Class "A" membership equal the total votes outstanding in the Class "B" membership; or
2. At any earlier time that the Developer, in its sole discretion, voluntarily converts its Class "B" membership to Class "A" membership.

From and after the happening of the earlier of these events, the Class "B" Member shall be deemed to be a Class "A" Member entitled to one vote for each Lot or Dwelling Unit in which it holds the interest required for membership under Section 1.

(ii) Notwithstanding any provision in paragraph (i) of this subsection (b) to the contrary, the Developer shall have the absolute unrestricted right to appoint all of the Board of Directors (who need not be members of the Association) until the occurrence of either of the following events:

1. One year after the Developer no longer holds the title to any portion of the subdivision, which is subject to this Master Declaration; or
2. The Developer relinquishes its right described in clause one of this sentence.

Upon the occurrence of either (i) or (ii) in the preceding sentence, then the existing members shall be obligated to elect the Board and assume control of the Association.

Section 3. TURNOVER: Prior to ninety (90) days after the happening of the events described in paragraph (i) or (ii) of

subsection two, the Association shall conduct a special meeting of the membership hereinafter called the Turnover Meeting for the purpose of electing officers and directors, provided however that so long as the Developer is the Owner of one Lot or Dwelling Unit governed by the Association, the Developer shall be entitled to appoint at least one member to the Board of Directors.

ARTICLE VI

PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. MEMBERS. EASEMENTS OF ENJOYMENT IN THE

COMMON AREAS: Subject to the provisions of Section 4 and any additional provisions of this Master Development Plan, every member, his agent, licensees, invitees, and members of his household, shall have a permanent and perpetual easement for the use and enjoyment of the Common Areas and each easement shall be appurtenant to and shall pass with a title to every Lot or Dwelling Unit. Such easements of enjoyment shall include but not be limited to the member's right of ingress and egress over the streets, roadways and walkways over the Common Areas for the purpose of access to the Owner's Lot or Dwelling Unit.

Section 2. MEMBERS. EASEMENTS OF ENJOYMENT TO THE

LIMITED COMMON AREAS: Subject to the provisions of Section 4 and to any additional provisions of this Master Development Plan, every member owning a Single-Family Detached Dwelling Lot together with his agents, licensees, invitees and members of his household shall have a permanent and perpetual easement for the use and enjoyment of

the Limited Common Areas serving his lot and each easement shall be appurtenant to and shall pass with title to the Single-Family Detached Dwelling Lot. Likewise, every member owning a Multi-Family Attached Dwelling together with his invitees, agents, guest, licenses, tenants and members of their household, shall have a permanent and perpetual easement for the use and enjoyment of any limited common area serving his dwelling unit and each easement shall be appurtenant to and shall pass with title to the multi-family attached unit.

Section 3. TITLE TO THE COMMON AREAS AND LIMITED COMMON AREAS: The Developer may (but need not) retain the legal title to the Common Areas and any Limited Common Areas on which it has set aside and constructed amenities and facilities until such time as it has sold all of its properties subject to the Master Development Plan; notwithstanding any other provision herein, however, the Developer hereby covenants for itself, its successors and assigns that it will convey and the Association for itself, covenants that it shall accept a conveyance of all of the common areas and limited common areas on which the Developer has constructed amenities or facilities free and clear of all liens and encumbrances except this Master Development Plan.

Section 4. LIMITATION OF MEMBERS' EASEMENTS: The rights and easements of use and enjoyment created hereby shall be subject to the following:

- (a) The right of the Developer and of the Association, in accordance with its Articles and

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Bylaws, to collect and retain money for the purpose of improving the Common Areas and the Limited Common Areas and in aid thereof to mortgage such properties.

(b) The right of the Association to set specific charges for the use and maintenance of the Limited Common Areas; and

(c) The right of the Association as provided in its Articles and Bylaws to suspend the enjoyment rights of any member for any period during any assessment remains unpaid, or for a period that may be determined by the Board of Directors for any violation of this Master Development Plan, the Association's Article, Bylaws or published rules and regulations; provided however, that the right of a member of ingress and egress over the streets shall not be abrogated; and

(d) The right of the Developer and the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes; and

(e) The right of the Developer, without approval of the Association, to add to or delete part of the Common Areas and to dedicate easements and rights-of-way over the Common Areas in accordance

with the terms of this Master Development Plan;
and

- (f) The right of the Association to adopt and enforce, at any time, rules and regulations governing the use of the Common Areas and Limited Common Areas and all facilities situated thereon. Any rules and/or regulations so adopted shall apply until rescinded or modified the same as if originally set forth at length in this Master Development Plan.

Section 5. UTILITY AND DRAINAGE EASEMENT: There is reserved to the Developer so long as it owns a Lot or a Dwelling Unit, the right of temporary roads, utility services and drainage systems as are necessary in its sole discretion for the proper development and administration of the subdivision.

Section 6. EASEMENT FOR GOVERNMENTAL, HEALTH, SANITATION AND EMERGENCY SERVICES: A non-exclusive easement is hereby granted to the appropriate governmental authorities and to the appropriate private organizations supplying health, sanitation, police services and any emergency services such as fire, ambulance and rescue services, for purpose of ingress and egress over the Common Areas.

Section 7. IRRIGATION EASEMENTS: There is hereby reserved for the sole benefit of the Developer its agents, employees, successors and assigns a permanent exclusive easement and

right (a) to pump water from the lakes, ponds, lagoons, waterways, basins, water dependant structures and other bodies of water located in the Development for the purpose of irrigating any portion of the Development including the Golf Courses, and (b) to drill, install, locate, maintain and use wells, pumping stations, water towers, filtration basins and tanks and related water facilities and systems within the Common Areas and/or lands within the property owned by the Declarant. Except as herein contained, the pumping of any water from any lake, pond, lagoon or body of water for any purpose other than fire fighting is prohibited without express written permission of the Declarant.

Section 8. ENTRY BY GOLFERS: Each lot, dwelling and multi-family area adjacent to a golf fairway or green is hereby made subject to an easement in favor of the registered golf course players to enter upon such property to remove a golf ball or to play the golf ball. Once a residential unit is constructed on such property this easement shall be limited to the recovery of the golf ball. This easement is for pedestrian access only and the player shall not use a golf cart or other vehicle for the purpose of entry on any such adjoining property nor shall such player commit a nuisance while on such property.

Section 9. ENCROACHMENT: No encroachment shall be erected upon any pond, lagoon or other body of water within or adjacent to the Development unless specifically permitted by the Developer or the Architectural Standards Committee.

ARTICLE VIICOVENANT FOR ASSESSMENTSSection 1. CREATION OF THE LIEN AND PERSONAL

OBLIGATION OF ASSESSMENTS: Except as hereinafter more fully provided, the Developer for each Lot or Dwelling Unit owned by it which is subject to this Master Development Plan hereby covenants and each Owner of any Lot or Dwelling Unit, by acceptance of a deed therefore, whether or not it shall be so expressed in the particular deed of conveyance shall be deemed to covenant and agree to pay to the Association: (1) Monthly Assessments and (2) Special Assessments for capital improvements and other expenditures that the Association deems appropriate, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The Monthly and Special Assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. Each member expressly covenants by acceptance of a deed that liens may be placed against the Owner's Dwelling Unit or Lot for nonpayment of assessments.

Section 2. PURPOSE OF ASSESSMENTS: The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the members of the Association and in particular for the improvement and maintenance of properties, services and facilities devoted to this

purpose and related to the use and enjoyment of the Common Areas and Limited Common Areas including but not limited to the payment of taxes and insurance on the Limited Common Areas and the repair, replacement, and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof and likewise of the Common Areas. Individual Townhouse and Condominium Associations shall be the collecting agents for and on behalf of the Association where such organizations exist and will collect all Monthly Assessments and Special Assessments as fixed by the Association.

Section 3. DATE OF COMMENCEMENT OF "MONTHLY ASSESSMENTS": DUE DATE: ASSESSMENT PERIOD: The Monthly Assessments provided for herein shall commence the first day of the calendar month following conveyance to a Class "A" Member (hereinafter called the "Commencement Date") and shall thereafter be due on the first day of every "Assessment Period" as this term is defined in the Bylaws of the Association. Notwithstanding the preceding sentence or anything herein contained to the contrary prior to the time of Turnover by the Developer to the Association, the Association may set the Common Area and Limited Common Area assessment on an annual payment schedule.

Section 4. BASIS AND MAXIMUM AMOUNT OF MONTHLY ASSESSMENTS: The total Common Area annual assessment for each member beginning with the year 1989 shall be \$50.00, and the total Limited Common Area assessment for the multi-family area

members shall be \$300.00. For classification purposes, all members are required to pay the Common Area assessment, therefore, the assessment for a member who also is entitled to use a limited common area will be required to pay both assessments. The range of annual assessment for each member after 1989 may thereafter be increased in proportions by the greater of either 10% of the assessments for the previous year or by the percentage increase, if any, for the then current years Consumer's Price Index (all urban consumers (CPI-U) U.S. 1982-84 = 100 or its successor index). Should there be additional common areas in the form of facilities for the recreational use of the members added by the Developer, this limitation on assessments increase will be waived in order to allow these extra charges to be included in the annual budget. Once these additional charges are absorbed into the annual assessment, the assessment cap shall apply to future years unless some additional common area requiring adjustments is added, in which event the cap will be waived for the year of such addition.

Until the time of turnover to the Association, the Developer shall not pay any annual or special assessment of any kind, however, the Developer shall pay the difference in cost between the sum of all annual assessments collected from the Class A members and the actual cost of operation of the Association. After turnover, the Developer shall not be obligated to pay an annual or special assessment on any lot or dwelling owned by it which is unoccupied. Notwithstanding any other provision to the contrary in

this Master Declaration, the Developer may, at any time, commence paying assessments as to dwelling units or lots owned by it and thereby automatically terminate its obligation to fund deficits but at any time thereafter, the Developer there again may elect to follow the procedure specified in the preceding sentence.

Upon the addition of any new limited common area, the Association shall set the first annual assessment based upon its best judgment as to the actual cost of operating and maintaining the facility. The Board is granted the right to assess a larger amount for that year based on the actual cost of carrying out its duties for the first year. The budget for this limited common area shall be set the second year based upon the actual cost to the Association in carrying out its duties of maintenance and operation in the first year and thereafter the limit or cap on increases in assessments for this Limited Common Areas shall be the same as described for the Common Areas.

Section 5. SPECIAL ASSESSMENTS: In addition to the Monthly Assessments authorized by this Article VII, the Board may levy in any Assessment Year a Special Assessment, applicable to that year only, for the purposes of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Areas or Limited Common Areas, including the necessary fixtures and personal property related thereto, or for the other purposes deemed appropriate by the Association. The due date of any Special

Section 6. CHANGE IN BASIS AND MAXIMUM OF MONTHLY

Section 7. DUTIES OF THE BOARD OF DIRECTORS: The

The Association shall, upon demand at any time, furnish

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Section 8. EFFECT OF NON-PAYMENT OF ASSESSMENT; THE PERSONAL OBLIGATION OF THE OWNER; THE LIEN; REMEDIES OF ASSOCIATION; LATE FEES RESALE CERTIFICATE:

If the assessments are not paid on the date when due (being the dates specified in Section 3 and Section 5 hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain his personal obligation for the statutory period. Provided, however, unless the Seller obtains from appropriate officers of the Association at closing, a certificate attesting to the fact that all assessments are paid and present such certificate to the purchaser at closing, the purchaser shall be conclusively presumed to have assumed such past due assessments and shall also become forthwith liable therefore. The Owner requesting the certificate shall pay to the Association a reasonable sum to cover the costs of examining records and preparing the certificate. If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate established by the Board of Directors not to exceed the maximum legal rate of interest, and the Association may bring an action at law against the Owner personally obligated to pay the outstanding assessments and/or bring an action to foreclose

the lien against the property; and there shall be added to the amount of such assessment all costs of collection, including, but not limited to the cost of preparing and filing the complaint in such action, the cost of any and all attorneys' fees incident to collection whether or not suit is brought, including attorneys' fees on appeal. In the event the judgment is obtained, such judgment shall include interest on the assessments as provided above and a reasonable attorneys' fee to be fixed by the court, together with costs incident to the action.

In addition to the foregoing remedies, the Board of Directors may assess a "Late fee" of twenty percent (20%), compounded monthly, on the delinquent assessment for each Monthly or Special Assessment which is more than ten (10) days delinquent, for the purpose of helping defray collection costs.

Section 9. SUBORDINATION OF THE LIEN TO MORTGAGES:

The lien of the assessments provided for in this Declaration shall be subordinate to the lien of any first mortgagee now or hereafter placed upon the Owners subject to assessments; provided, however, that a first mortgagee of record, or other purchaser, obtains title to such Dwelling Unit or Lot as a result of foreclosure of the lien of such first mortgagee or as a result of a deed given in lieu of foreclosure thereof, such acquirer of title and his successors and assigns shall not be liable for the assessments by the Association chargeable to the former Owner of such dwelling unit which become due and payable prior to the acquisition of title as a result of the

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foreclosure or deed given in lieu of foreclosure, unless such assessments are secured by a Claim of Lien for assessments that is recorded prior to the recording of such mortgage. Such sale or transfer shall not relieve such Owner from liability for any assessments thereafter becoming due, or from the lien of any such subsequent assessment; provided, however, that any such assessment shall be subordinate to the lien of a first mortgagee placed upon the Dwelling Unit prior to the time of the recording of such subsequent assessment lien.

Section 10. UNIFORM OWNER ASSESSMENTS: The common area monthly and special assessments must be fixed at a uniform rate for all members. Likewise, the assessments for the members entitled to use a limited common area must be fixed at a uniform rate for all those entitled to use that specific limited common area. In no event will an owner be assessed for maintenance, upkeep or repairs for a limited common area he is not entitled to use.

ARTICLE VIII

INSURANCE

Section 1. PROPERTY AND CASUALTY INSURANCE: Property and casualty insurance on the Common Areas and Limited Common Areas shall be maintained through the Association in an amount equal to the maximum insurable value thereof. The Association shall also purchase such other insurance as may be necessary on the Common Areas. The Association may also purchase liability insurance covering the Association's Directors and Officers.

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Section 2. PREMIUMS: The premiums for all insurance policies purchased by the Association shall be deemed to be general expenses for the Association and shall be paid by the members through the Monthly Assessments against each Dwelling Unit or Lot, as provided in this Declaration. The method of allocation of the insurance premiums among the Owners shall be determined by the Board of Directors of the Association; provided however the premiums for the Limited Common Areas shall be assessed only against the proper class of owners.

ARTICLE IX

MAINTENANCE RESPONSIBILITIES OF THE ASSOCIATION

Section 1. MAINTENANCE OF THE COMMON AREAS AND LIMITED COMMON AREAS: The responsibility for maintenance, upkeep and repair of the Limited Common Areas and the Common Areas is that of Association. The Board of Directors shall have the right to hire maintenance people to perform maintenance work as prescribed by the Board of Directors on both the Common Areas and Limited Common Areas. It is intended that the Developer or other Owners will create Townhouse and Condominium Associations for the purpose of maintaining and operating the property upon which they will be situated.

Section 2. MANAGEMENT SERVICE: The Association may contract for the management of all or part of the Common Areas and Limited Common Areas for the purpose of carrying out all or a portion of the maintenance services provided for in this Master Development Plan.

Section 3. UTILITY SERVICES: The Association may contract with public or private utility companies for purposes of supplying utility services to the Common Areas and Limited Common Areas and may assess the costs and expenses charged by such utility companies as part of the Monthly Assessments or as a Special Assessment.

**ARTICLE X
ENFORCEMENT**

Section 1. RULES AND REGULATIONS: The Board of Directors is specifically granted the power to pass rules and regulations for purposes of enforcing this Declaration.

Section 2. INVALIDATION: Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provision which shall remain in full force and effect.

Section 3. PRIORITY OF LAND USE DOCUMENTS: This Master Development Plan shall take precedence over conflicting provisions in the Articles of Incorporation or the Bylaws of the Association and the Articles shall take precedence over the Bylaws.

Section 4. DEVELOPERS RIGHT TO AMEND: The Developer, prior to turnover and thereafter the Board may amend this Master Declaration provided such amendment or modification does not alter the Basic Plan of Development and further provided that this right to amend shall not render these covenants and restrictions purely

personal to the Developer and the benefits and burdens contained in this Declaration shall remain mutual and reciprocal to all owners.

Section 5. SPECIFIC ENFORCEMENT FOR ARTICLE IV: With regard to the restrictions and conditions contained in Article IV, each 24 hour period a violation of any one or more of these requirements, prohibition, duties and obligations exist shall be considered a new and separate violation. A fine of up to \$50.00, (or such greater sum as may be set by the Town of Sunset Beach for violation of its zoning ordinances) per 24 hour period, may be levied by the Association for each such violation. The Association (upon at least 15 days notice to the Owner or responsible Condominium or Townhouse Association as hereinafter described and required for the delivery of bills for cost) is hereby granted the right of entry on any lot or access to any building and such entry shall not be considered a trespass for the purpose of curing, correcting, or abating the violation. The actual cost thereof shall be paid by the Owner or responsible Condominium or Townhouse Association to the Association within 30 days after the bill for such expenses have been deposited in the U.S. mail addressed to the Member at the address on file with the Association and if no address is on file, 30 days after the Association has posted notice of the bill on the Lot or Dwelling Unit. If the Member does not pay the bill within the 30 day period, then the bill shall bear interest at the highest legal rate allowed in North Carolina for personal loans until paid. Any such fine, charge or cost together with legal fees

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and costs for collection shall constitute a lien in the nature of ad valorem taxes against the Member's lot or dwelling unit. The Member shall be responsible for violations committed or allowed by himself, his licensees, invitees, guests or members of his household to the same extent as if he had personally committed such violation.

Section 6. ENFORCEMENT - GENERAL: Failure of an Owner to comply with a provision of this Declaration or a provision in the Bylaws, Articles of Incorporation or Rules and Regulations of the Association shall provide the Association with the right to bring legal action in law or in equity, including but not limited to an action for injunctive relief, damages, or a combination thereof. All costs and expenses incurred by the Association in terminating or resolving a violation of this Declaration, inclusive of attorneys' fees (whether or not litigation is instituted) shall be the responsibility of the Owner determined by the Association to be in violation. Collection of such attorneys' fees may be enforced by any method allowed in this Declaration providing for the collection of a Monthly Assessment, including but not limited to a foreclosure proceeding. The Association shall further have the right to enforce rules and regulations as may be promulgated by the individual Condominium or Townhouse Associations situate in the Subdivision by compelling the individual Condominium Association to enforce their own Bylaws and restrictions.

ARTICLE XI

CONSTRUCTION

When construing these covenants, conditions and restrictions, the parties agree that they shall be construed as

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beneficial community rules and that any ambiguity shall be resolved in favor of liberal enforcement by the Courts.

IN WITNESS WHEREOF, this Amended Consolidated Master Declaration and Development Plan together with Covenants, Conditions and Restrictions has been signed and executed by the Developer the day and year first above written.



SEA TRAIL CORPORATION

BY: Hattie H. Brown (SEAL)
President

Hattie H. Brown
Secretary

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

I, Hattie H. Brown, Notary Public do hereby certify that Edward M. Goss personally came before me this day and acknowledged that he/she is Secretary/Treasurer of SEA TRAIL CORPORATION, a North Carolina Corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him/her as its Secretary/Treasurer.

WITNESS my hand and official seal this the 24th day of December, 1989.

Hattie H. Brown
Notary Public



My Commission Expires:
11-26-94

39.

STATE OF NORTH CAROLINA, Brunswick County
The Foregoing Certificate(s) of Hattie H. Brown, Notary Public

Recorded this 28 day of January 19 90 at 1:31 o'clock P. M. (is/are) certified to be correct.

Robert J. Robinson, Register of Deeds

Robert J. Robinson afs

8 MAY 85

8 MAY 85

PGER

FILE

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ARTICLES OF INCORPORATION

EXHIBIT 1

OF

SEA TRAIL PLANTATION MASTER ASSOCIATION, INC. DOCUMENT #370351
DATE 12/03/85 TIME 13:41

A Non-Profit Corporation

FILED

The undersigned, acting as incorporator of a non-profit corporation under Chapter 55A of the North Carolina General Statutes, does hereby adopt the following Articles of Incorporation for such corporation.

THAD ELURE

SECRETARY OF STATE
NORTH CAROLINA

ARTICLE I

The name of the corporation (hereinafter called the Association) is SEA TRAIL PLANTATION MASTER ASSOCIATION, INC.

ARTICLE II

The specific primary purposes for which the Association is formed are to provide for operation, maintenance, preservation, and repair of the Common Areas and Limited Common Areas described in the Declaration and Master Development Plan for SEA TRAIL PLANTATION, and such additions thereto as may hereafter be brought within the jurisdiction of the Association for such purpose.

In furtherance of such purposes, the Association shall have the power to:

- (a) Perform all of the duties and obligations of the Association as set forth in the Declaration and Master Development Plan for Sea Trail Master Association (the Declaration) applicable to the development and to be recorded in the Public Records of Brunswick County, North Carolina;
- (b) Affix, levy, collect, and enforce payment by any lawful means of all charges and assessments pursuant to the terms of the Declaration and pay all expenses in connection therewith, and all office and other expenses incidental to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied on or imposed against the property of the Association;
- (c) Acquire (by gift, purchase or otherwise), own, hold, and improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate to public use, or otherwise dispose of real and personal property in connection with the affairs of the Association;
- (d) Borrow money and, subject to the consent by vote or written instrument of two-thirds (2/3) of each class of members, mortgage, pledge, convey by deed of trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) Dedicate, sell, or transfer all or any part of the common areas to any municipality, public agency, authority, or utility for such purposes;

(f) Have and exercise any and all powers, rights, and privileges that a non-profit corporation organized under Chapter 55A of the North Carolina General Statutes by law may now or hereafter have;

(g) Retain a management entity to perform any of the services or duties set forth above or in the Declaration.

The Association is organized and shall be operated exclusively for the purposes set forth above. The activities of Association will be financed by assessments against members as provided in the Declaration, and no part of any net earnings of the Association will inure to the benefit of any member.

ARTICLE III

Every person or entity who is a record owner of a fee or undivided fee interest in any single-family detached dwelling lot or any dwelling unit which is subject by declaration of record to assessment by the Association, including contract sellers, but excluding persons or entities holding title merely as security for performance of an obligation, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a single-family detached dwelling lot or any dwelling unit.

ARTICLE IV

The period of duration of the Association shall be perpetual.

ARTICLE V

The name and mailing address of the ~~subscriber~~ ^{incorporator} is:

Mason H. Anderson
P. O. Box 345
Shallotte, NC 28459

ARTICLE VI

The affairs of the Association shall be managed by a Board of Directors; a President and a Vice President, who shall at all times be members of the Board of Directors; a Secretary-Treasurer; and an Assistant Secretary-Treasurer. Such officers shall be elected at the first meeting of the Board of Directors following each annual meeting of the members from among the members.

The names of the officers who are to serve until the first election are:

Name

Office

President
Vice President
Secretary-Treasurer
Asst. Secretary-Treasurer

ARTICLE VII

The number of persons constituting the first Board of Directors of the Association shall be four (4); and thereafter, the membership shall consist of not more than seven (7); and the names and addresses of the persons who shall serve as Directors until the first election are:

Name

Address

Paul D. Dennis	P. O. Box 102 Sunset Beach, NC 28459
Edward M. Gore, Sr.	P. O. Box 102 Sunset Beach, NC 28459
Miller Pope	P. O. Box 102 Sunset Beach, NC 28459
John Williams	P. O. Box 102 Sunset Beach, NC 28459

ARTICLE VIII

The By-Laws of the Association may be made, altered, or rescinded at any annual meeting of the Association, or at any special meeting duly called for such purpose, on the affirmative vote of a majority of each class of members existing at the time of and present in person or by proxy at such meeting, except that the initial By-Laws of the Association shall be made and adopted by the Board of Directors.

ARTICLE IX

Amendments to these articles of incorporation may be proposed by any member of the Association. These Articles may be amended at any annual meeting of the Association, or at any special meeting duly called and held for such purpose, on the affirmative vote of a majority of each class of voting members existing at the time of, and present in person or by proxy at such meeting.

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ARTICLES X

The Association shall have two classes of voting members as follows:

Class "A". Class "A" members shall be all owners with the exception of Developer, as such term is defined in the Declaration, and shall be entitled to one vote for each single-family detached dwelling lot or dwelling unit owned. When more than one person holds an interest in a dwelling lot or unit, all such persons shall be members. The vote of such unit shall be exercised as such members may determine among themselves but in no event shall more than one vote be cast with respect to any unit owned by Class "A" members.

Class "B". The Class "B" member shall be the Developer as such term is defined in the Declaration who shall be entitled to four (4) votes for each single-family detached lot or dwelling unit owned. The Class "B" membership shall cease and be converted to Class "A" membership as provided in the Declaration.

ARTICLE XI

On dissolution, the assets of the Association shall be distributed to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event such distribution is refused acceptance, such assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust, or other organization organized and operated for such similar purposes.

ARTICLE XII

The initial registered agent of the corporation shall be John W. Williams, Sea Trail Corporation, P.O. Box 102, Sunset Beach, NC 28459, Brunswick County, 651 Clubhouse Road, Sunset Beach, N.C.

ARTICLE XIII

The effective date of this corporation shall be upon filing with the Office of the Secretary of State of North Carolina.

ARTICLE XIV

Each Director and Officer of this Association shall be indemnified by the Association against all costs and expenses reasonably incurred or imposed upon him in connection with or arising out of any action, suit or proceeding in which he may be involved or to which he may be made a party by reason of his having been a Director or Officer of this Association, such expense to include the cost of reasonable settlements (other than amounts paid to the Association itself).

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IN WITNESS WHEREOF, the undersigned ^{incorporator} ~~subscriber~~ has executed these Articles of Incorporation on this 18th day of November, 1985.

Mason H. Anderson
Mason H. Anderson

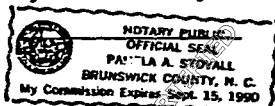
STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

I, Dorinda A. Strick, a Notary Public of the County and State aforesaid, certify that MASON H. ANDERSON personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 18th day of November, 1985.

Dorinda A. Strick
Notary Public

My Commission Expires:



UNCERTIFIED

STATE OF NORTH CAROLINA, Brunswick County
THE FOLLOWING COMMISSIONER(S) SIGN

Recorded this 9th day of December 19 85 at 10:44 o'clock A. M.

Robert J. Robinson, Register of Deeds

Robert J. Robinson *Dr*

UNCERTIFIED

UNCERTIFIED

UNCERTIFIED

UNCERTIFIED

UNCERTIFIED

UNCERTIFIED

BY-LAWS OF
SEA TRAIL PLANTATION MASTER ASSOCIATION, INC.
A Non-Profit Corporation

ARTICLE I

NAME AND LOCATION: The name of the corporation is SEA TRAIL PLANTATION MASTER ASSOCIATION, INC. The principal office of the corporation shall be located at the Office of Sea Trail Corporation, P. O. Box 102, Highway 179, Sunset Beach, North Carolina, but meetings of Members and Directors may be held at such places within the State of North Carolina as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1: "ASSOCIATION" shall mean and refer to SEA TRAIL PLANTATION MASTER ASSOCIATION, INC., its successors and assigns.

Section 2: "DEVELOPER" shall mean and refer to SEA TRAIL CORPORATION, a North Carolina Corporation authorized to do business in the State of North Carolina, its successors and assigns.

Section 3: "DECLARATION" shall mean and refer to the Declaration and Master Development Plan for SEA TRAIL PLANTATION MASTER ASSOCIATION (the Declaration).

Section 4: "MEMBER" shall mean and refer to any person entitled to membership in the Association as provided in the Declaration.

Section 5: "OWNER" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Single-Family Detached Dwelling Lot or any Dwelling Unit situated upon the property subject to the Declaration.

Section 6: "DWELLING, LIVING UNIT" shall mean and refer to any living quarters whether a detached or an attached unit. In the case of a condominium, the term unit or living unit has the same meaning as that contained in the North Carolina Unit Ownership Act.

Section 7: "LOT" shall mean a subdivision of property to be used exclusively for a Single-Family Detached Dwelling Unit.

Section 8: "TURNOVER" shall mean the date following conversion of the Class "B" votes to Class "A" votes and upon which the Developer conducts a special meeting of the Members for the purposes of election of the officers and directors as set forth in Article IV of this Master Development Plan.

ARTICLE III

MEETINGS OF MEMBERS

Section 1: ANNUAL MEETINGS. The first annual meeting of Members shall be held within sixty (60) days after Turnover of the Association by the Developer. Subsequent annual meetings of Members shall be held on the same day of the month of each year thereafter at the hour of ten o'clock A.M. If the day for the annual meeting of Members is a legal holiday, the meeting will be held at the same hour on the next following day which is not a legal holiday.

Section 2: SPECIAL MEETINGS. After Turnover, special meetings of Members may be called at any time by the President or by two (2) Members of the Board of Directors or upon written request of Members who are entitled to vote fifty-one (51%) of all votes of the membership.

Section 3: NOTICE OF MEETINGS. Written notice of each meeting of Members shall be given by, or at the direction of, the Secretary-Treasurer or other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days, but not more than thirty (30) days, before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of receiving notice. Such notice shall specify the day, hour and place of the meeting and in the case of a special meeting, the purpose of the meeting.

Section 4: QUORUM. The presence at the meeting, in person or by proxy, of Members entitled to cast a majority of the votes of the membership shall constitute a quorum for authorization of any action, except as may otherwise be provided in the Declaration, the Articles of Incorporation, or these By-Laws. If a quorum is not present at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 5: PROXIES. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary-Treasurer. Proxies shall be revocable, and the proxy of any Owner shall automatically terminate on conveyance by him of his Lot or Living Unit.

ARTICLE IV

BOARD OF DIRECTORS: TERM OF OFFICE; REMOVAL

Section 1: NUMBER. The affairs of the Association shall be managed by not less than four (4) or more than seven (7) directors,

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who, after Turnover, shall be duly elected by the Members of the Association from among the Members.

Section 2: TERM OF OFFICE. Directors shall serve one (1) year terms and until their successors are duly appointed or elected, as the case may be.

Section 3: REMOVAL. After Turnover, any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal of a director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

ARTICLE V

BOARD OF DIRECTORS; MEETINGS

Section 1: REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held annually, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2: SPECIAL MEETINGS. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3: QUORUM. A majority of the directors shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of directors present at a duly held meeting in which a quorum is present shall constitute the act or decision of the Board.

ARTICLE VI

BOARD OF DIRECTORS; POWERS AND DUTIES

Section 1: POWERS. The Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations governing the use of the Common Areas and Limited Common Areas and facilities including the personal conduct of the members and their guests thereon; to establish penalties for infractions of such rules and regulations.

(b) Suspend the voting rights and right to use of the recreational facilities of any Member during any period in which such Member is in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days for infraction of published rules and regulations.

(c) Exercise on behalf of the Association all powers, duties and authority vested in or delegated to the Association and not specifically reserved to the membership by the Declaration, Articles of Incorporation, or by other provisions of these By-Laws.

(d) Employ a manager, independent contractors, and such other employees as they may deem necessary, and to prescribe their duties.

Section 2: DUTIES. It shall be the duty of the Board of Directors to:

(a) Supervise all officers, agents, and employees of the Association and see to it that their duties are properly performed;

(b) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each Lot or Living Unit in advance of each annual assessment period.

(2) Send written notices of each assessment to every Owner subject thereto in advance of each assessment period, and

(3) Foreclose the lien against any Lot or Living Unit for which assessments are not paid within thirty (30) days after the due

date, or to bring an action at law against the Owner personally obligated to pay the same.

(c) Issue, or cause an appropriate officer to issue on demand by any person a certificate setting forth whether or not any assessment has been paid. A statement in a certificate to the effect that an assessment has been paid shall constitute conclusive evidence of such payment. The Board may impose a reasonable charge for the issuance of such certificates.

(d) Procure and maintain liability and hazard insurance on all property owned by the Association.

(e) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(f) Cause all property owned by the Association to be maintained.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1: ENUMERATION OF OFFICES. The officers of the Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, and a Secretary-Treasurer and an Assistant Secretary-Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2: ELECTION OF OFFICERS. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of members.

Section 3: TERM. The officers of the Association shall be elected annually by the Board. Each officer shall hold office for a term of one (1) year unless he shall sooner resign or shall be removed or otherwise disqualified to serve.

Section 4: SPECIAL APPOINTMENTS. The Board may elect such other officers as the affairs in the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time determine.

Section 5: RESIGNATION AND REMOVAL. Any officer may be removed from office by the Board at any time with or without cause. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary-Treasurer. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6: VACANCIES. A vacancy in any office may be filled by appointment of the Board. The officer appointed to such vacancy shall serve for the unexpired term of the officer he replaces.

Section 7: MULTIPLE OFFICES. No person shall simultaneously hold more than one of any of the offices, except in the case of special offices created pursuant to Section 4 of this Article.

Section 8: DUTIES. The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; and shall sign all leases, mortgages, deeds, and other instruments.

(b) Vice President. The Vice President shall act in the place of the President in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

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(c) Secretary-Treasurer. The Secretary-Treasurer shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it to all papers so requiring; serve notice of meetings of the Board to Members; keep appropriate current records showing the Members of the Association together with their addresses. Also, the Secretary-Treasurer shall receive and deposit in appropriate bank accounts all funds of the Association and disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; shall keep proper books of the accounts; shall cause an annual audit of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures, a copy of which documents shall be delivered to each Member, and a report on which shall be given at the regular annual meeting of Members.

(d) Assistant Secretary-Treasurer. The Assistant Secretary-Treasurer shall act in the place of the Secretary-Treasurer in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

ARTICLE VIII

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association monthly and special assessments which are secured by a continuing lien on the property against which such assessments are made. All monthly assessments shall be paid as designated by the Board of Directors. Any assessments not paid when

due are considered delinquent. Interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of any assessment due. No Owner may waive or otherwise escape liability for assessments by nonuse of the common properties or abandonment of his Lot or Living Unit.

ARTICLE IX

BOOKS AND RECORDS; INSPECTION

The books, records, and papers of the Association shall be subject to inspection by any Member upon fifteen (15) days prior written notice. The Declaration, Articles of Incorporation, and By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies shall be made available for sale at a reasonable price.

ARTICLE X

CORPORATE SEAL

The Association shall have a seal in a circular form having within its circumference the words: SEA TRAIL PLANTATION MASTER ASSOCIATION, INC.

ARTICLE XI

AMENDMENTS

Prior to and after Turnover, these By-Laws may be amended by the Board of Directors at any regular meeting or special meeting of Members, as provided in the Articles of Incorporation.

ARTICLE XII

FISCAL YEAR

The fiscal year of the Association shall be the calendar year, except that the first fiscal period shall begin on the date of incorporation and shall end on December 31st of the year of incorporation.

ARTICLE XIII

CONFLICTS

In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; in case of any conflict between the Declaration and these By-Laws, the Declaration shall control; in case of a conflict between the Articles and the Declaration, the Declaration shall control.

SEA TRAIL PLANTATION MASTER
ASSOCIATION, INC.

CORPORATE
SEAL

By: _____

President

ATTEST:

Secretary-Treasurer

STATE OF NORTH CAROLINA

COUNTY OF BRUNSWICK

_____, a Notary Public of the
County and State aforesaid, certify that _____
personally came before me this day and acknowledged that he is
Secretary-Treasurer of SEA TRAIL PLANTATION MASTER ASSOCIATION,
INC., a North Carolina corporation, and that by authority duly
given and as the act of the corporation, the foregoing By-Laws
were acknowledged as the official By-Laws of the Association
and were signed in its name by its President, sealed with its
corporate seal and attested by him as its Secretary-Treasurer.

UNCERTIFIED

UNCERTIFIED

UNCERTIFIED

BOOK _____ PAGE _____

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Witness my hand and official stamp or seal,
this _____ day of _____, 1986.

Notary Public _____

My Commission Expires:

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Exhibit 3

SEATRALL PLANTATION

SEATRIL PLANTATION

