



AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS
FOR
WINDING RIVER PLANTATION

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AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

WINDING RIVER PLANTATION
COMMUNITY ASSOCIATION, INC.

ADOPTED AS OF
OCTOBER 2, 2018



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**AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
WINDING RIVER PLANTATION**

AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR WINDING RIVER PLANTATION ("Declaration") is made this 2nd day of October, 2018, by WINDING RIVER PLANTATION COMMUNITY ASSOCIATION, INC., a North Carolina non-profit corporation.

WHEREAS, Bluegreen Carolina Land, Inc. ("Declarant") caused to be recorded the Declaration of Covenants, Conditions and Restrictions for Winding River Plantation in Book 1143, at Page 0197 in the office of the Register of Deeds of Brunswick County, (as amended and supplemented, the "Original Declaration"), encumbering the Winding River Properties, as defined herein; and

WHEREAS, pursuant to Section 15.2(b) of the Original Declaration, the Association may amend the Original Declaration by the affirmative vote of at least sixty-seven percent (67%) of the Class "A" votes present at a meeting in person or by proxy; and

WHEREAS, the Association desires to amend and restate the Original Declaration as described herein and has obtained the affirmative vote of at least sixty-seven percent (67%) of the Class "A" votes; and

WHEREAS, the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Winding River Plantation was recorded in Book 4113, Page 1080 in the office of the Register of deeds of Brunswick County; and

WHEREAS, the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Winding River Plantation that was recorded, was not the Class A vote approved Declaration and was recorded in error; and

WHEREAS, this Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Winding River Plantation is being recorded in order to correct the prior error.

NOW, THEREFORE, the Association hereby covenants and declares on behalf of itself and its successors and assigns that the Original Declaration is hereby amended and restated in its entirety. The real estate previously made subject to the Original Declaration from the date this Declaration is recorded in the office of the Register of Deeds of Brunswick County shall be held, conveyed, acquired and encumbered subject to the terms and provisions hereof, all of which shall run with the real estate and bind and inure to the benefit of all current owners and perspective purchasers and parties who have or may acquire any right, title, estate or interest in or to any of such real estate or who have or may acquire any right or occupancy of or interest upon any portion thereof, all subject to the right of the Association to amend this Declaration according to its terms.

The Original Declaration is hereby amended to delete and rescind the Original Declaration, as amended and supplemented, in its entirety, and the Association adopts in its place instead this Declaration.



Article I. DEFINITIONS

The terms in this Declaration and the Exhibits to this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

Section 1.01 Adjacent Properties

Any residential, nonresidential, or recreational areas, including without limitation single family residential developments, assisted living facilities, retail, office, commercial, or institutional areas and Private Amenities, which are located adjacent to, in the vicinity of, or within the Winding River Properties; which are owned and operated, in whole or in part, by Persons other than the Association; which are not subject to this Declaration; and which are neither Units nor Common Area as defined in this Declaration.

Section 1.02 ARB

The Architectural Review Board, as described in Section 9.02, Page 27.

Section 1.03 Articles of Incorporation or Articles

The Articles of Incorporation of Winding River Plantation Community Association, Inc., as filed with the Secretary of State of North Carolina.

Section 1.04 Association

Winding River Plantation Community Association, Inc., a North Carolina nonprofit corporation, its successors or assigns.

Section 1.05 Beach Club Property

That certain property designated as Beach Club Property as described in Section 14.10, Schedule 1.05: Beach Club Property Page 51, attached hereto and incorporated herein by reference.

Section 1.06 Board of Directors or Board

The body responsible for administration of the Association, selected as provided in the By-Laws and generally serving the same role as the board of directors under North Carolina corporate law.

Section 1.07 Builder

Any Person who purchases one or more Units for the purpose of constructing improvements for later sale to consumers or purchases one or more parcels of land within the Winding River Properties for further subdivision, development, and/or resale in the ordinary course of such Person's business. Any Person occupying or leasing a Unit for residential purposes shall cease to be considered a Builder with respect to such Unit immediately upon occupation of the Unit for residential purposes, notwithstanding that such Person originally purchased the Unit for the purpose of constructing improvements for later sale to consumers.

Section 1.08 By-Laws

The By-Laws of Winding River Plantation Community Association, Inc., as they may be amended.

Section 1.09 Common Area

All real and personal property, including easements, which the Association owns, leases or holds possessory or use rights in for the common use and enjoyment of the Owners. The term also shall include the Limited Common Area, as defined below. The term shall explicitly exclude Units, as defined in Section 1.34, Page 5. The term specifically includes all facilities situated within the Common Area.



Section 1.10 Common Expenses

The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to this Declaration, the By-Laws, and the Articles of Incorporation.

Section 1.11 Community-Wide Standard

The standard of conduct, maintenance, or other activity generally prevailing throughout the Winding River Properties. Such standard may be more specifically determined by the Board of Directors and the Architectural Review Board.

Section 1.12 Cost Sharing Agreement

Any agreement, contract or covenant between the Association and an Owner or operator of property adjacent to, in the vicinity of, or within the Winding River Properties, including any Private Amenity, for the allocation of expenses that benefit both the Association and the Owner or operator of such property.

Section 1.13 Design Guidelines

The design & construction guidelines and application & review procedures applicable to the Winding River Properties prepared and administered pursuant to Article 9.

Section 1.14 General Assessment

Assessments levied on all Units subject to assessment under Article 8 to fund Common Expenses for the general benefit of all Units, as more particularly described in Section 8.01, Page 22 and Section 8.02, Page 23.

Section 1.15 Governing Documents

The Declaration, By-Laws, Articles of Incorporation, all Supplemental Declarations, the Design Guidelines and rules of the Association, or any of the above, as each may be amended from time to time.

Section 1.16 Judicial Partition

Judicial partition is a compulsory partition in action by which co-owners of property cause it to be divided into as many shares as there are owners. If the division of the property cannot be done equitably, the property is sold for the best obtainable price and the proceeds distributed. Judicial partition means partition through the medium of a judicial proceeding.

Section 1.17 Limited Common Area

A portion of the Common Area intended for the exclusive use or primary benefit of one or more, but less than all, Neighborhoods or Units, as more particularly described in Section 2.02, Page 6, but does not include Common Area owned by any Sub-Association.

Section 1.18 Majority

Those votes totaling more than 50% of the total eligible votes.

Section 1.19 Member

A Person entitled and subject to membership in the Association pursuant to Section 3.01, Page 9.

Section 1.20 Mortgage

A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Unit.



Section 1.21 Mortgagee

A beneficiary or holder of a Mortgage. <For example, a bank.>

Section 1.22 Neighborhood

A separately developed area within the Winding River Properties not governed by a Sub-Association (as defined in Section 1.32 below), in which the Owners of Units may have common interests other than those common to all Members of the Association. Current accepted Neighborhoods are Amberwood, Audubon Village, Autumn Chase, Brushwood, Cypress Ridge, Golfers Ridge, Riverhouse, Riverwood, and Seaside at Winding River Plantation and Urchin & Weatherly. These Neighborhoods shall be assessed Neighborhood Assessments, as set forth in Section 8.03, Page 24.

Section 1.23 Neighborhood Assessment

Assessments levied against the Units in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses.

Section 1.24 Neighborhood Expenses

The actual and estimated expenses incurred or anticipated to be incurred by the Association for the benefit of Owners of Units within a particular Neighborhood or Neighborhoods.

Section 1.25 Owner

One or more Persons who hold the record title to any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded land sales contract, and the contract specifically so provides, the purchaser (rather than the fee Owner) will be considered the Owner. If a Unit is owned by more than one Person, all such Persons shall be jointly and severally obligated to perform the responsibilities of such Owner.

Section 1.26 Person

A natural person, a corporation, a partnership, a limited liability company, a fiduciary acting on behalf of another person or any other legal entity.

Section 1.27 Private Amenity

Certain real property and any improvements and facilities thereon located adjacent to, in the vicinity of, or within the Winding River Properties, and which are owned and operated, in whole or in part, by Persons other than the Association for recreational or other purposes on a club membership, daily fee, use fee, public, or private basis or otherwise, and may include, without limitation, any golf courses, marina, or beach club so located and all related and supporting facilities and improvements.

Section 1.28 Public Records

The Office of the Register of Deeds of Brunswick County, North Carolina.

Section 1.29 Seaside Property

That certain property designated as Seaside Property as described in Schedule 1.29: Seaside Property Page 51, attached hereto and incorporated herein by reference.

Section 1.30 Special Assessment

Assessments levied in accordance with Section 8.05, Page 24.

Section 1.31 Specific Assessment

Assessments levied in accordance with Section 8.06, Page 25.



Section 1.32 Sub-Association

An incorporated subsidiary association located within the Winding River Properties. Owners of Units subject to the jurisdiction of a Sub-Association shall also be Members of the Association. Currently, the Sub-Associations are Sandy Creek Village Townhomes and Clear Water Place Condominiums. These Sub-Associations compute and assess their own Sub-Association assessments.

Section 1.33 Supplemental Declaration

An instrument filed in the Public Records which subjects additional property to this Declaration, designates Neighborhoods, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

Section 1.34 Unit

A Unit is a portion of the Winding River Properties, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use, and occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, which is part of the Unit as well as any improvements thereon. The term shall include within its meaning, by way of illustration but not limitation, townhouse units, cluster homes, patio or zero lot line homes, and single-family detached houses on separately platted lots, as well as vacant land intended for development as such, but shall not include Common Area, common property owned and/or maintained and administered by any Sub-Association, or property dedicated to the public. In the case of a building within a condominium or other structure containing multiple dwellings, each dwelling shall be deemed to be a separate Unit.

In the case of a parcel of vacant land on which improvements are under construction, the parcel shall be deemed to be a single Unit until such time as a subdivision plat or condominium plat is filed of record on all or a portion of the parcel. Thereafter, the portion encompassed by such plat shall contain the number of Units determined as set forth in the preceding paragraph and any portion not encompassed by such plat shall continue to be treated in accordance with this paragraph.

Section 1.35 Winding River Properties

The Winding River Properties refers to the real property described in Exhibit A together with such additional property as is subjected to this Declaration in accordance with Article 7, including but not limited to those Units, amenities, and other Association-owned property.

Article II. PROPERTY RIGHTS

Section 2.01 Common Area

Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area, which is appurtenant to the title to each Unit, subject to:

- (a) This Declaration and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Association;
- (c) The right of the Board to adopt, amend and repeal rules regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;
- (d) The right of the Board to suspend the right of an Owner to use specific facilities within the Common Area pursuant to Section 4.03, Page 11;



- (e) The right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;
- (f) The right of the Board to impose reasonable requirements and charge reasonable admission or other use fees for the use of any facility situated upon the Common Area;
- (g) The right of the Board to permit use of any facilities situated on the Common Area by persons other than Owners, their families, lessees and guests upon payment of reasonable use fees, if any, established by the Board;
- (h) The right of the Association, acting through the Board, to mortgage or otherwise pledge any or all of its real or personal property as security for money borrowed or debts incurred; and
- (i) The rights of certain Owners to the exclusive use of those portions of the Common Area designated "Limited Common Areas," as more particularly described in Section 2.02, Page 6.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, and social invitees, as applicable, subject to reasonable regulation by the Board.

An Owner who leases his or her Unit shall be deemed to have assigned all such rights to the lessee of such Unit.

Section 2.02 Limited Common Area

Certain portions of the Common Area may be designated as Limited Common Area and reserved for the exclusive use or primary benefit of Owners and occupants of specified Units or Neighborhoods. By way of illustration and not limitation, Limited Common Areas may include gated entry and other entry features, recreational and other facilities, roads, landscaped medians and cul-de-sacs, ponds, lakes and other portions of the Common Area within a particular Neighborhood or Neighborhoods. All costs associated with maintenance, repair, replacement, and insurance of a Limited Common Area shall be assessed against the Owners of Units to which the Limited Common Areas are assigned either as a Neighborhood Assessment or as a Specific Assessment, as applicable.

Initially, any Limited Common Area shall be designated as such, and the exclusive use thereof shall be assigned, in the deed by which the Common Area is conveyed to the Association or on the subdivision plat relating to such Common Area. A portion of the Common Area may be assigned as Limited Common Area of particular Units or a particular Neighborhood or Neighborhoods and Limited Common Area may be reassigned upon approval of the Board and the affirmative vote of a Majority of the Members, including, if applicable, a Majority of Members within the Neighborhood to which the Limited Common Area is assigned, if previously assigned, and within the Neighborhood(s) to which the Limited Common Area is to be assigned or reassigned.

The Association may, upon approval of a Majority of the Members within the Neighborhood(s) to which any Limited Common Area is assigned, permit Owners of Units in other Neighborhoods to use all or a portion of such Limited Common Area upon payment of reasonable user fees, which fees shall be used to offset the Neighborhood Expenses or Specific Assessments attributable to such Limited Common Area.

(a) Limited Common Areas at Seaside at Winding River Plantation

The Association has constructed a dock and boat mooring facility containing 6 assigned and 4 community boat slips which may be assigned by the Association to specific Units as Limited Common Area in accordance with the Declaration. Any such assignment shall provide to the assignee the exclusive right to occupy the specific boat slip at Seaside Marina; provided however, such space and facility shall be and remain Limited Common Area of the Association and shall be



subject to such rules and regulations as may be from time to time adopted by the Association for the use of boat slips, including any surcharge imposed by the Association on such assignees. The Association shall be responsible for maintaining the Seaside Marina in good condition and repair consistent with the Community-Wide Standard and this Declaration. The costs of such maintenance and repair shall be assessed against the Units to which the boat slips are assigned as Specific Assessments pursuant to Section 8.06, Page 25 of this Declaration, and each Unit is responsible for one tenth (1/10) of the cost of such maintenance and repair as specified in Section 5.01, Page 15 of this Declaration (including the Association for the four (4) community boat slips); provided, however, any cost of any repair or maintenance which is incurred as a result of the misuse of the boat slips by any Owner shall be the responsibility of the Owner causing the misuse.

Any boat slip may be subsequently reassigned by an Owner but may be assigned only to another Unit within the Winding River Properties (being the WINDING RIVER PLANTATION SUBDIVISION, which includes but is not limited to the Units in SEASIDE AT WINDING RIVER). Any such instrument of assignment shall clearly state the Unit to which the boat slip is being assigned and shall be recorded in the Office of the Register of Deeds of Brunswick County. The Association shall be provided with written notice of such transfer or assignment by the assignor prior to the recordation of the instrument. The conveyance of a Unit to which a boat slip is assigned shall be sufficient to convey use of such boat slip, notwithstanding the fact that the deed of conveyance shall not refer to said boat slip. In the event an Owner shall intend not to transfer any boat slip with the conveyance of the Unit to which the boat slip is assigned, then such conveyance must so state that intention and an instrument transferring the boat slip to another Unit shall be recorded simultaneously. In the event a Person conveys a Unit to which a boat slip is assigned and fails to transfer the boat slip to another Unit simultaneously, then the boat slip assigned to such Unit as of the date of the conveyance shall be automatically transferred with the conveyance of such Unit, notwithstanding any intentions to the contrary expressed in the conveyance. Any attempted transfer of a boat slip to a Person who does not own a Unit in the Winding River Properties shall be void and of no effect and shall not transfer any rights to or ownership of said boat slip.

Section 2.03 No Partition

Except as permitted in this Declaration, there shall be no judicial partition of the Common Area. No Person shall seek any judicial partition unless the portion of the Common Area which is the subject of such partition action has been removed from the provisions of this Declaration.

This Article shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

Section 2.04 Condemnation

If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of 67% of the Members) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land including in the Common Area to the extent available, unless within 60 days after such taking the 67% of the



Members shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 6.01 (c), Page 21 regarding funds for the repair of damage or destruction shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

Section 2.05 Property Rights and Limitations as applied to Seaside at Winding River Plantation

(a) General

This Article sets forth additional rights and limitations with respect to the use of the property comprising the Seaside at Winding River Plantation Neighborhood, which shall be in addition to, and not lieu of, those rights and limitations in the Declaration, including but not limited to the use restrictions set forth in Article 10 of the Declaration.

(b) Beach, Intracoastal Waterway, and Beach and Intracoastal Waterway Pedestrian Access

Each Owner acknowledges, understands and covenants to inform its lessees and all occupants of such Owner's Unit, that portions of Seaside at Winding River Plantation are located adjacent to public beach Areas of the Atlantic Ocean or the Atlantic Intracoastal Waterway which are not owned by the Association and that an easement for public access to the beach areas and the Atlantic Intracoastal Waterway has been reserved across Seaside at Winding River Plantation as shown on that certain Final Plat of Survey for Seaside at Winding River, Holden Beach, North Carolina, recorded in Map Cabinet 18, Page 511. Brunswick County, North Carolina public land records (the "Plat"). Each Owner further acknowledges, understands and covenants to inform its lessees and all occupants of such Owner's Unit, that there may be certain inconveniences and loss of privacy associated with the ownership of Units adjacent to public beach areas, the Atlantic Intracoastal Waterway and public access easements resulting from the use of the beach, the Intracoastal Waterway, and the access easement by the Association, its Members, their families, lessees, invitees and guests, and the public. Each Owner, on its own behalf and on behalf of such Owner's family members, occupants, lessees, guests and invitees, acknowledges that neither the Association nor the Board shall in any way be held liable for any personal injury, illness or other loss or damage caused by the public's use and access to these facilities.

Members and their guests are entitled to enjoy and utilize the public beach, the Intracoastal Waterway and the beach access easement in accordance with any and all rules and regulations established by the Association and the United States Army Corp of Engineers, the State of North Carolina, the Town of Holden Beach, and any other governmental authority having regulatory authority for these areas.

(c) Beach Club

The facility known as the "Seaside Beach Club" (the "Beach Club") shall be owned, operated and maintained by the Association as Common Area for the primary use and benefit of the Members of the Association. The Board of Directors of the Association shall have the right and authority to adopt rules and regulations, implement and collect fees for use of the facilities comprising the Beach Club and to enforce any rules and regulations in accordance with the powers granted to the Board in the Declaration.



Members of the Association shall have the right to park in the gated parking areas located at the Beach Club, subject to any fees, rules or regulations imposed by the Board of Directors of the Association.

(d) Seaside Marina

Seaside Marina consists of approximately 1.08 acres located along the Atlantic Intracoastal Waterway as shown on the Plat recorded in Map Book 18, Page 511. It shall be maintained by the Association in accordance with the Declaration. The Board of Directors of the Association may adopt, implement and enforce any and all rules and regulations as it deems necessary or proper with respect to the use of the facilities of the Seaside Marina.

(e) Prohibition of Timeshares

No Unit shall be subjected to timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Unit rotates among participants in the program on a fixed or floating time schedule over a period of years.

(f) Access Easement

The pathways and sidewalks located within the Neighborhood providing access to the beach area and the Intracoastal Waterway shall be utilized for pedestrian traffic only. No motorized or vehicular traffic shall be permitted within the pathways or sidewalks.

(g) Design Guidelines

Each Owner hereby acknowledges that the ARB has adopted Design Guidelines which are applicable to all of Winding River Plantation as well as specific guidelines which are applicable only to the property within Seaside at Winding River Plantation. Any initial construction or modifications within Seaside at Winding River Plantation shall comply with the Governing Documents, which shall include, but are not limited, to these Design Guidelines, as they may be amended from time to time pursuant to this Declaration.

(h) Amendments to this Section

In addition to the requirements of Section 14.02, Page 44 of this Declaration with respect to amendment by Members, any amendment to this Section shall also require the written consent or affirmative vote, or any combination thereof, of Members holding at least sixty-seven percent (67 %) of the total votes allocated to the Units within Seaside at Winding River Plantation.

Article III. MEMBERSHIP AND VOTING RIGHTS

Section 3.01 Membership

Every Owner of a Unit shall be a Member of the Association. If a membership is held by more than one Person, all Persons shall share in the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 3.02(b), Page 10 and in the By-Laws. The membership rights of any member which is not a natural person may be exercised by any officer, director, partner or trustee, or by any individual designated from time to time by the Member in a written instrument delivered to the secretary of the Association.

Section 3.02 Voting

The Association shall have one class of membership, as set forth below.



(a) Eligible Voters

All Members of the Association shall be eligible Voters. All Members shall have one equal vote for each Unit in which they hold the interest required for membership under Section 3.01, Page 9; provided however, there shall be only one vote per Unit and no vote shall be exercised for any property which is exempt from assessment under Section 8.10, Page 26. All Member's votes shall be cast as provided in Section 3.02(b), Page 10.

(b) Exercise of Voting Rights

Except as otherwise specified in this Declaration or the By-Laws, the vote for each Unit owned by a Member shall be exercised personally by said Member, provided that no vote shall be exercised for any Unit if the assessment for such Unit is delinquent.

In the event that any Unit is owned by more than one Owner, and if only one Owner is present at a meeting of the Association, that Owner so present shall be entitled to cast the vote for that Unit. If more than one Owner of a Unit is present, the vote appurtenant to that Unit shall be cast only in accordance with unanimous agreement of such Owners who are present at the meeting and such agreement shall be conclusively presumed if any of them purports to cast the vote appurtenant to the Unit without protests being made forthwith to the individual presiding over the meeting by any of the other Owners having an ownership interest in the Unit.

Section 3.03 Neighborhoods

The Owner(s) of a Majority of the total number of Units within any Neighborhood may at any time petition the Board of Directors to divide the property comprising the Neighborhood into two or more Neighborhoods. Such petition shall be in writing and shall include a survey of the entire parcel which indicates the proposed boundaries of the new Neighborhoods or otherwise identifies the Units to be included within the proposed Neighborhoods. Such petition shall be deemed granted thirty (30) days following the filing of all required documents with the Board unless the Board of Directors denies such application in writing within such 30 day period. The Board may deny an application only upon determination that there is no reasonable basis for distinguishing between the areas proposed to be divided into separate Neighborhoods. All applications and copies of any denials shall be filed with the books and records of the Association and shall be maintained as long as this Declaration is in effect.

The Units within a particular Neighborhood may be subject to additional covenants. All neighborhoods may choose, but shall not be required to elect a Neighborhood Committee, as described in the By-Laws, to represent the interests of Owners of Units in such Neighborhood.

Any Neighborhood may request that the Association provide a higher level of service or special services for the benefit of Units in such Neighborhood and, upon the affirmative vote, written consent, or a combination thereof, of Owners of a Majority of the Units within the Neighborhood, the Association may, in its sole discretion, provide the requested services. The cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate (provided any such administrative charge shall apply at a uniform rate per Unit to all Neighborhoods receiving the same service), shall be assessed against the Units within such Neighborhood as a Neighborhood Assessment pursuant to Article VIII hereof.



Article IV. RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 4.01 Function of Association

The Association shall be the entity responsible for management, maintenance, operation and control of the Common Area and all improvements thereon. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable rules regulating use of the Winding River Properties as the Board may adopt pursuant to Article X. The Association shall also be responsible for administering and enforcing the architectural standards and controls set forth in this Declaration and in the Design Guidelines. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of North Carolina.

Section 4.02 Personal Property and Real Property for Common Use

The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. Property owned by the Association includes private streets, entry features and gates, recreational amenities, and facilities. Such property is maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association.

Section 4.03 Enforcement

The Board or the Covenants Committee may impose sanctions for violation of this Declaration, the By-Laws, any Supplemental Declaration, or any rule or regulation, after compliance with the notice and hearing procedures set forth in Section 14.03, Page 44. Such sanctions may include, without limitation:

- (a) Fines
Imposing reasonable monetary fines which shall constitute a lien upon the Unit.
- (b) Filing Liens
Filing liens in the Public Records for nonpayment of any assessments or fees.
- (c) Filing Notices of Violations
Filing notices of violations in the Public Records providing record notice of any violation of the Governing Documents.
- (d) Suspending Voting Rights
Suspending an Owner's right to vote.
- (e) Suspending Amenity Use
Suspending any Person's right to use any facilities within the Common Area; provided however, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit.
- (f) Suspending Services
Suspending any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association.
- (g) Levying Specific Assessments
Levying Specific Assessments to cover costs incurred in bringing a Unit into compliance in accordance with Section 8.06(b), Page 25.



In addition, the Board or the Covenants Committee may elect to enforce any provision of this Declaration, the By-Laws, any Supplemental Declaration, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules without a hearing) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedures set forth in the By-Laws. Additionally, the Board may require pets to be removed if the pet is in violation of pet rules.

All remedies set forth in this Declaration and the By-Laws shall be cumulative of any remedies available at law or in equity. In any action to enforce the provisions of this Declaration, the By-Laws, any Supplemental Declaration, or any rule or regulation, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action.

The Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board in the exercise of its business judgment determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action. Any such determination shall not be construed as a waiver of the right of the Association to enforce such provision under any circumstances or prevent the Association from enforcing any other covenant, restriction or rule.

The Association, by contract or other agreement, may enforce county ordinances, if applicable, and permit local governments to enforce ordinances on the Winding River Properties for the benefit of the Association and its Members.

Section 4.04 Implied Rights: Board Authority

The Association may exercise any right or privilege given to it expressly by this Declaration or the By-Laws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in this Declaration, the By-Laws, the Articles, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

Section 4.05 Governmental Interests

The Association may designate sites within the Winding River Properties for fire, police, and utility facilities, public schools and parks, streets, and other public or quasi-public facilities. The sites may include Common Areas, in which case the Association shall take whatever action is required with respect to such site to permit such use, including conveyance of the site. The sites may include other property not owned by the Association provided the owner consents.

Section 4.06 Indemnification

The Association shall indemnify, to the fullest extent permitted by law and this Article, any person who is or was a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding (and any appeal therein), whether civil, criminal, administrative, arbitrative, or investigative and whether or not brought by or on behalf of the Association, by reason of the fact that such person is or was a director, officer, or committee member of the Association, or is or was serving at the request of the Association as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise or as a trustee or administrator under an employee benefit plan, or arising out of such party's activities in any of the foregoing capacities, against all liability and litigation expense, including reasonable attorney fees; provided, however, that the Association shall not indemnify any such person against liability or expense incurred on account of such person's activities which were at the time taken known or believed by such person to be clearly in conflict with the best interests of the



Association or if such person received an improper personal benefit from such activities. The Association likewise shall indemnify any such person for all reasonable costs and expenses (including attorney fees) incurred by such person in connection with the enforcement of such person's right to indemnification granted herein.

The Association shall pay all expenses incurred by any claimant hereunder in defending a civil or criminal action, suit, or proceeding as set forth above in advance of the final disposition of such action, suit, or proceeding upon receipt of and undertaking by or on behalf of such claimant to repay such amount unless it ultimately shall be determined that such claimant is entitled to be indemnified by the Association against such expenses.

The Board shall take all such action as may be necessary and appropriate to authorize the Association to pay the indemnification required by this Declaration, including without limitation, (a) a determination by a majority vote of disinterested directors (i) that the activities giving rise to the liability or expense for which indemnification is requested were not, at the time taken, known or believed by the person requesting indemnification to be clearly in conflict with the best interests of the Association and (ii) that the person requesting indemnification did not receive an improper personal benefit from the activities giving rise to the liability or expense for which indemnification is requested, and (b) to the extent needed, giving notice to the members of the Association.

Any person who serves or has served in any of the aforesaid capacities for or on behalf of the Association shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this Bylaw.

Section 4.07 Dedication of Common Area

The Association may dedicate portions of the Common Area to Brunswick County, North Carolina, or to any other local, state, or federal governmental or quasi-governmental entity.

Section 4.08 Conveyance or Encumbrance of Common Areas

Portions of the Common Areas may be conveyed or subjected to a security interest by the Association only by the written consent of eighty percent (80%) of the Members; provided that all the Owners of Units to which any Limited Common Area is allocated shall agree in order to convey those Limited Common Areas or subject them to a security interest. This Section 4.08, Page 13 is applicable to Common Areas including, but are not limited to, Association buildings, marinas, tennis courts, swimming pools, corral, community gardens, and other amenities, but explicitly excluding personal property, fixtures, or any Units owned by the Association to the extent that such personal property, fixtures, or Units are deemed part of the Common Areas. Distribution of proceeds of the sale of Limited Common Areas shall be as provided by agreement between the Unit Owners to which they are allocated and the Association. Proceeds of the sale or financing of a Common Area shall be an asset of the Association.

Section 4.09 Security

The Association may, but shall not be obligated to, maintain or support certain activities within the Winding River Properties designed to make the Winding River Properties safer than they otherwise might be. The Association shall not in any way be considered insurers or guarantors of security within the Winding River Properties, nor shall the Association be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any security system or other measure, including any mechanism



or system for limiting access to the Winding River Properties, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all occupants of its Unit that the Association, its Board of Directors and committees are not insurers and that each Person using the Winding River Properties assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

Section 4.10 Street Lighting Agreement

The Association reserves the right to subject the Winding River Properties to a contract with an electric utility company for the installation of underground electric cables and/or the installation of street lighting, either or both which may require an initial payment and/or a continuing monthly payment to an electric utility company by the Association.

Section 4.11 Golf Course

By acceptance of a deed to any Unit, each Owner acknowledges and agrees that owning property adjacent to a golf course has benefits as well as detriments and that the detriments include: (a) the risk of damage to property or injury to persons and animals from golf balls which are hit onto an Owner's Unit or other portion of the Winding River Properties; (b) the entry by golfers onto an Owner's Unit or other portion of the Winding River Properties utilized by the Owner to retrieve golf balls; (c) overspray in connection with the watering of the roughs, fairways and greens on the golf course; (d) noise from golf course maintenance and operation equipment (including, without limitation, compressors, blowers, mulches, tractors, utility vehicles and pumps, all of which may be operated at all times of the day and night and/or continuously); (e) odors arising from irrigation and fertilization of the turf situated on the golf course; and (f) disturbance and loss of privacy resulting from golf cart traffic and golfers. Additionally each Owner acknowledges that pesticides and chemicals may be applied to the golf course throughout the year and that reclaimed water, treated waste water or other sources of non-potable water may be used for irrigation of the golf course.

Each Owner expressly assumes such detriments and risks and agrees that the Association or its Members (in their capacity as such); the owner(s) of any golf course or their successors, successors-in-title, or assigns; any officer, director or partner of any of the foregoing; nor any officer or director of any partner of any of the foregoing shall be liable to any Owner or anyone claiming any loss or damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury, destruction of property, trespass or any other alleged wrong or entitlement to remedy based upon, due to, arising from or otherwise related to the proximity of an Owner's Unit to any golf course, including, without limitation, any claim arising in whole or in part from the negligence of the Association, the owner of any golf course, or their successors or assigns. Each Owner hereby agrees to indemnify and hold harmless the Association and its Members (in their capacity as such); the owner(s) of the Private Amenities and their successors, successors-in-title, and assigns; any officer, director or partner of any of the foregoing; and any officer or director of any partner of the foregoing against any and all such claims by Owner's invitees.



Article V. MAINTENANCE

Section 5.01 Association's Responsibility

(a) Areas Included

The Association shall maintain and keep in good condition, order and repair the Common Area, which shall include, but need not be limited to:

- i. Common Area, including the Limited Common Area;
- ii. All landscaping and other flora, parks, lakes, ponds, structures, and improvements, including any entry features, private streets, bike and pedestrian pathways/trails, situated upon the Common Area;
- iii. All furnishings, equipment and other personal property of the Association;
- iv. Any landscaping and other flora, buffers, parks, bike and pedestrian pathways/trails, structures and improvements within public rights-of-way within or abutting the Winding River Properties or upon such other public land adjacent to the Winding River Properties as deemed necessary at the discretion of the Board;
- v. Such portions of any additional property included within the Common Area as may be dictated by this Declaration, any Supplemental Declaration, any Cost Sharing Agreement, or any contract or agreement for maintenance thereof entered into by the Association; and
- vi. All streams and/or wetlands located within the Winding River Properties which serve as part of the drainage and storm water retention system for the Winding River Properties, including any retaining walls, bulkheads or dams (earthen or otherwise) retaining water therein, and any fountains, lighting, pumps, conduits, and similar equipment installed therein or used in connection therewith.

The Association may, as a Common Expense, maintain other property and improvements which it does not own, including, without limitation, property dedicated to the public, or provide maintenance or services related to such property over and above the level being provided by the property Owner, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. For example, the Association may maintain any fence, wall, entry feature or sign serving to enhance or designate the entry to Winding River Plantation regardless that such improvements are not located within the Common Area or the Winding River Properties.

(b) Relief from Maintenance

The Association may be relieved of all or any portion of its maintenance responsibilities herein to the extent that (a) such maintenance responsibility is otherwise assumed by or assigned to an Owner, a Neighborhood Committee, a Sub-Association, or the owner of a Private Amenity or (b) such property is dedicated to any other local, state or federal governmental or quasi-governmental entity; provided however, that in connection with such assumption, assignment or dedication, the Association may reserve or assume the right or obligation to continue to perform all or any portion of its maintenance responsibilities, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

(c) Vote to Discontinue

The Association shall maintain the facilities and equipment within the Common Area in continuous operation, except for any periods necessary, as determined in the sole discretion of



the Board, to perform required maintenance or repairs, unless 67% of Members agree in writing to discontinue such operation.

(d) Exceptions

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Common Area shall be a Common Expense to be allocated among all Units as part of the General Assessment, without prejudice to the right of the Association to seek reimbursement from the Owner(s) of, or other Persons responsible for, certain portions of the Common Area pursuant to this Declaration, any Cost Sharing Agreements, any recorded covenants, or any agreements with the Owner(s) thereof. All costs associated with maintenance, repair and replacement of Limited Common Areas shall be a Neighborhood Expense assessed as a Neighborhood Assessment solely against the Units within the Neighborhood(s) to which the Limited Common Areas are assigned, or a Specific Assessment against the particular Units to which the Limited Common Areas are assigned, notwithstanding that the Association may be responsible for performing such maintenance hereunder.

Section 5.02 Owners' Responsibilities

Each Owner shall maintain his or her Unit, and all structures, parking areas, and other improvements comprising the Unit in a manner consistent with the Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association. With respect to any Unit upon which a dwelling has not yet been constructed, such maintenance responsibility shall include, but is not limited to, the removal of all litter and trash and maintenance of the property in accordance with the Community-Wide Standard. In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner in accordance with Section 8.06, Page 25. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

Section 5.03 Sub-Associations' Responsibilities

Any Sub-Association having responsibility for maintenance on the properties within the Winding River Properties pursuant to additional covenants applicable to such Sub-Association shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard.

The Owners of Units within each Sub-Association shall be responsible for paying, to the Sub-Association assessments, and the costs of operating, maintaining and insuring the common area and limited common area within the Sub-Association. This may include, without limitation, the costs of maintaining any signage, entry features, right-of-way and greenspace and adjacent public roads, private streets within the Sub-Association's portion of the Winding River Properties, and lakes or ponds within the Sub-Association's portion of the Winding River Property, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association; provided however, all Sub-Association which are similarly situated shall be treated the same.

If a Sub-Association fails to do so, the Association may perform such responsibilities and assess the costs as a Specific Assessment against all Units within such Sub-Association as provided in Section 8.06, Page 25.



Section 5.04 Neighborhoods' Responsibilities

Owners of Units within each Neighborhood shall be responsible for paying, through Neighborhood Assessments, the costs of operating, maintaining, and insuring certain portions of the Limited Common Area within or adjacent to such Neighborhood. This may include, without limitation, the costs of maintaining any signage, entry features, right-of-way and greenspace between the Neighborhood and adjacent public roads, private streets within the Neighborhood, and lakes or ponds within the Neighborhood, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association; provided however, all Neighborhoods which are similarly situated shall be treated the same.

Any Neighborhood having responsibility for maintenance within a particular Neighborhood shall perform such maintenance responsibility in a manner consistent with the Community-Wide Standard. If it fails to do so, the Association may perform such responsibilities and assess the costs as a Neighborhood Assessment against all Units within such Neighborhood.

Section 5.05 Standard of Performance

Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants. The Association, and/or an Owner and/or a Sub-Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

Section 5.06 Party Walls and Similar Structures

(a) General Rules of Law to Apply

Each wall, fence, driveway or similar structure built as a part of the original construction on the Units which serves and/or separates any two adjoining Units shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance

The cost of reasonable repair and maintenance of a party structure shall be shared equally by the Owners who make use of the party structure.

(c) Damage and Destruction

If a party structure is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner who has used the structure may restore it. If other Owners thereafter use the structure, they shall contribute to the restoration cost in equal proportions. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Right to Contribution Runs with Land

The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.



Section 5.07 Cost Sharing Agreements

The Association may enter into Cost Sharing Agreements with the owners or operators of portions of the Adjacent Properties:

- (a) To obligate the owners or operators of such Adjacent Properties to share in certain costs associated with the maintenance, repair, replacement and insuring of portions of the Common Area, if any, which are used by or benefit jointly the owners or operators of such Adjacent Properties and the Owners within the Winding River Properties;
- (b) To permit the use of any recreational and other facilities located on such Adjacent properties by the Owners of all Units or by the Owners of Units within specified Neighborhoods; and/or
- (c) To obligate the Association to share in certain costs associated with the maintenance, repair, replacement and insuring of portions of such Adjacent Properties, if any, which are used by or benefit jointly the owners of such Adjacent Properties and the Owners within the Winding River Properties.

The owners of such Adjacent Properties shall not be Members of the Association and shall not be entitled to vote on any Association matter.

The owners of such Adjacent Properties shall be subject to assessment by the Association only in accordance with the provisions of such Cost Sharing Agreement(s). If the Association is obligated to share costs incurred by the owners of such Adjacent Properties, the Cost Sharing Agreement shall provide whether such payments by the Association shall constitute Common Expenses of the Association. The owners of the Adjacent Properties shall not be subject to the restrictions contained in this Declaration except as otherwise specifically provided herein.

Article VI. INSURANCE AND CASUALTY LOSSES

Section 6.01 Association Insurance

- (a) Required Coverages
 - i. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:
 - ii. Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area, if any, and on other portions of the Common Area to the extent that it has assumed responsibility for maintenance, repair and/or replacement in the event of a casualty. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The Association shall have the authority to and interest in insuring any property for which it has maintenance or repair responsibility, regardless of ownership. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements;



- iii. Commercial general liability insurance on the Common Area, insuring the Association and the Owners for damage or injury caused by the negligence of the Association or any of the Owners, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, the commercial general liability coverage (including primary and any umbrella coverage) shall have a limit of at least \$1,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage, provided should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;
- iv. Workers compensation insurance and employers liability insurance, if and to the extent required by law;
- v. Directors and officers liability coverage including, but not limited to, coverage for non-monetary loss and discrimination;
- vi. Fidelity and crime insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment but not less than an amount equal to one-sixth of the annual General Assessments on all Units plus reserves on hand, Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and
- vii. Such additional insurance as the Board, in its best business judgment, determines advisable, which may include, without limitation, flood insurance, boiler and machinery insurance, and building ordinance coverage.

In the event that any portion of the Common Area is or shall become located in an area identified by the Federal Emergency Management Agency ("FEMA") as an area having special flood hazards, a "blanket" policy of flood insurance on the Common Area must be maintained in the amount of 100% of current "replacement cost" of all effected improvements and other insurance property or the maximum limit of coverage available, whichever is less.

In addition, the Association may obtain and maintain property insurance on the insurable improvements within any Neighborhood in such amounts and with such coverages as the Owners in such Neighborhood may agree upon pursuant to Section 3.03, Page 10. Any such policies shall provide for a certificate of insurance to be furnished to the Sub-Association or Neighborhood Committee, as applicable, and to the Owner of each Unit insured.

Premiums for all insurance on the Common Area shall be Common Expenses and shall be included in the General Assessment, except that (i) premiums for property insurance obtained on behalf of a Neighborhood shall be charged to the Owners of Units within the benefitted Neighborhood as a Neighborhood Assessment; and (ii) premiums for insurance on Limited Common Areas may be included in the Assessments of the Neighborhood(s) benefitted unless the Board of Directors reasonably determines that other treatment of the premiums is more appropriate. The Association shall have no insurance responsibility for any portion of the Private Amenities.

(b) Policy Requirements

The Association shall arrange for an annual review of the sufficiency of insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in Brunswick County, North Carolina.



All Association policies shall provide for a certificate of insurance to be furnished to each Owner insured and to the Association, upon request.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 6.01(a), Page 18. In the event of an insured loss, the deductible shall be treated as a Common Expense or a Neighborhood Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Units pursuant to Section 8.06, Page 25.

All insurance coverage obtained by the Board shall:

- i. Be written with a company authorized to do business in the State of North Carolina which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;
- ii. Be written in the name of the Association as trustee for the benefitted parties. Policies on the Common Areas shall be for the benefit of the Association and the Owners. Policies secured on behalf of a Neighborhood shall be for the benefit of the Owners or Units within the Neighborhood;
- iii. Not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;
- iv. Contain an inflation guard endorsement; and
- v. Include an agreed amount endorsement, if the policy contains a co-insurance clause.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

- i. A waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;
- ii. A waiver of the insurer's rights to repair and reconstruct instead of paying cash;
- iii. An endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;
- iv. An endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;
- v. An endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;
- vi. A cross liability provision; and
- vii. A provision vesting in the Board exclusive authority to adjust losses; provided however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.



(c) Damage and Destruction

Immediately after damage or destruction to all or any part of the Winding River Properties covered by insurance written in the name of the Association, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Any damage to or destruction of the Common Area shall be repaired or reconstructed unless at least eighty percent (80%) of the Members, decide within 60 days after the loss not to repair or reconstruct. Any damage or construction to the Limited Common Area shall be repaired or reconstructed unless one hundred percent (100%) of the Units or Neighborhoods assigned to the Limited Common Area decide within 60 days after the loss not to repair or reconstruct.

If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed 60 additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association, as appropriate, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Members, levy Special Assessments to cover the shortfall. This Special Assessment shall be levied against those Owners responsible for the premiums for the applicable insurance coverage under Section 6.01(a), Page 18.

Section 6.02 Owner's Insurance

By virtue of taking title to a Unit, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on his or her Unit, less a reasonable deductible. If the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners, the premiums for such insurance shall be levied as a Specific Assessment against the benefitted Unit and the Owner thereof pursuant to Section 8.06, Page 25.

In cases where a Sub-Association has purchased the required property insurance on behalf of the Owner, the Owner is not obligated to buy such insurance unless required by the Sub-Association's governing documents.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct in a manner



consistent with the original construction or such other plans and specifications as are approved in accordance with Article 9. Alternatively, the Owner shall clear the Unit of all debris and ruins and maintain the Unit in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

Section 6.03 Sub-Association Insurance

Each Sub-Association shall carry, or shall require its Owners to carry, property insurance for the full replacement cost of all condominium and/or townhouse structures and any Sub-Association Common Areas and Limited Common Areas located within the Sub-Association's portion of the Winding River Properties, less a reasonable deductible.

Each Sub-Association further covenants and agrees that in the event of damage to or destruction of structures on or comprising the common areas within the Sub-Association, the Sub-Association shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article 9. Alternatively, the Sub-Association shall clear its property of all debris and ruins and maintain it in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Sub-Association shall pay any costs which are not covered by insurance proceeds.

Additional recorded covenants applicable to any Sub-Association may establish more stringent requirements for insurance and more stringent standards for rebuilding or reconstructing structures on the Units within such Sub-Association and for clearing and maintaining the Units in the event the structures are not rebuilt or reconstructed.

Article VII. ANNEXATION OF PROPERTY

Section 7.01 Annexation with Approval of Membership

The Association may annex any real property to the provisions of this Declaration with the consent of the Owner of such property and the affirmative vote of a Majority of the Members represented at a meeting duly called for such purpose.

Such annexation shall be accomplished by filing a Supplemental Declaration describing the property being annexed in the Public Records. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the Owner of the annexed property. Any such annexation shall be effective upon filing unless otherwise provided therein.

Article VIII. ASSESSMENTS

Section 8.01 Creation of Assessments

There are hereby created assessments for Association expenses as the Board may specifically authorize from time to time. There shall be five (5) types of assessments: (a) General Assessments to fund Common Expenses for the general benefit of all Units; (b) Sub-Association Assessments for Sub-Association Expenses benefitting only Units within a particular Sub-Association(s); (c) Special Assessments as described in Section 8.05, Page 24; (d) Specific Assessments as described in Section 8.06, Page 25; and (e) Neighborhood Assessments described in Section 8.03, Page 24. Each Owner, by accepting a deed or entering into a contract of sale for any portion of the Winding River Properties, is deemed to covenant and agree to pay these assessments.

All assessments and fees, together with interest, late charges, costs of collection, and reasonable attorneys' fees, shall be a charge and continuing lien upon each Unit against which the assessment is



made until paid, as more particularly provided in Section 8.07, Page 25. Each such assessment, together with interest, late charges, costs, and reasonable attorneys' fees, also shall be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no first Mortgagee who obtains title to a Unit by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon request, furnish to any Owner liable for any type of assessment a written statement signed by an Association officer setting forth whether such assessment has been paid. Such statement shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such statement.

Assessments shall be paid in such manner and on such dates as the Board may establish, which may include discounts for early payment or similar time/price differentials. Unless the Board otherwise provides, the General Assessment and any Sub-Association Assessment shall be due and payable in advance on the first day of each fiscal year. If the Board so elects, assessments may be paid in two or more installments. Any assessment or installment thereof shall be considered delinquent on the 15th day following the due date; unless the date of delinquency is otherwise specified by Board resolution. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment.

No Owner may exempt himself from liability for assessments by non-use of Common Area, including Limited Common Area reserved for such Owner's use, abandonment of his Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Section 8.02 Computation of General Assessment

At least 30 days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the coming year, including a capital contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 8.03, Page 24.

General Assessments shall be levied equally against all Units subject to assessment and shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including reserves. In determining the total funds to be generated through the levy of General Assessments, the Board, in its discretion, may consider other sources of funds available to the Association, including any surplus from prior years and any assessment income expected to be generated from any additional Units reasonably anticipated to become subject to assessment during the fiscal year.

In advance of each fiscal year, the Board shall cause to be prepared and adopted a proposed budget in compliance with the Declaration. Within thirty (30) days after the adoption of any proposed budget for the Association, the Board shall provide a copy or summary of the budget to all Owners, and shall set a date and give notice for a meeting of the Owners to consider ratification of the budget. The date of the meeting of the Owners to consider ratification of the budget shall be not less than ten (10) nor more than



sixty (60) days after the mailing of the copy or summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at the meeting sixty-seven percent (67%) of all of the Owners of the Association rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

Section 8.03 Computation of Neighborhood Assessments

If necessary, the Board shall prepare a separate budget at least 30 days before the beginning of each fiscal year, covering the estimated Neighborhood Expenses for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration, any Supplemental Declaration, or the By-Laws specially authorizes the Board to assess certain costs as a Neighborhood Assessment. Any Neighborhood may request that additional services or a higher level of services be provided by the Association and, upon approval of Owners in accordance with Section 3.03, Page 10, any additional costs shall be added to such budget.

The Board shall cause a copy of such budget and notice of the amount of Neighborhood Assessment for the coming year to be delivered to each Owner of a Unit in the Neighborhood at least 30 days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved by Owners of a Majority of the Units in the Neighborhood to which the Neighborhood Assessment applies. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of Owners of at least 10% of the Units in such Neighborhood. This right to disapprove shall only apply to those line items in the Neighborhood budget which are attributable to services requested by the Neighborhood. If a meeting is requested, assessments pursuant to such proposed budget shall not become effective until after such meeting is held, provided such assessments shall be retroactive to the original effective date of the budget if the budget is not disapproved at such meeting.

If the Owners within any Neighborhood disapprove any line item of a Neighborhood budget, the Association shall not be obligated to provide the services anticipated to be funded by such line item of the budget. If the Board fails for any reason to determine a Neighborhood budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

Section 8.04 Reserve Budget and Capital Contribution

The Board shall annually prepare a reserve budget which takes into account the number and nature of replaceable assets within the Common Area, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect both to amount and timing by annual General Assessments over the budget period.

Section 8.05 Special Assessments

In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against all Units, if such Special Assessment is for Common Expenses. Special Assessments shall be allocated equally among all Units subject to such Special Assessment. Special Assessments for capital improvements must be approved by the affirmative vote, written consent, or any combination thereof, of fifty-one percent (51%) of the Members present at a meeting in person or by proxy who will be subject to such Special Assessment, provided that the Association shall not be required to obtain approval of the Members for Special Assessments to maintain, repair, or replace damaged



Common Areas, including without limitation, dredging the Common Area marina.. There shall be no obligation to call a meeting for the purpose of considering any Special Assessment except on petition of the Members as provided for special meetings in Section 3.03 of the By-Laws, which petition must be presented to the Board within 20 days after delivery of the notice of such Special Assessment. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved. Notwithstanding the above, any repairs to property owned by the Association, paid for by insurance proceeds, shall be authorized pursuant to Section 6.01(c), Page 21.

Section 8.06 Specific Assessments

The Association shall have the power to levy Specific Assessments against a particular Unit as follows:

- (a) To cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Unit(s) or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners and occupants (which might include, without limitation, landscape maintenance, janitorial service, pest control, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner; and
- (b) To cover costs incurred in bringing the Unit(s) into compliance with the terms of this Declaration, the By-Laws or rules, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; provided however, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing, in accordance with Section 14.03, Page 44, before levying any Specific Assessment under this subsection (b).

The obligation of the Board to provide notice and an opportunity for hearing in accordance with Section 14.03, Page 44 before levying a Specific Assessment as stated above shall not be applicable with respect to any action taken by the Association or Sub-Association for the failure by an Owner to perform any maintenance responsibility for any Unit upon which a dwelling has not yet been constructed as more particularly set forth in Section 5.02, Page 16 hereof.

The Association may also levy a Specific Assessment against the Units within any Sub-association to reimburse the Association for costs incurred in bringing the Sub-association into compliance with the provisions of the Declaration, any applicable Supplemental Declaration, the Articles, the By-Laws, and rules; provided however, the Board shall give prior written notice to the Owners of Units in the Sub-association and an opportunity for such Owners to be heard before levying any such assessment.

Section 8.07 Remedies for Non-Payment of Assessments

Any assessments or other charges which are not paid when due shall be delinquent. Delinquent assessments shall bear interest from the due date at the rate established by the Board of Directors of the Association, or if not set by the Board, at the highest rate allowed by law, together with such late fees as may be set by the Board. All assessments authorized in this Section shall constitute a lien against the Unit against which they are levied, as provided in N.C. Gen. Stat. § 47F-3-116, as amended, until paid unless otherwise specifically precluded in this Declaration. The lien shall also secure payment of interest (subject to the limitations of North Carolina law), late charges, and costs of collection (including attorneys' fees, lien fees and administrative costs). Such lien shall be superior to all other liens, except (a) those superior by law, and (b) the lien or charge of any first Mortgage of record (meaning any



recorded Mortgage with first priority over other Mortgages) made in good faith and for value. The Association may enforce such lien, when any assessment or other charge is delinquent, by suit, judgment, and foreclosure.

The Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association. The Association may sue for unpaid Common Expenses and costs without foreclosing or waiving the lien securing the same.

The sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, a Mortgagee holding a first Mortgage of record or other purchaser of a Unit who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 8.02, Page 23, including such acquirer, its successors and assigns.

Section 8.08 Date of Commencement of Assessments

The obligation to pay assessments shall commence as to each Unit on the date that such Unit is conveyed to a Person.

Section 8.09 Failure to Assess

Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay General Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

Section 8.10 Exempt Property

The following property shall be exempt from payment of General Assessments and Special Assessments:

- (a) All Common Areas;
- (b) Any property dedicated to and accepted by any governmental authority or public utility; and
- (c) Property owned and/or maintained or administered by any Sub-Association for the common use and enjoyment of its members, or owned by the members of a Sub-Association as tenants-in-common.

Article IX. ARCHITECTURAL STANDARDS

Section 9.01 General

No structure shall be placed, erected, or installed upon any Unit or adjacent to any Unit where the purpose of the structure is to service such Unit, and no improvements (including staking, clearing, excavation, grading and other site work, exterior alteration of existing improvements, installation of mailboxes, antennas, pools, walls or fences, including invisible fences, and planting or removal of landscaping materials) shall take place except in compliance with this Article, and approval of the appropriate committee under Section 9.02, Page 27, unless exempted from the application and approval requirements pursuant to Section 9.03, Page 27.



Any Owner may remodel, paint or redecorate the interior of structures on his Unit without approval. However, modifications to the interior of screened porches, patios, and similar portions of a Unit visible from outside the structures on the Unit shall be subject to approval.

All dwellings constructed on any portion of the Winding River Properties shall be designed by and built in accordance with the plans and specifications of a licensed architect or other qualified building designer.

This Article shall not apply to improvements to the Common Area by or on behalf of the Association or to improvements to any Private Amenity.

Section 9.02 Architectural Review

Responsibility for administration of the Design Guidelines and review of all applications for construction and modifications under this Article shall be handled by the Architectural Review Board (ARB). The ARB may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred by the committees in having any application reviewed by architects, engineers or other professionals.

(a) Architectural Review Board (ARB)

The Board of Directors (the Board) shall establish an Architectural Review Board that shall consists of at least three (3), but not more than five (5), persons. Such persons must be members of the Association. The ARB shall have jurisdiction over construction on any Unit as described in the Design Guidelines. The Board shall approve the appointment of the members of the ARB, who shall thereafter serve at the discretion of the Board and may be removed at the Board's discretion. An Owner, within 15 days of an ARB decision, may appeal to the Board any determination made by the ARB. The Board shall have the right to review and overrule any action taken by the ARB which the Board determines, in its sole discretion, to be inconsistent with the guidelines promulgated by the Association.

(b) Modifications Committee (MC)

The Board of Directors (the Board) may establish a Modifications Committee ("MC") to consist of at least three (3) and no more than five (5) persons, all of whom shall be appointed by and shall serve at the discretion of the Board. Such persons must be members of the Association. If established, the MC shall have jurisdiction over modifications, additions, or alterations made on or to existing structures on Units or containing Units and the adjacent open space. The ARB shall have the right to veto any action taken by the MC which the ARB determines, in its sole discretion, to be inconsistent with the guidelines promulgated by the ARB. The MC may be eliminated and its duties assumed by the ARB. An Owner may appeal to the ARB any determination made by the MC. An Owner, within 15 days of an MC decision, may appeal to the ARB.

Section 9.03 Guidelines and Procedures

(a) Design Guidelines

The Design Guidelines may contain general provisions applicable to all of the Winding River Properties, as well as specific provisions which vary according to land use and from one portion of the Winding River Properties to another depending upon the location, unique characteristics, and intended use. For example, by way of illustration but not limitation, the Design Guidelines may impose stricter requirements on those portions of the Winding River Properties adjacent to or visible from any Private Amenity or any lake, pond, river, stream or other body of water. The Design Guidelines are intended to provide guidance to Owners and Builders regarding matters of



particular concern to the committees (ARB and MC) in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the committees and compliance with the Design Guidelines does not guarantee approval of any application.

The ARB may amend the existing Design Guidelines. Such amendments shall be approved by the Board prior to taking effect. Any amendments to the Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines; the ARB may amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines less restrictive.

The ARB shall make the Design Guidelines available to Owners and Builders who seek to engage in development or construction within the Winding River Properties.

The MC may promulgate detailed procedures and standards governing its area of responsibility, consistent with those set forth in the Design Guidelines and subject to review and approval or disapproval by the ARB. Any architectural guidelines and standards adopted by the MC may be more restrictive than the Design Guidelines, but under no circumstances shall they be inconsistent with the Design Guidelines.

(b) Additional Impervious Coverage Limits for Beach Club

The maximum built-upon area within the Beach Club Property, inclusive of all rights-of-way, shall be 18,033 square feet of impervious surface area, such as pavement, structures, and walkways of brick, stone, slate, but excluding wood decking. Construction of additional impervious area will require the modification of Storm water Management Permit No. SW8-980419 dated June 17, 1998 and issued by the State of North Carolina, Department of Environment and Natural Resources. Filling in or piping of any vegetative conveyances (ditches, swales, etc.), except for driveway crossings, shall be strictly prohibited. In the event that the Beach Club Property is within the Area of Environmental Concern ("AEC") of the Coastal Area Management Association ("CAMA"), the permitted amount of built-upon area shall be subject to reduction by CAMA due to CAMA's jurisdiction within the AEC.

(c) Additional Impervious Coverage Limits for Seaside

The maximum built-upon area per Unit within the Seaside Property, inclusive of all rights-of-way between the lot line and the edge of the pavement, shall be 4,500 square feet of impervious surface area, such as pavement, structures, and walkways of brick, stone, or slate, but excluding wood decking. Perimeter swales and ditches must pick up runoff and direct it into a basin. Construction of any additional impervious area will require the modification of the Permit. Alteration of the drainage within the Seaside Property as shown on the approved plan may not take place without the concurrence of the North Carolina Department of Environmental Quality (NC DEQ). In the event that any Unit within the Seaside Property is within the Area of Environmental Concern ("AEC") of the Coastal Area Management Association ("CAMA"), the permitted amount of built-upon area for such Unit shall be subject to reduction by CAMA due to CAMA's jurisdiction within the AEC.

(d) Procedures

Plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed structures and improvements shall be submitted to the appropriate committee for review and approval (or disapproval). In addition, information concerning irrigation systems,



drainage, lighting, landscaping and other features of proposed construction shall be submitted as applicable and as required by the Design Guidelines. In reviewing each submission, the committees may consider the quality of workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation, among other considerations. Decisions of the committees may be based on purely aesthetic considerations. Each Owner acknowledges that opinions on aesthetic considerations are subjective and may vary as the members of the committee change over time.

In the event that the ARB or MC fails to approve or to disapprove any application within 30 days after submission of all information and materials reasonably requested, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the ARB pursuant to Section 9.05, Page 29.

Section 9.04 No Waiver of Future Approvals

Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

Section 9.05 Variance

The ARB may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) preclude the ARB from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

Section 9.06 Limitation of Liability

Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither the ARB nor the MC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Association, nor the Board, nor any committee or member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction or modifications to any Unit. In all matters, the committees and their members shall be defended and indemnified by the Association as provided in Section 4.06, Page 12.

Section 9.07 Enforcement

Any structure or improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the ARB or MC, Owners shall, at their own cost and expense, remove such structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, any authorized agent of the ARB, MC or the Board shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the



benefitted Unit and collected as a Specific Assessment. In addition, the ARB, MC or the Board shall have the right to exercise any means of enforcement set forth in Section 4.03, Page 11 of this Declaration.

Unless otherwise specified in writing by the committee granting approval, all approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Unit, unless approval to modify and application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Unit and an opportunity to be heard in accordance with the By-Laws, to enter upon the Unit and remove or complete any incomplete work and to assess all costs incurred against the Unit and the Owner thereof as a Specific Assessment.

Neither the ARB, nor MC, nor any member of the foregoing nor the Association, or their officers or directors shall be held liable to any Person for exercising the rights granted by this Article. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article or the Design Guidelines may be excluded by the ARB from the Winding River Properties, subject to the notice and hearing procedures contained in Section 14.03, Page 44.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARB and MC.

Section 9.08 Delinquent Assessments or Other Charges

Notwithstanding the provisions of Section 9.03(d), Page 28 above, any application for the approval of plans and specifications by the ARB as set forth in this Article shall be deemed to be disapproved unless and until any and all delinquent assessments or other charges permitted by this Declaration have been paid current by the Owner submitting such plans and specifications to the ARB for approval.

Subsequent to initial approval of plans and specifications by the ARB, if the Owner shall become delinquent in the payment of assessments or other charges permitted by this Declaration at any time during the prosecution of the work approved by the ARB, the Owner shall be deemed to be in violation of such approval, and the Association shall be entitled to exercise any means of enforcement set forth in this Section 9.07, Page 29 and Section 4.03, Page 11 of this Declaration.

Article X. USE RESTRICTIONS

Section 10.01 General

This Article sets out certain use restrictions which must be complied with by all Owners and occupants of any Unit. The Winding River Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, model homes, business offices for any property manager retained by the Association, or business offices for the Association) consistent with this Declaration and any Supplemental Declaration.

Section 10.02 Rules and Regulations

In addition to the use restrictions set forth in this Article, the Board may, from time to time, without consent of the Members, promulgate, modify, or delete rules and regulations applicable to the Winding River Properties. Such rules shall be distributed to all Owners and occupants prior to the date that they are to become effective and shall thereafter be binding upon all Owners and occupants until and unless overruled, canceled, or modified in a regular or special meeting by a Majority of the Members.



Section 10.03 Residential Use

All Units shall be used exclusively for residential purposes of a single family. Without the prior written consent of the Board, no garage sale, moving sale, rummage sale, business, trade, or similar activity shall be conducted upon a Unit. An Owner or occupant residing in a Unit may conduct business activities within the Unit with the prior written consent of the Board so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (ii) the business activity conforms to all zoning requirements for the Winding River Properties; (iii) the business activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the Winding River Properties; and (iv) the business activity is consistent with the residential character of the Winding River Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Winding River Properties.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.

The leasing of a Unit shall not be considered a business or trade within the meaning of this Section.

Section 10.04 Signs

No sign of any kind shall be erected by an Owner or occupant without the prior written consent of the ARB or MC, as applicable, except:

- (a) Such signs as may be required by legal proceedings; and
- (b) Not more than one professional security sign of such size deemed reasonable by the ARB in its sole discretion.

Unless in compliance with this Section, no signs shall be posted or erected by any Owner or occupant within any portion of the Winding River Properties, including the Common Area, any Unit, any structure or dwelling located on the Common Area or any Unit (if such sign would be visible from the exterior of such structure or dwelling as determined by the ARB) or within any Private Amenity.

The ARB reserves the right to prohibit "for sale" or "for rent" signs and to restrict the color, lettering and placement of all signs. This provision shall not apply to entry, directional, or other signs approved and installed by the Association.

Notwithstanding the foregoing, in Seaside at Winding River Plantation Neighborhood, one (1) sign advertising the Unit for sale or rent may be placed only in the front yard. Permitted signs must be professionally lettered and prepared at the Owner's expense, may not exceed 24" x 36" in size, and must comply with any additional specifications established by the ARB as described in the Design Guidelines for the Seaside at Winding River Plantation Neighborhood.

Section 10.05 Vehicles

- (a) Automobiles and non-commercial trucks and vans

Automobiles and non-commercial trucks and vans shall be parked only in the garages or in the driveways, if any, serving the Units unless otherwise approved by the ARB; provided however, the



Association may designate certain on-street parking areas for visitors or guests subject to reasonable rules. No automobile or non-commercial truck or van may be left upon any portion of the Winding River Properties, except in a garage, if it is unlicensed or if it is in a condition such that it is incapable of being operated upon the public highways. Such vehicle shall be considered a nuisance and may be removed from the Winding River Properties. No motorized vehicles shall be permitted on pathways or unpaved Common Area except for public safety vehicles authorized by the Board.

(b) Recreational Vehicles

Owner's Recreational vehicles shall be parked only in the garages, if any, serving the Units or, with approval of the ARB, on other hard-surfaced areas which are not visible from the street or Private Amenities. The Association may designate certain parking areas within the Winding River Properties for recreational vehicles subject to reasonable rules and fees, if any. Temporary parking of Owner's Recreational vehicles in driveways for maintenance purposes shall be in accordance with the Rules and Regulations adopted by the Board of Directors. Guests of an Owner or occupant may park a recreational vehicle on the driveway serving such Owner's or occupant's Unit for a period not to exceed seven consecutive days and in accordance with the Rules and Regulations adopted by the Board of Directors. "Visibility" shall be determined by the Board. The term "recreational vehicles," as used herein, shall include, without limitation, motor homes, mobile homes, boats, trailers, other towed vehicles, motorcycles, minibikes, scooters, go-carts, golf carts, campers, and buses. Any recreational vehicle parked or stored in violation of this provision shall be considered a nuisance and may be removed from the Winding River Properties without a hearing. Trucks with mounted campers which are an Owner's or occupant's primary means of transportation shall not be considered recreational vehicles, provided they are used on a regular basis for transportation and the camper is stored out of public view.

All vehicles shall be subject to such reasonable rules and regulations as the Board of Directors may adopt.

Section 10.06 Leasing

Individual Properties may be leased for residential purposes only. All leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Declaration, By-Laws, use restrictions, and rules and regulations of the Association. The lease shall also obligate the tenant to comply with the foregoing. The Board may require notice of any lease together with such additional information deemed necessary by the Board.

Section 10.07 Animals and Pets

No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted on any Unit, with the exception of dogs, cats, or other usual and common household pets in reasonable number, as determined by the Board. All pets shall be reasonably controlled by the Owner whenever outside a Unit and shall be kept in such a manner as to not become a nuisance by barking or other acts. The owners of the pet shall be responsible for all of the pet's actions. Pets shall not be permitted on any golf course, in any lake, or within any Private Amenity except in compliance with conditions established by the owner of such Private Amenity. If, in the sole opinion of the Board, any animal becomes dangerous or an annoyance or nuisance in the Winding River Properties or to nearby property or destructive of wildlife, the Board may require the animal to be removed from the Winding River Properties.

Section 10.08 Nuisance

It shall be the responsibility of each Owner and occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her property. No property within the Winding River



Properties shall be used, in whole or in part, for the storage of any property or thing that will cause such Unit to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property.

Each Owner shall maintain its Unit in a neat and orderly condition throughout initial construction of a residential dwelling and not allow trash and debris from its activities to be carried by the wind or otherwise scattered within the Winding River Properties. Storage of construction materials on the Unit shall be subject to such conditions, rules, and regulations as may be set forth in the Design Guidelines. Each Owner shall keep roadways, easements, swales, and other portions of the Winding River Properties clear of silt, construction materials and trash from its activities at all times. Trash and debris during initial construction of a residential dwelling shall be contained in standard size dumpsters or other appropriate trash receptacles and removed regularly from Units and shall not be buried or covered on the Unit.

No noxious or offensive activity shall be carried on within the Winding River Properties, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Winding River Properties. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Winding River Properties. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes or approved by the ARB, shall be located, installed or maintained upon the exterior of any Unit unless required by law.

Section 10.09 Exterior Structures

No exterior structure of any kind nor any artificial vegetation or sculpture shall be constructed, erected or placed on the outside portion of the Unit, whether such portion is improved or unimproved, except in strict compliance with Article 9. This shall include without limitation, basketball hoops; swing sets and similar sports and play equipment; clotheslines; garbage cans; wood piles; swimming pools; seawalls, bulkheads, or piers; wells; window air-conditioning units; hot tubs; antennas, satellite dishes, or any other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind; and hedges, walls, dog runs, animal pens, or fences of any kind.

Section 10.10 Streams

No streams which run across any Unit may be dammed, or the water therefrom impounded, diverted, or used for any purpose without the prior written consent of the Board.

Section 10.11 Prohibited Conditions

The following conditions, structures, or activities are prohibited within the Winding River Properties unless prior approval in writing is obtained from the ARB by the Owner or occupant:

(a) Tree Removal

No tree that is more than six (6) inches in diameter at a point four (4) feet above the ground may be removed from a Unit without the prior written approval of the ARB, or MC, provided, however, any trees that are located within ten (10) feet of a drainage area, a residence (measured from the roof drip line) or a driveway, or any diseased, dead, or dying tree may be removed five (5) business days after the Member has provided the ARB or MC written notice detailing the trees to be removed and the reason for removal. Removal of a tree, even under an exception listed above without notifying the ARB or MC in writing at least five (5) business days



prior the scheduled removal is a violation of the Declaration. The ARB and/or MC may require Members to replace any tree(s) removed.

(b) Lighting

Exterior lighting visible from the street shall not be permitted except for: (i) approved lighting as originally installed on a Unit; (ii) one approved decorative post light, (iii) street lights in conformity with an established street lighting program for the Winding River Properties; (iv) seasonal decorative lights during the holiday seasons; or (v) front house illumination of model homes.

(c) Utility Lines

No overhead utility lines, including lines for cable television, shall be permitted within the Winding River Properties, except for temporary lines as required during construction.

Section 10.12 Drainage and Grading

Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner or occupant may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains.

No Person shall alter the grading of any Unit without prior approval pursuant to Article 9 of this Declaration. No Person may fill in or pipe any roadside or lot-line swale, except as necessary to provide a minimum driveway crossing, nor may any Person pipe, fill in, or alter any lot line swale used to meet North Carolina Storm water Management Permit requirements. The Association reserves for itself a perpetual easement across the Winding River Properties for the purpose of altering drainage and water flow. However, the exercise of such an easement shall not materially diminish the value of or unreasonably interfere with the use of any Unit without the Owner's consent.

The North Carolina Storm water Management Permit applicable to the Winding River Properties provides that no more than a certain portion of each Unit, including that portion of the right-of-way between the edge of pavement and the front lot line, shall be covered by impervious structures, including asphalt, gravel, concrete, stone, slate or similar material, not including wood decking or the water surface of swimming pools. These requirements are set forth in Exhibit B, Page 1. This covenant is intended to ensure continued compliance with the storm water permit issued by the State of North Carolina. The State of North Carolina is a third party beneficiary to this covenant, and this paragraph may not be changed or deleted without the consent of the State.

Section 10.13 Sight Distance at Intersections

No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain on any corner Unit within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply on any Unit within 10 feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 10.14 Mailboxes

The ARB reserves the right to approve the style, design, color and location prior to any original installation or replacement of any mailbox. Application shall be made to the ARB prior to installation or replacement. By accepting a deed to a Unit, each Owner gives the ARB the right to remove any non-approved mailbox



in a reasonable manner; all costs for same shall be paid by Owner of such Unit, and all claims for damages caused by the ARB are waived.

Section 10.15 Dumping and Storage of Materials & Garbage

All garbage cans shall be located or screened so as to be concealed from view of neighboring streets and property. All rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate. There shall be no dumping of grass clippings, leaves or other debris; rubbish, trash or garbage; petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake within the Winding River Properties, except that fertilizers may be applied to landscaping on Units provided care is taken to minimize runoff. Builders may dump and bury rocks and trees removed from a building site on such building site. Owners and occupants may burn or bury biodegradable trash, leaves, debris or other materials in accordance with rules established by the Board.

No lumber, metals, bulk materials, refuse, trash or other similar materials shall be kept, stored, or allowed to accumulate outside the buildings on any Unit, except during the initial construction period of the improvements to the Unit. In addition, during construction the building materials on any Unit shall be placed and kept in an orderly fashion. Any Unit on which construction is in progress shall be policed prior to each weekend and during the weekend all materials shall be neatly stacked or placed and any trash or waste materials shall be removed.

Section 10.16 Subdivision of a Unit

No Unit shall be subdivided or its boundary lines changed after a subdivision plat including such Unit has been approved and filed in the Public Records without the Association's written consent. The Association, however, hereby expressly reserves the right to replat any Unit which it or any Builder owns, with the written prior consent of the Owner of the Unit affected. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations, if any.

Section 10.17 Firearms

The discharge of firearms on the Winding River Properties is prohibited. The term "firearms" includes without limitation "B-B" guns, pellet guns; and firearms of all types. The Board may impose fines and exercise other enforcement remedies as set forth in this Declaration to enforce this restriction, but shall not be obligated to exercise self-help to prevent any such discharge.

Section 10.18 Combustible Liquid

There shall be no storage of gasoline, propane, heating or other fuels, except for a reasonable amount of fuel that may be stored in containers appropriate for such purpose on each Unit and for emergency purposes and operation of lawn mowers and similar tools or equipment and except as may be approved in writing by the ARB. The Association shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

Section 10.19 Completion of Construction: Occupancy of Unfinished Units

No dwelling erected upon any Unit shall be occupied in any manner before commencement of construction or while in the course of construction, nor at any time prior to the dwelling being fully completed. After commencement of construction, each Owner shall diligently continue construction to complete such construction in a timely manner. With respect to construction of a residential dwelling, such construction shall be completed within one year from commencement.



For the purposes of this Section, commencement of construction shall mean that (i) all plans for such construction have been approved by the ARB; (ii) a building permit has been issued for the Unit by the appropriate jurisdiction; and (iii) construction of a residential dwelling on the Unit has physically commenced beyond site preparation. Completion of a dwelling shall mean that a certificate of occupancy has been issued by the appropriate jurisdiction for the Unit.

Section 10.20 Temporary and Prefabricated Structures

Except as may be permitted by the ARB during initial construction, no temporary house, dwelling, garage, barn, or out-building shall be placed or erected on any Unit.

No mobile home, trailer home, travel trailer, camper or recreational vehicle shall be stored, parked or otherwise allowed to be placed on a Unit as a temporary or permanent dwelling. These recreational vehicles shall be subject to the restrictions set forth in Section 10.05, Page 31 of the Declaration.

In addition, no modular home or manufactured home shall be placed, erected, constructed or permitted within the Properties. "Modular home and manufactured home" shall include any prefabricated or pre-built dwelling which consists of one or more transportable sections or components and shall also be deemed to include manufactured building, manufactured home, modular building, modular home, modular construction, and prefabricated construction as defined by the North Carolina State Building Code, 1994 Edition, published by The North Carolina State Building Code Council. The placement of prefabricated and transportable sections onto a permanent foundation and the inspection of the resulting structure by the building inspector under the North Carolina State Building Code shall not exempt such structure from this prohibition. Prefabricated accessory structures, such as sheds and gazebos, must be reviewed and approved in strict accordance with Article 9 of the Declaration.

Notwithstanding anything herein to the contrary, any modular or manufactured home existing within the Properties or approved by the ARB prior to the adoption and recordation of this Amendment shall be "grandfathered" and shall be exempt from this prohibition.

Section 10.21 Lakes, Ponds and Streams

All lakes, ponds, and streams within the Winding River Properties, if any, shall be used only in accordance with such rules and regulations as may be adopted and published by the Board. The Owner of any Unit adjacent to any lake, pond or stream and such Owner's families, tenants, guests and invitees may fish within any such lake, pond or stream, if such lake, pond or stream, is owned by the Association and is not located adjacent to any golf course, subject to all applicable license, possession and size limits and rules adopted by the Association. Swimming, boating and other active uses of lakes, ponds or streams within or adjacent to the Winding River Properties shall be prohibited. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, or streams within the Winding River Properties. All lakes and ponds conveyed to the Association shall permanently serve storm water drainage purposes for the Association.

Section 10.22 Irrigation Systems and Wells

Sprinkler or irrigation systems or wells of any type shall not be permitted within the Units without the prior written approval of the ARB; provided however, the Association shall have the right to install sprinkler or irrigation systems or wells within or abutting the Winding River Properties which draw upon water from lakes, streams, rivers, ponds, wetlands, canals, or other ground or surface waters within the Winding River Properties and the Association and the owner of any golf course shall have the right to draw water from such sources within the Winding River Properties.



Section 10.23 Wetlands

All areas designated on any recorded plat as "wetlands" shall be generally left in a natural state, and any proposed alteration of the wetlands must be in accordance with any restrictions or covenants recorded against such property and be approved by the Army Corps of Engineers (COE) and Division of Water Quality (DWQ). Prior to any proposed alteration of a Unit, the Owner shall determine if any portion thereof lies within the COE approved wetland boundary. All proposed fill and/or excavation within delineated wetlands on an Owner's Unit will require compensatory mitigation prior to gaining permit approval and will need to be coordinated with the approved wetland mitigation plan for the Winding River Properties and COE and DWQ.

Section 10.24 Golf Course Areas

Owners of Units adjacent to any golf course, as well as their families, tenants, guests, invitees, and pets, shall be obligated to refrain from any actions which would distract from the playing qualities of any golf course adjacent to the Winding River Properties. Such prohibited activities shall include, but shall not be limited to, burning materials where the smoke will cross the golf course property, maintenance of dogs or other pets under conditions which interfere with golf course play due to their loud barking or other actions, playing of loud radios, televisions, stereos or musical instruments, running, bicycling, skateboarding, walking or trespassing in any way on the golf course property, picking up balls or similar interference with play. In addition, no Person shall, by virtue of this Declaration, have any right to use any portion of any golf cart path system, including any portion thereof which may be situated upon Common Area, without the prior approval of the owner of such golf course. This Covenant is for the benefit of any golf course adjacent to the Winding River Properties and the owner thereof and persons playing golf on said golf courses and shall be enforceable by the owner of such golf course.

Section 10.25 Mining

Oil, gas or mineral exploration; drilling, boring, development, refining, quarrying, or mining operations and all construction and equipment incident thereto; oil or gas wells and all related equipment and facilities; excavations for minerals; and mine shafts are prohibited within the Winding River Properties.

Section 10.26 Pier or Dock Facilities

No additional pier or docking facilities shall be placed or erected upon Lot 6, Lot 7, or Lot 8 on that certain map of record for WRP, Section T3 recorded on March 23, 1999, in Map Cabinet 21, Page 54-55, Brunswick County Register of Deeds.

Article XI. EASEMENTS

Section 11.01 Easements of Encroachment

There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between adjacent Units, between each Unit and any adjacent Common Area, and between each Unit and any adjacent Private Amenity due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.



Section 11.02 Easements for Utilities and Other Infrastructure Systems

The Association specifically grants to the local water supplier, electric company, telephone company, and natural gas supplier easements across the Winding River Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility lines, meters and boxes, as applicable.

Section 11.03 Easement for Slope Control, Drainage and Waterway Maintenance

The Association, and its representatives, successors and assigns, contractors and agents, reserves a permanent and perpetual non-exclusive easement appurtenant over, across, under, through and upon each Unit for the purposes of:

- (a) Controlling soil erosion, including grading and planting with vegetation any areas of any Unit which are or may be subject to soil erosion;
- (b) Drainage of natural or man-made water flow and water areas from any portion of the Winding River Properties;
- (c) Changing, modifying or altering the natural flow of water, water courses or waterways on or adjacent to any Unit;
- (d) Dredging, enlarging, reducing or maintaining any water areas or waterways within the Winding River Properties; and
- (e) Installing such pipes, lines, conduits or other equipment as may be necessary for slope control, drainage and waterway maintenance of any portion of the Winding River Properties.

Section 11.04 Easement for Entry

The Association shall have the right, but not the obligation, and a perpetual easement is hereby granted to the Association, to enter all portions of the Winding River Properties, including each Unit, for emergency, security, and safety reasons. Such right may be exercised by the authorized agents, employees and managers of the Association, any member of its Board or committees, and its officers, and by all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in emergencies, entry onto a Unit shall be only during reasonable hours and after notice to and permission from the Owner. This easement includes the right to enter any Unit to cure any condition which may increase the risk of fire, slope erosion, immediate risk of personal injury, or other hazard if an Owner fails or refuses to cure the condition within a reasonable time after request by the Board, but shall not authorize entry into any dwelling without permission of the Owner, except by emergency personnel acting in their official capacities. Any entry by the Association or its authorized agents, employees or managers of the Association, any member of its Board or committees, or its officers onto a Unit for the purposes specified herein shall not constitute a trespass.

Section 11.05 Easements for Maintenance and Enforcement

Authorized agents of the Association shall have the right, and a perpetual easement is hereby granted to the Association, to enter all portions of the Properties, including each Unit to (a) perform its maintenance responsibilities under Article 5, and (b) make inspections to ensure compliance with this Declaration, any Supplemental Declaration, By-Laws, Design Guidelines and rules. Except in emergencies, entry onto a Unit shall be only during reasonable hours. This easement shall be exercised with a minimum of interference to the quiet enjoyment to Owners' property, and any damage shall be repaired by the Association at its expense.

The Association also may enter a Unit to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the Declaration, any Supplemental Declaration,



the By-Laws, the Design Guidelines, or the rules. All costs incurred, including reasonable attorney's fees, may be assessed against the violator as a Specific Assessment per Section 8.06, Page 25.

Section 11.06 Easements for Lake and Pond Maintenance and Flood Water

The Association and its designees shall have an access easement over and across any of the Winding River Properties abutting or containing any portion of any lake, pond, stream, or wetland to the extent reasonably necessary to exercise their rights under this Section.

There is further reserved herein for the benefit of the Association and its successors, assigns and designees, a perpetual, nonexclusive right and easement of access and encroachment over the Units (but not the dwellings thereon) adjacent to or within 20 feet of lake beds, ponds, streams and wetlands in order to (a) temporarily flood and back water upon and maintain water over such portions of the Winding River Properties; (b) fill, drain, dredge, deepen, clean, fertilize, dye, and generally maintain the lakes, ponds, streams, and wetlands within the Common Area; (c) maintain and landscape the slopes and banks pertaining to such lakes, ponds, streams, and wetlands, and (d) enter upon and across such portions of the Winding River Properties for the purpose of exercising its rights under this Section. All persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make the Association or any other Person liable for damage resulting from flooding due to heavy rainfall or other natural disasters.

Section 11.07 Lateral Support

Every portion of the Common Area, every Unit, and any improvement which contributes to the lateral support of another portion of the Common Area or of another Unit shall be burdened with an easement for lateral support, and each shall also have the right to lateral support which shall be appurtenant to and pass with title to such property.

Section 11.08 Easements for Private Amenities

- (a) Every Unit and the Common Area and the common property of any Sub-Association adjacent to any Private Amenity are burdened with an easement permitting golf balls unintentionally to come upon such Common Area, Units or common property of a Neighborhood and for golfers at reasonable times and in a reasonable manner to come upon the Common Area, common property of a Neighborhood, or the exterior portions of a Unit to retrieve errant golf balls; provided however, if any Unit is fenced or walled, the golfer shall seek the Owner's permission before entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from any activity relating to the Private Amenity, including but not limited to, any errant golf balls or the exercise of this easement: the Association or its Members (in their capacity as such); the owner(s) of the Private Amenities or their successors, successors-in-title, or assigns; any officer, director or partner of any of the foregoing; nor any officer or director of any partner of any of the foregoing.
- (b) The owner(s) of the Private Amenities, their respective successors and assigns, shall have a perpetual, exclusive easement of access over the Winding River Properties for the purpose of retrieving golf balls from bodies of water within the Common Areas, if any, lying reasonably within range of golf balls hit from any golf course within such Private Amenity.



- (c) The owner of any Private Amenity within or adjacent to any portion of the Winding River Properties, its agents, successors and assigns, shall at all times have a right and non-exclusive easement of access and use over those portions of the Common Areas reasonably necessary to the operation, maintenance, repair and replacement of its Private Amenity.
- (d) There is hereby established for the benefit of the Private Amenities and their members (regardless of whether such members are Owners hereunder), guests, invitees, employees, agents, contractors, and designees, a right and nonexclusive easement of access and use over all roadways located within the Winding River Properties reasonably necessary to travel between the entrance to the Winding River Properties and the Private Amenities and over those portions of the Winding River Properties (whether Common Area or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Private Amenities. Without limiting the generality of the foregoing, members of the Private Amenities and guests and invitees of the Private Amenities shall have the right to park their vehicles on the roadways located within the Winding River Properties at reasonable times before, during, and after tournaments and other similar functions held by or at the Private Amenities to the extent that the Private Amenities have insufficient parking to accommodate such vehicles.
- (e) Any portion of the Winding River Properties immediately adjacent to the Private Amenities is hereby burdened with a non-exclusive easement in favor of the adjacent Private Amenities for overspray of water from the irrigation system serving the Private Amenities. Under no circumstances shall the Association or the owner(s) of the Private Amenities be held liable for any damage or injury resulting from such overspray or the exercise of this easement.
- (f) The Association hereby reserves for itself, its successors and assigns, and may assign to the owner(s) of the Private Amenities, an easement and all rights to draw water from the lakes and ponds within or adjacent to the Winding River Properties for purposes of irrigation of the Private Amenities and for access to and the right to enter upon the lakes and ponds within or adjacent to the Winding River Properties, if any, for installation and maintenance of any irrigation systems.
- (g) Each Owner of a Unit adjacent to the Private Amenities hereby acknowledges the nature of the easements contained in this Section and any nuisances incidental to the maintenance, operation, and use of, in particular, any golf course.

Section 11.09 Liability for Use of Easements

No Owner shall have a claim or cause of action against the Association, its successors or assigns, arising out of the exercise or non-exercise of any easement reserved hereunder or shown on any subdivision plat for the Winding River Properties, except in cases of willful or wanton misconduct.

Section 11.10 Rights to Storm Water Runoff, Effluent and Water Reclamation

The Association hereby reserves for itself and its designees, including but not limited to the owner of any Private Amenity, all rights to ground water, surface water, storm water runoff, and effluent located or produced within the Winding River Properties, and each Owner agrees, by acceptance of a deed to a Unit, the Association shall retain all such rights. Such right shall include an easement over the Winding River Properties for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff and effluent.



Section 11.11 Greenbelt Maintenance

- (a) Encroachment of structures into, over, or across greenbelts, buffer zones and non-disturbance areas shown on any recorded subdivision plat of the Winding River Properties is strictly prohibited. Landscaping in these areas is subject to removal in the reasonable discretion of the Association in the ordinary course of maintenance of these areas. Any landscaping permitted shall be installed in conformance with Article 9 herein. All Persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from the intentional exercise of such easements.
- (b) The Association reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in the Properties, or at any other time, (i) to release all or any portion of the Properties from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (ii) to define the limits of any such easements.

Section 11.12 Damage from the Exercise of Easement Rights

Any damage to a Unit resulting from the exercise of the easements described in subsection (a) of this Section shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

Article XII. MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in the Winding River Properties. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

Section 12.01 Notices of Action

An institutional holder, insurer, or guarantor of a first Mortgage who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Winding River Properties or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;
- (b) Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Declaration or By-Laws relating to such Unit or the Owner or Occupant which is not cured within 60 days;
- (c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or
- (d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.



Section 12.02 No Priority

No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 12.03 Notice to Association

Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

Section 12.04 Failure of Mortgagee to Respond

Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30 days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

Article XIII. PRIVATE AMENITIES

Section 13.01 General

Neither membership in the Association nor ownership or occupancy of a Unit shall confer any ownership interest in or right to use any Private Amenity. Rights to use the Private Amenities will be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the respective owners of the Private Amenities. The owners of the Private Amenities shall have the right, from time to time in their sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of their respective Private Amenities, including, without limitation, eligibility for and duration of use rights, categories or use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether, subject to the terms of any written agreements with their respective members.

Section 13.02 Conveyance of Private Amenities

All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Association, any Builder, or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership or operation of any Private Amenity, and no purported representation or warranty in such regard, either written or oral, shall be effective unless specifically set forth in a written instrument executed by the record owner of the Private Amenity. Further, the ownership or operation of the Private Amenities may change at any time by virtue of, but without limitation the sale to or assumption of operations of any Private Amenity by a Person other than the current owner or operator. No consent of the Association, any Sub-Association, or any Owner shall be required to effectuate any change in ownership or operation of any Private Amenity, for or without consideration and subject to or free of any mortgage, covenant, lien or other encumbrance

Section 13.03 View Impairment

Neither the Association, nor the owner of any Private Amenity, guarantees or represents that any view over and across any Private Amenity, the Common Area or any public facilities from Units will be preserved without impairment. The owners of such property, shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in their sole and absolute discretion, to add trees and other landscaping to the Private Amenities, the Common Area or the public facilities from time to time. In addition, the owner of any Private Amenity which includes a golf course may, in its sole and absolute discretion, change the location, configuration, size and elevation of the trees, bunkers, fairways and



greens from time to time. The owner of any Private Amenity which includes a marina may, in its sole and absolute discretion, change the location, configuration, or size of any walkways, docks, and docking slips from time to time. Any such additions or changes may diminish or obstruct any view from the Units and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

Section 13.04 Rights of Access and Parking

There is hereby established for the benefit of the Private Amenities and their members (regardless of whether such members are Owners hereunder), guests, invitees, employees, agents, contractors, and designees, a right and nonexclusive easement of access and use over all roadways located within the Winding River Properties reasonably necessary to travel between the entrance to the Winding River Properties and the Private Amenities and over those portions of the Winding River Properties (whether Common Area or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Private Amenities. Without limiting the generality of the foregoing, members of the Private Amenities and guests and invitees of the Private Amenities shall have the right to park their vehicles on the roadways located within the Winding River Properties at reasonable times before, during, and after tournaments and other similar functions held by or at the Private Amenities to the extent that the Private Amenity has insufficient parking to accommodate such vehicles.

Section 13.05 Cost Sharing Agreements

The Association may enter into a Cost Sharing Agreement with any Private Amenity obligating the Private Amenity or the Association to contribute funds for, among other things, shared property or services and/or a higher level of Common Area maintenance.

Section 13.06 Architectural Control

Neither the Association, nor any committee thereof, shall approve or permit any construction, addition, alteration, change, or installation on or to any portion of the Winding River Properties which is adjacent to, or otherwise in the direct line of sight of, any Private Amenity without giving the Private Amenity at least 15 days' prior written notice of its intent to approve or permit the same together with copies of the request and all other documents and information finally submitted in such regard. The Private Amenity shall then have 15 days to approve or disapprove the proposal in writing delivered to the appropriate committee or Association, stating in detail the reasons for any disapproval. The failure of the Private Amenity to respond to the notice within the 15 day period shall constitute a waiver of the Private Amenity's right to object to the matter. This Section shall also apply to any work on the Common Area.

Section 13.07 Use Restrictions

Upon request of the owner of any Private Amenity, the Association shall enforce its use restrictions and rules against any Owner or occupant violating such regulations within such Private Amenity, including but not limited to the exercise of the Association's self-help rights for violation of sign and pet restrictions.

Section 13.08 Limitations on Amendments

In recognition of the fact that the provisions of this Article are for the benefit of the Private Amenity, no amendment to this Article, and no amendment in derogation of any other provisions of this Declaration benefitting any Private Amenity, may be made without the written approval of the Private Amenity.

Section 13.09 Jurisdiction and Cooperation

The Association and the Private Amenities shall reasonably assist the other in upholding the Community-Wide Standard as it pertains to maintenance and the Design Guidelines. The Association shall have no



power to promulgate use restrictions or rules affecting activities on or use of the Private Amenities without the prior written consent of the owners of the Private Amenities affected thereby.

Article XIV. GENERAL PROVISIONS

Section 14.01 Duration

Unless terminated, this Declaration shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors, and assigns, for a term of twenty five (25) years from the date this Declaration is recorded. After such time, this Declaration shall be automatically extended for successive periods of ten (10) years, unless the Owners of Lots to which at least eighty percent (80%) of the votes in the Association are allocated agree to terminate this Declaration pursuant to N.C. Gen. Stat. § 47F 2 118.

Section 14.02 Amendment

(a) Percentage Requirement

This Declaration may be amended only by the affirmative vote or written agreement signed by the Unit Owners of Units to which at least 67% of the votes in the association are allocated. No action to challenge the validity of an amendment adopted pursuant to this section may be brought more than one year after the amendment is recorded. Any amendment passed pursuant to the provisions of this section are presumed valid and enforceable.

(b) Validity and Effective Date

Any amendment to the Declaration shall become effective upon recordation in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Section 14.03 Hearing Procedures

Except as may be otherwise specifically authorized by the Association Documents, and permitted by the Association Documents, the Board shall not (i) impose a fine or penalty, (ii) undertake permitted remedial action, or (iii) suspend voting or infringe upon other rights of a Member or other occupant of a Lot or Dwelling Unit for violations of the Association Documents, or for assessments or other amounts due and owing to the Association remaining unpaid for a period of thirty (30) days, or longer, unless and until the following procedure is completed:

Written demand to cease and desist from an alleged violation shall be served upon the Responsible Person specifying (i) the alleged violation; (ii) the action required to abate the violation; and (iii) a time period, not less than five (5) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any further violation may result in the imposition of a sanction after notice and hearing if the violation is not continuing.



(a) Notice

At any time within twelve (12) months following receipt of notice of the alleged violation, the Board, or an adjudicatory panel appointed by the Board, shall serve the Responsible Person (for purposes of this Section 14.03, the "Responsible Person" shall be any Member, Owner, or occupant of a Lot or Dwelling Unit) with a written notice of a hearing to be held by the Board of the Association in closed session or an adjudicatory panel appointed by the Board; provided, however, any adjudicatory panel appointed by the Board shall be composed of members of the Association who are not officers of the Association or members of the Board. The notice shall contain: (i) the nature of the alleged violation; (ii) the time and place of the hearing, which shall not be less than ten (10) days from the giving of the notice; (iii) an invitation to attend the meeting and produce any statement, evidence and witness on his or her behalf; and (iv) the possible sanction to be imposed. The notice prescribed herein may be served by mailing a copy of said notice to the alleged violator by placing said notice in the United States mail, postage prepaid, by any method as permitted for the service of summons as set forth in Rule 4 of the North Carolina Rules of Civil Procedure or by the delivery of said notice by an officer, director or agent of the Association to the Responsible Person or to any person who may be served on the Responsible Person's behalf as provided in said Rule 4.

(b) Hearing

The hearing shall be held in closed session of the Board or an adjudicatory panel appointed by the Board pursuant to the notice affording the member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the Responsible Person appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. In addition, a written statement of the results of the hearing and the sanction, if any, imposed shall be mailed by the United States mail, postage prepaid, by the Association to the violator.

(c) Appeal

If the hearing is held before an adjudicatory panel, following such hearing and notice of a decision adverse to the violator, the Responsible Person shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the managing agent of the Association, President or Secretary of the Association within fifteen (15) days after the date of the decision, said written notice to contain information by which the Board may notify the Responsible Person of the date of the appeal hearing. If no adjudicatory panel is appointed by the Board, no right of appeal shall exist.

(d) Sanction as Assessment

Pursuant to the provisions of this Section, a fine may be imposed by the Association in an amount not exceeding One Hundred and No/100 Dollars (\$100.00) (or any greater amount as may be provided otherwise by law or the Act) per violation of the Association Documents and without further hearing, for each day after five (5) days after the decision to impose such fine that the violation occurs. Any such fine shall be an assessment as set forth in this Declaration and the Act. If it is decided pursuant to the provisions of this Section that a suspension of privileges or services should be imposed, the suspension may be continued without further hearing until the violation or delinquency is cured.



Section 14.04 Severability

Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

Section 14.05 Non-Merger

It is the express intention of the Association that the easements established in the Declaration for the benefit of the Winding River Properties and Owners shall not merge into the fee simple estate of individual lots conveyed by Declarant, but that the estates of the Association and individual lot owners shall remain as separate and distinct estates. Any conveyance of all or a portion of the Winding River Properties shall be subject to the terms and provisions of this Declaration, regardless of whether the instrument of conveyance refers to this Declaration.

Section 14.06 Grants

The parties hereby declare that this Declaration, and the easements created herein shall be and constitute covenants running with the fee simple estate of the Winding River Properties. The grants of easements in this Declaration are independent of any covenants and contractual agreements undertaken by the parties in this Declaration and a breach by either party of any such covenants or contractual agreements shall not cause or result in a forfeiture or reversion of the easements granted in this Declaration.

Section 14.07 Cumulative Effect: Conflict

The provisions of this Declaration shall be cumulative with any additional covenants, restrictions, and declarations applicable to any Sub-Association, and the Association may, but shall not be required to, enforce the covenants, conditions, and provisions applicable to any Sub-Association; provided however, in the event of a conflict between or among this Declaration and such covenants or restrictions, and/or the provisions of any Articles of Incorporation, By-Laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, this Declaration, the By-Laws, Articles, and use restrictions and rules of the Association shall prevail over those of any Sub-Association. The foregoing priorities shall apply, but not be limited to, the lien for assessments created in favor of the Association. Nothing in this Section shall preclude any Supplemental Declaration or other recorded declaration, covenants and restrictions, applicable to any portion of the Winding River Properties from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration, and the Association shall have the standing and authority to enforce the same.

Section 14.08 Use of the Words "Winding River Plantation"

No Person shall use the words "Winding River Plantation" or any derivative in any printed or promotional material without the Association's prior written consent. However, Owners may use the term "Winding River Plantation" in printed or promotional matter where such term is used solely to specify that particular property is located within Winding River Plantation and the Association and any other community association located on Winding River Plantation shall be entitled to use the words "Winding River Plantation" in its name.

Section 14.09 Compliance

Every Owner and occupant of any Unit shall comply with the Governing Documents. Failure to comply shall be grounds for an action by the Association or by any aggrieved Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association in Section 4.03, Page 11.



Section 14.10 Exhibits and Schedules

Attached to this Declaration are the following Exhibits and Schedules: Exhibit A – Land Subject to this Declaration, Exhibit B – Impervious Structure Requirements, Schedule 1.05 – Beach Club Properties, and Schedule 1.29 – Seaside Properties. These Exhibits and Schedules are incorporated by this reference and amendment of such Exhibits and/or Schedules shall be governed by the provisions of this Declaration. All other exhibits are attached for informational purposes and may be amended as provided therein.

IN WITNESS WHEREOF, the Association has executed this Declaration in such form as to be legal and binding, effective the day and year upon the recording of this Declaration in the office of the Registration of Deeds of Brunswick County, North Carolina.

WINDING RIVER PLANTATION COMMUNITY ASSOCIATION, INC.

A North Carolina nonprofit corporation

By:


(signature)

Richard Branchansley, President
(print name)



NORTH CAROLINA
COUNTY OF BRUNSWICK

I, Lisa Marie Rockwood, a Notary Public in and for the County and State

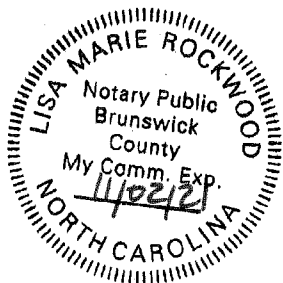
aforesaid, do hereby certify that Richard Banchansky personally appeared before me this day, who being by me first duly sworn, acknowledged that he is PRESIDENT of WINDING RIVER PLANTATION COMMUNITY ASSOCIATION, INC., a North Carolina non-profit corporation as described within, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed by its President; and that the instrument is the act and deed of said corporation.

Witness my hand and official stamp or seal

Date February 9, 2019

Lisa Marie Rockwood
(Signature of Notary Public)

Lisa Marie Rockwood, Notary Public
(Print/type name of Notary Public)



My commission expires: 11/02/2021



Exhibit A

Land Subject to this Declaration

All those certain parcels, pieces or tracts of land lying, being and located in Brunswick County, North Carolina, including all improvements, fixtures, rights, privileges, hereditaments, and appurtenances thereto belonging, being more particularly set forth and described on the following plats:

"Plat of Survey of Lots 1 thru 22 of Section A of Winding River Plantation" prepared by Brunswick Surveying, Inc. for Bluegreen Corporation and recorded in the Public Records of Brunswick County in Map Cabinet 18, at Page 344;

"Plat of Survey of Lots 1B thru 24B and 49B thru 52B of Section B of Winding River Plantation" prepared by Brunswick Surveying, Inc. for Bluegreen Corporation and recorded in the Public Records of Brunswick County in Map Cabinet 18, at Page 345;

"Plat of Survey of Lots 25B thru 48B of Section B of Winding River Plantation" prepared by Brunswick Surveying, Inc. for Bluegreen Corporation and recorded in the Public Records of Brunswick County in Map Cabinet 18, at Page 346;

"Plat of Winding River Plantation, Section C" prepared by Michael Underwood & Associates, P.A. for Bluegreen Corporation and recorded in the Public Records of Brunswick County in Map Cabinet 18, at Page 347-349;

"Plat of Survey of Lots 1D thru 39D of Section D of Winding River Plantation" prepared by Brunswick Surveying, Inc. for Bluegreen Corporation and recorded in the Public Records of Brunswick County in Map Cabinet 18, at Page 350;

"Plat of Winding River Plantation, Section E" prepared by Michael Underwood & Associates, P.A. for Bluegreen Corporation and recorded in the Public Records of Brunswick County in Map Cabinet 18, at Page 351-352;

"Plat of Winding River Plantation, Section F" prepared by Michael Underwood & Associates, P.A. for Bluegreen Corporation and recorded in the Public Records of Brunswick County in Map Cabinet 18, Page 353-355; and

"Plat of Clear Water Place, a Condominium" being all of the Phases 1-15, inclusive, as described in that Plat and recorded in the Public Records of Brunswick County in Map Cabinet 19, Page 328.

All those certain parcels, pieces or tracts of land lying, being and located in Brunswick County, North Carolina, including all improvements, fixtures, rights, privileges, hereditaments, and appurtenances thereto belonging, being more particularly set forth and described:

On that certain Map for Record for Winding River Planation, Section L, recorded on October 27, 1997, in Map Cabinet 19, Page 130, Brunswick County, North Carolina records, prepared for Bluegreen Carolina Land, Inc. by Michael Underwood & Associates, P.A.;

On that certain Map for Record for Winding River Planation, Section M, recorded on October 27, 1997, in Map Cabinet 19, Page 131-132, Brunswick County, North Carolina records, prepared for Bluegreen Carolina Land, Inc. by Michael Underwood & Associates, P.A.;

On that certain Map for Record for Riverhouse Road recorded on October 27, 1997, in Map Cabinet 19, Page 129, Brunswick County, North Carolina records, prepared for Bluegreen Carolina Land, Inc. by Michael Underwood & Associates, P.A.;



On that certain Map for Record for Winding River Planation, Section G, recorded on January 7, 1998, in Map Cabinet 19, Page 251-252, Brunswick County, North Carolina records, prepared for Bluegreen Carolina Land, Inc. by Michael Underwood & Associates, P.A.;

On that certain Map for Record for Winding River Planation, Section K, recorded on January 7, 1998, in Map Cabinet 19, Page 253, Brunswick County, North Carolina records, prepared for Bluegreen Carolina Land, Inc. by Michael Underwood & Associates, P.A.;

On that certain Map for Record for Winding River Planation, Section O, recorded on January 7, 1998, in Map Cabinet 19, Page 254, Brunswick County, North Carolina records, prepared for Bluegreen Carolina Land, Inc. by Michael Underwood & Associates, P.A.;

On that certain Map for Record for Winding River Plantation, Section N, Phases B recorded on May 20, 1998, in Map Cabinet 19, Page 542, Brunswick County, North Carolina records, prepared for Bluegreen Carolina Land, Inc. by Michael Underwood & Associates, P.A.;

On that certain Map for Record for Winding River Plantation, Section P1 recorded on May 21, 1998, in Map Cabinet 19, Page 544-546, Brunswick County, North Carolina records, prepared for Bluegreen Carolina Land, Inc. by Michael Underwood & Associates, P.A.;

On that certain Map for Record for Winding River Plantation, Section P2 recorded on May 21, 1998, in Map Cabinet 19, Page 547, Brunswick County, North Carolina records, prepared for Bluegreen Carolina Land, Inc. by Michael Underwood & Associates, P.A.;

On that certain Map for Record for Winding River Plantation, Section P3 recorded on July 22, 1998, in Map Cabinet 20, Page 139-143, Brunswick County, North Carolina records, prepared for Bluegreen Carolina Land, Inc. by Michael Underwood & Associates, P.A.;

On that certain Map for Record for Winding River Plantation, Section P3 recorded on September 23, 1998, in Map Cabinet 20, Page 253-257, Brunswick County, North Carolina records, prepared for Bluegreen Carolina Land, Inc. by Michael Underwood & Associates, P.A.;

On that certain Map for Record for Winding River Plantation, Section I recorded on October 16, 1998, in Map Cabinet 20, Page 303, Brunswick County, North Carolina records, prepared for Bluegreen Carolina Land, Inc. by Michael Underwood & Associates, P.A.;

On that certain Map for Record for Winding River Plantation, Section P6 recorded on December 8, 1998, in Map Cabinet 20, Page 409-410, Brunswick County, North Carolina records, prepared for Bluegreen Carolina Land, Inc. by Michael Underwood & Associates, P.A.;

On that certain Map for Record for Winding River Plantation, Section P4 recorded on January 21, 1999, in Map Cabinet 20, Page 493-494, Brunswick County, North Carolina records;

On that certain Map for Record for Winding River Plantation, Section P5 recorded on January 21, 1999, in Map Cabinet 20, Page 495, Brunswick County, North Carolina records;

On that certain Map for Record for Winding River Plantation, Section T3 recorded on March 23, 1999, in Map Cabinet 21, Page 54-55, Brunswick County, North Carolina records;

On that certain Map for Record for Winding River Plantation, Section U2 recorded on March 23, 1999, in Map Cabinet 21, Page 56-57, Brunswick County, North Carolina records;

On that certain Map for Record for Winding River Plantation, Section V recorded on March 23, 1999, in Map Cabinet 21, Page 58, Brunswick County, North Carolina records;



On that certain Map for Record for Winding River Plantation, Lots 1-20, Section T1, Phase 3, recorded on August 17, 1999, in Map Cabinet 21, Page 416, Brunswick County, North Carolina records;

On that certain Map for Record for Winding River Plantation, Lots 1-10, Section T2, Phase 3, recorded on August 17, 1999, in Map Cabinet 21, Page 417-418, Brunswick County, North Carolina records;

On that certain Map for Record for Winding River Plantation, Lots 1-15, Section U1, Phase 3, recorded on September 24, 1999, in Map Cabinet 21, Page 524, Brunswick County, North Carolina records;

On that certain Map for Record for Winding River Plantation, Lots 21-53, Section T1, Phase 3 recorded on October 5, 1999, in Map Cabinet 21, Page 545, Brunswick County, North Carolina records;

On that certain Map for Record for Winding River Plantation, Lots 1-38, Section S1, Phase 3, recorded on September 29, 1999, in Map Cabinet 21, Page 534, Brunswick County, North Carolina records;

On that certain Map for Record for Winding River Plantation, Lots 16-63, Section U1, recorded on November 12, 1999, in Map Cabinet 22, Page 84-85, Brunswick County, North Carolina records;

On that certain Map for Record for Winding River Plantation, Lots 1-5 and 28-45, Section S2, recorded on October 18, 2000, in Map Cabinet 23, Page 302, Brunswick County, North Carolina records.

Schedule 1.05: Beach Club Property

All that certain parcel, piece or tract of land lying, being and located in Brunswick County, North Carolina, including all improvements, fixtures, rights, privileges, hereditaments, and appurtenances thereto belonging, as described on that certain Final Plat of Survey for Seaside at Winding River, Holden Beach, North Carolina recorded in the public records of Brunswick County, North Carolina in Map Cabinet 18, Page 511 (the "Plat") more particularly set forth and described the Plat as follows:

BEGINNING at the northeastern most corner of said tract of land located at the intersection of Ocean View Boulevard East and northwestern right-of-way of Old Ferry Road thence running along said Old Ferry Road south 01 degrees 56 minutes 36 seconds west for a distance of 155.83 feet to a point; thence, turning and running along said parcel south 82 degrees 53 minutes 28 seconds west for a distance of 431.18 feet to a point; thence, turning and running north 02 degrees 28 minutes 10 seconds east for a distance of 126.86 feet to a point at the southern right-of-way of Ocean View Boulevard East; thence turning and running along said right-of-way north 79 degrees 06 minutes 03 seconds west for a distance of 435.54 feet to the point of BEGINNING and noted on the Plat as "Reserved Area Recreation".

Schedule 1.29: Seaside Property

All those certain parcels, pieces or tracts of land lying, being and located in Brunswick County, North Carolina, including all improvements, fixtures, rights, privileges, hereditaments, and appurtenances thereto belonging, as more particularly set forth and described as follows:



TRACT 1 (comprised of Tract One and Tract Two):

Tract One

Commencing at monument HB-7 (NC grid coordinate N = 60, 680.100 E = 2,223,872.561, Thence N 76-58-04 E, 31.73 feet to the Point of Beginning. Said point being on the 80 foot right-of-way of Ocean View Boulevard East, where the right-of-way changes to 60 feet. Thence with the eastern boundary of R.H. Holden Subdivision (Map Book 4, Page 2) for 3 calls. (1) N2-28-10 E, 303.79 feet to a new rebar, in the southern right-of-way of Brunswick Avenue. (2) N 02-28-10 E 666.64 feet to the Atlantic Intracoastal Waterway right-of-way. (3) N 02-28-10 E, 155.23 feet to mean high water. Thence 1 call with the mean high water line N 84-03-14 E, 418.59 feet to the right of way of Ferry Road. Thence with the right of way of Ferry Road 2 calls. (1) S 01-56-36 W, 48.00 feet to the Atlantic Intracoastal Waterway right of way. (2) S 01-56-36 W, 1047.50 feet to the 60 foot right of way of Ocean View Boulevard East. Thence with said right of way S 79-06-01 W, 435.84 feet to change of said right of way from 60 feet to 80 feet. Thence N 01-46-39 E, 9.31 feet to the point of beginning. Containing 9.66 acres. Tract One includes the right of way of Brunswick Avenue and a portion of said tract is subject to the Atlantic Intracoastal Waterway right of way.

Tract Two

Commencing at monument HB-7 (NC grid coordinate N = 60, 680.100 E = 2,223,872.561, Thence N 76-58-04 E, 31.73 feet to a point, thence S 01-40-27 W, 71.59 feet to the point of beginning. Said point being on the 60 foot right of way of Ocean View Boulevard East. Thence with said right of way N 79-06-01 E, 435.54 feet, to the right of way of Ferry Road. Thence with the right of way of Ferry Road S 01-56-36 W, 295.50 feet to Mean High Water (location date 4-18-86). (Note: Tract Two extends to the mean high water line of the Atlantic Ocean. This location changes with the condition of the beach). Thence two calls with Mean High Water; (1) S 84-42-28 W, 212.15 feet. (2) S 83-22-39 W, 218.99 feet to the boundary of R.H. Holden Subdivision (Map Book 4, Page 2). Thence with said boundary, N 02-28-10 E, 248.99 feet to the point of beginning. Containing 2.69 acres.

ALL of that 53.30 acre tract of land designated the George Hewett Estate (Deed Book 20, Page 97, Deed Book 426, Page 860) and being all of that 32.42 acre tract of land Designated as the Francis Hewitt Estate (Deed Book 994, Page 105, Lot No.1, Map Book 6, Page 29) all as shown on that Plat entitled "Map of the George Hewett Estate and Francis Hewett Estate, Lockwood Folly Township, Brunswick County, N.C., August 4, 1996" prepared by Davey Williamson, Surveyor, and recorded in Map Book 17, Page 498, Brunswick County Registry.

All of that certain piece, parcel or tract of land, lying and being in the State of North Carolina, County of Brunswick, being more particularly set forth and described in a certain survey dated June 11, 1996 prepared by Brunswick Surveying, Inc. entitled "Plat of Survey for Blue Green Corporation" said map being recorded in Map 17, Page 436, in the Brunswick County Registry, said parcel containing 906.43 acres (consisting of 3 parcels containing 297.46 acres, 245.12 acres and 363.85 acres, respectively), as shown and identified on such map (and specifically excluding from this description the 14.53 acres contained in S.R. 1114 and S.R. 1251 as shown and identified on such map).



Exhibit B

Impervious Structure Requirements

TRACT ID	TOTAL TRACT AREA (ac.)	NUMBER OF LOTS	BUA per LOT (sf)	TOTAL TRACT BUA (ac.)
A	6.37	22	5000	2.53
B	26.38	52	8000	9.55
C	21.17	56	5000	6.43
D	19.57	39	8000	7.16
E	18.70	35	8000	6.43
F	24.97	61	5000	7.00
G	6.93	14	5000	1.61
I	6.83	13	6500	1.94
J	13.39	29	8000	5.33
K	8.32	23	5000	2.64
L	10.20	18	8000	3.31
M	5.31	19	5000	2.18
N	13.01	25	65000	3.73
O	5.22	11	5000	1.26
P1	22.36	64	5000	7.35
P2	6.12	15	5000	1.72
P3	63.87	126	6500	18.80
P4	15.31	37	6500	5.52
P5	4.03	9	6500	1.34
P6	10.67	46	5000	5.28
S1	19.26	38	8000	6.98
S2	15.18	45	6500	6.71
T1	24.14	53	8000	9.73
T2	28.66	56	8000	10.28
T3	13.17	21	8000	3.86
U1	22.79	63	5000	7.23
U2	10.51	31	5000	3.56
V	4.47	9	6500	1.34
			TOTAL	150.80

Development Data Table for Multi-Family Areas

TRACT ID	TOTAL TRACT AREA (ac.)	TOTAL TRACT BUA (ac.)
Q (Sandy Creek Village)	4.55	1.22
R (Clear Water Place)	8.91	5.10
TOTAL		6.32

Development Data Table for Commercial Areas & Roadways

TRACT ID	TOTAL TRACT AREA (ac.)	TOTAL TRACT BUA (ac.)
H	3.01	1.48
TOTAL		1.48

BUA = Built-Upon Area; ac = acres; sf = square feet



ND: 4811-3408-5255, v. 1