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DECLARATION OF CONDOMINIUM

THE ISLANDER CONDOMINIUM

The Islander, Limited, a North Carolina Limited Partnership, hereinafter called “Declarant” being the owner in fee simple of the property hereinafter described, hereby submits said property to condominium ownership pursuant to Chapter 47A of the North Carolina General Statutes, and to that end does hereby publish and declare that all of said property is and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assign.

1. DEFINITIONS. As used herein and in the By-Laws attached hereto and in all amendments hereto, unless the context requires otherwise:
 - A. “Act” means the Unit Ownership Act set forth in Chapter 47A of the North Carolina General Statutes.
 - B. “Assessment” means a share of the funds required for the payment of common expenses which from time to time is assessed against the unit owner by the Association.
 - C. “Association” means the entity responsible for the operation of the condominium pursuant to the Act, whether or not incorporated.
 - D. “Board of Directors” or “Board” means the Board of Directors of the Association and “Director” means a member of the Board.

- E. "By-Laws" means the By-Laws for the government of the condominium as they exist from time to time.
- F. "Common Areas and Facilities" means the portion of the condominium property owned, in undivided interest, by all the owners, as more specifically set forth herein.
- G. "Common Expenses" include the expenses of administration, maintenance, operation, repair and replacement of the common areas and facilities, and other expenses declared by the Association to be common expenses, as further defined in the Act.
- H. "Common Profits" means the balance of all revenues of the Association remaining after deduction of the common expenses.
- I. "Condominium Documents" means this Declaration, the By-Laws, the Rules and Regulations, and all other exhibits attached hereto and all other documents, and regulations promulgated pursuant to the authority created herein and in the Act, and as such documents shall be amended from time to time.
- J. "Declaration" means this instrument as it may be from time to time amended.
- K. "Limited Common Areas and Facilities" means and includes those common areas and facilities which are reserved for the use of a certain unit or units to the exclusion of other units, as more specifically defined herein.
- L. "Property" means and includes those areas set forth in Exhibit A attached hereto and incorporated herein by reference.
- M. "Unit" or "Condominium Unit" means a part of the property which is to be subject to private ownership, as designated on the exhibits attached to this

“Declaration” and as further defined in the Act. The word “apartment” if used herein is synonymous with the word “unit” as defined herein.

N. “Unit Owner” or “Owners” means a person or entity, or any combination thereof, who owns a unit.

2. DESCRIPTION OF PROPERTY. All that certain lot, parcel, piece or plot of land with the buildings and improvements thereon erected or to be erected, situated, lying and being in Wrightsville Beach Township, County of New Hanover, State of North Carolina, and more particularly described in Exhibit “A” attached hereto and made a part hereof.
3. DESCRIPTION OF BUILDINGS. The Declarant has constructed or will construct, upon the property described in Exhibit “A” attached hereto, one (1) multi-unit building to be used for residential and lodging accommodation purposes. A plat of survey of the property by Hoyt S. Bradshaw R.L.S., Henry Von Oesen & Associates showing the location of said building is attached hereto and made a part hereof as Exhibit “A”. Said multi-unit building is more particularly described in the plans of said building, a copy of which plans is attached hereto and made a part hereof as Exhibit “B”, showing all particulars of the building as required by law. In general, the building has ten (10) stories and one (i) basement level, and contains sixty (60) condominium units. (The building is constructed principally of steel, concrete and cinder block). The building has approximately 84,000 square feet divided into 60 individual dwelling units and common areas consisting of hall and walkways, elevators, trash disposal chutes, clothes washer and dryer facilities, and sun docks. In addition, the building has common outside parking areas, swimming pool, pavilion, tennis court, landscaped areas and other appurtenances and facilities.

4. UNIT DESIGNATIONS. The unit designation of each dwelling unit, its location, approximate area, number of rooms and immediate common areas and facilities to which it has access and other data necessary for its proper identification are set forth in Exhibit “C” attached hereto and made a part hereof. Each unit is bounded both as to horizontal and vertical boundaries by the interior surface of its perimeter walls, ceiling and floors which are shown on said plans, subject to such encroachments as are contained in the building, whether the same now exist or may be caused or created by construction, settlement or movement of the buildings, or by permissible repairs, construction or alteration.
5. COMMON AREAS AND FACILITIES.
 - A. The common areas and facilities consist of the following:
 - 1) The land on which the building is erected and all lands surrounding the buildings as is more fully described in Paragraph 2 above.
 - 2) All common foundations, columns, girders, beams, supports and other structural members.
 - 3) The basements, lobbies, stairs, stairways, entrances and exits, other than those in the individual units, corridors, elevators, common storage areas, yards, roads, driveways, and parking areas.
 - 4) All roofs, exterior walls and interior walls except those non-load bearing partition walls, non-common chases and suspended ceilings wholly within a unit.
 - 5) All central and appurtenant installations, apparatus and equipment for utility services, including, but not limited to, power, water, heating, air

conditioning, telephone, cable, sewer, irrigation, and trash disposal, if any, supplied for the use and convenience of the unit owners.

- 6) All other parts of the property and all apparatus and installations existing in the building or upon the property for common use or necessary or convenient to the enjoyment, existence, maintenance or safety of the property, including but not limited to the common laundry facilities swimming pool, pavilion and tennis court.

- B. 1) The undivided share in the common elements which are appurtenant to a unit shall not be separated therefrom and shall pass with the title to the unit, whether or not separately described.
- 2) A share in the common elements appurtenant to a unit cannot be conveyed or encumbered except together with the unit.
- 3) The shares in the common elements appurtenant to units shall remain undivided, and no action for partition of the common element shall lie.

The undivided interest of each unit owner in such common areas and facilities is set forth in Exhibit "C" and attached hereto and made a part hereof..

6. LIMITED COMMON AREAS AND FACILITIES. All decks or enclosed balconies appurtenant to any dwelling unit, which decks or enclosed balconies are accessible by normal means solely from a single unit, are hereby declared to be limited common areas. The owner of the appurtenant unit shall have exclusive use, possession and control of such deck or enclosed balcony appurtenant to his dwelling unit, subject to the same rights and limitations applicable to each dwelling unit. The owner of a dwelling unit to which such deck or enclosed balcony is appurtenant shall be responsible for the upkeep, repair

and maintenance of the surface floor area, railings, ceiling and glass or other enclosure of such deck or balcony. No change in color, material or finish shall be made, and no additions or fixtures shall be made, without express written approval of the Board of Directors, based on actual samples and drawings of the proposed change. All remaining structural portions of such decks or balconies shall be considered common areas as provided for in the remaining sections of this Declaration, including specifically the maintenance, repair and upkeep of same.

7. USE. The building and each of the units shall be used for residential and lodging accommodation purposes.
8. PERSON TO RECEIVE SERVICE OF PROCESS. The person or entity properly designated by the Board to serve as registered agent of the Association with the office of the North Carolina Secretary of State from time to time shall be authorized to receive service of process for the Association at such address as is properly designated by the Board with the office of the North Carolina Secretary of State for such registered agent from time to time.
9. EASEMENTS. Each unit owner shall have an easement in common with the other owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common facilities located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use the pipes, ducts, cables, wires, conduits, public utility lines and other common facilities serving such other units and located in such unit. The Board or the Managing Agent or their designated representatives shall have the right of access to each unit to inspect the

same, to remove violations therefrom and to maintain, repair or replace the common facilities, if any, contained therein or elsewhere in the building.

The Board may hereafter grant easements for utility purposes for the benefit of the property, including the right, to install, lay, maintain, repair and replace water lines, pipes, sewer lines, gas mains, telephone and television, wires and equipment and electrical conduits, and wires over, under, along and on any portion of the common areas; and each unit owner hereby grants the Board, or the Managing Agent, an irrevocable power of attorney to execute, acknowledge and record for and in the name of each unit owner such instruments as may be necessary to effectuate the foregoing.

10. MAINTENANCE.

- A. All plumbing, air conditioning, floor and wall coverings, heating, electrical, telephone, cabinetry, partition walls, suspended ceilings, and other fixtures and equipment located within the unit, and all windows or doors opening into the unit, shall be maintained by the owner. Any replacements or substitution of such fixtures and equipment shall be compatible with any common areas and facilities affected thereby. The Association shall not be responsible for repairing and maintaining such fixtures and equipment.
- B. All parts of a condominium unit shall be kept in good condition and repair by and at the expense of the owner. The unit shall be maintained by the owner in a clean and safe condition, free of nuisance. Each unit owner will promptly comply with any requirements of the insurance underwriters of the insurance for the common areas and facilities when so requested by the Board or its designated agent. Any failure of an owner to repair, maintain or replace as may be required pursuant to

the Condominium Documents or a determination by the Board or its designated agent that such failure will endanger or impair the value of the common areas and facilities or any unit belonging to another member or its common elements, may be repaired or replaced by the Association at the expense of the unit owner, to be collected by special assessment as herein provided. Such assessment may include the cost to the Association incurred in the abatement of any nuisance maintained by the unit owner therein.

11. PARTITIONING. The common areas and facilities shall not be divided nor shall any right to partition any thereof exist. Nothing herein contained, however, shall be deemed to prevent ownership of a dwelling unit by the entirety, jointly, or in common or in any other form permitted by law.
12. LIENS.
 - A. With the exception of liens which may result from the initial construction of this condominium, no liens of any nature may be created subsequent to the recording of this Declaration against the condominium property as a whole (as distinguished from an individual unit, together with its undivided common interest in the common areas and facilities) except with the unanimous consent of the unit owners and the holders, if any, of prior liens thereon.
 - B. No labor performed or materials furnished to the common elements shall be the basis for a lien thereon unless authorized by the Condominium Documents or expressly authorized by the Board, in which event same might be the basis for the filing of a lien against all condominium units in the proportions for which the owners thereof are liable for common expenses.

- C. Unless otherwise provided by law, in the event a lien against one or more condominium units becomes effective, each owner thereof may relieve his condominium unit of the lien by paying the proportionate amount attributable to his condominium unit. Upon such payments, it shall be the duty of the lienor to release the lien of record for such condominium unit.
- D. Assessments against unit owners by the Association made pursuant to the By-Laws shall, if not paid when due, create a lien in favor of the Association against the unit of the defaulting owner.
- E. All liens provided for herein shall be subordinate, and are hereby subordinated, to the lien of any first mortgage given to any lender to secure a loan, the proceeds of which are used to finance the purchase of any unit or units, unless any such lien provided for herein shall have been recorded in the Office of the Clerk of Superior Court prior to the recordation of said first lien mortgage in the Office of the Register of Deeds of New Hanover County, North Carolina.

13. NATURE OF INTEREST IN UNIT.

- A. Every unit, together with its undivided common interest in the common areas and facilities, shall for all purposes be a separate parcel of real property and the unit owner thereof shall be entitled to the exclusive ownership and possession of such unit subject only to the Condominium Documents and the covenants, restrictions, easements, regulations, resolutions and decisions adopted pursuant thereto.
- B. The owner shall be entitled to use the common areas and facilities in accordance with the purposes for which they are intended, but no such use shall hinder or encroach upon the lawful rights of the owners of other units. There shall be a

joint use of the common areas and facilities and a joint mutual easement for that purpose is hereby created.

14. INSURANCE.

- A. Securing Policies. All insurance policies upon the property (except personal property within a unit) shall be secured by the Board or by the Managing Agent if so designated by the Board), who shall have the authority to, and shall obtain such insurance against (1) loss or damage by fire or other hazards normally insured against, and (2) such other risks, including public liability insurance, as from time to time shall be customarily required for other property similar in construction, location and use as the property and the improvements thereon, all under such terms and for such amounts as the responsible authority shall determine. In obtaining such coverage, the responsible authority shall consider the reasonable requirements of holders of first liens on individual units.
- B. Premiums. Premiums for insurance policies insuring the Common Areas and Facilities and/or Limited Common Areas and Facilities for the benefit of the Association which are authorized by the Board shall be a common expense.
- C. Proceeds. All insurance policies purchased pursuant to these provisions shall provide that all proceeds thereof shall be payable to the Board as insurance trustee or to such attorney-at-law or institution with trust powers as may be approved by the Board of Directors. The sole duty of insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purpose elsewhere stated herein or stated in the By-Laws and for the benefit of the unit owners, in the following shares:

- 1) Proceeds payable for damage to common areas and facilities - an undivided share for each unit owner, such share being the same as each unit owner's undivided interest in the common areas and facilities as set forth in Exhibit "C" attached hereto;
- 2) Proceeds payable for damage to individual units (a) When the building is to be restored an undivided share shall be held for the owner of a damaged unit in the proportion that the cost of repairing the damage suffered by each unit owner bears to the cost of repairing the damage suffered by all unit owners, which costs shall be determined by the Board; (b) When the building is not usable for the uses set forth herein and is not to be restored, an undivided share shall be held for each unit owner, such share being the same as each unit owner's undivided interest in the common areas and facilities as set forth 'in Exhibit "C" attached hereto.

15. DISTRIBUTION OF INSURANCE PROCEEDS. Proceeds of insurance policies shall be distributed to or for the benefit of the beneficial owners in the following manner:
- A. Expense of Trust. All reasonable expenses of the insurance trustee shall be first paid or provision made therefor.
 - B. Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as provided in Paragraph 16 hereof. Any proceeds remaining after defraying such cost shall be distributed to the beneficial owners, including first mortgage lienholders of record, or retained by the Association for such common expenses or purposes as the Board shall determine.

- C. Failure to Reconstruct or Repair. If it is determined, as provided in paragraph 16 hereof, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, including first mortgage lienholders of record.
16. DAMAGE AND DESTRUCTION. Except as hereinafter provided, damage to or destruction of the building shall be promptly repaired and restored by the Board using the proceeds of insurance on the building for that purpose, and the unit owners of all units shall be liable for assessment of any deficiency in accordance with their undivided interests in the common areas and facilities; provided, however, if the building be more than two-thirds destroyed by fire or other casualty and the owners of three-fourths of the units resolve not to proceed with reconstruction or restoration, then in that event, the property shall be either (a) sold or otherwise transferred as hereinafter provided, or (b) deemed to be owned as tenants-in-common by the unit owners, and subject to the provisions of North Carolina General Statutes, Section 47A-75, as the same exists at the date hereof or as amended hereafter. Any reconstruction or repair shall be in accordance with the plans and specifications of the original building; and if not, than according to the plans and specifications approved by the Board and any governmental authorities whose approval may be necessary.
17. TRANSFER OF UNITS.
- A. Right of First Refusal. In the event that any person or entity who owns a unit shall desire to sell or transfer such unit, then the said unit shall first be offered for sale to the Board at the same net price and on the same terms at which the highest bona fide offer has been made for the said unit. The unit owner shall give the

Board written notice of his desire to sell, by certified or registered mail, return receipt requested, and shall further advise the president of the Association of the name and address of the person, firm or corporation making the highest bona fide offer as well as the amount and terms of such offer. Within thirty days after receipt of such said notice, the Board may exercise its option to purchase the unit. Should the Board fail or refuse within thirty days after receipt of the written notice to exercise its option, the unit may then be sold at the price not less than that for which it is offered to the Board. Any sale of any unit by the owner to the person, firm or corporation making such offer shall be subject to all of the terms, covenants, limitations and provisions of the Condominium Documents.

- B. Mortgaging. No unit owner may mortgage his unit or any interest therein without the approval of the Board except as to a first mortgage lien made to a bank, life insurance company, savings and loan association, or other federally or state licensed lending institution, in which event notice shall be given to the Board as to the name and address of such mortgagee. Upon request of the Board, the owner shall provide to the Board a copy of all mortgage documents relating to the unit.
- C. Transfer Voidable. Any sale, voluntary transfer, conveyance, lease or mortgage, except as to a first mortgage lien as mentioned in paragraph 17B above, which is not authorized by the terms of this Declaration or for which authorization has not been obtained pursuant to the terms hereof is voidable and may be voided by a certificate of the Board duly recorded in the recording office where this Declaration is recorded.

- D. Effective Date. The provisions of this Paragraph shall become operative upon the transfer of title to all units by the Declarant, or upon written notice to the Board by the Declarant to such effect.
- E. Inter-Family Transfers. An owner may give, devise, or bequeath his interest in any unit to his spouse, his parents or to any lineal descendants, including adopted children; or to a corporation or partnership (not created primarily for the purpose of avoiding Paragraph 17.A hereof), of which all classes of stock or partnership interests are more than eighty percent owned by such unit owner, his spouse and his lineal descendants, without the prior written consent of the Board of Directors.
18. SELECTION OF RENTAL AGENTS. The Board shall approve one or more agents for the rental of units from time to time, along with the fee and commission schedule for such rental agent(s), the format of the actual agreements and such other terms as the Board may approve from time to time. Unapproved rental agents shall not be used for rental of units. In no event shall Declarant be designated as an agent as long as a majority of the units are owned by Declarant. Nothing herein shall be construed as creating any rental pooling or as requiring the rental of a unit by an owner or as restricting the owner's use of his unit. The approval procedure established hereby is intended to minimize the problems of security, maintenance, and operation of the common areas and facilities, recognizing that such goals would be difficult to achieve if access to and use of the common areas and facilities were permitted through various rental agents, at various times, and in various ways. Except as any owner shall authorize as to his unit, each owner shall retain the right to enter into direct rental, lease or sale arrangements with renters, lessees and purchasers to the extent consistent with the

Condominium Documents and such regulations as are adopted pursuant thereto. This provision shall be invalid if any court of law, governmental regulatory body having jurisdiction, or approval legal counsel to the Association shall determine that it would require registration of the offering of any unit as a security.

19. MANAGEMENT AGENT.

- A. Interim Management Agent and Assessments. From the date of the first conveyance of title by the Declarant to an owner until the date of the first Association meeting, the Declarant or its designee shall serve as the interim Management Agent with responsibility for coordinating all normal management services of the Association. During such period, the interim Management Agent shall receive a management fee from each owner of \$5 per month. During the period from actual conveyance of title by Declarant to an owner of a unit, until the first Association meeting, the owner shall pay monthly to the interim Management Agent an assessment equal to the unit's pro-rata share, as set forth in Exhibit "C" to this Declaration, of the estimated total operating expenses, including the above management fee as set forth in Exhibit "D" to this Declaration. Any actual Association operating expenses in excess of the total assessments received from owners for operating expenses prior to the first Association meeting shall be paid by Declarant.
- B. Regular Management Agent and Assessments. Upon selection by the Association of a regular Management Agent and the adoption of the annual Association budget, any excess of interim assessments over total, actual Association operating expenses shall be deposited by Declarant to the account of the Association. The

interim Management Agent shall provide to the regular Management Agent an accounting of operating revenues and expenses. After adoption of the annual Association budget, the Declarant shall be subject to regular assessments for any units still owned by Declarant.

C. Time of Payment. Each owner's pro-rata share of the operating expenses for the first month shall be payable at the time of conveyance of title to the owner by the Declarant. Subsequent payments shall be due on the first day of each month.

Payments not received when due shall bear interest at the maximum legal rate.

20. REGIME WORKING CAPITAL. At or before the time title is conveyed to an owner, each owner shall contribute to the Association working capital reserve established by the interim Management Agent an amount equal to one-third of one percent (.333%) of the base purchase price of the unit set forth in the Contract of Sale for his unit. Such funds shall be used solely for initial operating and capital expenses of the Association, such as pre-paid insurance, supplies, and the common space furnishings and equipment. At the time of selection of the regular Management Agent, the interim Management Agent shall pay to the account of the Association all unused funds and shall provide an accounting of all revenues and expenditures.

21. UNITS SUBJECT TO CONDOMINIUM DOCUMENTS. All present and future owners, tenants and occupants of dwelling units and their guests or invitees, shall be subject to, and shall comply with the provisions of the Condominium Documents, and as the Condominium Documents may be amended from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any dwelling unit shall constitute an agreement that the provisions of the Condominium

Documents are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the lands and shall bind any person having at any time any interest or estate in such unit as though such provisions were made a part of each and every deed of conveyance or lease. Failure to comply with the provisions of the Condominium Documents shall entitle the Association or any owner to seek legal and/or equitable relief.

22. AMENDMENT OF DECLARATION. This Declaration may be amended by the vote of not less than two-thirds (2/3) in common interest of all unit owners, cast at a meeting duly held in accordance with the provisions of the By-Laws. The By-Laws may be amended in accordance with the procedure set forth in such By-Laws. No such amendment shall be effective until recorded in the Office of the Register of Deeds for the County wherein the property is located. In no event may the Declaration be amended so as to deprive the Declarant of any rights granted herein.
23. WARRANTIES. Declarant acknowledges that all contractual warranties set forth in the building's construction contract, for material and equipment in the unit, shall accrue to the benefit of the owner of such unit, along with all warranties, if any, provided by the manufacturer or supplier of appliances, air conditioning, heating and utility systems in the unit. The closing of title or occupancy of the unit shall constitute an acknowledgement by the unit owner that Declarant makes no other implied or express warranties relating to the unit or the common areas and facilities, except for such warranties as are set forth in the general warranty deed to the unit.
24. NON-PROFIT CORPORATION. It is the intention of Declarant that all rights of the Association shall be vested in a non-profit corporation known as The Islander, Inc.,

which shall be or has been formed pursuant to the laws of the State of North Carolina and the applicable Federal laws. Such corporation shall be formed and operated in accordance with this Declaration and the By-Laws attached hereto and incorporated herein, and all governing laws, as they shall be amended from time to time.

25. INVALIDITY. The invalidity of any provisions of this Declaration shall not impair or affect the validity and enforceability of the remainder of this Declaration, and in such event all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included.
26. WAIVER. No provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.
27. LAW CONTROLLING. This Declaration and the By-Laws attached hereto shall be construed under and controlled by the laws of the State of North Carolina.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by its General Partner through its duly authorized officer and its corporate seal to be hereunto affixed, this ___ day of _____, 1973.

DECLARANT:

The Islander, Ltd., a North Carolina
Limited Partnership

By: Venture Management Incorporated,
General Partner

ATTEST:

Donald A. Furtado
Secretary

By: _____
John C. Whitaker, Jr.
President

STATE OF GEORGIA:

COUNTY OF FULTON

This _____ day of _____, 1973, personally appeared before me _____, a Notary Public, John C. Whitaker, Jr., who, being by me duly sworn, says that he is President of Venture Management Incorporated, a Georgia Corporation, the General Partner of The Islander, Ltd., a North Carolina Limited Partnership; and he acknowledged that he duly executed the foregoing Declaration of Condominium for and on behalf of said The Islander, Ltd., a North Carolina Limited Partnership, and that the seal affixed to the foregoing Declaration of Condominium is the corporate seal of said corporation which is the General Partner in The Islander, Ltd., a North Carolina Limited Partnership, and that the said writing was signed and sealed by him and attested to by said corporation's Secretary for and on behalf of said corporation by its authority duly given, and that said writing is the act and deed of said corporation, as General Partner of said Limited Partnership.

WITNESS MY HAND and notarial seal as of the ___ day of _____, 1973.

Notary Public

My commission expires:

"EXHIBIT A"

BEGINNING at a point in the Eastern line of North Lumina Avenue extended Northwardly from the North Shores Development at Wrightsville Beach, North Carolina, said point being located North 34 degrees 24 minutes East 729.17 feet as measured along said Eastern line extended from its intersection with the Northern line of Mallard Street. and running thence from said Beginning point with said Eastern line of North Lumina Avenue North 34 degrees 24 minutes East 195.78 feet to an agreed boundary line as set out in an agreement between Lloyd N. Moore, Trustee, et al, recorded in Book 390, page 575, New Hanover County Registry; thence South 55 degrees 36 minutes East along said agreed boundary and at right angles to North Lumina Avenue, 500 feet to the Ocean Front Building Line; thence South 34 degrees 24 minutes West 195.78 feet along the Ocean Front Building Line to a point, a corner with The Surf Club property; running thence with the Northeastern line of The Surf Club property North 55 degrees 36 minutes West 500 feet to the point of BEGINNING, as taken from a plat of survey prepared by Hoyt S. Bradshaw, R.L.S., dated May 18, 1972, designated "Survey Part of Tract # 1 Shell Island Section 1 (Commercial Tract) Wrightsville Beach, New Hanover County, North Carolina for The Islander, Ltd.:

Together with all of the Declarant's right, title and interest in and to the property lying between the East line, or Ocean Front Building Line, of the above described property and the high water mark of the Atlantic Ocean.