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STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

DECLARATION OF  
THE CHATHAMS AT BEACHWALK

THIS DECLARATION, made this 13th day of June, 1997, by BEACHWALK DEVELOPMENT, INC., a North Carolina corporation, hereinafter referred to as "Declarant", (whether one or more);

000249

WITNESSETH

WHEREAS, Declarant is the owner of certain property in Federal Point Township, Kure Beach, New Hanover County, North Carolina, which is more particularly described as follows:

BEING ALL of that property designated as Lots 59A, 59B, 60A, 60B, 61A, 61B, 62A, 62B, 63A, 63B, 64A, 64B, 65A, 65B, 66A, 66B, 67A, 67B, 68A and 68B, as designated shown on the map Beachwalk at Kure Beach recorded in Map Book 36, at Page 284 of the New Hanover County Registry, reference to which is hereby made for a more particular description.

NOW, THEREFORE, Declarant hereby submits the above described property (herein the "Townhouse Property"), to unit ownership and hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, conditions, uses and obligations which are for the purpose of protecting the value and desirability of and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I.

DEFINITIONS

A. Association. The Chathams at Beachwalk Homeowners Association, a North Carolina non-profit corporation, composed of the owners of townhouse units in The Chathams at Beachwalk, as the same is recorded in Book 2222, Page 642 et. seq. of the New Hanover County Registry, and Beachwalk Homeowners Association, Inc. recorded in Book 2154, Page 848 of the New Hanover County Registry.

B. Board. The Board of Managers of the Association.

C. By-Laws. By-Laws of the Association which are recorded in Book 2222, Page 619 et. seq. of the New Hanover County Registry.

D. Common Elements. Shall be used interchangeably with "common areas" and shall mean or refer to all portions of a townhouse except the units; and

E. Limited Common Elements. Shall be used interchangeably with limited common areas and shall refer to all portions of the common elements which are designated for use with a particular unit.

F. Common Expenses. The expenditures made by or financial liabilities of the Association, together with any allocations to reserves.

ARTICLE II.

DESCRIPTION OF BUILDINGS. The Declarant owns the two-story buildings which Declarant has divided into twenty (20) units (herein "The Townhouse Units" or "The Units"), to be used for residential purposes. The two stories are located above the ground level. A plat of survey by Jonathan L. Wayne, Registered Land

REC'D  
A. J. D. [Signature]

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Surveyor, showing the location of said building is recorded in Map Book 36 at Page 284 and is incorporated by reference. The building is built out of wood frame construction. Each unit contains from 1,700 square feet up to 1,900 square feet and is divided into twenty (20) townhouse units. The townhouse units are designated in Map Book 36 at Page 284 as Units 59A through 68B. As used herein the term "Unit" shall mean "Townhouse Unit" as that term is defined by the Act.

The general common elements are shown in Map Book 36 at Page 284. Each unit owner will receive with the conveyance of his unit an undivided one-twentieth (1/20th) interest in the general common elements.

#### ARTICLE III.

USE RESTRICTIONS. The use of the property shall be in accordance with the following provisions:

A. Each of the Units shall be occupied only by a family and for no other purposes. No Unit may be divided or subdivided into a smaller unit nor any portion thereof sold or otherwise transferred.

B. The Common Elements shall be used for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Townhouse Units.

C. No use or practice shall be permitted on the Townhouse Property which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No Unit Owner shall permit any use of his Unit or of the Common Elements which will increase the rate of insurance upon the Townhouse Property or any part thereof. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. No single rooms may be rented.

D. Reasonable regulations concerning the use of the Townhouse Property may be made and amended from time to time by THE CHATHAMS AT BEACHWALK HOMEOWNERS ASSOCIATION (herein referred to as the "Association") in the manner provided by its By-Laws. Copies of the By-Laws and regulations are recorded in Book 2222, Page 647 et. seq. of the New Hanover County Registry.

#### ARTICLE IV.

EASEMENTS. Each of the unit owners shall have an easement in common with the other unit owner to use common elements, including but not limited to all sewer lines located in the other unit and serving his unit. Each unit shall be subject to an easement in favor of the owner of the other unit to use all common elements serving such other units and located in such unit. The Association shall have the right to be exercised by the Board of Managers or its Designee, to enter each unit from time to time, at reasonable hours as may be necessary for the operation of the property to inspect the same, to remove violations therefrom, and to maintain, repair or replace the common elements, if any, contained therein or else therein the building.

The Declarant hereby reserves and subjects the lands which are the subject to this Declaration to an easement of use and enjoyment by the owners and occupants of the respective townhouse units for ingress and egress to and from all of the common elements pertaining to THE CHATHAMS AT BEACHWALK. Easements are also hereby created for installation, use, maintenance, repair and replacement of all necessary public utilities, including but not limited to sewer, water lines, gas, electricity, telephone and cable television for the use of the above described property known as THE

CHATHAMS AT BEACHWALK.

All easements herein created and described shall be easements appurtenant to, and shall run with the land by whomsoever owned, whether or not the same shall be contained or referred to in any future deed or conveyance, and shall at all times inure to the benefit and be binding upon the undersigned, all its grantees and their respective heirs, successors, personal representatives or assigns.

ARTICLE V.

**ENFORCEMENT.** The Association or any Owner, shall have the right to enforce, by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Invalidation of anyone of these covenants or restrictions by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

ARTICLE VI.

**NOTICE.** The name and address of the process agent to receive service of process in any matters affecting the property is as follows:

ROBERT WEINBACH  
A-4 Pleasure Island Plaza  
Carolina Beach, North Carolina 28428

ARTICLE VII.

**TAXES.** Each individual unit and its one-twentieth (1/20th) undivided interest in the common elements shall be deemed to be a separate parcel and shall be separately assessed and taxed for all types of taxes authorized by law, including but not limited to special ad valorem levies and special assessments. Each unit holder shall be liable solely for the amount of taxes against his individual unit and undivided interest in the common elements and shall not be affected by the consequence resulting from the tax delinquency or any other unit holder. Neither the building, the property, nor any of the common elements shall be deemed to be a separate parcel for the purposes of taxation.

ARTICLE VIII.

**ASSESSMENTS.** Assessments against unit owners by the Board of Managers 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, and shall be collected as provided therein and in the By-Laws hereto attached.

ARTICLE IX.

**LIENS.** All liens provided for herein shall be subordinate, and are hereby subordinated, to the lien of any first mortgage or deed of trust 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 of New Hanover County prior to recordation to the said first lien mortgage or deed of trust in the Office of the Register of Deeds of New Hanover County, North Carolina.

ARTICLE X.

**LEASING.** No townhouse unit may be leased except in accordance with rules and regulations promulgated by the Association. Any lease or rental (written or oral) on any unit for a rental or lease period less than twelve (12) consecutive months is prohibited.

ARTICLE XI.

**BINDING EFFECT.** The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the owner of any unit subject to this Declaration, their respective legal representatives, heirs, successors and assigns.

ARTICLE XII.

**AMENDMENT.** This Declaration may be amended at any time prior to January 1, 1999 by the Declarant, at its discretion, but not to impair the property value of the lot owners. Thereafter, these restrictions may be amended by vote of the owners of two-thirds (2/3) of the members of the Homeowners Association, provided, however, no amendment shall be made to the last paragraph of Article IV Section 1 without unanimous consent of the Homeowners Association and the declarant/developer.

IN TESTIMONY WHEREOF, BEACHWALK DEVELOPMENT, INC. and has caused this instrument to be executed on this 13th day of June, 1997.

BEACHWALK DEVELOPMENT, INC.

ATTEST:

*Stephanie L. Brewer*  
Secretary (SEAL)

*[Signature]* (SEAL)  
President

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STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

RECORDED AND VERIFIED  
MARY SUE OOTS  
REGISTER OF DEEDS  
NEW HANOVER CO. NC

I, V. A. Beury-Helms, a Notary Public in and for the aforesaid County and State, do hereby certify that Stephanie L. Brewer personally appeared before me this day and acknowledged that she is Assistant Secretary of Beachwalk Development, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.

WITNESS my hand and notarial stamp or seal, this the 13 day of June, 1997.

My commission expires: 8/31/99

STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER



The foregoing certificate of V. A. Beury-Helms, a Notary Public, is certified to be correct. This the 7 day of August, 1997.

MARY SUE OOTS - REGISTER OF DEEDS

BY: *Mavis Ann Storey*  
Deputy/Assistant