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RECORDED AND VERIFIED
REBECCA D. TUCKER
REGISTER OF DEEDS AND
NEW HANOVER CO. NCSTATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

JUL 26 4 15 PM '85

DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR INLET WATCH YACHT CLUB, INC.

This Declaration, made this 26th day of July, 1985, by BYCO, Inc., a North Carolina corporation, hereinafter referred to as "Declarant";

W I T N E S S E T H:

Whereas, Declarant is the owner of certain property in Federal Point Township, New Hanover County, North Carolina, which is more particularly described in Exhibit A-1 attached hereto; and

Whereas, Declarant desires to impose certain restrictive and protective covenants, conditions, restrictions, reservations, liens and charges on said property as hereinafter set forth; and

120

Whereas, Declarant proposes to purchase additional adjoining real property described in Exhibit A-2 attached hereto which shall upon annexation of such property constitute Phase II of the development hereinafter to be described as to which Declarant reserves the right to annex all or any part of said additional real property designated as Phase II and described in Exhibit A-2 upon the execution and recordation of a supplemental declaration by the Declarant, and upon such execution and recordation of said supplemental declaration, such additional land shall automatically be included within this Declaration and such action shall require no approval or other action by members of the Association, the Board of Directors, by any other person or entity as hereinafter is more particularly provided;

Now, therefore, Declarant hereby declares that all of the properties as described on Exhibit A-1 shall be held, sold and conveyed subject to the following easements, restrictions covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the development and all of which easements, covenants, restrictions and conditions shall run with the land; shall be binding upon all parties having or acquiring any right, title or interest in the described premises or any part thereof; and shall inure to the benefit of each member of the Association.

ARTICLE IDEFINITIONS

SECTION 1: ASSOCIATION shall be used interchangeably with CORPORATION and shall mean and refer to Inlet Watch Yacht Club, Inc., a North Carolina corporation, its successors and assigns.

SECTION 2: BOARD shall mean and refer to the Board of Directors of Inlet Watch Yacht Club, Inc., as lawfully constituted from time to time under the provisions of the

042983 *By & Return
to Alan R. Davis*

Articles of Incorporation, this Declaration and the By-Laws.

SECTION 3: Common Areas and Facilities shall mean all real and personal property owned by members of the Association as tenants in common, each having a specified undivided interest therein. The common areas and facilities shall include all improvements on the real property including bulkheads, docks, piers, pilings, swimming pool, tennis courts, club house, bath house and parking facilities. The percentage of undivided interest owned in fee simple by each member shall be as set forth in Exhibit C attached hereto and made a part hereof. The percentage of undivided interest in the common areas and facilities owned by each member is determined by the ratio the fair market value of each tenancy in common as of the date of the Declaration bears to the aggregate fair market value of all the tenancies in common. The fair market value of each tenancy in common and the aggregate fair market value of all tenancy in common have been determined by the Declarant and its determination shall be binding upon all members. Except as provided in Article II herein entitled Annexation the percentage of undivided interest in the common area assigned to each membership shall not be changed except with the unanimous consent of all members.

SECTION 4: WET BOAT SLIPS shall mean and refer to one hundred sixteen spaces (116) in and above the water for the docking of a boat as shown diagrammatically on Exhibit B. All such slips exist by virtue of a valid permit from the United States Army Corps of Engineers for their creation and use.

SECTION 5: DRY BOAT SLIPS shall mean and refer to two hundred eighty-eight (288) boat storage spaces in thirty two (32) concrete bays (9 boat storage spaces per bay); the term dry boat slips shall also refer to one hundred (100) boat storage spaces located at ground level, all as shown on Exhibit B.

SECTION 6: MEMBERSHIP shall mean and refer to the rights, benefits, duties and obligations, evidenced by an appropriate membership certificate, which inure to the benefit of and burden each member of the Association; each membership shall be appurtenant to and an incident of ownership by a member of a fee simple undivided interest in the common areas and facilities and inseparable therefrom.

SECTION 7: MEMBER shall mean and refer to every person or entity who has a membership in the corporation. Each member shall own an undivided interest in the common areas and facilities as to which membership shall be appurtenant. Membership shall not be transferable except as an incident or appurtenance to the transfer of the ownership of a fee simple undivided interest in the common area. All references herein to

1296 0972

membership shall be understood to refer, as well, to that fee simple undivided interest in the common areas and facilities owned by a member to which the membership is appurtenant.

SECTION 8: LESSEE shall mean and refer to any person or entity who leases a member's interest in and to the common areas and facilities and all other rights, benefits, duties and obligations of that membership. Notwithstanding any other provision of this Declaration, during all periods of any lease of such membership the approved lessee shall possess, hold and use all of the leased membership rights; and during such period the member, lessor, shall have no right to the use and enjoyment of his membership, except that the member only may vote at any meeting of members for any purpose on any matter.

ARTICLE II

ANNEXATION

By this Declaration, the Declarant submits only the land described in Exhibit A-1, together with the improvements thereon and the same shall be known as Phase I of Inlet Watch Yacht Club, Inc. Nevertheless, Declarant hereby reserves the right and option, but not the obligation, to expand the property subject to this Declaration, by adding all or any portion or portions of the land described in Exhibit A-2.

Phase II as described in Exhibit A-2, consists of 225 additional dry boat slips, to be added to the Association by Declarant with the filing of a supplementary declaration, which describes or identifies the property to be added, specifically incorporates the terms and conditions of this Declaration, and makes the property described therein subject to this Declaration. In addition such supplementary declarations shall have attached thereto a duplicate of Exhibit A-2 which is attached hereto, as well as any other matters deemed necessary by Declarant. Upon such recording, the property described in the supplementary declaration shall come under the operation of this Declaration as if such property had been included in the property made subject to this Declaration, and by accepting a deed subject to this Declaration and any applicable supplementary declarations, each member agrees to such additions to Inlet Watch Yacht Club, Inc. The annexation shall be accomplished by the recording of the supplementary declaration, and no rights of any type or character whatsoever of any member shall attach until such supplementary declarations are recorded annexing Phase II to the Association. In addition to the other provisions of this paragraph, each member, and the mortgagee or pledgee of each member, shall be deemed to have consented to an amendment or amendments to this Declaration as well as any supplementary declaration and the By-Laws for the purpose of including any additional dry boat slips contained in Phase II in Inlet Watch

1296 0973

Yacht Club, Inc., and each owner, mortgagee and pledgee if any, shall be deemed to have given to the Declarant an irrevocable power of attorney, coupled with an interest thereto, to act as attorney in fact to effectuate, execute and record such amendments or supplementary declarations.

As a result of recording this Declaration, the percentage interest of each member in Phase I is established in the percentages for Phase I set out in Column A in Exhibit C attached hereto and made a part hereof. When Phase II is added to Inlet Watch Yacht Club, Inc., the percentage interest of each member in the common areas and facilities shall be reduced to a percentage interest determined by the combination of Phases subject to this Declaration. The appropriate stated percentage interest as shown in Column A on Exhibit C is the percentage interest that is appurtenant to each membership in Inlet Watch Yacht Club, Inc. Phase I. By acceptance of a deed conveying a specified fee simple undivided interest in the common areas and facilities, each grantee, for himself, his heirs, successors and assigns, agrees that the Declarant, without need for further consent or joinder of any member may add Phase II described in Exhibit A-2 to the Association and upon the recording by Declarant of the supplementary declaration the percentage interest of the member shall be automatically changed to the appropriate percentage interest set out in Column B on Exhibit C. Provided however that no supplementary declarations or other inclusion in Phase II may change the percentage interest in the common areas and facilities appurtenant to each membership if such supplementary declarations are not executed and registered prior to five years from the date of registration of this declaration in the New Hanover County Register of Deeds.

No supplementary declarations may change the percentages other than as shown on Column B of Exhibit C, unless such supplementary declarations are joined by 100% of the members of this Association in the manner required for amendment of the Declaration to change percentage interests of members in the common areas and facilities.

ARTICLE III

MEMBERSHIP

SECTION 1: There shall be one class of membership and members. There shall be no restrictions on the number of memberships which can be held by a person, firm or entity. Each membership shall include the exclusive right to occupy, possess and lawfully use a designated boat slip subject to the provisions hereof and subject to the By-Laws and rules and regulations promulgated by the Board of Directors. A membership (and the exclusive right to a designated boat slip) and the interest in the common areas and facilities to which that membership is

1296 0974

appurtenant may be transferred without restriction.

SECTION 2: VOTING RIGHTS The Association shall have two classes of voting rights:

1. Class I: All members with the exception of the Declarant shall have Class I voting rights which shall entitle such members to one vote in the affairs of the Association for each membership owned. If more than one person, firm or entity holds an interest in any membership, the vote of that membership shall be exercised as the persons, firms or entities holding interest in that membership shall determine, but in no event shall more than one vote be cast with respect to any such membership.
2. Class II: The Declarant shall have Class II voting rights, which shall entitle the Declarant to three votes for each membership owned. Class II voting rights shall be converted to Class I voting rights on the occurrence of either of the following events:
 - (a) When the total Class I votes outstanding equal the total Class II votes outstanding; or
 - (b) On January 1, 1995.

ARTICLE IV

COVENANTS FOR MAINTENANCE ASSESSMENTS

SECTION 1: CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS: Each owner of a membership agrees to pay the Association:

1. Annual assessments or charges, and
2. Special assessments as described hereinafter, such assessments to be fixed, established and collected from time to time as hereinafter provided.

The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the member's tenancy in common and membership and shall be a continuing lien upon the member's tenancy in common and membership against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of such membership at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

SECTION 2: PURPOSE OF ASSESSMENTS. The assessments levied by the Association shall be used exclusively for the purpose of:

1. Operational costs;
2. Promoting the recreation, health, safety and welfare of the members and property;
3. The enforcement of these covenants and the Rules of the Association promulgated by the Board of Directors; and

SECTION 3: DETERMINATION OF REGULAR ASSESSMENTS.

- A. The Board shall determine the amount of regular assessments

against members as specified in the By-Laws. Regular assessments against members shall be determined, imposed levied and collected by the Board in the manner prescribed in the By-Laws.

- B. The Board is specifically empowered on behalf of the Association to make and collect regular assessments and to replace, maintain and repair all property of the common areas and facilities including the bulkheads, docks, piers, pilings, swimming pool, tennis courts, club house and bath house, dry storage structures and vehicles. Assessments shall be payable periodically as determined by the Board.

SECTION 4: SPECIAL ASSESSMENTS. In addition to the annual assessments authorized above, the Association may levy in any fiscal year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon any of the common area and the necessary fixtures and personal property related thereto, or defraying the expenses of operation, maintenance or renovation not adequately funded by regular assessments. Except as specified herein all special assessments shall be determined, imposed, levied and collected in the manner prescribed in the By-Laws provided that, if such special assessment exceeds \$100.00 in any fiscal year for any member, such assessment shall have the approval of two-thirds (2/3) of the members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting setting forth the time, date, place and purpose of the meeting.

SECTION 5: QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 3 AND 4. At the first meeting called, as provided in Section 3 and 4 hereof, the presence at the meeting of members or of proxies entitled to cast sixty percent (60%) of all votes shall constitute a quorum.

Section 6: DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS. DUE DATES: The annual assessments provided for herein shall commence as to each membership on the first day of the month following its acquisition by a member. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each membership at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every member. The due dates shall be established by the Board of Directors. The Association shall, upon demand at any reasonable time, furnish a certificate in writing signed by an officer of the Association

1296 0976

setting forth whether the assessments against a specified membership have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 7: ASSESSMENTS FOR REPAIRS OF DAMAGE CAUSED BY FAULT. If a member, assignee or lessee, or one of their guests, damages or destroys by his or her fault any part of the common areas and facilities including the bulkheads, piers, docks, boat slips, swimming pool, tennis courts, club house, bath house and other facilities, the Association shall repair the damage or replace the destroyed property as soon as practicable and shall levy an individual assessment upon the owner of that membership for the full cost of repair or replacement.

Section 8: EFFECT OF NONPAYMENT OF ASSESSMENTS. REMEDIES OF THE CORPORATION: Any assessments or any portions thereof which are not paid when due shall be delinquent. If the assessment or portion thereof is not paid within thirty (30) days after the due date, the same shall become a lien on such membership and the tenancy in common to which it is appurtenant and bear interest from the date of delinquency at the highest lawful rate per annum, and the Association may bring an action at law against the member personally obligated to pay the same or may foreclose the lien against the fee simple undivided interest and membership; and the interest, reasonable attorneys' fees and costs of any such action shall be added to the amount due. No member may waive or otherwise escape liability for the assessments provided for herein by non-use or abandonment of his membership.

Section 9: SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage of the fee simple undivided interest or pledge of the membership appurtenant to it. Sale or transfer of the fee simple undivided interest and appurtenant membership shall not affect the assessment lien. However, the sale or transfer of any membership subject to any mortgage or pledge, pursuant to a decree of foreclosure under such mortgage or pledge or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereon which become due prior to such sale or transfer. No sale or transfer shall relieve such member from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V MAINTENANCE

The Association shall provide maintenance of all of the common areas and facilities including bulkheads, docks, piers, pilings, swimming pool, tennis courts, clubhouse, bath house, dry

storage structures and vehicles as well as maintenance dredging of the submerged lands of the marina facility. The cost of such maintenance shall be added to and become a part of the total annual assessment for which all memberships are liable as specified herein and in the By-Laws.

ARTICLE VI

ARCHITECTURAL CONTROL

No building, fence, wall, sign or other structure shall be commenced, stored, erected or maintained upon the common areas and facilities or other property of the Association, nor shall any addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of such change shall have been submitted to and approved in writing by the Board of Directors or by an architectural committee composed of three (3) or more representatives of the Board.

DOCK BOXES. For each wet boat slip there shall be one (1) dock box of such size, design, and construction and in such location, as the Board of Directors shall determine. No removal of any dock box or change in its location, size, design, or construction shall be made without the written consent of the Board of Directors; provided, that any such approved removal or change shall be at the expense of the person seeking such a removal or change.

ARTICLE VII

USE RESTRICTIONS

Section 1: RULES AND REGULATIONS. Subject to the provisions of the Articles of Incorporation and this Declaration, the Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of all the common areas and facilities, including boat slips, docks, piers, pilings, swimming pool, tennis courts, bath house and club house. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors shall be recorded in a Book of Resolutions, which shall be maintained at a place convenient to the members and available to them for inspection during normal business hours.

Section 2: USE OF PROPERTIES, ETC. No portion of the common areas and facilities, including boat slips, docks, piers, pilings, swimming pool, tennis courts, bath house and club house, may be used for any commercial purpose, with the exception of the lease of the sales and service building for operation as a commercial marina provided that it shall be permissible to operate a commercial marina on the common areas and facilities pursuant to that Lease Agreement dated July 19, 1985, recorded in July 23, 1985, in Book 1295, Page 1653 in the Office of the

1296 0978

Register of Deeds of New Hanover County, and any amendments thereto.

Section 3: QUIET ENJOYMENT. No obnoxious or offensive activity shall be carried on in or upon the common areas and facilities, including boat slips, docks, piers, pilings, swimming pool, tennis courts, bath house and club house, nor shall anything be done which may be or may become a nuisance or annoyance to any member, assignee, or lessee.

ARTICLE VIII
EASEMENTS

All of the common areas and facilities including the boat slips, docks, pilings, piers, swimming pool, tennis courts, bath house and club house shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, footings, air condition compressors, gas lines, telephone, cablevision and electric power lines and other public utilities as are of record in the New Hanover County Registry, prior to the recording of this Declaration; the Declarant shall have the right to grant and establish upon, over and across all of its properties as described such further easements as are requisite for the convenient use and enjoyment of such properties.

ARTICLE IX
PARTITIONING

The common areas and facilities shall remain undivided and no member or any other person shall bring any action for partition or division of any part thereof. Nothing herein contained, however, shall be deemed to prevent ownership of a unit by the entireties, jointly, or in common or in any other form permitted by law.

ARTICLE X
GENERAL PROVISIONS

Section 1: ENFORCEMENT. The Association, or any member, 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 or under the provisions of this Declaration. Failure of the Association, or any member, to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3: AMENDMENT. The covenants, conditions and restrictions of this Declaration shall run with and bind all of

1296 0979

the property of the Association insofar as the law permits and shall inure to the benefit of and be enforceable by the Association, subject to this Declaration, its successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time such covenants shall be automatically extended for successive periods of ten (10) years each. The covenants, conditions and restrictions of this Declaration may be amended upon the approval of not less than sixty seven percent (67%) of the members, cast by person or proxy at a meeting duly held in accordance with the By-Laws. An amended Declaration shall be effective from the date of its recordation in the Office of the Register of Deeds of New Hanover County. In no event may this Declaration be amended so as to deprive Declarant of any rights herein granted or reserved unto Declarant.

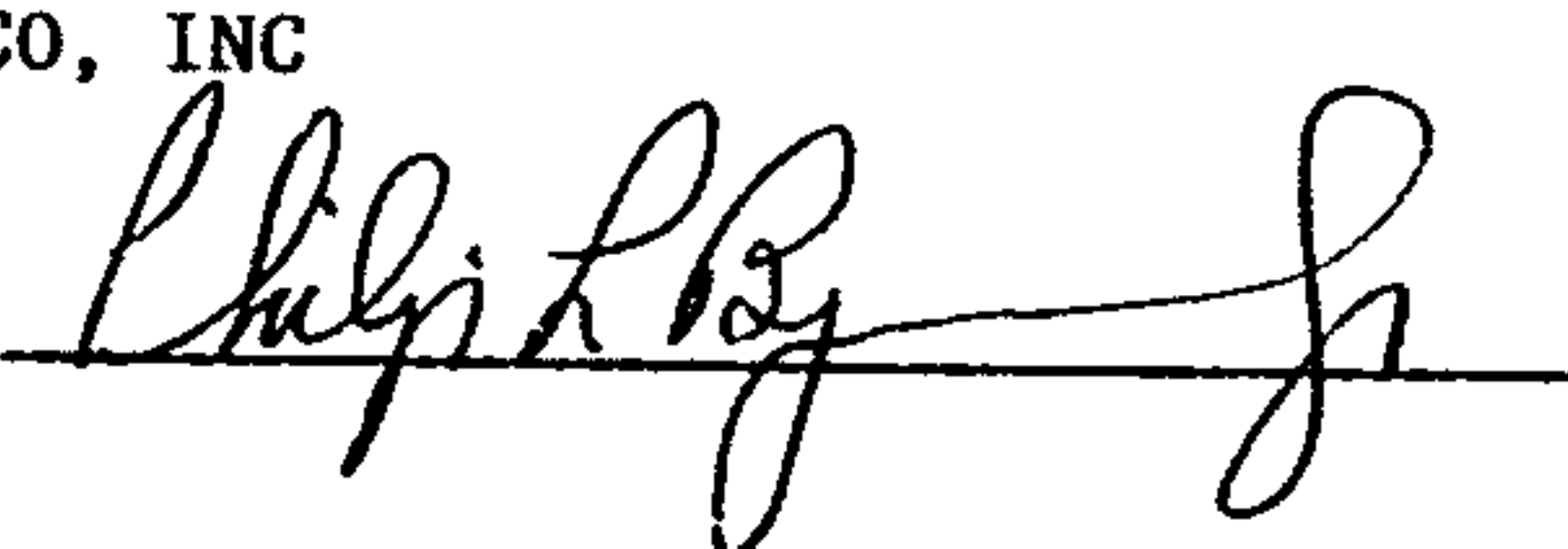
ARTICLE XI
INSURANCE

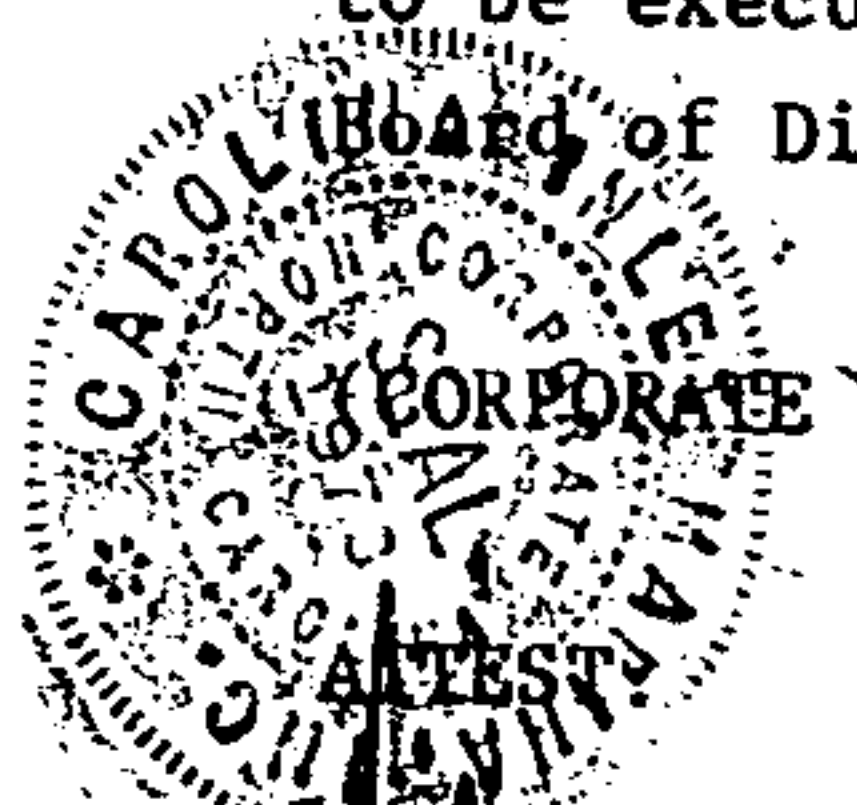
Section 1: The Board of Directors on behalf of the Association as a common expense shall at all times keep its property insured against loss or damage by fire or other hazards normally insured against, and other such risks, including public liability insurance, upon such terms and for such amounts as may be reasonably necessary from time to time to protect the interests of the Association, which insurance proceeds shall be payable in case of loss to the Association. The Association shall have the sole authority to deal with the insurer in the settlement of claims.

Section 2: Such insurance shall be obtained without prejudice to the right of each member to insure his personal property for his own benefit at this own expense. In no event shall the insurance coverage obtained by the Association be brought into contribution with insurance purchased by members or their pledgees or mortgagees.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed this 26th day of July, 1985, by authority of its Board of Directors.

BYCO, INC

BY: 


(CORPORATE SEAL)

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

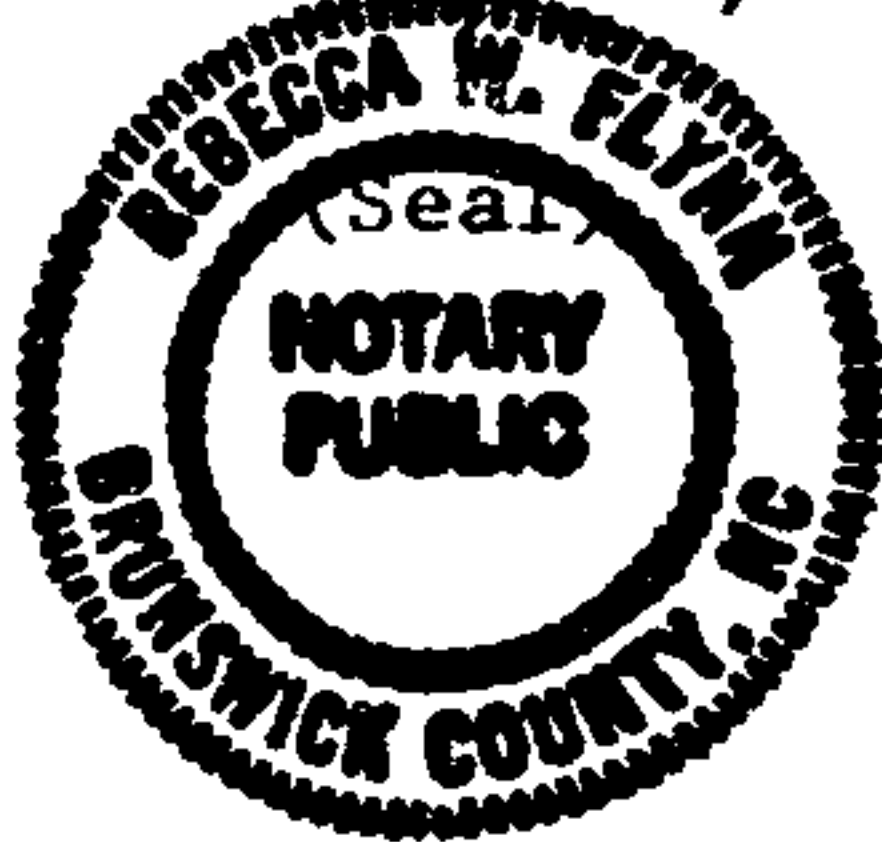
I, Rebecca W. Flynn a Notary Public in and for
the State and County aforesaid do hereby certify
that Willard H. Cole personally appeared before
me this day and acknowledged that he is secretary of Byco, Inc.,
a Corporation, and that by authority duly given and as the act of
the Corporation, the foregoing instrument was signed in its name
by its President, sealed with its corporate seal and attested
by self as its Secretary.

WITNESS my hand and notarial seal, this 26th day of July,
1985.

Rebecca W. Flynn
Notary Public

My Commission expires:

10/26/89



STATE OF NORTH CAROLINA
New Hanover County
The Foregoing Certificate of Rebecca W. Flynn, Notary
Public
is certified to be correct.
This the 26 day of July 1985

Rebecca P. Tucker, Register of Deeds
By Mary Sue Oates,
Asst.

EXHIBIT A-1

Beginning at a point in the northern line of the "First Tract" of land conveyed to Byrnes and Cohn, a North Carolina General Partnership, by deed recorded in Book 1126 at Page 1209 in the Office of the Register of Deeds of New Hanover County, North Carolina, said point being South 89°14'53" East 30.22' from an old iron pipe in said northern line at the southwest corner of the tract of land conveyed to Phillip Cartright Welsh by deed recorded in Book 1166, Page 1063 in the Office of the Register of Deeds of New Hanover County, North Carolina, said point being South 89°16'45" East, along the northern line of said "First Tract", 1291.77' from an old iron pipe in the eastern line of U.S. Highway #421 (160 foot right-of-way), said point has the North Carolina Grid System coordinate values of Y=121,581.40, X=2,334,799.20 and all bearings in this description are in reference to North Carolina Grid North; running thence, from the point of beginning, South 89°14'53" East, with the northern line of said "First Tract", 773.86' to an old iron pipe at the southeast corner of the aforementioned "Welsh Tract"; thence, South 89°14'53" East with the northern line of said "First Tract", 500.00' to a point in or near the highwater line of Myrtle Grove Sound; thence, South 89°14'53" East, continuing the previous line, 392.41' to a point in the western line of the U.S. Intracoastal Waterway (1,000 foot right-of-way); thence South 14°14'13" West, with the western line of the U.S. Intracoastal Waterway, 517.92' to a point in the northern line of the tract of land conveyed to Philip L. Byrnes et ux by deed recorded in Book 1165, Page 211 of the New Hanover County Registry; thence, North 72°08'01" West, with the northern line of said "Byrnes Tract", 534.73' to a point near the highwater line of Myrtle Grove Sound; thence North 43°19'13" West 11.10' to a point; thence, North 78°18'38" West 59.23' to a point; thence, South 40°47'41" West 96.43' to a point; thence, North 71°58'49" West 87.28' to a point; thence, South 83°53'04" West 84.48' to a point; thence, South 07°53'18" West 15.08' to a point; thence, North 76°28'26" West 14.71' to a point; thence, South 12°16'55" West 50.63' to a point; thence, South 38°51'55" West 156.82' to a point; thence, North 89°57'01" West 690.78' to a point; thence, North 00°04'47" East 157.89' to a point; thence, South 89°34'20" West 79.00' to a point; thence, northeastwardly, with the arc of a curve to the East, said curve having a radius of 247.63', to a point of reverse curve, said point being North 25°33'59" East 164.73' from the preceding point; thence, northwardly, with the arc of a curve to the West, said curve having a radius of 307.63', to a point at the end of said curve, said point being North 22°29'56" West 235.45' from the preceding point; thence, North 00°00'10" West 53.79' to the point of beginning; containing 18.45 acres, the same being portions of the various tracts of land conveyed to Byrnes & Cohn, a North Carolina General Partnership and Phillip L. Byrnes, et ux recorded in the Office of the Register of Deeds of New Hanover County, referenced as follows:

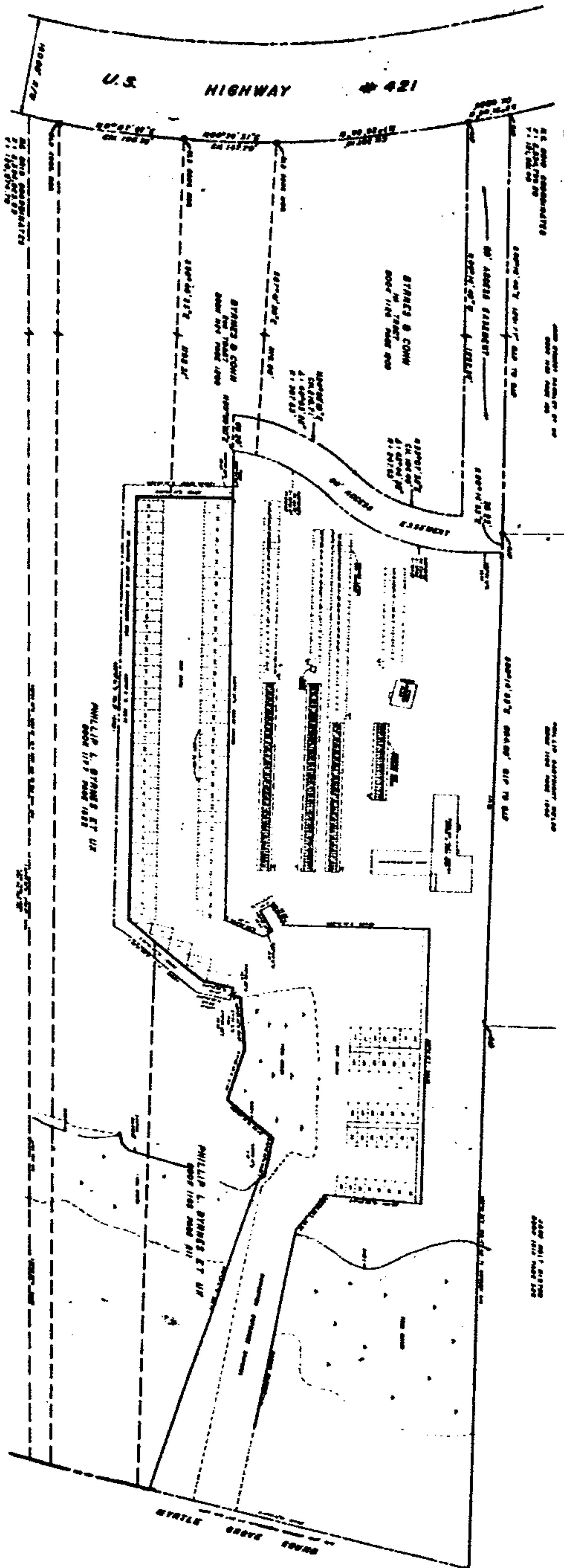
Byrnes & Cohn, First and Second Tracts: Book 1126, Page 1209

Philip L. Byrnes, et ux: Book 1177, Page 1622

Philip L. Byrnes, et ux: Book 1165, Page 211.

EXHIBIT A-2

Beginning at an old iron pipe in the Southern line of the John T. Hansley tract of land, said point being North 84 degrees 56 minutes 15 seconds West, 500.0 feet from an old iron pipe on the Western edge of Myrtle Grove Sound at the Southeastern corner of said John T. Hansley tract of land as shown on a map prepared by C. W. Blome, Jr., R.L.S., January 25, 1967, said beginning point being the Southwestern corner of a 1.20 acre tract of land conveyed by John T. Hansley to D. R. Tancredi by deed recorded in Book 929, at Page 149 of the New Hanover County Registry. Running thence from said point of beginning along the Southern line of said Hansley tract of land, North 84 degrees 56 minutes 15 seconds West, 804.30 feet to an old iron pipe; thence North 05 degrees 07 minutes East, 350.80 feet to a new iron pipe; thence South 84 degrees 30 minutes 30 seconds East, 1,437.34 feet to a new iron pipe on the Western edge of Myrtle Grove Sound; thence with the Western edge of said Sound South 26 degrees 28 minutes 45 seconds West, 12.23 feet to an old iron pipe; thence North 86 degrees 20 minutes West, 629.15 feet to an old iron pipe; thence South 05 degrees 01 minutes 45 seconds West, 313.20 feet to the point of beginning, containing 6.73 acres, more or less and being a portion of said Hansley tract as shown on the aforementioned map, together with an easement 30.0 feet in width for ingress and egress from Carolina Beach Road (U.S. Hwy. #421) to the property herein conveyed, said 30.0 foot easement being described as follows: Beginning at an old iron pipe in the Southern line of the John T. Hansley tract of land at the Southwestern corner of the tract of land herein conveyed; running thence from said beginning point, along the Southern line of said Hansley tract of land North 84 degrees 56 minutes 15 seconds West, 1,295.66 feet to an iron pipe in the Eastern right-of-way line of Carolina Beach Road (80.0 feet from the centerline thereof), said point being the Southwestern corner of said Hansley tract of land; thence along the Eastern right-of-way line of said Carolina Beach Road with a curve to the left North 05 degrees 37 minutes 45 seconds West, 30.53 feet chord distance to a point; thence parallel with the Southern line of said Hansley tract South 84 degrees 56 minutes 15 seconds East, 1,301.32 feet to a point in the Western line of the tract herein conveyed; thence along the Western line of said tract South 05 degrees 07 minutes West, 30.0 feet to the point of beginning, the same being a portion of said Hansley tract of land.



NEW HANOVER COUNTY
NORTH CAROLINA
I, JAMES A. BYRNE, JR., Surveyor General of the State of North Carolina, do hereby certify that the foregoing is a true and correct copy of the original survey as filed in my office, and that the same has been examined and found correct.

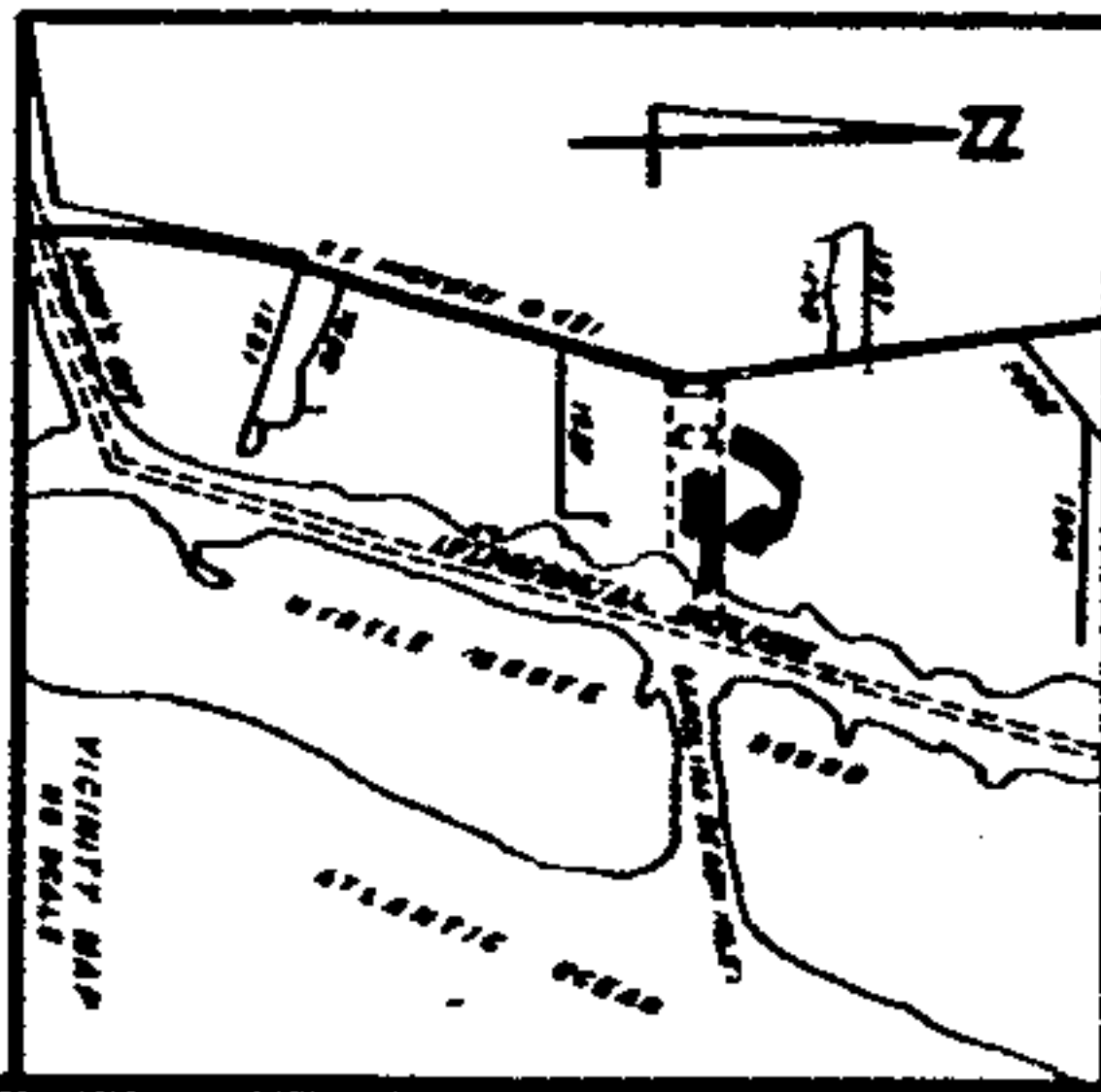
NEW HANOVER COUNTY
NORTH CAROLINA
I, JAMES A. BYRNE, JR., Surveyor General of the State of North Carolina, do hereby certify that the foregoing is a true and correct copy of the original survey as filed in my office, and that the same has been examined and found correct.

James A. Byrne, Jr.
Surveyor General
State of North Carolina

NEW HANOVER COUNTY
NORTH CAROLINA
I, JAMES A. BYRNE, JR., Surveyor General of the State of North Carolina, do hereby certify that the foregoing is a true and correct copy of the original survey as filed in my office, and that the same has been examined and found correct.

NEW HANOVER COUNTY
NORTH CAROLINA
I, JAMES A. BYRNE, JR., Surveyor General of the State of North Carolina, do hereby certify that the foregoing is a true and correct copy of the original survey as filed in my office, and that the same has been examined and found correct.

James A. Byrne, Jr.
Surveyor General
State of North Carolina



**SURVEY OF PROPERTY & FACILITIES
AT
INLET WATCH YACHT CLUB**

PREPARED BY
BYCO, INC.
ROUTE 2 BOX 217
WILMINGTON, NORTH CAROLINA 28403

FEDERAL POINT TOWNSHIP, NEW HANOVER COUNTY
NORTH CAROLINA
JULY 1988

SCALE 1"=100' SCALE OF FEET

EXHIBIT C

COLUMN A - PHASE I

No. of Boat Slips	Size in feet	Type	Percentage of Undivided Interest
80	45'	wet	.4315%
36	35'	wet	.3489%
97	over 25'	dry	.1856%
96	25'	dry	.1443%
96	22'	dry	.1237%
96	20'	dry	.1030%

EXHIBIT C

COLUMN B - PHASE I AND II

No. of Boat Slips	Size	Type	Percentage of Undivided Interest
80	45'	wet	.3077%
36	35'	wet	.2341%
97 over	25'	dry	.1310%
96	25'	dry	.1016%
96	22'	dry	.0868%
96	20'	dry	.0721%

STATE OF NORTH CAROLINA 1453 0328
COUNTY OF NEW HANOVER

RECORDED AND VERIFIED
REBECCA P. TUCKER
REGISTER OF DEEDS
NEW HANOVER CO. NC

APR 18 10 14 AM '89

AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND

RESTRICTIONS FOR INLET WATCH YACHT CLUB, INC.

RECORDED AND VERIFIED
REBECCA P. TUCKER
REGISTER OF DEEDS
NEW HANOVER CO. NC
DEC 20 10 45 AM '89

THIS AMENDMENT to the Declaration of Covenants, Conditions and Restrictions for Inlet Watch Yacht Club, Inc., made this 17th day of March, 1989, by INLET WATCH YACHT CLUB, INC., a North Carolina non-profit corporation.

W I T N E S S E T H:

THAT, WHEREAS, the Declaration of Covenants, Conditions and Restrictions of Inlet Watch Yacht Club, Inc., were recorded on July 26, 1985, in Book 1296, Page 970 of the New Hanover County Registry (hereinafter "the Declaration"); and

WHEREAS, the Declaration provides in Article IX, Section 3 thereof that the Declaration may be amended upon the approval of not less than 67% of the members cast by person or by proxy at a meeting duly held in accordance with the By-Laws; and

WHEREAS, at a meeting of the members of Inlet Watch Yacht Club, Inc. held on June 20, 1987, in accordance with the By-Laws, the following amendments were approved by not less than 67% of the members cast by person or proxy at that meeting.

WHEREAS, it is understood that all references to Declarant in this amendment shall be understood to refer to Byco, Inc., its successors and assigns.

NOW, THEREFORE, Inlet Watch Yacht Club, Inc., hereby states the following amendments to the Declaration effected by the membership of Inlet Watch Yacht Club, Inc., in accordance with the By-Laws of the corporation on June 20, 1987:

1. Change the first sentence of Article I, Section 4, to read as follows: WET BOAT SLIPS shall mean and refer to one hundred twenty one (121) spaces in and above the water for the docking of a boat.
2. Change the phrase "one hundred (100) boat storage spaces" in Article I, Section 5, to read "eighty nine (89) boat storage spaces".
3. Change the first sentence of Article I, Section 7, to read as follows: MEMBER, except as provided in Article III, shall mean and refer to every person and entity who has a membership in the corporation.
4. Add the following three paragraphs to Article I, Section 7:

There shall be 498 memberships in the Association, one for each wet and dry boat slip. Declarant owns and holds and may exercise voting rights of all untransferred memberships. Regular assessments shall be charged against memberships and undivided interests in the common areas and facilities only after transfer and conveyance from Declarant, except that Declarant shall be charged regular assessments as to those untransferred memberships and unconveyed undivided interests in the common areas and facilities which Declarant has under lease.

Declarant shall be a member of the corporation with regard to each membership of the corporation owned and held by Declarant.

171904

RETURNED TO

RETURNED TO

THIS DOCUMENT IS BEING RE-RECORDED TO INCLUDE EXHIBIT C WHICH WAS OMITTED FROM THE DOCUMENT AT THE TIME IT WAS ORIGINALLY RECORDED.

BOOK

1479 1624

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1453 0329

1479 1625

A member is in good standing and is entitled to vote if that member owes no assessments, attorney's fees, debt collection costs, interest, fines and penalties.

5. Delete the first sentence of Article III, Section 2, paragraph 2, and replace it with the following:
 2. Class II: The Declarant is a member with Class II voting rights, which entitles the Declarant to three (3) votes for each unsold membership.
6. To add to Article III, Section 2, a paragraph 3 stating the following:
 3. The Declaration and By-Laws make several references to the number of members necessary to take some action on behalf of the corporation. It shall be understood that one member has one membership and one vote. A person, firm or entity owning more than one membership is a separate member with regard to each membership owned and has one vote for each membership owned. With regard to all references in these documents to the number of members necessary to take some action, it shall be understood that one member owns one membership and has one vote, except with regard to the Declarant as stated in paragraph 2 hereinabove. As an illustration, a person, firm or entity owning 10 memberships "is" 10 members and has 10 votes, except as provided in paragraph 2 of this section.
7. Add to Article IV, Section 3.B., the following:

The Board may not increase the regular assessment by more than fifteen (15%) percent in any one year.
8. Change Article IV, Section 4, Line 12, after the words "provided that" to read as follows:

... if such special assessment exceeds \$100.00 in any fiscal year for any membership, such assessment shall have the approval of members, in person or by proxy, entitled to cast two-thirds (2/3) of the votes at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting setting forth the time, date, place and purpose of the meeting.
9. Change Article IV, Section 5, to read as follows:

Section 5: QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTION 4. The presence at the meeting of members or of proxies entitled to cast sixty percent (60%) of all votes shall constitute a quorum.
10. To add as Article VII, Section 4, the following:

The Board of Directors shall make and publish a list of size criteria to determine the suitability of a boat to use a particular slip or dry storage facility. This shall be explained to each prospective purchaser before closing and will govern all rentals.
11. To add as Article X, Section 4, the following:

The provisions of this Declaration shall control in all instances where its provisions differ or are inconsistent with the provisions of the By-Laws or the Rules and Regulations.

12. Delete Exhibit C which is designated COLUMN A - PHASE I (recorded in Book 1296, at Page 984 of the New Hanover County Registry) and replace it with a new Exhibit C denominated COLUMN A - PHASE I, a copy of which is attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, Inlet Watch Yacht Club, Inc. has executed this AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR INLET WATCH YACHT CLUB, INC. on the day and year first above written.

INLET WATCH YACHT CLUB, INC.

BY: William S. Harris

PRESIDENT



Jack K. Talbert

SECRETARY

(CORPORATE SEAL)

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I, REBECCA W. FLYNN, a Notary Public in and for the county aforesaid do hereby certify that JACK K. TALBERT personally came before me this day and acknowledged that he is Secretary of INLET WATCH YACHT CLUB, INC., a North Carolina non-profit 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 official stamp or seal, this the 17th day of April, 1989.

Rebecca W. Flynn
Notary Public



Commission expires: 10/26/89

(Notarial Seal)

STATE OF NORTH CAROLINA
New Hanover County
The Foregoing/Amended Certificate of
Rebecca W. Flynn

Notary (Notarized) Public is/are certified
to be correct.
This the 18 day of April, 1989

Rebecca P. Tucker, Register of Deeds

By Quincy M. Holiday
Deputy/Assistant

1479 1627

EXHIBIT C

COLUMN A - PHASE 1

No. of Boat Slips	Size in feet	Type	Percentage of Undivided Interest
75	45'	wet	.4315%
37	35'	wet	.3489%
9	25'	wet	.2714%
89	over 25'	dry	.1856%
96	25'	dry	.1443%
96	22'	dry	.1237%
96	20'	dry	.1030%

RECORD OF POOR QUALITY
CONDITION OF ORIGINAL DOCUMENT
G.S. 161-14

STATEMENT OF EXPLANATION

1479 1628

THIS DOCUMENT IS BEING RE-RECORDED TO INCLUDE EXHIBIT C WHICH WAS OMITTED FROM THE DOCUMENT AT THE TIME IT WAS ORIGINALLY RECORDED.

THIS THE 20TH DAY OF DECEMBER, 1989.



DEAN R. DAVIS
ORIGINAL DRAFTSMAN

This explanation statement together with the attached instrument duly rerecorded at 10:45 o'clock A m this the 20 day of December, 1989 in the book and page shown on the first page hereof.

REBECCA P. TUCKER, REGISTER OF DEEDS

BY: 

DEPUTY/ASSISTANT REGISTER OF DEEDS

4
2/2
Mailed To

INLET WATCH YACHT CLUB-MAIL
901 PAOLI RD
WILMINGTON NC 28409



FOR REGISTRATION REGISTER OF DEEDS
REBECCA T. CHRISTIAN
NEW HANOVER COUNTY, NC
2005 JAN 14 10:42:12 AM
BK:4638 PG:917-921 FEE:\$23.00

INSTRUMENT # 2005002204

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

**SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR INLET WATCH YACHT CLUB, INC.**

This Second Amendment to the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR INLET WATCH YACHT CLUB, INC., made this the ____ day of January, 2005, by Inlet Watch Yacht Club, Inc., a North Carolina non-profit corporation (the "Corporation" or "Association");

WITNESSETH:

That, WHEREAS the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR INLET WATCH YACHT CLUB, INC., were recorded on 26 July 1985 in Book 1296, Page 970 of the New Hanover County Registry (hereinafter, "the Declaration"); and

WHEREAS, such Declarations were amended as of 17 April 1989, and re-recorded finally on 20 December 1989 at Book 1479, Page 1624, New Hanover County Registry (the "First Amendment"); and

WHEREAS, the Declaration provides in Article IX, Section 3 thereof that the Declaration may be amended upon approval of at least 67% of the members cast by person or proxy at that meeting; and

WHEREAS, it is understood that all references to Declarant in the Amendment shall refer to BYCO, Inc., its heirs, successors and assigns; and

WHEREAS, it is deemed prudent and advisable, and in the interest of all of the Owners of the Corporation to retire certain corporate debts and to further amend the Declaration and First Amendment, and same was properly noticed, voted upon and approved by the requisite number of owners of the Corporation in its meeting held on MARCH 13, 2004, minutes and resolution of which were properly executed by the Corporate Secretary and are attached as Exhibit A hereto;

NOW THEREFORE, the Corporation hereby declares and states the following further general amendments to both the Declaration and the First Amendment, in accordance with the By-laws of the Corporation, notwithstanding anything to the contrary recorded prior hereto:

1. All prior instances of the word "member" shall be deleted and the words, "Equity Member" substituted therefor;
2. All prior instances of the word "membership" shall be deleted and the words, "Equity Membership" substituted therefor;

3. Hereafter, all uses of the word "member," when used alone and not together with other qualifying words such as "Equity" or "Club," shall include in its meaning both "Equity Member" and "Club Member."

4. Hereafter, the word "membership," when used alone and not together with other qualifying words such as "Equity" or "Club," shall include in its meaning both "Equity Membership" and "Club Membership."

5. Hereafter, there shall be two classes of membership in the use and enjoyment of the Corporation's facilities: "Equity Membership" and "Club Membership," each with unique meanings as defined herein.

6. "Equity Member," and "Equity Membership" shall have the same meaning as "member" and "membership" were used in the Declaration and First Amendment. "Club Member" shall mean one holding a "Club Membership" and not an Equity Membership. "Club Membership" shall refer only to (1) the privileges one enjoys by holding in due course a Club Membership Certificate, which Certificate entitles the holder of record to the exclusive right to use, occupy and enjoy a vessel storage space of at least a given length and designated by the Corporation's Board of Directors, as well as (2) the same level and extent of use and enjoyment of the pool, clubhouse and other Corporation common areas and facilities as Equity Members, excepting those slips and other areas allocated to Equity Members and other Club Members.

7. Voting Rights of Club Members: Club Members shall be allowed one vote per Club Membership Certificate held, along with Equity Members, on Association votes on matters solely affecting Club Membership only, where such Equity Member voting is required at all by the Declaration, First Amendment, and Bylaws, as amended. The Board of Directors of the Association shall have the final say as to what constitutes "a matter affecting only Club Membership."

8. There shall be no restriction on the number of Club Membership Certificates held by a person or entity, and each certificate held shall be treated as a separate Club Membership for all purposes.

9. Club Membership status may be suspended if Club Membership fees and dues are delinquent by more than 60 days, on vote of a majority of the Association Board of Directors. Club Membership status may be revoked if Club Membership fees and dues are delinquent by more than 180 days, on vote of sixty-seven percent (67%) of the Association Board of Directors, in which case the Membership shall terminate, be no longer transferrable by the holder, and shall revert to the ownership by the Owners of the Corporation as a whole, and if so revoked, the prior defaulting holder shall have forfeited and have no right to any monies later received by any seller of such Club Membership. As the sole exception to this default provision, should the holder of a Club Membership Certificate die, the ownership of the Club Membership Certificate shall not revert to the Owners of the Corporation as a whole until payment of such Club Membership fees and dues is 365 delinquent.

10. Nothing herein, or in the documents amended hereby, shall be construed as altering the rights, or percentage ownership of the Corporation or Association owned by any Equity Member. Club Membership is in the nature of a license, is revocable, and shall not include any ownership of the property or common areas of the Corporation, the Association, or their Equity Members.

11. Notwithstanding anything to the contrary herein or in the documents amended hereby, the Board of Directors may designate, or redesignate, the vessel storage location assigned to a particular Club Membership Certificate, so long as the re-assigned space is reasonably comparable in quality, and at least the same length as the original vessel storage location assigned to the Club Membership.

12. Club Membership may be freely sold, transferred and devised only after all outstanding Club Membership fees and dues are paid in full on such Club Membership, on the condition that same is done only by the Corporate Secretary through the official offices of the Corporation, and such transfer is memorialized by the Corporate Secretary or his/her designee in the official records of the Corporation.

13. Club Membership fees and dues shall be set annually by the Corporation Board of Directors, and shall not be increased more than 15% for any year without a vote of all of the members. In no event may the Club Membership fees and dues exceed the total sum amount paid by an Equity Member for a dry slip of the Corporation of the same or similar size and type for all Equity Member fees, dues, charges and assessments associated with such Equity Member's ownership in the Corporation.

IN WITNESS WHEREOF, the Corporation has executed this SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR INLET WATCH YACHT CLUB, INC. this the 12 day of January, 2005.

INLET WATCH YACHT CLUB, INC.

By: [Signature]

PRESIDENT

ATTEST:

[Signature] R. Dickson [CORPORATE SEAL]

CORPORATE SECRETARY

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I, LAURA SAWER Notary Public in and for the aforesaid county and state, do hereby certify that Thomas R. Dickson personally came before me and acknowledged that he/she is Secretary of Inlet Watch Yacht Club, Inc., a North Carolina non-profit corporation, and that by the authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by him/her as its Secretary. Witness my hand this the 14th day of January 2005.

[Signature]
Notary Public
My commission expires: 3/6/08

(SEAL)

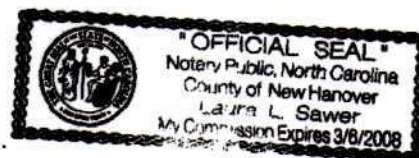


Exhibit A
Corporate Resolution and Minutes

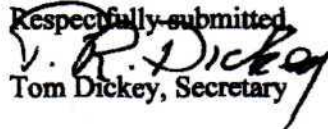
INLET WATCH YACHT CLUB, INC.
Annual Membership Meeting
January 17, 2004

The Inlet Watch Yacht Club, Inc. Annual Membership, recessed since January 17, 2004 was reconvened on March 13, 2004 at 2:00 p.m. by President John Lloyd. Secretary Tom Dickey reported that 78% of the members had voted in person or by proxy, establishing a quorum necessary to amend the Covenants to create a new form of membership for the new dry stacks to be built. The vote for the proposed addition to the dry stack and new membership sales was 98% for, 2% against.

John reported that we already have twice as many slips spoken for as we will be able to sell. Current members will be offered first chance and will be notified by letter. In answer to a question- "What are the profits for?" John replied to pay off the debt.

A motion to adjourn was made and seconded and the meeting was adjourned at 2:06 p.m.

Respectfully submitted,


Tom Dickey, Secretary



REBECCA T. CHRISTIAN
REGISTER OF DEEDS, NEW HANOVER
216 NORTH SECOND STREET

WILMINGTON, NC 28401

Filed For Registration: 01/14/2005 10:42:12 AM
Book: RE 4638 Page: 917-921
Document No.: 2005002204
AMD DECL 5 PGS \$23.00

Recorder: MICAH PHELPS

State of North Carolina, County of New Hanover

The foregoing certificate of LAURA L SAWER Notary is certified to be correct. This 14TH of January 2005
REBECCA T. CHRISTIAN , REGISTER OF DEEDS

By: 
Deputy/Assistant Register of Deeds

YELLOW PROBATE SHEET IS A VITAL PART OF YOUR RECORDED DOCUMENT.
PLEASE RETAIN WITH ORIGINAL DOCUMENT AND SUBMIT FOR RE-RECORDING.

2005002204

2005002204



FOR REGISTRATION REGISTER OF DEEDS
JENNIFER H. MACNEISH
NEW HANOVER COUNTY, NC
2010 MAY 11 02:53:30 PM
BK:5485 PG:783-787 FEE:\$23.00

INSTRUMENT # 2010012881

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

**THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR INLET WATCH YACHT CLUB, INC.**

This Third Amendment to the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR INLET WATCH YACHT CLUB, INC., made this the 3rd day of FEBRUARY, 2010, by Inlet Watch Yacht Club, Inc., a North Carolina non-profit corporation (the "Corporation" or "Association");

WITNESSETH:

WHEREAS the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR INLET WATCH YACHT CLUB, INC., was recorded on 26 July 1985 in Book 1296, Page 970 of the New Hanover County Registry (hereinafter, "the Declaration"); and

WHEREAS, such Declaration was amended as of 17 April 1989, and re-recorded finally on 20 December 1989 at Book 1479, Page 1624, New Hanover County Registry (the "First Amendment"); and

WHEREAS, such Declarations was amended as of 12 January 2005, and re-recorded finally on 14 January 2005 at Book 4638, Pages 917-921, New Hanover County Registry (the "Second Amendment"); and

WHEREAS, the Declaration provides in Article IX, Section 3 thereof that the Declaration may be amended upon approval of at least 67% of the members cast by person or proxy at that meeting; and

RETURN TO *Troy Moore*

WHEREAS, it is understood that all references to Declarant in the Amendment shall refer to BYCO, Inc., its heirs, successors and assigns; and

WHEREAS, it is deemed prudent and advisable, and in the interest of all of the Owners of the Corporation to retire certain corporate debts and to further amend the Declaration, First Amendment, and Second Amendment, and same was properly noticed, voted upon and approved by the requisite number of owners of the Corporation in its meeting held on the 3rd day of February, 2010, minutes and resolution of which were properly executed by the Corporate Secretary and are attached as Exhibit A hereto;

NOW THEREFORE, the Corporation hereby declares and states the following further general amendments and clarifications to the Declaration, the First Amendment, and the Second Amendment in accordance with the By-laws of the Corporation, notwithstanding anything to the contrary recorded prior hereto:

Paragraph 9 of the Second Amendment, which reads as follows, is deleted in its entirety:

“Club Membership status may be suspended if Club Membership fees and dues are delinquent by more than 60 days, on vote of a majority of the Association Board of Directors. Club Membership status may be revoked if Club Membership fees and dues are delinquent by more than 180 days, on vote of sixty-seven (67%) of the Association Board of Directors, in which case the Membership shall terminate, be no longer transferable by the holder, and shall revert to the ownership by the Owners of the Corporation as a whole, and if so revoked, the prior defaulting holder shall have forfeited and have no right to any monies later received by any seller of such Club Membership. As the sole exception to this default provision, should the holder of a Club Membership Certificate die, the ownership of the Club Membership Certificate shall not revert to the Owners of the Corporation as a whole until payment of such Club Membership fees and dues is 365 days delinquent.”

Paragraph 9 of the Second Amendment is hereby replaced with the following paragraph:

“Club Membership status may be suspended if Club Membership fees or dues are delinquent by more than 30 days. Club Membership status may be revoked if Club Membership fees or dues are delinquent by more than 180 days, on vote of sixty-seven (67%) of the Association Board of Directors, in which case any rights associated with Club Membership shall be withdrawn and will be no longer transferable by the holder. The revoked Club Membership Certificate shall then be resold by the Club by public auction with any net proceeds after payment of delinquent fees, dues, and costs associated with the sale paid to the prior defaulting holder.”

Further, in recognition of the Corporation's having long been treated and operating as a Planned Community as defined by the Planned Community Act, Chapter 47F of the North Carolina General Statutes, such status is hereby more formally adopted.

IN WITNESS WHEREOF, the Corporation has executed this THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR INLET WATCH YACHT CLUB, INC. this the 7th day of May, 2010.

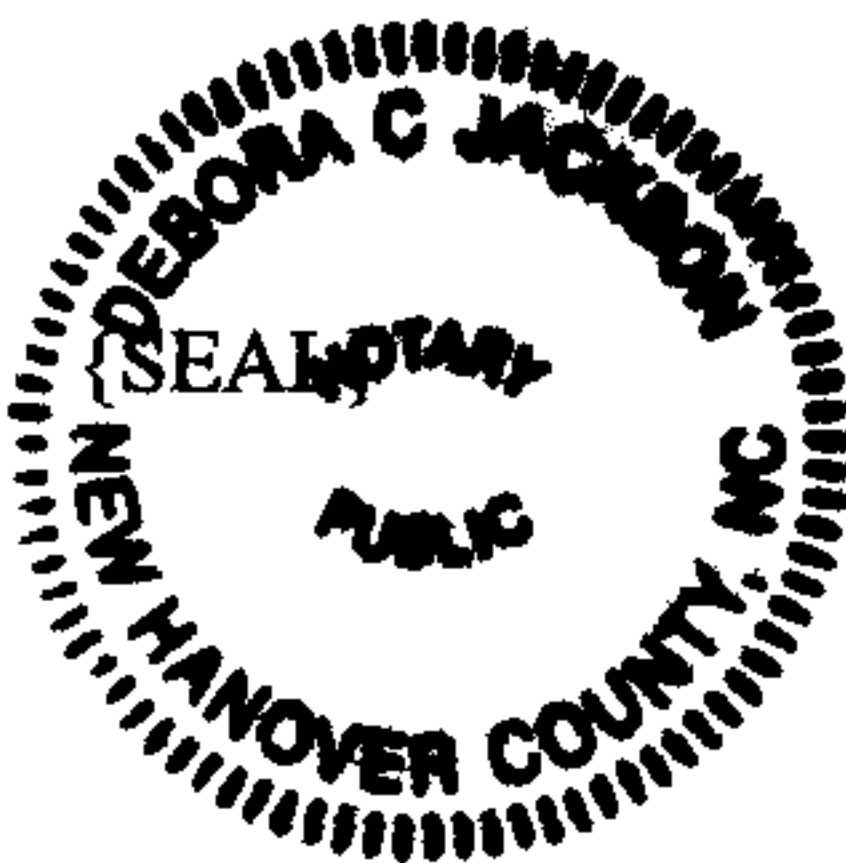
INLET WATCH YACHT CLUB, INC.

By: Thomas R. Dickey
PRESIDENT

ATTEST: [Signature] [CORPORATE SEAL]
CORPORATE SECRETARY

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I, Debora C Jackson, Notary Public in and for the aforesaid county and state, do hereby certify that Walt Conlogue personally came before me and acknowledged that he/she is Secretary of Inlet Watch Yacht Club, Inc., a North Carolina non-profit corporation, and that by the authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by him/her as its Secretary. Witness my hand this the 7 day of May 2010.



Debora C Jackson
Notary Public
My commission expires: June 18, 2013

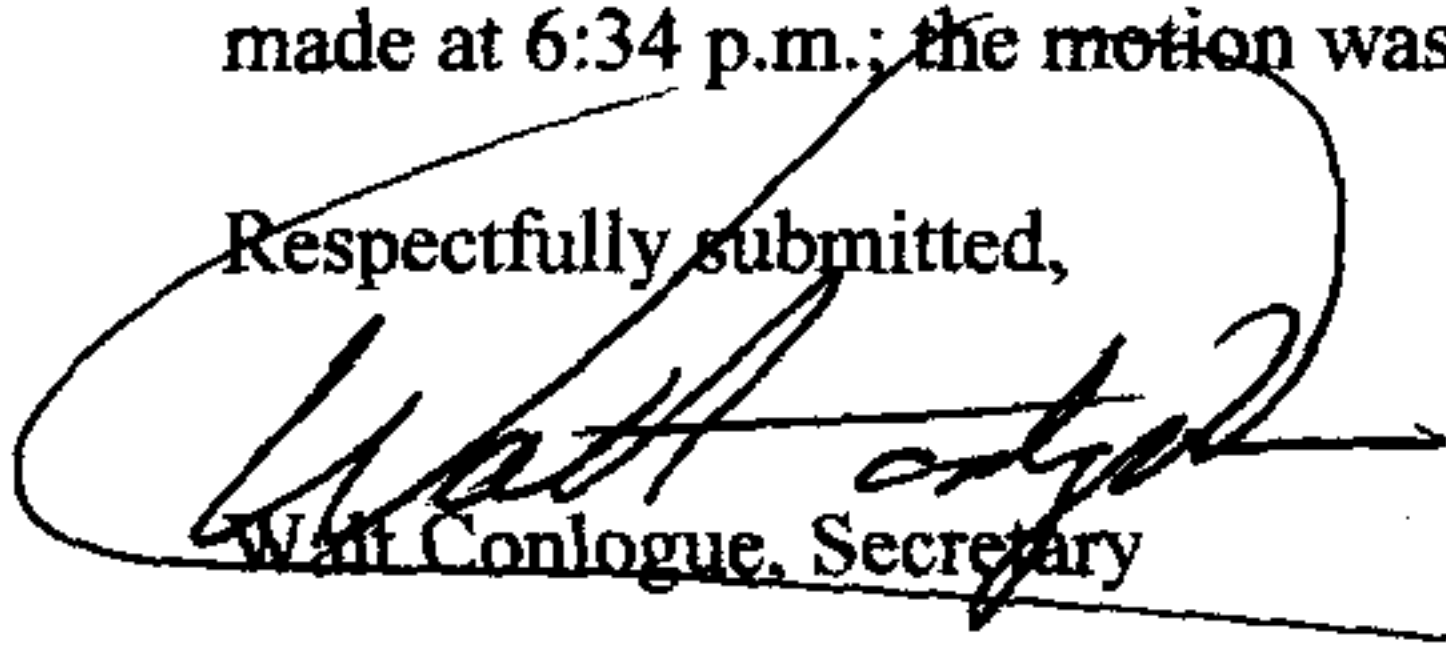
EXHIBIT A
Corporate Resolution and Minutes

INLET WATCH YACHT CLUB, INC.
Annual Membership Meeting
January 16, 2010

The Inlet Watch Yacht Club, Inc. Annual Membership Meeting, recessed since January 16, 2010, was reconvened on February 3, 2010 at 6:30 p.m. by President Thomas Dickey. Secretary Walt Conlogue reported that 67% of the members had voted in person or by proxy, establishing a quorum necessary to amend the Covenants to memorialize and formally adopt Inlet Watch Yacht Club, Incorporated's adherence to the Planned Community Act, Chapter 47F of the North Carolina General Statutes. In addition, the Third Amendment proposed an amendment to the language of a specific portion of the Second Amendment to the Declaration of Covenants, Conditions and Restrictions of Inlet Watch Yacht Club, Inc. regarding Club Membership Licenses. The vote for the proposed change to the Second Amendment and the adherence to the Planned Community Act was 95% for, 5% against.

No further questions or items were voiced at this time. A motion to adjourn the meeting was made at 6:34 p.m.; the motion was seconded and passed unanimously.

Respectfully submitted,



Walt Conlogue, Secretary



JENNIFER H. MACNEISH
REGISTER OF DEEDS, NEW HANOVER
216 NORTH SECOND STREET

WILMINGTON, NC 28401

Filed For Registration: 05/11/2010 02:53:30 PM

Book: RE 5485 Page: 783-787

Document No.: 2010012881

5 PGS \$23.00

Recorder: CRESWELL, ANDREA

State of North Carolina, County of New Hanover

PLEASE RETAIN YELLOW TRAILER PAGE WITH ORIGINAL DOCUMENT.

2010012881

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