



Condominiums, Inc.
Homeowners Association, 1505 Salter Path Road, Atlantic Beach, NC 28512

Declaration of Unit Ownership
And
By-Laws

Declaration of Unit Ownership

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DECLARATION OF UNIT OWNERSHIP
of
SUMMER WINDS CONDOMINIUMS, INC.

THIS DECLARATION, made this 24th day of October, 1983 by THOMPSON DEVELOPERS, a North Carolina Limited Partnership (hereinafter called the "Developer"),

WITNESSETH.

WHEREAS, Developer is the owner of a certain tract or parcel of land lying and being situate in Carteret County, North Carolina, said tract or parcel of land being more particularly described on the Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, the Developer desires and intends by the filing of this Declaration to submit said real property and all improvements constructed or to be constructed thereon, together with all appurtenances thereto, to the provisions of Chapter 47A of the North Carolina General Statutes, as amended, entitled the "Unit Ownership Act";

NOW, THEREFORE, the Developer hereby submits said real property to the provisions of chapter 47A of the North Carolina General Statutes, as amended, and hereby publishes its plan as to the division of said tract of land, the imposition of restrictive and protective covenants, conditions, restrictions, reservations, liens, agreements and charges thereon, and the individual ownership thereof, and hereby specifies that this Declaration shall constitute restrictive and protective covenants, conditions and reservations which shall run with the land and shall bind and inure to the benefits of the Developer, its successors and assigns, and all subsequent owners of any interest in the tract of land so committed to the Unit Ownership Act, their heirs, successors and assigns.

ARTICLE I
ESTABLISHMENT OF CONDOMINIUM

The Developer does hereby submit the real property more particularly described on Exhibit A attached hereto and incorporated herein by reference and the improvements located thereon and improvements which may in the future be located thereon to condominium ownership under the provisions of Chapter 47A, as amended, of the General Statutes of North Carolina, and hereby declares the same to be a condominium to be known and identified as "SUMMER WINDS CONDOMINIUMS".

The improvements to be constructed on the real property described on the attached Exhibit A shall consist of one building containing ninety two (92) living units, a clubhouse, their supporting facilities, and other appurtenant improvements as described on the plans and specifications attached hereto as Exhibit C. The Developer hereby expressly reserves an option, but shall in no way be obligated, to expand the Condominium without the consent of the unit owners. The Developer shall have the option to add either one or two additional phases to the Condominium

If the Developer elects to add one additional phase to the one Condominium under this Declaration such additional phase shall be located within but shall not

necessarily encompass all, of either of the two parcels of land designated as Parcel A or Parcel B on the attached Exhibit B. If the Developer elects to add a second additional phase to the Condominium under this Declaration, such second additional phase shall be located within, but shall not necessarily encompass all, of the parcel of land designated on the attached Exhibit B which was not utilized for the first additional phase. If the Developer elects to add all or any portion of Parcel A under this Declaration as an additional phase, such additional phase shall contain one building with no more than sixty five (65) living units and shall be known and designated as Summer Winds Condominiums, Phase II. If the Developer elects to add all or any portion of Parcel B under this Declaration as a additional phase, such additional phase shall contain one building with no more than fifty five (55) living units and shall be known and designated as Summer Winds Condominiums, Phase III. The Developer may develop either or both additional phases at its elections and there shall be no requirement that one additional phase be added to the Condominium prior to the other additional phase, the Developer specifically reserving the right to elect the order that additional phases may be added, if any. The building and living units constructed in any additional phases shall be compatible, architecturally and otherwise, with the original building and living units of the Condominium.

Any additional phase, if dedicated pursuant to this Declaration, shall be developed within five (5) years of the date of this Declaration under a common plan which includes this Declaration, the features of which include common recreational facilities and provisions for maintenance and other services through a common administration. Each parcel or tract of land, together with the improvements thereon or to be placed thereon, which may be submitted to the condominium form of ownership pursuant to this Declaration shall constitute an addition to the original Condominium. An amendment to this Declaration shall be made and recorded in the office of the Register of Deeds of Carteret County, North Carolina, to include each phase which is to be included within this Declaration. All improvements of any additional phase will be substantially completed prior to the incorporation of such phase into the Condominium.

In order to facilitate the operation and administration of all phases of the Condominium, there shall be formed a non-profit corporation to be known as Summer Winds Condominiums, Inc., which shall have the general authority and responsibility for the operation and administration of the condominium and all of its dedicated phases. If additional phases are built and dedicated, amendments to this Declaration shall be made to bring said phases under this Declaration and into the Summer Winds Condominiums, Inc. The authority and responsibility of Summer Winds Condominiums, Inc. shall be as described in this Declaration, its Articles of Incorporation and its Bylaws.

ARTICLE 2 DEFINITIONS

As used in this Declaration, the Articles of Incorporation, the Bylaws, and the Exhibits attached hereto, and all amendments thereof, unless the context otherwise requires, the following definitions shall prevail:

A. "Act" shall mean and refer to Chapter 47A of the North Carolina General Statutes, as amended. It is the intent of the Developer that the provisions of the Act shall control the creation of the Condominium. Should there be any conflict between the Act and this Declaration, the Act shall control to the extent that the Act does not allow variances.

B. "Articles of Incorporation" shall mean the Articles of Incorporation of the Association attached hereto as Exhibit E and incorporated herein by reference, as may be amended from time to time.

C. "Association" shall mean Summer Winds Condominiums, Inc., a North Carolina non-profit corporation, which shall be the entity responsible for the operation of the Condominium.

D. "Association Properties" shall mean such property as is owned by the Association from time to time in accordance with the terms of this Declaration.

E. "Board of Directors" shall mean the board of Directors of the Association which is responsible for the administration of the Association.

F. "Bylaws" shall mean the Bylaws of the Association as they exist from time to time.

G. "Common Areas" shall mean and include all of the property of the Condominium with the exception of the units as defined herein, and shall include limited common areas as herein defined.

H. "Common Surplus" shall mean the excess of all receipts of the Association (including, but not limited to, assessments, rents, profits and revenues from Common Areas as facilities) remaining after deduction of the common expenses.

I. "Condominium" shall mean the property as described on Exhibit A and delineated on the plat attached hereto as portion of Exhibit C.

J. "Condominium Unit" or "Unit" shall mean those individual dwelling units within the Condominium as delineated on the plat and plans of the Condominium attached to this Declaration as Exhibit C and made a part hereof. The physical boundaries of each unit are delineated on the plans and are more particularly defined and set forth in Article 4 herein. The arrangement and location of all units and areas occupied by units described herein are shown on the aforesaid plat and plans.

K. "Developer" shall mean Thompson Developers, a North Carolina Limited Partnership, its successors and assigns.

L. "Limited Common Areas" shall mean those certain areas designated as limited common areas on the plat attached hereto as a portion of Exhibit C which are hereby set aside and reserved for the exclusive use of certain units and such units shall have appurtenant thereto an easement for the use of such limited common areas.

M. "Management Agreement" shall mean that certain agreement between the Association, acting by and through its Board of Directors, and any entity providing for the management of the properties within the Condominium.

N. "Management Firm" shall mean and refer to the entity identified as the Management Firm in any Management Agreement or Agreements that may be entered into from time to time

O. "Occupant" shall mean any person or persons in possession of a unit

P. "Person" shall mean any individual, firm, corporation, partnership, association, trust, or any other legal entity or any combination thereof.

Q. "Unit Owner" or "Owner" shall mean any person or other legal entity owning one or more units, including those owners under purchase contract but shall not include a mortgagee unless such mortgagee has acquired fee simple title pursuant to foreclosure or some other process in lieu of foreclosure.

R. The terms "Association of Unit Owners", "Building", "Common Areas and Facilities", "Declaration", "Majority", "Property", "Recordation" and "Unit Designation", unless it is plainly evident from the context of this Declaration that a different meaning is intended, shall have the meaning set out in Section 3 of Chapter 47A of The General Statutes of North Carolina.

ARTICLE 3

NAME

The name by which this Condominium is to be identified shall be "SUMMER WINDS CONDOMINIUMS".

ARTICLE 4

IDENTIFICATION AND DESCRIPTION OF UNITS

The Condominium to be constructed on the real property described on the attached Exhibit A shall consist of one building, designated as Building A, and being located as shown on the site plan attached hereto as a part of Exhibit C. The building has five stories and contains ninety-two (92) units and a clubhouse.

There are six different unit configurations which, for the purpose of identification with reference to this Declaration, are designated as follows:

Type A Unit (3 Bedroom Plan) containing 1520 square feet

Type B Unit (4 Bedroom Plan) containing 1900 square feet

Type B Unit (3 Bedroom Plan) containing 1800 square feet

Type C Unit (4 Bedroom Plan) containing 1760 square feet

Type D Unit (2 Bedroom Plan) containing 1280 square feet

Type E Unit (3 Bedroom Plan) containing 1680 square feet

The approximate area and configuration of each type of unit is shown on the plat and plans attached hereto as a part of Exhibit C, which plat and plans show the number of rooms in each type of unit.

For purposes of identification, all units located in the Condominium are given identification numbers as delineated on the plat and plans attached hereto as a part of Exhibit C. No unit bears the same identifying number as does any other unit. The common areas and facilities and limited common areas are designated on Exhibit C. Further, Exhibit C, together with this Declaration are in sufficient detail as to identify the location, dimensions and size of the common areas, limited common areas and of each unit. The building construction is concrete and reinforced steel in accordance with the specifications contained on Exhibit C.

ARTICLE 5
OWNERSHIP OF CONDOMINIUM UNITS

Each unit shall be conveyed and treated as individual property capable of independent use and fee simple ownership. The owner of each unit shall also own, as an appurtenance to the ownership of each said unit, an undivided interest in the common areas. The undivided interest appurtenance to each condominium unit shall be as set out in Exhibit D attached hereto and made a part hereof. The proportional interest in the common area that is appurtenant to each condominium unit shall be as set out in Exhibit D attached hereto and made a part hereof. The proportional interest in the common area that is appurtenant to each condominium unit has been determined by a ration formulated upon the approximate relation that the fair market value of each unit, upon the date of the Declaration, bears to the then aggregate fair market value of all the units having an interest in the common areas. The fair market value of each unit and the fair market value of all the units have been determined by the Developer, and are binding upon all unit owners.

The Developer may, but does not obligate itself to, incorporate additional phases into the Condominium. If additional phases are added to this Condominium, the appurtenant undivided interest of each owner in the total common area shall decrease based on the ratio that the fair market value of each unit bears to the aggregate fair market value of all units as determined by the Developer not to be less than the percentages set forth on the attached Exhibit D.

ARTICLE 6
RESTRICTION AGAINST FURTHER SUBDIVISION
AND SEPARATE CONVEYANCE OF APPURTENANT COMMON AREAS

No condominium unit may be divided or subdivided into a smaller unit nor shall any condominium unit or portion thereof be added to or incorporated into any other condominium unit.

The undivided interest in the common area declared to be an appurtenance to each condominium unit shall not be conveyed, devised, encumbered or otherwise dealt with separately from said unit, and the undivided interest in the common area appurtenant to each condominium unit shall be deemed conveyed, devised, encumbered or otherwise included with the unit. Any conveyance, mortgage or other instrument which purports to grant any right, interest or lien in, to or upon a condominium unit shall be null and void insofar as it purports to effect any interest in a condominium unit and its appurtenant undivided interest in a common area unless it purports to convey, devise or encumber the entire condominium unit. Any instrument conveying, devising or encumbering any unit which describes said unit by the designation assigned hereto shall be construed to affect the entire condo unit and its appurtenant undivided interest in the common area. Notwithstanding anything contained herein to the contrary, however, no limitation is placed on the ownership of any condominium unit by any persons as tenants in common, joint tenants or as tenants by the entirety.

ARTICLE 7
EASEMENT OVER COMMON AREAS

The common areas are hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the unit owners for their use and the use of their immediate families, guests and invitees, for all property purposes, and for the furnishing of services and facilities for which they are intended and for the enjoyment of the unit owners. Notwithstanding the foregoing, the Association shall have the exclusive right to establish the rules and regulations pursuant to which the unit owner, his family, guests and invitees may be entitled to use the common areas, including the right to assign parking spaces and to establish regulations concerning their use and maintenance. The Association shall have the right to grant permits, licenses and easements over the common areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium.

ARTICLE 8
EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT
ENCROACHMENTS

In the event that any condominium unit shall encroach upon any common area or other condominium unit for any reason not caused by the purposeful or negligent act of the unit owner or agents of such owner, then an easement appurtenant to such condominium unit shall exist for the continuance of such encroachment upon the common area or upon a condominium unit for as long as such encroachment shall naturally exist. In the event that any portion of the common area shall encroach upon any condominium unit, then an easement shall exist for the continuance of such encroachment of the common area upon any condominium unit for so long as such encroachment shall naturally exist. If any condominium unit or common area be partially or totally destroyed as a result of fire or other casualty, and if upon reconstruction of such unit and/or common area in accordance with Article 17 hereof, there exist encroachments of portions of the common areas upon any condominium unit or upon any portion of the common areas, then such encroachments shall be permitted and a valid easement for the maintenance thereof shall exist so long as such encroachments naturally remain.

ARTICLE 9
COMMON AREAS AND FACILITIES NOT SUBJECT TO PARTITION OR
DIVISION

The common areas and limited common areas shall remain undivided and no unit owner or any other person shall bring any action for partition or division of any part thereof, except as may be provided for herein, or as may be required under the Act.

ARTICLE 10
REGULATIONS PERTAINING TO USE OF COMMON AREAS

The use and maintenance of all common areas by the unit owners, and all other parties authorized to use the same, shall be subject to such rules and regulations as may be prescribed and established from time to time by the Association.

ARTICLE 11
OPERATING ENTITY AND ADMINISTRATION OF THE CONDOMINIUM

The operating entity of the Condominium shall be The Association, a nonprofit corporation organized and existing under the laws of the State of North Carolina under the name of Summer Winds Condominiums, Inc., the Articles of Incorporation of which are attached hereto as Exhibit E.

A. Powers: The Association shall have all the powers and duties set forth in the Act, as well as all of the powers and duties granted to or imposed upon it by this Declaration, its Articles of Incorporation, and its Bylaws, and all of the powers and duties necessary to operate the Condominium as set forth in this Declaration, its Articles of Incorporation and its Bylaws as they may be amended from time to time; subject however, to the provisions of the agreement between the Developer, the Association, and the Carteret County Health Department, as recorded in the Office of The Register of Deeds of Carteret County, North Carolina in Book UO-25 at Page 51. The Association's powers of maintenance, operation, administration, management and care of the Condominium may be delegated to a Management Firm as provided for in Article 13 herein. All other affairs of the Association shall be conducted by the Board of Directors who shall be designated in the manner provided for in the Bylaws of the Association.

In the administration of the operation and management of the Condominium, the Association is hereby granted the authority and power to enforce the provisions of this Declaration, to levy and to collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such rules and regulations governing the use of the condominium units, common areas and limited common areas as its Board of Directors may deem to be in the best interest of the Condominium.

B. Members:

1) Qualifications: The members of the Association shall consist of all the record fee simple owners of the units.

2) Change of Membership: Change of membership in the Association shall be established by the recording in the office of the Register of Deeds of Carteret County, North Carolina, a deed or other instrument establishing a record fee simple title to a unit or units in the Condominium and the delivery to the Association of a certified copy of such instrument; the owner designated by such instrument thereby becoming a member of the Association. The membership of the prior owner of the unit shall be thereby terminated.

3) Voting Rights: There shall be one person with respect to each unit who shall be entitled to vote at any meeting of the Association and such person shall be known and is hereafter referred to as the "Voting Member". The total number of votes shall be equal

to the total number of units within the Condominium at the time of such vote with each owner or group of owners being entitled to one (1) vote for each unit owned. If a unit is owned by more than one person, the owners of said unit shall designate one of them as the Voting Member. In the event a Voting Member is not designated when a unit is owned by more than one person, the following provisions shall apply:

(a) If only one of the unit owners is present at the meeting, the person present shall be counted for purposes of a quorum and may cast the vote for the unit, just as though such person owned it individually, and without establishing the concurrent or consent of the absent owner or owners.

(b) If more than one of such owners, whether or not all of them, are present at a meeting and concur, any one of the owners may cast the vote for the unit.

(c) If more than one of such owners, whether or not all of them, are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.

In the case of a corporate owner of a unit, such corporate owner shall designate an officer or employee to act as the Voting Member, which designation shall be certified by its Secretary to have been duly authorized by the proper officers of the corporate owners. In the event a corporate owner fails to make such designation, such owner shall lose its right to vote on any subject until a proper designation is made.

The unit owner or owners may designate some person to act as proxy on his or their behalf who need not be an owner, corporate officer or employee. Such designation shall be made in writing to the Board of directors and shall be revocable at any time by written notice to the Board of Directors or the death or judicially declared incompetence of any person so designated.

C. Indemnification of Directors: Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may become involved by reason of his being or having been a director or officer at the time of the acts in question except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided, that in the event of a settlement, the indemnification herein shall apply only when the board of directors approves such settlement and reimbursement as being in the best interests of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

D. Bylaws: The Bylaws of the Association shall be in the form attached hereto as Exhibit F as amended from time to time.

E. Property in Trusts: All funds and the titles of all properties acquired by the Association and the proceeds thereof shall be held in trust for the members in accordance with the provisions of this Declaration and the Articles of Incorporation and Bylaws of the Association.

ARTICLE 12
COMMON EXPENSES AND COMMON SURPLUS

The common expenses of the Condominium shall be shared by the unit owners in the same proportion that the undivided interest in the common areas appurtenant to each owner's unit bears to the total of all undivided interests in the common areas appurtenant to all condominium units. Any common surplus of the Association shall be owned by the owners of all condominium units in the same proportion that the undivided interest in the common areas appurtenant to each owner's unit bears to the total of all undivided interests in the common areas appurtenant to all condominium units; provided, however, that said common surplus shall be held by the Association in the manner, and subject to the terms, provisions, and conditions of this Declaration, imposing certain limitations and restrictions upon the use and distribution thereof. Except for the distribution of any insurance indemnity herein provided, or termination of the Condominium, any attribution or distribution of the common surplus which may be made from time to time shall be made to the then owners of the condominium units in accordance with their percentage interest in the common surplus as declared herein. The share of a unit owner in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his unit.

ARTICLE 13
MANAGEMENT AGREEMENT

The Association may contract with a management firm to provide all elements of the operation, care, supervision, maintenance and management of the Condominium. All powers and duties of the Association necessary or convenient for such maintenance and management may be delegated to and vested in the management firm by the Board of Directors except such as are specifically required by this Declaration, the Article of Incorporation, the Bylaws or the Act to have the approval of the Board of Directors or the Association. Each unit owner, his heirs, successors and assigns, by acquiring fee simple title to such unit or executing a contract therefor, shall be deemed to:

A. Adopt, ratify, confirm and consent to the execution of such management agreement(s) by the Association.

B. Covenant and promise to perform each and every covenant, promise and undertaking to be performed by the unit owners as provided in such management agreement(s).

C. Agree that the persons acting as directors and officers of the Association, by entering into any such management agreement(s), will not breach any of their duties or obligations to the Association.

D. Adopt, ratify, confirm and consent to the Board of Directors and officers of the Association entering into such management agreement(s).

ARTICLE 14
ASSESSMENTS: LIABILITY, LIEN AND ENFORCEMENT

To provide the funds necessary for such proper operation, management and capital improvement, the Association, through its Board of Directors, shall have the powers to make, levy and collect assessments against the unit owners and their condominium units. In furtherance thereof, the following provisions shall be operative and binding upon the owners of all condominium units.

A. All assessments levied against the unit owners and their condominium units shall be uniform and, unless specifically otherwise provided for herein, all assessments made by the Association shall be in such an amount that any assessment levied against a unit owner and his condominium unit shall bear the same ratio to the total assessment made against all unit owners and their condominium units as the undivided interest in common areas appurtenant to each condominium unit bears to the total undivided interest in common areas appurtenant to all condominium units.

B. Assessments provided for herein shall be payable in monthly installments, or in such a manner as the Board of Directors of the Association shall determine. Such assessments shall commence for each unit upon a date selected by the Board of Directors of the Association, but, in any event, not later than sixty (60) days after the conveyance of the first unit. Upon the closing of the sale of the first condominium unit, a working capital fund shall be established for the initial months of operation equal to two months' estimated common expenses for each condominium unit. Each condominium unit's share of the working capital fund shall be collected and transferred to the Association at the time of closing of the sale of each such condominium unit and shall be maintained for the use and benefit of the Association. The contribution to the working capital fund for each unsold condominium unit shall be paid to the Association within 60 days after the date of the conveyance of the first condominium unit. The purpose of the working capital fund shall be to insure that the Board of Directors of the Association will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the Board. Such amounts paid into the working capital fund shall not be considered as advance payment of regular assessments.

C. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year of the Association. Fiscal years for the purposes of this Declaration shall be consecutive 12 month periods as established by the Board of Directors, except in the initial year of operation in which the fiscal year shall commence with the closing of the sale of the first condominium unit and may be a period of less than 12 months. Such budget shall project all expenses for the forthcoming fiscal year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves, such budget to take into account anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. The Board of Directors shall keep items relating to operation and maintenance separate from items relating to capital improvements. Upon adoption of such annual budget by the Board of Directors of the Association, copies shall be delivered to each owner of a condominium unit and the assessment for said year shall be established based upon such budget, although the non-delivery of a copy of such annual budget to each owner shall not affect the liability of any

owner for such assessment.

D. The Board of Directors of the Association, in establishing the annual budget for operation, management and maintenance of the Condominium, shall designate a sum to be collected and maintained as a reserve fund for replacement of, and capital improvements to, the common areas which shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting a part of the common areas, and the replacement of personal property constituting a portion of the common areas held for the joint use and benefit of the owners of condominium units.

E. All funds collected by the Association shall be treated as the separate property of the Association, and such funds may be applied by the Association to the payment of any expense of operating and managing the condominium, or to the undertaking of all acts and duties imposed upon it by this Declaration, the Articles of Incorporation and the Bylaws of the Association. All funds and common surplus, including the other assets of the Association, and any increments thereto or profits derived therefrom or from the leasing or use of common areas shall be held for the benefit of the members of the Association. No member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his interest therein, except as an appurtenance to his condominium unit. When the owner of a condominium unit shall cease to be a member of the Association, the Association shall not be required to account to such owner for any share of the fund or assets of the Association, or which may have been paid to the Association by such owner, as all funds which any owner has paid to the Association shall constitute an asset of the Association which may be used in the operation and management of the Condominium.

F. The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Association within thirty (30) days of its due date. When in default, the delinquent assessment or delinquent installment thereof due to the Association shall bear interest at the highest rate permitted by law until paid in full to the Association.

G. The owner or owners of each condominium unit shall be personally liable, jointly and severally, to the Association for the payment of all assessments, regular or special, which may be levied by the Association against such condominium unit while such party or parties are the owner or owners of a condominium unit. In the event that any unit owner or owners are in default in the payment of any assessment or installment owed to the Association, such unit owner or owners shall be personally liable, jointly and severally, for interest on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment and interest thereon, including reasonable attorneys' fees, whether suit be brought or not.

H. No owner of a condominium unit may exempt himself from liability for any assessment levied against him or his condominium unit by waiver of the use of enjoyment of any of the common areas, or by abandonment of the condominium unit or in any other way.

I. Recognizing that proper operation and management of the Condominium requires the continuing payment of cost and expenses therefor, and that such proper operation and maintenance results in benefit to all of the owners of the condominium units, and that the payment of such common expenses represented by the assessments levied and collected by the Association is necessary in order to preserve and protect the

investment of each unit owner, the Association is hereby granted a lien upon each condominium unit and its appurtenant undivided interest in common areas, which lien shall secure the funds due for all assessments now or hereafter levied against the owner for each such condominium unit, which lien shall also secure all costs and expenses, including reasonable attorneys' fee, which may be incurred by the Association in enforcing this lien upon said condominium unit. The lien granted to the Association may be foreclosed in the same manner that real estate deeds of trust and mortgages may be foreclosed in the State of North Carolina. The lien granted to the Association shall further secure such advances for taxes, and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, including interest at the highest rate permitted by law on any such advances so made. All persons who shall acquire any interest in the ownership of any condominium unit, or who may be given or acquired a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien rights granted to the Association, and shall acquire such interest in any condominium unit expressly subject to such lien rights.

J. The lien herein granted to the Association shall be enforceable from the time of recording a Claim of Lien in the public records of Carteret County, North Carolina, which claim shall state the description of the condominium unit encumbered thereby, the name of the record owner, the amount due and the date when due. The claim of Lien shall be recordable any time after default and the lien shall continue in effect until all sums secured by said lien shall have been fully paid. Such Claim of Lien shall include only assessments which are due and payable when the Claim of Lien is recorded, plus interest, costs, attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon. It shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such Claim of Lien, it shall be satisfied and cancelled of record.

K. The lien provided for herein shall be subordinated to the lien of any mortgage or deed of trust. Any person, firm or corporation acquiring fee simple title to any condominium unit and its appurtenant undivided interest in common areas by any foreclosure, deed in lieu of foreclosure, or judicial sale, shall be liable and obligated only for assessments as shall accrue and become due and payable for said condominium unit and its appurtenant undivided interest in common areas subsequent to the date of acquisition of such title, and it shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a condominium unit by foreclosure, deed in lieu of foreclosure, or judicial sale, any assessment for which the party acquiring title shall not be liable shall be absorbed and paid by all owners of all condominium units as a part of the common expense, although nothing herein contained shall release the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

L. Whenever any condominium unit may be leased, sold or mortgaged by the owner thereof, the Association, upon written request of the unit owner, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association by such unit owner. Such statement shall be executed by any officer of the Association, and any lessee.

purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Association shall be bound by such statement. In the event that a condominium unit is to be leased, sold or mortgaged at the time when payment of any assessment against such condominium unit due to the Association shall be in default (whether or not a Claim of Lien has been recorded by the Association), then the rent, proceeds of such purchase or mortgage proceeds shall be applied by the lessee, purchaser or mortgagee first to the payment of any then delinquent assessment or installments thereof due to the Association before the payment of any rent, proceeds of purchase or mortgage proceeds to the owner of any condominium unit who is responsible for payment of such delinquent assessment.

M. In any voluntary conveyance of a condominium unit, the purchaser thereof shall be jointly and severally liable with seller for all unpaid assessments against the seller made prior to the time of such voluntary conveyance, without prejudice to the rights of the purchaser to recover from the seller the amounts paid by purchaser therefor

N. Institution of a lawsuit to attempt to collect the payment of any delinquent assessment shall not be an election by the Association which shall prevent it from thereafter seeking, by foreclosure action, enforcement of the collection of any sums remaining owing to it, nor shall proceeding by foreclosure to attempt such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to the Association.

ARTICLE 15 ALTERATIONS, MAINTENANCE AND REPAIR OF CONDO UNITS AND COMMON AREA

No owner of a condominium unit shall permit any structural modification or alteration to be made to such unit without first obtaining written consent of the Association, which consent may be withheld in the event that a majority of the Board of Directors of the Association shall determine that such structural modification or alteration would adversely affect or in any manner endanger the Condominium in part or in its entirety. No owner shall cause any improvements or changes to be made on the exterior of the condominium unit, including painting or other decoration, or the installation of electrical wiring, television or radio antennae or any other objects or machines which may protrude through the walls of the roof of the condominium unit, or in any manner alter the appearance of the condominium unit, or in any manner alter the appearance of the exterior portion of any building without the written consent of the Association being first obtained. No owner shall in any manner enclose or cover the balcony or deck portion of his unit with glass, plexiglass, mesh screen or any other material or substance. No unit owner shall cause any object to be fixed to the common areas including the location or construction of fences and the planting or growing of flowers, trees, shrubs, or other vegetation, or in any manner change the appearance of the common areas without the written consent of the Association being first obtained.

Every owner shall perform promptly all maintenance and repair work within his condominium unit which, if omitted, would effect the Condominium, either in its entirety or in part, every owner being expressly responsible for the damages and liability which his failure to do so may so engender. The owner of each unit shall be liable and

responsible for the maintenance, repair and replacement of all heating and air conditioning equipment pertaining to such owner's unit regardless of where located and all stoves, refrigerators, fans or other appliances or equipment, including any fixtures and their connections required to provide water, light, power and telephone service to such condominium unit. Such owner shall further be responsible and liable for the maintenance, repair and replacement of the interior surfaces of all walls, ceilings and floors within his unit including painting, decorating and furnishings, and all other accessories which such owner may desire to place or maintain in his unit. Whenever the maintenance, repair and replacement of any item for which the owner is obligated to maintain, replace or repair at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement except that the owner of such units shall be in said instance required to pay such portion of the cost of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of insurance proceeds applicable to such maintenance, repair or replacement. All doors, window frames, glass surfaces and screens are a part of the respective condominium units and shall be maintained by the respective unit owners.

The Association shall have the right to make such alterations or improvements to the common areas which do not prejudice the rights of the owner of any condominium unit in the use and enjoyment of his condominium unit, provided the making of such alterations and improvements are approved by the Board of Directors of the Association, and the costs shall be common expenses to be assessed and collected from all owners of the condominium units. However, where any alterations and improvements are exclusively or substantially for the benefit of the owner or owners of certain condominium unit or units requesting them, then the costs of such alterations or improvements shall be assessed against and collected solely from the owner or owners of the unit or units exclusively or substantially benefited, and the assessment therefor shall be levied in such proportion as may be determined by the Board of Directors of the Association.

The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the common areas, including those portions thereof which contribute to the support of the buildings, and all conduits, ducts, plumbing, wiring, sewer and other facilities location in the common areas for the furnishing of utility, heating and other services to the condominium units and the said common area. Should any incidental damage be caused to any unit by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair or replacement of any common areas, the Association shall, at its expense, repair such incidental damage. Whenever the maintenance, repair and replacement of any items for which the Association is obligated to maintain, replace or repair at its expense is occasioned by the act of any owner, his family, guests or invitees, and such loss or damage may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement; provided, however, that the unit owner who is responsible for the act or acts causing the damage, whether done by himself or his family, guests or invitees, shall be required to pay such portion of the cost of such maintenance repair and

replacements as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement.

In the event of any emergency originating in or threatening any condominium unit, regardless of whether the owner is present at the time of such emergency, the Board of Directors, or any other person authorized by the Board of Directors, shall have the right to enter such unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate.

Whenever it may be necessary to enter any condominium unit in order to perform any maintenance, alteration or repair to any portion of the common areas, the unit owner shall permit other owners or their representatives, or an agent of the Association, to enter such condominium unit for such purposes, provided that the entry shall be made only at reasonable times and with reasonable advance notice to the unit owner.

ARTICLE 16 INSURANCE PROVISIONS

A. **Authority to Purchase Insurance:** Insurance policies upon the property (except title insurance) shall be purchased by the Association in the name of the Board of Directors of the Association, as Trustees for the condominium unit owners, for the benefit of the condominium unit owners and their respective mortgagees as their interest may appear. The insurance policies shall provide for the issuance of certificates or mortgage endorsements to the holders of first mortgages on the condominium units or any of them, and if the companies writing such policies will agree, the policies shall provide that the insurer waives its rights of subrogation as to any claims against condominium unit owners, the Association and their respective servants, agents and guests. Each unit owner may obtain insurance, at his own expense, affording coverage upon his personal property and for his personal liability as may be permitted or required by law, but all such insurance shall contain the same waiver of subrogation referred to above if available.

B. **Insurance Coverage:** The following insurance coverage shall be maintained in full force and effect by the Association covering the operation and management of the condominium units and common areas:

(1) **Casualty insurance** covering the buildings and all improvements upon the land and all personal property subject to this Declaration and any additions added by amendment (excluding, however, such personal property as may be owned by the condominium unit owners) shall be procured in an amount equal to one hundred percent (100%) of the replacement cost thereof (exclusive of excavation, foundations, streets and parking facilities) as determined annually by the Board of Directors. The insurance policy shall contain an agreed amount endorsement. Such coverage shall afford protection against all risks, subject to normal exclusions, including loss or damage by fire and other hazards covered by the standard extended coverage endorsements and such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use, including but not limited to vandalism and malicious

mischievous.

(2) Public liability and property damage insurance in the minimum limits of \$1,000,000.00 per occurrence, including without limitation legal liability, hired automobile, non-owned automobile and off-premises employee coverages.

(3) All liability insurance shall contain cross-liability endorsements to cover liabilities of the condominium unit owners as a group to a condominium unit owner.

(4) Fidelity coverage protecting against dishonest acts by officers, directors, trustees, and employees of the Association and all others who are responsible for handling funds of the Association in the amount of one year's operating budget, plus projected reserve balances during the budget year.

C. Payment of Premiums: Premiums upon insurance policies purchased by the Association shall be paid by said Association and charged as a common expense.

D. Insurance Proceeds in Trust: All insurance policies purchased by the Association shall be for the benefit of the Association and the condominium unit owners and their mortgagees, as their respective interests may appear, and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Association. The Association shall hold such proceeds in trust for the benefit of the Association, the condominium unit owners and their respective mortgagees in the following shares:

(1) Proceeds on account of damage to common areas shall be held in undivided shares for each condominium unit owner and his mortgagee, if any, in the same percentage as the condominium unit owner's undivided interest in the common area that exists under Article 5.

(2) Proceeds on account of damages to condominium units shall be held in the following undivided shares:

(a) Partial destruction when the Condominium is to be restored: for the owners of damaged condominium units in proportion to the costs of repairing the damage suffered by each damaged condominium unit;

(b) Total destruction of the Condominium or where the Condominium is not to be restored: for all condominium unit owners and their mortgagees, the share of each being set forth as the condominium unit owner's undivided interest in the common area as then exists under Article 5.

In the event a mortgagee endorsement has been issued as to a condominium unit, the share of the condominium unit owner shall be held for the mortgagee and the condominium unit owner as their interest may appear, but nothing herein contained shall be constructed so as to give any mortgagee the right to determine or participate in the determination of reconstruction or repair.

E. Use and Distribution of Insurance Proceeds: Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the beneficial condominium unit owners in the following manner:

(1) If the damage for which the proceeds were paid is to be repaired or reconstructed, the proceeds shall be paid to defray the costs thereof. Any proceeds remaining after defraying such costs shall be distributed to the beneficial condominium unit owners, all remittances to condominium unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a condominium unit and may be enforced by him.

(2) If it is determined that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial condominium unit owners, remittances to the condominium unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a condominium unit and may be enforced by him.

F. Personal Liability Insurance. Each unit owner, at his expense, shall keep in force comprehensive personal liability insurance covering liability for damages to person or property of others located within such owner's unit, or another unit, or upon the common area and facilities.

ARTICLE 17 RECONSTRUCTION OR REPAIR AFTER CASUALTY OR REPAIR

A. Determination to Reconstruct or Repair: If any part of the Condominium shall be damaged by casualty, the decision as to whether or not it should be reconstructed or repaired shall be determined in the following manner:

(1) Common Area: If the damaged improvement is a common area or facility, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the Condominium shall be terminated.

(2) Condominium Units:

(a) Partial Destruction: If the damaged improvements is a condominium unit, and if termination as provided in subparagraph (b) below does not take place, the damaged property shall be reconstructed or repaired unless within sixty (60) days after the casualty, it is determined by agreement in the manner elsewhere provided that the Condominium shall be terminated.

(b) Total Destruction: If more than two-thirds (2/3) of the condominium units are destroyed and the owners of three-fourths (3/4) of the units in the Condominium should determine not to proceed with repair or restoration, then the procedure set forth in Section 47A-25 of the North Carolina General Statutes, and any amendment thereto, shall take place.

B. Plans and Specifications: Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original buildings attached to this Declaration as a part of Exhibit C.

C. Responsibility: If the damage is only to those parts of one unit for which the responsibility of maintenance and repair is that of the unit owner, then the unit owner shall be responsible for reconstruction and repair after casualty. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association.

D. Estimate of Costs: Immediately after a determination to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair. Such costs may include professional fees and premiums for such bonds as the Board of Directors deems appropriate.

E. Assessments: If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the

unit owners who own the damaged units, and against all unit owners in case of damage to common areas or all unit owners for whom the use of limited common areas are reserved, in sufficient amounts to provide funds for the payment of such costs. Such assessments against the unit owners for damage to units shall be in proportion to the cost of reconstruction and repair of their respective units. Such assessments on account of damage to common areas and limited common areas shall be in proportion to the unit owner's share in the common areas or limited common areas.

ARTICLE 18 CONDEMNATION OF COMMON AREA

In the event of the taking of any of the common area by any governmental authority pursuant to condemnation proceedings, the Association shall represent the unit owners in any such condemnation proceeding, or in negotiations, settlements or agreements with the condemning authority for the acquisition of the common areas, or part thereof. By the acceptance of delivery of a deed conveying a condominium unit, the owner of such unit hereby appoints the Association as attorney-in-fact for such purpose.

ARTICLE 19 Amendment of Declaration of Unit Ownership

This Declaration of Unit Ownership may be amended in the following manner:

A. The Developer shall have the right at any time within five (5) years of the date of this Declaration to amend this Declaration without the further consent of the unit owners or Institutional Lenders to incorporate into the Condominium (i) all or any part of the lands described on Exhibit B attached hereto and incorporated herein by reference and (ii) up to an additional 120 dwelling units which may be constructed upon such additional land by the Developer in phases as may be determined by the Developer. In the event that this Declaration is so amended, the term "Property" as used herein shall be deemed to include part or all of the additional property described on Exhibit B and all improvements and structures now or hereafter placed upon said property by the Developer, all easements, rights and appurtenances thereto, and all articles of personal property provided by the Developer and intended for use in connection therewith. Upon such amendment, the undivided interest appurtenant to each condominium unit shall be decreased based upon the ratio that the fair market value of each unit bears to the aggregate fair market value of all units not to be less than the percentages as set out in Article 5 hereof. No amendment made by the Developer in accordance with this paragraph shall divest an owner of any portion of his condominium unit without the consent of such owner and no such amendment shall materially alter the plan of development set forth herein without the consent of all owners affected thereby. Each unit owner and each Institutional Lender shall further be deemed by the owner's acceptance of a deed to a condominium unit to have appointed the Developer their attorney-in-fact to give, execute and record the consent of said owner and said Institutional Lender to any and all amendments to this Declaration which the Developer

may execute pursuant to the powers herein reserved.

B Except for amendment pursuant to Paragraph A of this Article, an amendment to this Declaration may be proposed by the Board of Directors of the Association acting upon a vote of a majority of directors, or by the members of the Association owning a majority of the condominium units, whether meeting as members or by instrument in writing signed by them. Upon any amendment to this Declaration being proposed by the Board of Directors or the members, such proposed Amendment shall be transmitted to the President of the Association, or other officers of the Association in absence of the President, who shall thereupon call a Special Meeting of the members of the Association for a date not sooner than twenty (20) days nor later than sixty (60) days from the receipt by him of the proposed amendment. It shall be the duty of the Secretary of the Association to give each member written notice of such Special Meeting, stating the time and place, and reciting the proposed Amendment in reasonably detailed form, which notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date set for such Special Meeting. If mailed, such notice shall be properly given when deposited in the United States Postal Service, postage prepaid, addressed to the member at his post office address as it appears on the records of the Association. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of notice to such member. At the meeting, the Amendment proposed must be approved by an affirmative vote of seventy-five (75%) of the members owning units in the Condominium in order for such Amendment to become effective. Thereupon, such Amendment of this Declaration shall be transcribed and certified by the President and Secretary of the Association as having been duly adopted. The original or an executed copy of such Amendment so certified and executed with the same formalities as a deed shall be recorded as an amendment to this Declaration in the office of the Register of Deeds of Carteret County, North Carolina within twenty (20) days from the date on which the same became effective. At any meeting held to consider such Amendment, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association prior to or at such meeting.

C. No alteration in the percentage of ownership in common areas appurtenant to each condominium unit, or alteration of the basis for sharing common expenses and other apportionment of assessments which may be levied by the Association in accordance with the provisions thereof or alteration of the basis of ownership of common surplus, or alteration of the voting rights in the Association, shall be made without the prior written consent of all of the owners of all condominium units and all of the Institutional Lenders holding first mortgages or first deeds of trust on the condominium units, subject however to the provisions for adding additional phases pursuant to Paragraph A of this Article.

D. No alteration, amendment or modification of the right and privileges granted and reserved hereunder in favor of Institutional Lenders shall be made without the prior written consent of all Institutional Lenders holding mortgages or deeds of trust on condominium units in the Condominium being first had and obtained.

ARTICLE 20
TERMINATION

The Condominium shall be terminated, if at all, in the following manner:

A. The termination of the Condominium may be effected only by the unanimous agreement of all condominium unit owners expressed in an instrument duly recorded; and, provided that the holders of all first mortgages or first deeds of trust effecting any of the condominium units consent thereto, or agree, by instrument duly recorded, that their liens may be transferred to the percentage of the undivided interest of the condominium unit owner in the property as provided in Paragraph C of this Article. The termination shall become effective when such agreement has been recorded in the office of the Register of Deeds of Carteret County, North Carolina.

B. If it is determined in the manner elsewhere provided that the Condominium shall not be reconstructed after casualty, the Condominium plan of ownership shall be terminated and this Declaration of Unit Ownership revoked. The determination not to reconstruct after casualty shall be evidenced by a Certificate of the Association certifying as to the facts effecting the termination, which Certificate shall become effective upon being recorded in the office of the Register of Deeds of Carteret County, North Carolina.

C. After termination of the Condominium, the unit owners shall own the property as tenants in common in undivided shares and the holders of all mortgages and liens against the condominium unit or units formerly owned by such condominium unit owners shall have mortgages and liens upon the respective undivided shares of the condominium unit owners. The undivided share interests owned as tenants in common shall be that percentage of the undivided interest in the common areas previously owned by each unit owner. All funds held by the Association and insurance proceeds, if any, shall be held for the unit owners in the same proportion. The costs incurred by the Association in connection with the termination shall be a common expense.

D. Following termination, the property may be partitioned and sold upon the application of any condominium unit owner. Following termination, if the board of Directors determines by not less than a three-fourths (3/4) vote to accept an offer for the sale of the property, each condominium owner shall be bound to execute deeds and other documents reasonably required to effect such sale at such times and in such form as the Board of Directors directs. In such event, any act or partition or other division of the property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discontinued by all parties thereto.

E. The members of the Board of Directors, acting collectively as agents for all unit owners, shall continue to have such powers as granted herein even though the Association may be dissolved upon a termination.

ARTICLE 21
USE AND OCCUPANCY

A. Residential Use Restriction: The owner of a unit shall occupy and use his unit as a single-family private dwelling for himself and the members of his family, his guests, licensees, lessees, and invitees; provided, however, that the Developer, so long as it continues to own and promote the sales of a unit, shall be entitled to utilize units as sales

models and to carry on such other activities in furtherance of its development plan as it deems appropriate.

B. Prohibited Acts: The condominium unit owners shall not permit or suffer anything to be done or kept in any unit which will increase the rate of insurance on the Condominium, or which will obstruct or interfere with the rights of other unit owners, or annoy other unit owners by unreasonable noises or otherwise. Further, the unit owners shall not commit or permit any nuisance, or any immoral or illegal act in or about the property.

ARTICLE 22 RIGHTS RESERVED UNTO DEVELOPER

In addition to each and every right of the Developer as set forth herein, the Developer, its successors and assigns, specifically reserve the following:

A. The right to use a portion of the common areas for the purpose of aiding in the sale or rental of units, including the right to use portions of the Condominium for parking for prospective purchasers and other such parties as Developer determines. The foregoing right shall include the right to display and erect signs, billboards and placards and to store, keep and exhibit same and distribute audio and visual promotional materials upon the common areas.

B. The right to grant such easements for utility services, drainage, pedestrian and vehicular traffic, or otherwise, as may be considered by Developer desirable for the use of the property for the purposes herein stated or to provide such utility service, drainage, pedestrian and vehicular access to other properties of Developer adjacent or contiguous thereto. In conjunction with the reservation as aforesaid, Developer hereby expressly reserves a perpetual easement over all driveways and parking areas constituting a part of the common area, plus such additional area as may be needed to connect said driveways and parking areas within the boundaries of the development, the location of which may be chosen by the Developer for use in connection with the unit owners and others who may likely use said driveways and parking areas for access to all adjacent and nearby property now or hereafter owned by the Developer. The easement as reserved herein shall be considered an easement appurtenant to said property and all portions thereof and to run with said property and all portions thereof.

ARTICLE 23 RIGHTS RESERVED UNTO INSTITUTIONAL LENDERS

As long as any Institutional Lender shall hold any mortgage or lien upon any unit or units, or shall be the owner of any unit or units, such Lender shall have the following rights:

A. To examine, upon request and at reasonable times and upon reasonable notice, the books and records of the Association; and to be furnished at least one copy of the annual financial statement and report of the Association prepared by a Certified Public Accountant designated by the Association.

B. To be given written notice of default by any unit owner owning a unit

encumbered by a mortgage or lien held by the Institutional Lender, such notice to be sent to the place which the Institutional Lender may designate in writing.

C. To be given written notice of any loss to or taking of the common areas of the Condominium if such loss or taking exceeds \$10,000 or damage to a condominium unit in excess of \$1,000.

D. To received written notice of any condemnation or eminent domain proceeding or proposed acquisition by a condemning authority.

E. To receive written notice of delinquency in the payments assessments by a unit owner which remains unpaid for a period of sixty (60) days.

F. To receive written notice of any laps, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

Whenever any Institutional Lender desires the provisions of this Article to be applicable to it, it shall serve written notice of such fact upon the Association by Registered or Certified Mail addressed to the Association identifying the unit or units upon which such Institutional Lender holds any mortgage, or identifying any units owned by it, together with sufficient facts to identify such mortgage, and such notice shall designate the place to which notices are to be given by the Association to such Institutional Lender.

ARTICLE 24 RIGHT OF DEVELOPER TO REPRESENTATION ON THE BOARD OF DIRECTORS OF THE ASSOCIATION

So long as Developer owns twenty-five (25%) of the total units in the Condominium, but in any event no longer than five years from the conveyance of the first unit, Developer shall have the right to designate and select a majority of the persons who shall serve as members of the Board of Directors of the Association. In the event of the dissolution of Developer at the time when it is the owner of a unit or units, then the rights of the Developer shall pass to and may be exercised by its successors receiving ownership of any such unit or units.

Whenever the Developer shall be entitled to designate and select any person to serve on the Board of Directors, the manner in which such person shall be designated shall be as provided in the Articles of Incorporation and/or Bylaws of the Association, the Developer shall have the right to remove any persons selected by it to act and serve on said Board of Directors and to replace such person with another person to act and serve in the place of any Director so removed for the remainder of the unexpired term of any Director so removed. Any Director designated and selected by the Developer need not be a resident or owner of a condominium unit in the Condominium. However, Developer shall be responsible for the payment of any assessments which may be levied by the Association against any unit or units owned by the said Developer, and for complying with the remaining terms and provisions hereof in the same manner as any other owner of a unit or units.

ARTICLE 25
MISCELLANEOUS PROVISIONS

A. The owners of the condominium units shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding their respective condominium units, nor shall the unit owners be deemed to own pipes, wires, conduits or other public utility lines running through said respective units which are utilized for or serve more than one unit, which items are hereby made a part of the common areas. Each unit owner, however, shall be deemed to own the deck and/or balcony which is a part of his unit, the walls and partitions which are contained in said unit owner's unit, and shall also be deemed to own the inner decorated or finished surfaces of the perimeter walls, floor and ceilings, including plaster, paint, wallpaper, etc. All load bearing walls, sub-flooring, floor joists and other flooring components other than the finished surface of all floors in each unit, and the roof of each building are deemed to be common areas.

B. The owner of a unit shall have an easement for ingress and egress over such streets, walks and other rights-of-way serving the units within the Condominium as part of the common areas as may be necessary to provide reasonable access to said public ways, and such easement shall extend to the invitees and licensees of said unit owner. In the event that any of said easements for ingress and egress shall be encumbered by any leasehold or line other than those on the condominium units, such leaseholds or lines shall hereby be subordinate to the use rights of any unit owner or owners whose unit is not also encumbered by said leasehold or lien.

C. The property is subject to all matters of record and the rights of the United States of America, the State of North Carolina, and any governmental authority or agency having jurisdiction over same; and the Developer hereby reserves unto itself, its successors and assigns, such easements as it determines in its sole discretion may be necessary for use by any such governmental authority or agency in the exercise of its jurisdiction.

D. Leasing or renting of a unit is not prohibited.

E. For the purpose of ad valorem taxation, the interest of the unit owner in his unit and the common areas attributable thereto shall be considered a unit. The value of said unit shall be equal to the percentage of the value of the entire Condominium, including land and improvements, as has been assigned to said unit as set forth in the Declaration. The total of all said percentages shall equal 100% of the value of all the land and improvements thereon.

The owner of each unit shall be responsible for listing the same for the purpose of ad valorem taxes with the Tax Supervisor or other such future legally authorized governmental office or authority having jurisdiction over same, and said unit owner shall be responsible for the payment of such taxes.

F. All provisions of this Declaration, and any permitted Amendments, shall be construed as covenants running with the land, and of every part thereof and interest therein, including but not limited to every unit and the appurtenances thereto; and every unit owner and occupant of the property, or any part thereof, or of any interest therein, and his heirs, successors and assigns, shall be bound by all of the provisions of this Declaration and Exhibits attached hereto and any Amendments thereof.

G. If any of the provision of this Declaration, the Articles of Incorporation, the bylaws or the Act, or any section, clause, phrase, word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Declaration, the Articles of Incorporation, the bylaws and the Act, and the application of any such provision, section, clause, phrase, or work, in other circumstance shall not be affected thereby.

H. Whenever notices are required to be sent hereunder, the same may be delivered to unit owners either personally or by mail, addressed to such unit owners at their place of residence on file with the Association from time to time. Proof of such mailing or personal delivery by the Association or any management firm shall be given by the affidavit of the person mailing or personally delivering said notices. Notices to the Association shall be delivered by mail to the Secretary of the Association, or the President of the Association. The change of mailing address of any party as specified herein shall not require an Amendment to this Declaration. Notices to the Developer shall be delivered by mail at

Thompson Developers
P.O. Box 27824
Raleigh, NC 27611

All notices shall be deemed and considered sent when mailed. Any party may change his or its mailing address by written notice, duly receipted for. Notices required to be given the personal representative or a devisee or a deceased owner may be delivered either personally or by mail to such party at his address appearing in the records of the Court wherein the estate of such deceased owner is being administered. The change of mailing address of any party, as specified herein, shall not require an Amendment to the Declaration.

I. Each unit owner and the Association shall be governed by and shall comply with this Declaration, the Articles of Incorporation, the Bylaws and the Act as they may exist from time to time. Failure to do so shall entitle the Association or any unit owner to recover sums due for damages or injunctive relief or both. Such actions may be maintained by or against a unit owner or the Association in a proper case by or against one or more unit owners, and the prevailing party shall be entitled to receive reasonable attorneys' fees. Such relief shall not be exclusive of other remedies provided by law.

J. Whenever the context so requires, the use herein of any gender shall be deemed to include all genders, and the use herein of the singular shall include the plural, and the plural shall include the singular. The provisions of the Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Condominium.

K. The captions used in this Declaration and Exhibits annexed hereto are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of any of the text of this Declaration or Exhibits annexed hereto.

L. Where a first mortgage, by some circumstance, fails to be a first mortgage, but it is evident that it is intended to be a first mortgage, but it is evident that it is intended to be a first mortgage, it shall, nevertheless, for the purpose of this Declaration and Exhibits annexed, be deemed to be a first mortgage.

M. Subject to the provisions of the Act the Developer specifically disclaims any

intent to have made any warranty or representation in connection with the property or the Condominium documents, except as specifically set forth therein, and no person shall rely upon any warranty or representation not so specifically made therein unless otherwise stated. Common expenses, taxes or other charges may vary from time to time and no warranty, guaranty or representation is made or intended with respect to these items, nor may one be relied upon.

N. The unit owners, by virtue of their execution of a purchase contract and/or acceptance of a deed to their unit, and other parties by virtue of their occupancy of units, thereby approve the foregoing and all of the terms and conditions, duties and obligations of this Declaration and Exhibits attached hereto.

O. Notwithstanding the fact that the present provisions of the Act are incorporated by reference, the provisions of this Declaration and Exhibits attached hereto shall be paramount to the Act as to those provisions where permissive variance are permitted; otherwise, the provisions of said Act shall prevail and shall be deemed incorporated therein.

ARTICLE 26 PERSON TO RECEIVE SERVICE OF PROCESS

J. Wiley Thompson is hereby designated to receive service of process in any action which may be brought against or in relation to this Condominium. Said person's address and place of business is 1302 Emerald Drive, Emerald Isle, Carteret County, North Carolina, 28575.

In WITNESS WHEREOF, this instrument has been signed and sealed by Thompson & Sons, Inc., a North Carolina corporation acting as the General Partner of Thompson Developers, a North Carolina Limited partnership, all by order of its Board of Directors first duly given, the day and year first above written.

THOMPSON DEVELOPERS, a North Carolina Limited Partnership
BY: THOMPSON & SONS, INC., its General Partner

BY: President - SIGNATURE
ATTEST. Asst Secretary - SIGNATURE

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, Gary R. Perdue, Sr., a Notary Public of the County and State aforesaid, certify that SARA S. SANDERS personally came before me this day and acknowledged that she is the Assistant Secretary of THOMPSON & SONS, INC., a North Carolina corporation acting as General Partner of THOMPSON DEVELOPERS, a North Carolina Limited Partnership, and that by authority duly given and as the act of the corporation as such general partner, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by her as its Assistant Secretary.

WITNESS my hand and official stamp or seal, this the 24th day of October, 1983.

NOTARY PUBLIC - SIGNATURE

My Commission Expires:
Feb. 21, 1987

NORTH CAROLINA, CARTERET COUNTY

The foregoing certificate(s) of Gary R. Perdue, Sr. is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 25 at Page 397

This 8th day of Nov., 1983 at 4:10 O'clock PM

Sharon Piner
Register of Deeds

By Assistant Deputy - SIGNATURE

Book No. 25

Page 397

EXHIBIT A
TO
DECLARATION OF UNIT OWNERSHIP
OF
SUMMER WINDS CONDOMINIUMS

DESCRIPTION OF REAL PROPERTY

Beginning at a point in the southern line of the right of way of NC Highway No. 58 (also known as Salter Path Road), said beginning point being located South 83 degrees 40' 38.46" West 55.00 feet from the intersection of the southern right of way line of NC Highway No. 58 and the eastern boundary line of Tract No. 4, Section B as shown and designated on that certain map entitled "Map of Roosevelt Estate" prepared by C. C. King, dated September 15, 1967, as recorded in Map Book 7 at Page 26 in the Office of the Register of Deeds of Carteret County, North Carolina, said map being incorporated herein by reference, and running thence from said beginning point so located South 10 degrees 55' 20.86" East 230.84 feet, thence South 82 degrees 21' 48.34" West 180.60 feet, thence South 25 degrees 27' 48.04" West 93.03 feet, thence South 12 degrees 31' 43.70" East 147.51 feet, thence South 57 degrees 40.63' 40.63" West 75.47 feet, thence South 79 degrees 08' 15.05" West 415.00 feet, thence North 11 degrees 37' 21.23" West 240.09 feet, thence North 65 degrees 51' 53.49" East 89.89 feet, thence North 26 degrees 33' 54.18" East 44.72 feet, thence North 18 degrees 45' 05.38" West 286.19 feet, thence South 74 degrees 15' 14.19" West 276.37 feet, thence North 10 degrees 22' 40.28" West 209.17 feet to a point in the southern line of the right of way of NC Highway No. 58, thence along and with the southern right of way line of NC Highway No. 58 North 83 degrees 54' 17.52" East 281.56 feet, North 82 degrees 28' 50.05" East 575.87 feet and North 83 degrees 40' 38.46" East 60.41 feet to the point of beginning as shown on a map entitled "Property of Summer Winds Condominiums" prepared by Collier Survey Company, dated September 1, 1983, as recorded in Map Book 10G at Page 21 in the Office of the Register of Deeds of Carteret County, North Carolina, said map being incorporated herein by reference.

Together with any and all land lying between the southern line of the above described tract of land and the high water mark of the Atlantic Ocean. Together also with all riparian and littoral rights incident and appurtenant thereto.

EXHIBIT B
TO
DECLARATION OF UNIT OWNERSHIP
OF
SUMMER WINDS CONDOMINIUMS

Description of Real Property Which May Be Added to Declaration

Parcel A:

Beginning at a point in the southern line of the right of way of NC Highway No. 58 (also known as Salter Path Road), said beginning point being located at the intersection of the southern right of way line of NC Highway No. 58 and the western boundary line of Tract No. 4, Section B, as shown on that certain map entitled "Map of Roosevelt Estate" prepared by C. C. King, dated September 15, 1967, as recorded in Map Book 7 at Page 26 in the Office of the Register of Deeds of Carteret County, North Carolina, said map being incorporated herein by reference, and running thence from said beginning point so located South 09 degrees 15' 20.38" East 769.79 feet, thence North 79 degrees 08' 15.05" East 272.84 feet, thence North 11 degrees 37' 21.23" West 240.09 feet; thence North 65 degrees 51' 53.49" East 89.89 feet, thence North 26 degrees 33' 54.18" East 44.72 feet, thence North 18 degrees 45' 05.38" West 286.19 feet, thence South 74 degrees 15' 14.19" West 276.37 feet, thence North 10 degrees 22' 40.28" West 209.17 feet to a point in the southern line of the right of way of NC Highway No. 58, thence along and with the southern right of way of NC Highway No. 58 South 83 degrees 54' 17.52" West 50.00 feet to the point of beginning as shown on a map entitled "Property of Summer Winds Condominiums" prepared by Collier Survey Company, dated September 1, 1983, as recorded in Map Book 10G at Page 21 in the Office of the Register of Deeds of Carteret County, North Carolina, said map being incorporated herein by reference.

Together with any and all land lying between the southern line of the above described tract of land and the high water mark of the Atlantic Ocean. Together also with all riparian and littoral rights incident and appurtenant thereto.

Parcel B:

Beginning at a point in the southern line of the right of way of NC Highway No. 58 (also known as Salter Path Road), said beginning point being located at the intersection of the southern right of way line of NC Highway No. 58 and the eastern boundary line of Tract No. 4, Section B, as shown on that certain map entitled "Map of Roosevelt Estate" prepared by C. C. King, dated September 15, 1967, as recorded in Map Book 7 at Page 26 in the Office of the Register of Deeds of Carteret County, North Carolina, said map being incorporated herein by reference, and running thence from said beginning point so located South 09 degrees 07' 56.57" East 699.54 feet, thence South 79 degrees 08' 15.05" West 333.00 feet, thence North 11 degrees 20' 59.68" West 233.28 feet; thence North 57 degrees 59' 40.63" East 75.47 feet, thence North 12 degrees 31' 43.70" West 147.51 feet, thence North 25 degrees 27' 48.04" East 93.03 feet, thence North 82 degrees 21' 48.34" East 180.60 feet, thence North 10 degrees 55' 20.86" West 230.84 feet to a

point in the southern line of the right of way of NC Highway No. 58, thence along and with said southern right of way line of NC Highway No. 58 North 83 degrees 40' 38.46" East 55.00 feet to the point of beginning as shown on a map entitled "Property of Summer Winds Condominiums" prepared by Collier Survey Company, dated September 1, 1983, as recorded in Map Book 10G at Page 21 in the Office of the Register of Deeds of Carteret County, North Carolina, said map being incorporated herein by reference.

Together with any and all land lying between the southern line of the above described tract of land and the high water mark of the Atlantic Ocean. Together also with all riparian and littoral rights incident and appurtenant thereto.

EXHIBIT C
TO
DECLARATION OF UNIT OWNERSHIP
OF
SUMMER WINDS CONDOMINIUMS

For plat portion of Exhibit C, see the plat recorded in Condominium Map Book 10G at Page 21 in the Office of the Register of Deeds of Carteret County, North Carolina. Plan and specification portions of Exhibit C are attached hereto.

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EXHIBIT D
TO
DECLARATION OF UNIT OWNERSHIP
OF
SUMMER WINDS CONDOMINIUMS

PERCENTAGE INTEREST IN COMMON AREAS:

TYPE UNIT	PHASE I ONLY	PHASE I&II	PHASE I&III
	PHASE I,II&III		
Type A-3 BR	.0111	.0065	.0069
			.0048
Type B-4 BR	.0123	.0071	.0077
			.0054
Type B-3 BR	.0111	.0066	.00685
			.0048
Type C-4 BR	.0147	.0098	.0091
			.0063
Type D-2 BR	.0092	.0054	.0056
			.0038
Type E-3 BR	.0125	.0072	.0078
			.0058

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STATE OF NORTH CAROLINA Department of the Secretary of State

To all to whom these presents shall come, Greeting:

I, Thad Eure, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached (5 sheets) to be a true copy of

ARTICLES OF INCORPORATION
SUMMER WINDS CONDOMINIUMS, INC.

and the probates thereon, the original of which was filed in this office on the 23rd day of September, 1983, after having been found to conform to law.

In Witness Whereof, I have hereunto set my hand and affixed my official seal.

Done in Office, at Raleigh, this 23rd day of September in the year of our Lord 1983.

Secretary of State - SIGNATURE

Deputy Secretary of State - SIGNATURE

Book No. 25 Page 397

ARTICLES OF INCORPORATION
OF
SUMMER WINDS CONDOMINIUMS, INC.

In compliance with the requirements of Chapter 55A of the North Carolina General Statutes entitled "Nonprofit Corporation Act", and the several amendments thereto, the undersigned, a natural person of majority age, has this day executed these Articles of Incorporation for the purpose of forming a non-profit corporation and hereby certifies:

ARTICLE I

The name of the corporation is Summer Winds Condominiums, Inc. (hereinafter called the "Corporation").

ARTICLE II

The registered office of the Corporation is located at 215 Broad Street, P. O. Drawer 1654, New Bern, Craven County, North Carolina 28560.

ARTICLE III

Trawick H. Stubbs, Jr., whose address is 215 Broad Street, P. O. Drawer 1654, New Bern, Craven County, North Carolina 28560, is hereby appointed the initial Registered Agent of the Corporation.

ARTICLE IV

The Corporation does not contemplate pecuniary gain or profit to the members thereof and no part of the Corporation's net income shall inure to the benefit of any of its officers, directors or members or any other private individual. The purposes and objects of the Corporation shall be to administer the operation and management of Summer Winds Condominiums (hereinafter called the "Condominium"), a series of condominiums to be established in phases in accordance with the laws of the State of North Carolina upon the property situate, lying and being in Carteret County, North Carolina, which will be more particularly described in the Declaration of Unit Ownership which will be recorded in the public records of Carteret County, North Carolina; to undertake the performance of the acts and duties incident to the administration, operation and management of said Condominium in accordance with the terms, provisions, conditions and Authorization contained in these Articles of Incorporation and the Declaration of Unit Ownership and each subsequent amendment thereto at the time said property, and the improvements now or hereafter situate thereon, are submitted to the plan of condominium ownership; and to own, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient to the administration of said Condominium

ARTICLE V

The Corporation shall have the following powers:

1. The Condominium shall have all of the powers and privileges granted to non-profit corporations under the law pursuant to which this Corporation is chartered, and all of the powers and privileges which may be granted unto said Corporation under any other applicable laws of the State of North Carolina, including the Unit Ownership Act.
2. The Corporation shall have all the powers reasonably necessary to implement and effectuate the purposes of the Corporation, including, but not limited to the following:
 - (a) To make and establish reasonable rules and regulations governing the use of condominium units and common areas in the Condominium as said terms may be defined in said Declaration of Unit Ownership to be recorded.
 - (b) To levy and collect assessments against members of the Corporation to defray the common expenses of the Condominium as may be provided in said Declaration of Unit Ownership and in the Bylaws of this Corporation which may be hereafter adopted, including the right to levy and collect assessments for the purpose of acquiring, operating, leasing, managing and otherwise trading and dealing with such property, whether real or personal, including condominium units in the Condominium, which may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in said Declaration of Unit Ownership.
 - (c) To maintain, repair, replace, operate and manage the Condominium and the property comprising same, including the right to reconstruct improvements after casualty and to make further improvement of the Condominium property, and to make and enter into any and all contracts necessary or desirable to accomplish said purposes.
 - (d) To contract for the management of the Condominium and to delegate to such management firm all of the powers and duties of the Association except those which may be required by the Declaration of Unit Ownership to have approval of the Board of Directors or membership of the Corporation.
 - (e) To acquire and enter into, now or at any time hereafter, leases and agreements whereby the Corporation acquires leaseholds, memberships, and other possessory or use interests in land or facilities including, but not limited to, swimming pools, tennis courts, and other recreation facilities, whether or not contiguous to the lands of the Condominium, to provide enjoyment, recreation or other use or benefit to the owners of condominium units.
 - (f) To enforce the provisions of the Declaration of Unit Ownership, these Articles of Incorporation, the Bylaws of the Corporation which may be

- hereafter adopted, and the rules and regulations governing the use of the Condominium as the same may be hereafter established.
- (g) To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Corporation pursuant to the Declaration of Unit Ownership aforementioned

ARTICLE VI

The qualification of the members, the manner of their admission to membership and termination of such membership and voting by members shall be as follows:

1. The Owners of all condominium units in the Condominium shall be members of the Corporation, and no other person or entity shall be entitled to membership, except as provided in item 5 of this Article VI.
2. Membership shall be established by the acquisition of fee title to a condominium unit in the Condominium, or by acquisition of a fee ownership interest therein whether by conveyance, devise, judicial decree or otherwise, and the membership of any party shall be automatically terminated upon his being divested of all title to or his entire fee ownership interest in such condominium unit, except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more condominium units or who may own a fee ownership interest in two or more condominium units upon divestment of title in a condominium unit so long as such party shall retain title to or a fee ownership interest in any condominium unit.
3. The interest of a member in the funds and assets of the Corporation cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his condominium unit. The funds and assets of the Corporation shall belong solely to the Corporation subject to the limitation that the same be expended, held or used for the benefit of the membership and for the purposes authorized herein, in the Declaration of Unit Ownership and in the Bylaws which may be hereafter adopted.
4. On all matters which the membership shall be entitled to vote, each condominium unit shall be entitled to one (1) vote. The vote of each unit may be cast or exercised by the Owner or Owners of each condominium unit in such manner as may be provided in the Bylaws hereafter adopted by the Corporation. Should any member own more than one condominium unit, such member shall be entitled to exercise or cast the votes associated with each condominium unit owned in the manner provided by said Bylaws.
5. Until such time as the property constituting Summer Winds Condominiums, Phase I, and the improvements constructed thereon, are submitted to a plan of condominium ownership by the recordation of the Declaration of Unit Ownership for Phase I, the membership of the Corporation shall be comprised of three (3) individuals named in Article XI hereof as the initial Board of Directors of the Corporation, and each such individual shall be entitled to cast one vote on all matters on which the membership shall be entitled to vote.

ARTICLE VII

The Corporation shall have a perpetual existence.

ARTICLE VIII

The affairs of the Corporation shall be managed by the President of the Corporation, assisted by the Vice-President, Secretary and Treasurer, subject to the directions of the Board of Directors. The Board of Directors, or the President with the approval of the Board of Directors, may employ a management firm and/or such other managerial and supervisory personnel or entities to administer or assist in the administration of the operation and management of the Condominium, and the affairs of the Corporation, and any such person or entity may be so employed without regard to whether such person or entity is a member of the Corporation or a Director or Officer of the Corporation, as the case may be.

ARTICLE IX

The number of members of the first Board of Directors of the Corporation shall be three (3). The number of members of succeeding Boards of Directors shall be as provided from time to time by the Bylaws of the Corporation. The members of the Board of Directors shall be elected by the members of the Corporation at the Annual Meeting of the membership as provided by the Bylaws of the Corporation, and at least a majority of the Board of Directors shall be members of the Corporation or shall be authorized representatives, officers or employees of a corporate member of the Corporation. Notwithstanding the foregoing, so long as Thompson Developers, a North Carolina Limited Partnership, owns twenty-five percent (25%) of the total condominium units in Phase I of the Condominium, but in any event, not longer than five years after the conveyance of the first condominium unit, said Thompson Developers shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the Corporation. Thompson Developers may designate and select the person or persons to serve as a member or members of each said Board of Directors in the manner provided in the Bylaws of the Corporation, and such person or persons so designated and selected need not be a resident or owner of a condominium unit in the Condominium.

ARTICLE X

The Board of Directors shall elect a President, Vice-President, Secretary and Treasurer. The President shall be elected from among the membership of the Board of Directors, but no Officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice-President shall not be held by the same person, nor shall the office of President and Secretary be held by the same person.

ARTICLE XI

The names and addresses of the initial Board of Directors who, subject to the provisions of these Articles of Incorporation, the Bylaws and the laws of the State of North Carolina, shall hold office until the first Annual Meeting of the Membership (or until their successors are elected and qualified) are as follows:

J. Wiley Thompson
117 Dunedin Court
Cary, NC 27511

Jack Goldstein
Salter Path Road
Salter Path, NC 28575

Trawick H. Stubbs, Jr
215 Broad Street
New Bern, NC 28560

ARTICLE XII

The original Bylaws of the Corporation shall be adopted by a majority vote of the initial Board of Directors of the Corporation present at its organizational meeting at which a majority of the initial Board of Directors are present, and thereafter, such Bylaws may be altered or rescinded only in such manner as said Bylaws provide.

ARTICLE XIII

Every Director and every Officer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer of the Corporation, whether or not he is a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of willful malfeasance or malfeasance in the performance of his duties provided that, in the event of any claim for reimbursement or indemnification hereunder based upon settlement by the Director or Officer seeking such reimbursement or indemnification, the indemnification herein shall only apply if the Board of Directors approves such settlement and reimbursement as being in the best interests of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

ARTICLE XIV

An amendment or amendments to these Articles of Incorporation shall require the assent of seventy-five percent (75%) of the Board of Directors

ARTICLE XV

The name and address of the incorporator is as follows:

Gary R. Perdue, Sr.
215 Broad Street
New Bern, NC 28560

IN TESTIMONY WHEREOF, I, being the incorporator, have hereunto set my hand and seal, this the 13th day of September, 1983.

Gary R. Perdue, Sr. – SIGNATURE

STATE OF NORTH CAROLINA
COUNTY OF CRAVEN

I, the undersigned Notary Public hereby certify that Gary R. Perdue, Sr., personally appeared before me, and being by me first duly sworn, declares that he signed the foregoing document in the capacity indicated and that the statements therein contained are true.

WITNESS my hand and notarial seal, this the 13th day of September, 1983.

Notary Public – SIGNATURE

My Commission Expires:
April 16, 1985

Book No. 25

Page 397

FIRST AMENDMENT
TO THE
DECLARATION OF UNIT OWNERSHIP
OF
SUMMER WINDS CONDOMINIUMS

This Amendment, made this 21st day of November, 1984, by Thompson Developers, a North Carolina Limited Partnership (hereinafter called the "Developer").

WITNESSETH:

Whereas, Developer has heretofore caused to be recorded a Declaration of Unit Ownership of Summer Winds Condominiums as appears of record in Condominium Book UO-25 at Page 397 in the Office of the Register of Deeds of Carteret County, North Carolina (hereinafter called the "Declaration"); and

Whereas, in Article 1 of said Declaration, Developer reserved the option to expand the condominium without the consent of unit owners by adding either one or two additional Phases as therein specified; and

Whereas, Developer now desires to expand said condominium by adding Phase III containing one building with fifty-four (54) living units, their supporting facilities, and other appurtenant improvements; and

Whereas, the Declaration provided in Article 5 that each owner of a condominium unit shall also own, as an appurtenance to the ownership of each condominium unit, an undivided interest in the common areas; and

Whereas, Exhibit "D" attached to the Declaration purportedly set forth the percentage undivided interests appurtenant to each condominium unit; however, the decimal point on each of the percentage interests specified thereon was incorrectly located so that the total percentage undivided interests only equaled one percent (1%) rather than one hundred percent (100%); and

Whereas, Developer desires to correct these scrivener's errors as they appear on the Exhibit "D" and in each of the deeds of conveyances to unit owners appearing of record in the Office of the Register of Deeds of Carteret County, North Carolina;

NOW, THEREFORE, by the execution and filing of this instrument, Developer declares as follows:

1. Addition of Phase III. Developer hereby submits the following described real property to the provisions of Chapter 47A of the North Carolina General Statutes and to the provisions of the Declaration of Unit Ownership of Summer Winds Condominiums as herein amended. The real property which is being submitted by Developer pursuant to this Amendment is more particularly described as follows:

That certain tract of land located on Bogue Banks in Indian Beach, Carteret County, North Carolina, and being more particularly described as follows:

Beginning at a point in the southern line of the right-of-way of NC highway #58 (also known as Salter Path Road), said beginning point being located at the intersection of the southern right-of-way line of NC Highway #58 and the eastern boundary line of Tract #4, Section B, as shown on that certain map entitled "Map of Roosevelt Estate" prepared by C. C. King, dated September 15, 1967, as recorded in Map Book 7 at Page 26 in the Office of the Register of Deeds of Carteret County, North Carolina, said map being incorporated herein by reference, and running thence from said beginning point so located South 09 degrees 07' 56.57" East 699.54 feet, thence South 79 degrees 08' 15.05" West 333.00 feet, thence North 11 degrees 20' 59.68" West 233.28 feet, thence North 57 degrees 59' 40.63" East 75.47 feet, thence North 12 degrees 31' 43.70" West 147.51 feet, thence North 25 degrees 27' 48.04" East 93.03 feet, thence North 82 degrees 21' 48.34" East 180.60 feet, thence North 10 degrees 55' 20.86" West 230.84 feet to a point in the southern line of the right-of-way of NC Highway #58, thence along and with the said southern right-of-way line of NC Highway #58 North 83 degrees 40' 38.46" East 55.00 feet to the point of beginning as shown on a map entitled "Property of Summer Winds Condominiums Phase III" prepared by Collier Survey Company, dated November 9, 1984, as recorded in Map Book 104 at Page 85 in the Office of the Register of Deeds of Carteret County, North Carolina, said map being incorporated herein by reference.

Together with any and all land lying between the southern line of the above described tract of land and the high water mark of the Atlantic Ocean. Together also with all riparian and littoral rights incident and appurtenant thereto.

LESS AND EXCEPT FROM THE ABOVE DESCRIBED TRACT OF LAND THE FOLLOWING DESCRIBED PORTION OF SAID TRACT OF LAND AND EASEMENT:

Beginning at a point located S 83 degrees 40' 38.46" W 55.00 feet and S 10 degrees 55' 20.86" E 70.84 feet from the intersection of the southern right-of-way line of NC Highway #58 and the eastern boundary line of Tract #4, Section B as shown on that certain map entitled "Map of Roosevelt Estate" prepared by C. C. King, dated September 15, 1967, as recorded in Map Book 7 at Page 26 in the Office of the Register of Deeds of Carteret County, North Carolina, said map being incorporated herein by reference, and running thence from said beginning point so located S 10 degrees 55' 20.86" E 160.00 feet; thence S 82 degrees 21' 48.34" W 55.96 feet; thence N 09 degrees 16' 19.66" W 159.80 feet; thence N 82 degrees 21' 48.34" E 51.35 feet to the point of beginning.

Together with a nonexclusive easement for purposes of ingress, egress and regress to and from the above described parcel of land and NC Highway #58, said easement being appurtenant to the above described parcel of land and being more particularly described as follows: beginning at the southeast corner of the above described parcel of land to which this easement is appurtenant and running N 10 degrees 55' 20.86" W 230.84 feet to

a point in the southern right-of-way line of NC Highway #58; thence along and with the southern right-of-way line of NC Highway #58 N 83 degrees 40' 38.46" E 20.6 feet; thence S 10 degrees 55' 20.86" E 230.38 feet; thence S 82 degrees 21' 48.34" W 20.03 feet to the point of beginning as is shown and described on the map entitled "Property of Summer Winds Condominiums, Phase III" prepared by Collier Survey Company, dated November 9, 1984 as recorded in Map Book 10H at Page 85 in the Office of the Register of Deeds of Carteret County, North Carolina.

The improvements constructed on the real property described above consist of one building containing fifty-four (54) living units, their supporting facilities, and other appurtenant improvements as described on the plans and specifications attached hereto as Exhibit "A" and incorporated herein by reference. The building is five (5) stories high and contains six (6) different unit configurations which, for the purpose of identification with reference to this Amendment and to the Declaration, are designated as follows:

Type A Unit	(3-BR plan) containing	1,520 square feet
Type B Unit	(3-BR plan) containing	1,800 square feet
Type B Unit	(4-BR plan) containing	1,900 square feet
Type C Unit	(4-BR plan) containing	1,760 square feet
Type D Unit	(2-BR plan) containing	1,280 square feet
Type E Unit	(3-BR plan) containing	1,680 square feet

The approximate area and configuration of each type of unit is shown on the plat and plans attached hereto as Exhibit "A", which plat and plans show the number of rooms in each type of unit.

For purposes of identification, all units located in the condominium are given identification numbers as delineated on the plat and plans attached hereto as Exhibit "A". No unit bears the same identifying number as does any other unit. The common areas and limited common areas are designated on Exhibit "A". Further, Exhibit "A", together with this Amendment and the Declaration, are sufficient in detail so as to identify the location, dimensions, and size of the common areas, limited common areas and of each unit. The building construction is concrete and reinforced steel in accordance with the specifications contained on Exhibit "A".

2. Amendment of Declaration. In order to correct the errors contained on Exhibit "D" of the Declaration and to establish the percentage undivided interests in the common areas owned as an appurtenance to each condominium unit as provided in Article 5 of the Declaration, Developer hereby established the percentage undivided interests appurtenant to each condominium unit upon the addition of Phase III to be as herein indicated on the Exhibit B attached hereto and incorporated herein by reference.

Developer declares that the percentage interest in the common area herein established for each condominium unit has been determined by a ratio formulated upon the approximate relation that the fair market value of each unit, as of the date of this Amendment, bears to the aggregate fair market value of all of the units having an interest in the common areas.

The fair market value of each unit and the aggregate fair market value of all units have been determined by the Developer and are binding upon all unit owners.

Developer further reserves the right to add Phase II to this condominium and the appurtenant undivided interests of each owner in the total common areas and facilities shall decrease upon the addition of Phase II as provided in Article 5 of the Declaration.

3. Incorporation of Declaration. All of the terms and provisions of the Declaration, as hereby amended, are incorporated into this Amendment by reference and all conveyances of condominium units in Phase III shall be subject to the terms and provisions contained therein as hereby modified.

IN WITNESS WHEREOF, this instrument has been signed and sealed by THOMPSON AND SONS, INC., a North Carolina Corporation acting as the General Partner of THOMPSON DEVELOPERS, a North Carolina Limited Partnership, all by order of its Board of Directors, first duly given, the day and year first above written.

THOMPSON DEVELOPERS, A NORTH
CAROLINA LIMITED PARTNERSHIP

BY: THOMPSON & SONS, INC., its
GENERAL PARTNERS

BY: J. WILEY THOMPSON
PRESIDENT

Linda M. Dail
Assistant Secretary

State of North Carolina
County of Craven

I, Gary R. Perdue, Sr., a Notary Public of the County and State aforesaid, certify that LINDA M. DAIL personally came before me this day and acknowledged that she is Assistant Secretary of THOMPSON & SONS, INC., a North Carolina Corporation acting as a General Partner of THOMPSON DEVELOPERS, a North Carolina Limited Partnership, and that by authority duly given and as the act of the corporation as such general partner, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by herself as its Assistant Secretary.

WITNESS my hand and official stamp or seal, this 21st day of November, 1984.

Gary R. Perdue, Sr.
NOTARY PUBLIC

My Commission Expires: 2/21/87

EXHIBIT A TO THE
FIRST AMENDMENT TO THE
DECLARATION OF UNIT OWNERSHIP
OF
SUMMER WINDS CONDOMINIUMS, INC.

1. For plat portion of Exhibit A, see the plat recorded in Condominium Map Book 10H at Page 85 in the Office of the Register of Deeds of Carteret County, North Carolina.
2. Plan and specifications portions of Exhibit A are attached hereto.

Book No. 42

Page 460

STATE OF NORTH CAROLINA

CERTIFICATION

COUNTY OF CARTERET

THE UNDERSIGNED, being duly sworn, says:

1. That he is an architect registered under the laws of the State of North Carolina.
2. That the plans of Summer Winds Condominiums, sheet number C-1, A-1, SP-1A, A-4A, A-5, A-6, A-9, A-10, A-11, A-11A, A-15, A-17, attached hereto and recorded herewith:
 - (a) are accurate copies of portions of the plans of the buildings as filed with and approved by the governmental authority having jurisdiction over the issuance of permits for the construction of buildings, and
 - (b) fully and accurately depict the layout, location, ceiling and floor elevation, unit numbers and dimensions of units, and common areas and facilities, as stated upon said plans, as relate to Phase III of Summer Winds Condominiums as built.

This the 19th day of November, 1984.

LAWRENCE & LAWRENCE, ARCHITECTS

By: John E. Lawrence

Registered Architect

State of North Carolina

STATE OF NORTH CAROLINA

COUNTY OF CRAVEN

I, a Notary Public of the County and State aforesaid certify that John E. Lawrence, Registered Architect, personally came before me this day, and acknowledged the execution of the foregoing instrument.

Witness my hand and official seal or stamp, this the 19th day of November, 1984.

Linda M. Dail

Notary Public

My Commission Expires: July 5, 1987

EXHIBIT B TO THE
FIRST AMENDMENT TO THE
DECLARATION OF UNIT OWNERSHIP OF
SUMMER WINDS CONDOMINIUMS

PHASE I

<u>UNIT NO.</u>	<u>UNIT TYPE</u>	<u>%INTEREST</u>
101	E 3-BR	.78
102	A 3-BR	.70
103	D 2-BR	.56
104	D 2-BR	.56
105	C 4-BR	.88
106	CLUBHOUSE FACILITY	.00
107	CLUBHOUSE FACILITY	.00
108	CLUBHOUSE FACILITY	.00
109	D 2-BR	.56
110	D 2-BR	.56
111	B 3-BR	.73
112	A 3-BR	.70
113	A 3-BR	.70
114	B 4-BR	.75
115	D 2-BR	.56
116	D 2-BR	.56
117	A 3-BR	.70
118	A 3-BR	.70
119	A 3-BR	.70
201	E 3-BR	.78
202	A 3-BR	.70
203	D 2-BR	.56
204	D 2-BR	.56
205	C 4-BR	.88
206	A 3-BR	.70
207	A 3-BR	.70
208	A 3-BR	.70
209	D 2-BR	.56
210	D 2-BR	.56
211	B 4-BR	.75
212	A 3-BR	.70
213	A 3-BR	.70
214	B 4-BR	.75
215	D 2-BR	.56
216	D 2-BR	.56
217	A 3-BR	.70
218	A 3-BR	.70

PHASE I

<u>UNIT NO.</u>	<u>UNIT TYPE</u>	<u>%INTEREST</u>
219	A 3-BR	70
301	E 3-BR	.78
302	A 3-BR	.70
303	D 2-BR	.56
304	D 2-BR	.56
305	C 4-BR	.88
306	A 3-BR	.70
307	A 3-BR	.70
308	A 3-BR	.70
309	D 2-BR	.56
310	D 2-BR	.56
311	B 4-BR	.75
312	A 3-BR	.70
313	A 3-BR	.70
314	B 4-BR	.75
315	D 2-BR	.56
316	D 2-BR	.56
317	A 3-BR	.70
318	A 3-BR	.70
319	A 3-BR	.70
401	E 3-BR	.78
402	A 3-BR	.70
403	D 2-BR	.56
404	D 2-BR	.56
405	C 4-BR	.88
406	A 3-BR	.70
407	A 3-BR	.70
408	A 3-BR	.70
409	D 2-BR	.56
410	D 2-BR	.56
411	B 4-BR	.75
412	A 3-BR	.70
413	A 3-BR	.70
414	B 4-BR	.75
415	D 2-BR	.56
416	D 2-BR	.56
417	A 3-BR	.70
418	A 3-BR	.70
419	A 3-BR	.70
501	E 3-BR	.78
502	A 3-BR	.70
503	D 2-BR	.56
504	D 2-BR	.56

PHASE I

<u>UNIT NO.</u>	<u>UNIT TYPE</u>	<u>%INTEREST</u>
505	C 4-BR	.88
506	A 3-BR	.70
507	A 3-BR	.70
508	A 3-BR	.70
509	D 2-BR	.56
510	D 2-BR	.56
511	B 4-BR	.75
512	A 3-BR	.70
513	A 3-BR	.70
514	B 4-BR	.75
515	D 2-BR	.56
516	D 2-BR	.56
517	A 3-BR	.70
518	A 3-BR	.70
519	A 3-BR	.70

PHASE III

120	E 3-BR	.78
121	A 3-BR	.70
122	C 4-BR	.88
123	D 2-BR	.56
124	A 3-BR	.70
125	B 3-BR	.73
126	CLUBHOUSE FACILITY	.00
127	B 4-BR	.75
128	D 2-BR	.56
129	A 3-BR	.70
130	E 3-BR	.78
220	E 3-BR	.78
221	A 3-BR	.70
222	C 4-BR	.88
223	D 2-BR	.56
224	A 3-BR	.70
225	B 4-BR	.75
226	D 2-BR	.56
227	B 4-BR	.75
228	D 2-BR	.56
229	A 3-BR	.70
230	E 3-BR	.78
320	E 3-BR	.78
321	A 3-BR	.70
322	C 4-BR	.88

PHASE III

<u>UNIT NO.</u>	<u>UNIT TYPE</u>	<u>%INTEREST</u>
323	D 2-BR	.56
324	A 3-BR	.70
325	B 4-BR	.75
326	D 2-BR	.56
327	B 4-BR	.75
328	D 2-BR	.56
329	A 3-BR	.70
330	E 3-BR	.78
420	E 3-BR	.78
421	A 3-BR	.70
422	C 4-BR	.88
423	D 2-BR	.56
424	A 3-Br	.70
425	B 4-BR	.75
426	D 2-BR	.56
427	B 4-BR	.75
428	D 2-BR	.56
429	A 3-BR	.70
430	E 3-BR	.78
520	E 3-BR	.78
521	A 3-BR	.70
522	C 4-BR	.88
523	D 2-BR	.56
524	A 3-BR	.70
525	B 4-BR	.75
526	D 2-BR	.56
527	B 4-BR	.75
528	D 2-BR	.56
529	A 3-BR	.70
530	E 3-BR	.78

SECOND AMENDMENT TO THE
DECLARATION OF UNIT OWNERSHIP OF
SUMMER WINDS CONDOMINIUMS

This Amendment, made this 20th day of November, 1985, by THOMPSON DEVELOPERS, a North Carolina Limited Partnership (hereinafter called the "Developer").

WITNESSETH:

WHEREAS, Developer has heretofore caused to be recorded a Declaration of Unit Ownership of Summer Winds Condominiums as appears of record in Condominium Book UO-25 at Page 397 in the Office of the Register of Deeds of Carteret County, North Carolina (hereinafter called the "Declaration"); and

WHEREAS, Developer has also caused a First Amendment to said Declaration adding Phase III to said Condominium to be recorded in Book UO-42 at Page 460 in the Office of the Register of Deeds of Carteret County, North Carolina (hereinafter called the "First Amendment"); and

WHEREAS, in Article 1 of said Declaration, Developer reserved the option to expand the Condominium without consent of unit Owners by adding either one or two additional Phases therein specified; and

WHEREAS, Developer now desires to expand said Condominium by adding Phase II containing one building with sixty-five (65) living units, their supporting facilities, and other appurtenant improvements; and

WHEREAS, the Declaration provided in Article 5 that each Owner of a condominium unit shall also own, as an appurtenance to the ownership of each condominium unit, an undivided interest in the common areas, which shall be decreased based upon the ratio that the fair market value of each unit bears to the aggregate fair market value of all units as determined by the Developer if additional phases are added to the Condominium;

NOW, THEREFORE, pursuant to Article 1 and Article 5 of the Declaration, the Developer now amends the Declaration as follows:

1. Addition of Phase II. Developer hereby submits the following described real property to the provisions of Chapter 47A of the North Carolina General Statutes and to the provisions of the Declaration of Unit Ownership of Summer Winds Condominiums as recorded in Book UO-25 at Page 397 in the Office of the Register of Deeds of Carteret County, North Carolina and as amended by the First Amendment to the Declaration of Unit Ownership of Summer Winds Condominiums recorded in Book UO-42 at Page 460 in the Office of the Register of Deeds of Carteret County, North Carolina. The real property which is being submitted by Developer pursuant to this Amendment is more particularly described as follows:

That certain tract of land located on Bogue Banks in Indian Beach, Carteret County, North Carolina, and being more particularly described as follows:

Beginning at a point in the southern line of the right-of-way of NC Highway #58 (also known as Salter Path Road), said beginning point being located at the

intersection of the southern right-of-way line of NC Highway #58 and the western boundary line of Tract #4, Section B as shown on that certain map entitles "Map of Roosevelt Estate" prepared by C. C. King, dated September 15, 1967, as recorded in Map Book 7 at Page 26 in the Office of the Register of Deeds of Carteret County, North Carolina, said map being incorporated herein by reference, and running thence from said beginning point so located South 09-15-20.38 East 769.79 feet, thence North 79-08-15.05 East 272.84 feet, thence North 11-37-21.23 West 240.09 feet, thence North 65-51-53.49 East 89.89 feet, thence North 26-33-54.18 East 44.72 feet, thence North 18-45-05.38 West 286.19 feet, thence South 74-15-14.19 West 276.37 feet, thence North 10-22-40.28 West 209.17 feet to a point in the southern line of the right-of-way of NC Highway #58, thence along and with the said southern right-of-way line of NC Highway #58 South 83-54-17.52 West 50.00 feet to the point of beginning as shown on a map entitled "Property of Summer Winds Condominiums" prepared by Collier Survey Company, dated September 1, 1983, as recorded in Map Book 10G at Page 21 in the Office of the Register of Deeds of Carteret County, North Carolina, said map being incorporated herein by reference.

Together with any and all land lying between the southern line of the above described tract of land and the high water mark on the Atlantic Ocean. Together also with all riparian and littoral rights incident and appurtenant thereto.

LESS AND EXCEPT FROM THE ABOVE DESCRIBED TRACT OF LAND THE FOLLOWING DESCRIBED PORTION OF SAID TRACT OF LAND AND THE FOLLOWING DESCRIBED EASEMENT WHICH SHALL BE APPURTENANT THERETO:

EXCEPTED TRACT OF LAND

Beginning at a point in the southern line of the right-of-way of NC Highway #58 (also known as Salter Path Road), said beginning point being located at the intersection of the southern right-of-way line of NC Highway #58 and the western boundary line of Tract #4, Section B as shown on that certain map entitled "Map of Roosevelt Estate" prepared by C. C. King, dated September 15, 1967, as recorded in Map Book 7 at Page 26 in the Office of the Register of Deeds of Carteret County, North Carolina, said map being incorporated herein by reference, and running thence from said beginning point so located North 83-54-17.52 East 20.02 feet along and with the southern right-of-way of NC Highway #58; thence leaving the southern right-of-way of NC Highway #58 and running South 09-15-20.38 East 76.89 feet; thence South 80-44-39.62 West 20.0 feet to a point in the western boundary line of Tract #4, Section B as shown on the aforesaid map; thence along and with the western boundary line of Tract #4, Section B North 09-15-20.38 West 78.0 feet to the point of beginning as also shown on a map entitled "Property of Summer Winds Condominiums" prepared by Collier Survey Company, dated September 1, 1983, as recorded in Map Book

10G at Page 21 in the Office of the Register of Deeds of Carteret County, North Carolina, said map being incorporated herein by reference.

EXCEPTED EASEMENT

Together with a non-exclusive easement for purposes of ingress, egress and regress to and from the above-described excepted tract of land and NC Highway #58, said easement being more particularly described as follows:

Beginning at the northeast corner of the above-described excepted tract of land and running thence South 09-15-20.38 East 76.89 feet along and with the eastern line of said excepted tract of land; running thence North 09-15-20.38 West 76.89 feet to a point in the southern right-of-way of NC Highway #58; running thence South 83-54-17.52 West 25.00 feet to the point of beginning.

The improvements constructed on the real property described above consists of one building containing sixty-five (65) living units, their supporting facilities, and other appurtenant improvements as described on the plans and specification attached hereto as Exhibit "A" and incorporated herein by reference. The building is six (6) stories high and contains thirteen (13) different unit configurations which, for purpose of identification with reference to this Amendment and to the Declaration and to the Declaration and to the First Amendment, are designated as follows:

Type A Unit (3-BR plan) containing 1,520 square feet;
Type Ar Unit (3-BR plan) containing 1,650 square feet;
Type Bx Unit (3-BR plan) containing 1,800 square feet;
Type B Unit (4-Be plan) containing 1,900 square feet;
Type C Unit (4-BR plan) containing 1,760 square feet;
Type D Unit (2-BR plan) containing 1,280 square feet;
Type E Unit (3-BR plan) containing 1,680 square feet;
Penthouse G (3-BR plan) containing 1,980 square feet;
Penthouse H (3-BR plan) containing 2,448 square feet;
Penthouse J (3-BR plan) containing 3,456 square feet;
Penthouse K (3-BR plan) containing 3,192 square feet;
Penthouse L (3-BR plan) containing 3,204 square feet;
Penthouse M (3-BR plan) containing 3,170 square feet;

The approximate area and configuration of each type of unit is shown on the plat and plans attached hereto as Exhibit "A", which plat and plans show the number of rooms in each type of unit.

For purposes of identification, all units located in the Condominium are given identification numbers as delineated on the plat and plans attached hereto as Exhibit "A". No unit bears the same identifying number as does any other unit. The common areas and limited common areas are designated on Exhibit "A". Further, Exhibit "A", together with this Second Amendment and the Declaration and First Amendment, are sufficient in detail so as to identify the location, dimensions, and size of the common areas, limited

common areas and of each unit. The building construction is concrete and reinforced steel in accordance with the specifications contained on Exhibit "A".

2. Amendment of Declaration. Developer declares that the percentage interest in the common areas herein established for each condominium unit has been determined by a ratio formulated upon the approximate relation that the fair market value of each unit, as of the date of this Second Amendment, bears to the aggregate fair market value of all condominium units having an interest in the common areas. Developer hereby establishes the percentage undivided interest appurtenant to each condominium unit pursuant to Article 5 of the Declaration to be as herein indicated on the Exhibit "B" attached hereto and incorporated herein by reference. The fair market value of each unit and the aggregate fair market value of all units have been determined by the Developer and are binding upon all unit owners.

3. Incorporation of Declaration. All of the terms and provisions of the Declaration, as amended by the First Amendment and as hereby amended, are incorporated into this Amendment by reference and all conveyances of condominium units in Summer Winds Condominiums, Phase I, Phase II and Phase III shall be subject to the terms and provisions contained therein as hereby modified.

IN WITNESS WHEREOF, this instrument has been signed by the proper corporate officers of Thompson & Sons, Inc., acting as the general partner of Thompson Developers, a North Carolina Limited Partnership, and has caused its corporate seal to be affixed hereto, all by order of its Board of Directors first duly given, the day and year first above written.

THOMPSON DEVELOPERS, a North Carolina Limited Partnership
BY: THOMPSON & SONS, INC., its General Partner
BY: J. Wiley Thompson
President

ATTEST: Sharon Sanchez
Assistant Secretary
(CORPORATE SEAL)

NORTH CAROLINA
Craven County

I, Gary R. Perdue, Sr., a Notary Public of the County and State aforesaid, certify that SHARON SANCHEZ personally came before me this day and acknowledged that she is Assistant Secretary of THOMPSON & SONS, INC., a North Carolina corporation acting as the general partner of THOMPSON DEVELOPERS, a North Carolina Limited Partnership, and that by authority duly given as the act of the corporation as such general partner, the foregoing instrument was signed in its corporate name by its President, sealed with its corporate seal and attested by herself as its Assistant Secretary.

WITNESS my hand and official stamp or seal this 20th day of November, 1985.

Gary R. Perdue, Sr.
NOTARY PUBLIC

My Commission Expires: 2/21/87

EXHIBIT "A" TO THE
SECOND AMENDMENT TO THE
DECLARATION OF UNIT OWNERSHIP
OF
SUMMER WINDS CONDOMINIUMS

1. For plat portion of Exhibit "A", see the plat recorded in Condominium Map Book 10K at Page 1 in the Office of the Register of Deeds of Carteret County, North Carolina.
2. Plan and specification portions of Exhibit "A" are recorded in Condominium Map Book 10K at Pages 2 through 21 in the Office of the Register of Deeds of Carteret County, North Carolina.

STATE OF NORTH CAROLINA

CERTIFICATION

COUNTY OF CARTERET

THE UNDERSIGNED, being duly sworn, says:

1. That he is an architect registered under the laws of the State of North Carolina.
2. That the plans of Summer Winds Condominiums, sheet number C-1, A-1, SP-1A, A-3A, A-5, A-6, A-38, A-6A, A-6B, A-6C, A-6D, A-6E, A-6G, A-7, A-9, A-10, A-11, A-11A, A-18 attached hereto and recorded herewith:
 - (a) are accurate copies of portions of the plans of the buildings as filed with and approved by the governmental authority having jurisdiction over the issuance of permits for the construction of buildings; and
 - (b) fully and accurately depict the layout, location, floor elevation, unit numbers and dimensions of units, and common areas and facilities, as stated upon said plans, as relate to Phase II of Summer Winds Condominiums as built.

This the 18th day of November, 1985.

LAWRENCE & LAWRENCE, Architects

By: John E. Lawrence

Registered Architect

State of North Carolina

NORTH CAROLINA
CARTERET COUNTY

I Deborah B. Holliday, a Notary Public of the County and State aforesaid certify that John E. Lawrence, Registered Architect, personally came before me this day and acknowledged the execution of the foregoing instrument.

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

Deborah B. Holliday

NOTARY PUBLIC

My Commission Expires 4/4/90

EXHIBIT B TO THE
SECOND AMENDMENT TO THE
DECLARATION OF UNIT OWNERSHIP OF
SUMMER WINDS CONDOMINIUMS

UNIT NO	PHASE I UNIT TYPE	%INTEREST
101	E 3-BR	.55
102	A 3-BR	.45
103	D 2-BR	.38
104	D 2-BR	.38
105	C 4-BR	.61
106	CLUBHOUSE FACILITY	.00
107	CLUBHOUSE FACILITY	.00
108	CLUBHOUSE FACILITY	.00
109	D 2-BR	.38
110	D 2-BR	.38
111	B 3-BR	.44
112	A 3-BR	.45
113	A 3-BR	.45
114	B 4-BR	.51
115	D 2-BR	.38
116	D 2-BR	.38
117	A 3-BR	.45
118	A 3-BR	.45
119	A 3-BR	.45
201	E 3-BR	.55
202	A 3-BR	.45
203	D 2-BR	.38
204	D 2-BR	.38
205	C 4-BR	.61
206	A 3-BR	.45
207	A 3-BR	.45
208	A 3-BR	.45
209	D 2-BR	.38
210	D 2-BR	.38
211	B 4-BR	.51
212	A 3-BR	.45
213	A 3-BR	.45
214	B 4-BR	.51
215	D 2-BR	.38
216	D 2-BR	.38
217	A 3-BR	.45
218	A 3-BR	.45

UNIT NO.	PHASE I UNIT TYPE	%INTEREST
219	A 3-BR	.45
301	E 3-BR	.55
302	A 3-BR	.45
303	D 2-BR	.38
304	D 2-BR	.38
305	C 4-BR	.61
306	A 3-BR	.45
307	A 3-BR	.45
308	A 3-BR	.45
309	D 2-BR	.38
310	D 2-BR	.38
311	B 4-BR	.51
312	A 3-BR	.45
313	A 3-BR	.45
314	B 4-BR	.51
315	D 2-BR	.38
316	D 2-BR	.38
317	A 3-BR	.45
318	A 3-BR	.45
319	A 3-BR	.45
401	E 3-BR	.55
402	A 3-BR	.45
403	D 2-BR	.38
404	D 2-BR	.38
405	C 4-BR	.61
406	A 3-BR	.45
407	A 3-BR	.45
408	A 3-BR	.45
409	D 2-BR	.38
410	D 2-BR	.38
411	B 4-BR	.51
412	A 3-BR	.45
413	A 3-BR	.45
414	B 4-BR	.51
415	D 2-BR	.38
416	D 2-BR	.38
417	A 3-BR	.45
418	A 3-BR	.45
419	A 3-BR	.45
501	E 3-BR	.55
502	A 3-BR	.45
503	D 2-BR	.38
504	D 2-BR	.38

UNIT NO.	PHASE I UNIT TYPE	%INTEREST
505	C 4-BR	.61
506	A 3-BR	.45
507	A 3-BR	.45
508	A 3-BR	.45
509	D 2-BR	.38
510	D 2-BR	.38
511	B 4-BR	.51
512	A 3-BR	.45
513	A 3-BR	.45
514	B 4-BR	.51
515	D 2-BR	.38
516	D 2-BR	.38
517	A 3-BR	.45
518	A 3-BR	.45
519	A 3-BR	.45

PHASE III

120	E 3-BR	.55
121	A 3-BR	.45
122	C 4-BR	.61
123	D 2-BR	.38
124	A 3-BR	.45
125	B 3-BR	.44
126	CLUBHOUSE FACILITY	.00
127	B 4-BR	.51
128	D 2-BR	.38
129	A 3-BR	.45
130	E 3-BR	.55
220	E 3-BR	.55
221	A 3-BR	.45
222	C 4-BR	.61
223	D 2-BR	.38
224	A 3-BR	.45
225	B 4-BR	.51
226	D 2-BR	.38
227	B 4-BR	.51
228	D 2-BR	.38
229	A 3-BR	.45
230	E 3-BR	.55
320	E 3-BR	.55
321	A 3-BR	.45
322	C 4-BR	.61

PHASE III

UNIT NO.	UNIT TYPE	%INTEREST
323	D 2-BR	.38
324	A 3-BR	.45
325	B 4-BR	.51
326	D 2-BR	.38
327	B 4-BR	.51
328	D 2-BR	.38
329	A 3-BR	.45
330	E 3-BR	.55
420	E 3-BR	.55
421	A 3-BR	.45
422	C 4-BR	.61
423	D 2-BR	.38
424	A 3-Br	.45
425	B 4-BR	.51
426	D 2-BR	.38
427	B 4-BR	.51
428	D 2-BR	.38
429	A 3-BR	.45
430	E 3-BR	.55
520	E 3-BR	.55
521	A 3-BR	.45
522	C 4-BR	.61
523	D 2-BR	.38
524	A 3-BR	.45
525	B 4-BR	.51
526	D 2-BR	.38
527	B 4-BR	.51
528	D 2-BR	.38
529	A 3-BR	.45
530	E 3-BR	.55

PHASE II

131	E 30BR	.55
132	C 4-BR	.61
133	D 2-BR	.38
134	D 2-BR	.38
135	A 3-BR	.45
136	D 2-BR	.38
137	B 4-BR	.51
138	COMMON FACILITY	.00
139	Bx3-BR	.44
140	A 3-BR	.45

PHASE II

UNIT NO.	UNIT TYPE	%INTEREST
141	A 3 BR	
142	Ar3-BR	.45
231	E 3-BR	.51
232	C 4-BR	.55
233	D 2-BR	.61
234	D 2-BR	.38
235	A 3-BR	.38
236	D 2-BR	.45
237	B 4-BR	.38
238	A 3-BR	.51
239	B 4-BR	.45
240	A 3-BR	.51
241	A 3-BR	.45
242	Ar3-BR	.45
331	E 3-BR	.51
332	C 4-BR	.55
333	D 2-BR	.61
334	D 2-BR	.38
335	A 3-BR	.38
336	D 2-BR	.45
337	B 4-BR	.38
338	A 3-BR	.51
339	B 4-BR	.45
340	A 3-BR	.51
341	A 3-BR	.45
342	Ar3-BR	.45
431	E 3-BR	.51
432	C 4-BR	.55
433	D 2-BR	.61
434	D 2-BR	.38
435	A 3-BR	.38
436	D 2-BR	.45
437	B 4-BR	.38
438	A 3-BR	.51
439	B 4-BR	.45
440	A 3-BR	.51
441	A 3-BR	.45
442	Ar3-BR	.45
531	E 3-BR	.51
532	C 4-BR	.55
533	D 2-BR	.61
534	D 2-BR	.38

PHASE II

UNIT NO.	UNIT TYPE	%INTEREST
535	A 3-BR	.45
536	D 2-BR	.38
537	B 4-BR	.51
538	A 3-BR	.45
539	B 4-BR	.51
540	A 3-BR	.45
541	A 3-BR	.45
542	Ar3-BR	.51
PENTHOUSE G	3-BR+DEN	.66
PENTHOUSE H	3-BR+DEN	.78
PENTHOUSE J	3-BR+DEN	1.03
PENTHOUSE K	3-BR+DEN	.95
PENTHOUSE L	3-BR+DEN	1.06
PENTHOUSE M	3-BR+DEN	1.11

BOOK UO 53 PAGE 5

Melanie Arthur
CARTERET COUNTY
MA Date 09/07/2006 Time 15:37:00
GR 1188394 Page 1 of 7

NORTH CAROLINA, CARTERET COUNTY
This instrument and this certificate are duly filed at the
date and time and in the Book and Page shown on the
first page hereof.

Melanie Arthur, Register of Deeds
By Rba Lewis
Asst./Deputy, Register of Deeds

R:KAW

**THIRD AMENDMENT TO DECLARATION OF UNIT OWNERSHIP
OF SUMMER WINDS CONDOMINIUMS, INC.**

THIS THIRD AMENDMENT TO DECLARATION OF UNIT OWNERSHIP,
by Summer Winds Condominiums, Inc. (said corporation being
referred to hereinafter as "the Association") is made this
20 day of August, 2006;

WITNESSETH

WHEREAS, Summer Winds Condominiums were created by
that Declaration of Unit Ownership (the "Declaration")
dated October 24, 1983, recorded in Book UO-25, Page 397,
Carteret County Registry, which Declaration has been
amended twice; and

WHEREAS, many Unit Owners rent their units either
through on or off site rental agencies, or without the use
of a rental agency; and

WHEREAS, occupation of Units and use of common areas
and facilities by rental tenants, particularly short term

BOOK 1188 PAGE 394

(2)

WHEREAS, according to N.C.G.S. 47C-2-105 (12), the declaration for a condominium must contain "any restrictions on use, occupancy, or alienation of the units"; and

WHEREAS, according to N.C.G.S. 47C-3-102 (10), the Association may "impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements other than limited common elements, and for services provided to unit owners"; and

WHEREAS, the Board of Directors of the Association, acting upon a vote of the majority of the Directors, proposed amending the Declaration of the Association consistent herewith; and

WHEREAS, by Notice dated July 23, 2006, the President of the Association called a special meeting of the membership on August 20, 2006 at 10:00 a.m.; and

WHEREAS, at the special meeting, by the affirmative vote of members owning 160 of the 211 condominium units in the project seventy five & 82/100 percent (75.82%) and seventy six & 61/100 percent (76.61%) of the common area of the project [both percentages exceeding the 75% required to amend the Declaration] the amendment set forth hereinbelow was approved; and

Owners renting their Units directly to utilize a form containing the above acknowledgements.

b. All Unit Owners who rent their Units through a rental agent or agency, and their agent or agency, must execute a Rental Notification and Reimbursement Agreement on a form approved by the Board. The Rental Notification and Reimbursement Agreement shall be incorporated into any rental management agreement executed by a Unit Owner and the rental agent or agency of his choice. Any rental management agreement negotiated, procured or obtained by any rental agent or agency that does not have a Rental Notification and Reimbursement Agreement approved by the Board shall be void and the Board shall have the right to take appropriate action at law or in equity to compel compliance with the terms of this paragraph and any expenses, legal or otherwise, incurred by the Board shall be the responsibility of the Unit Owner violating the provisions hereof.

c. Each Unit Owner who rents his/her Unit either directly or through a real estate broker or other rental agent is required to pay an amount not to exceed three percent (3.0%) of gross rentals to the Association. The Board will determine how said sum is to be accounted for and paid. Unit owners may, however, delegate the responsibility for payment to a broker or rental agent or agency. The Association will have the right to audit from time-to-time all rental records maintained by the Unit Owner or a broker or rental agent or agency acting on behalf of the Unit Owner.

d. Each Unit Owner who rents his unit either directly or through a real estate broker is responsible for all damage to Common Areas or other Units caused by such Unit Owner's tenants if such damage is not fully covered by the Association's insurance. Such amount of uninsured damage shall be deemed both the personal obligation of such Owner and an assessment against his unit collectable in the same manner as a regular or special assessment of the Association.

e. The Board has the right to disqualify and prohibit a rental agency from renting units on

behalf of Unit Owner as a result of such rental agency's material violation of the Declaration, Association By-Laws, or the Rules and Regulations pertaining to rental of Units adopted by the Board from time-to-time.

2. In the event a renter or a renter's family or guests materially violate any Rule or Regulation adopted by the Board from time-to-time pertinent to rentals or general condominium or Common Area use, Summer Winds management has the right to immediately suspend such renter, renter's family or guests from using Common Areas and services."

II.

All of the terms and provision of the Declaration, as previously amended and as hereby amended, are incorporated into this Third Amendment by reference and all conveyances of condominium units shall be subject to the terms and provisions contained herein as hereby modified.

IN WITNESS WHEREOF, this instrument has been signed and sealed by Summer Winds Condominiums, Inc., a North Carolina corporation, by the president and secretary who certify that the foregoing amends have been adopted.

Adopted the 20th day of August, 2006.

SUMMER WINDS CONDOMINIUMS, INC.

(CORPORATE SEAL)

By: J. M. S.
President

Attest:

Barbara A. Johnson
Secretary



STATE OF NORTH CAROLINA

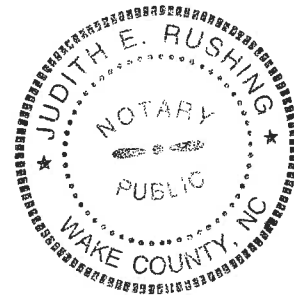
COUNTY OF Wake

I, a Notary Public of the county and state aforesaid, certify that BARBARA A JOHNSON, personally appeared before me this day and acknowledged that she is the Secretary of Summer Winds Condominiums, Inc., a North Carolina corporation, and that by authority duly given and as the action of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by her as its Secretary.

Witness my hand and official stamp or seal, this 28 day of August, 2006.


Notary Public

My Commission Expires: 10-18-2008





Condominiums, Inc.

Homeowners Association, 1505 Salter Path Road, Atlantic Beach, NC 28512

By-Laws

BYLAWS
OF
SUMMER WINDS CONDOMINIUMS, INC.

ARTICLE I
IDENTITY AND APPLICABILITY

A. These are the bylaws of Summer Winds Condominiums, Inc., a non-profit corporation organized under the laws of the State of North Carolina (herein referred to as the "Association"). It has been organized for the purpose of administering the operation, management and maintenance of Summer Winds Condominiums, a series of condominiums to be established in accordance with the laws of the State of North Carolina upon the property situate, lying and being in Carteret County, North Carolina, as described in the Declaration of Unit Ownership for said condominium project (herein referred to as the "Condominium").

B. The provisions of these Bylaws are applicable to the condominium, and the terms and provisions hereof are expressly subject to the terms, provisions, conditions of the Articles of Incorporation of the Association and the Declaration of Unit Ownership which will be recorded in Register of Deeds of Carteret County, North Carolina, at the time said property and the improvements now situated thereon are submitted to the plan of condominium ownership, the terms and provisions of said Articles of Incorporation and Declaration of Unit Ownership to be controlling wherever they may be in conflict herewith.

C. All present or future owners, tenants, future tenants, or their employees, or any other person that might use the Condominium or any of the facilities thereof in any manner, are subject to the regulations set forth in these Bylaws and in said Articles of Incorporation and Declaration of Unit Ownership.

D. The office of the Association shall be at such place in North Carolina as the Board of Directors shall designate from time to time.

ARTICLE II
MEMBERSHIP, VOTING, QUORUM, PROXIES

A. The qualification of members, the manner of their admission to membership and termination of such membership, and voting by members, shall be as set forth in Article VI of the articles of Incorporation of the Association and Article II of the Declaration of Unit Ownership, the provisions of which are incorporated herein by reference.

B. A quorum at meetings of the membership shall consist of persons entitled to cast a majority of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

C. The vote of the owners of a condominium unit owned by more than one person or by a corporation or other entity shall be cast by the one person named in the Certificate signed by all of the owners of the condominium unit and filed with the Secretary of the Association, and such certificate shall be valid until revoked by a subsequent Certificate. If such a Certificate is not on file, the vote of such owners shall be determined as provided in Article II of the Declaration of Unit Ownership.

D. Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the secretary before the appointed time of the meeting.

E... Approval or disapproval of a unit owner upon any matter, whether or not the subject of an Association meeting, shall be by the same person who would cast the vote of such owner if in an Association meeting.

F. The terms "75% of the members" or "75% of the membership" or ("3/4" in lieu of "75%") when used in the context of membership voting rights, shall mean the owners of at least 75% of all units then comprising the Condominium.

G. Except where otherwise required under the provisions of the Articles of Incorporation of the Association, these Bylaws, the Declaration of Unit Ownership, or whether the same may otherwise be required by law, the affirmative vote of the persons entitled to cast a majority of the votes present at any duly called meeting of the membership at which a quorum is present shall be binding upon the members.

ARTICLE III ANNUAL AND SPECIAL MEETING OF MEMBERSHIP

A. The Annual Meeting of the Membership shall be held at a time and place designated by the Board of Directors on the first Saturday in October of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members.

B. Special Meetings of the membership shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors and must be called by such officers within 30 days upon receipt of written request from members of the Association owning a majority of the condominium units.

C. Notice of all meetings of the membership, regular or special, shall be given by the president, Vice-President or Secretary of the Association, or other officer of the Association in absence of said officers, to each member, unless waived in writing, such notice to be written and to state the time and place and purpose for which the meeting is called. Such notice shall be given to each member not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting, which notice shall be mailed or delivered personally to each member within said time. If delivered personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail addressed to the member at his post office address as it appears on the Register of Owners of the Association as of the date of mailing such notice, the postage thereon prepaid. Proof of such mailing shall be given by the affidavit of the person giving the notice. Any member may, by signed written waiver of notice, waive such notice and, when filed in the records of the Association, whether before or after the holding of the meeting, such waiver shall be deemed equivalent to the giving of notice to the member. If any meeting of the membership cannot be organized because a quorum has not attended, or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended (wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these Bylaws or the Declaration of Unit Ownership) the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance, if greater than quorum, is present.

D. The order of business as far as practical at any meetings of the membership shall be:

1. Calling of the roll and certifying of proxies;
2. Proof of notice of meeting or waiver of notice;
3. Reading and disposal of any unapproved minutes;
4. Reports of Committees;

6. Unfinished business;
7. New business; and
8. Adjournment.

ARTICLE IV
BOARD OF DIRECTORS

A. The initial Board of Directors of the Association and each succeeding Board of Directors shall consist of three (3) persons. At least a majority of the Board of Directors shall be members or employees of a corporate member of the Association. Notwithstanding the foregoing, so long as the developer, Thompson Developers, a North Carolina Limited Partnership (herein referred to as the "Developer") owns twenty-five percent (25%) of the total condominium units in Summer Winds Condominiums, Phase I, but in no event longer than five years from the sale of the first condominium unit, the Developer shall have the right to select a majority of the persons who shall serve as members of each Board of Directors of the Association. Any Director selected by Developer need not be a resident of the Condominium.

B. Election of Directors shall be conducted in the following manner:

1. Developer shall, at the beginning of the election of the Board of Directors, select that number of the members of the Board of Directors which it shall be entitled to select in accordance with the provisions of these Bylaws, and upon such selection of Developer by written instrument presented to the meeting at which such election is held, said individuals so selected by Developer shall be considered Directors of the Association, and shall thenceforth perform the offices and duties of such Directors until their successors shall have been elected in accordance with the provisions of these Bylaws.

2. All members of the Board of Directors whom Developer shall not be entitled to select under the terms and provisions of these Bylaws, shall be elected by a plurality of the votes cast at the Annual Meeting of the members of the Association immediately following the selection of the members of the Board of Directors whom Developer shall be entitled to select.

3. Vacancies in the Board of Directors may be filled until the date of the next Annual Meeting by the remaining Directors, except that should any vacancy in the Board of Directors be created in any Directorship previously filled by any person selected by the Developer, such vacancy shall be filled by Developer selecting, by written instrument delivered to any Officer of the Association, the successor Director to fill the vacated Directorship for the unexpired term thereof.

4. The initial Board of Directors will consist of the three members whose names are set forth in the Articles of Incorporation. From and after the date of the first annual meeting of members, there shall be five Directors. The initial Board shall serve until their successors at the first Annual Meeting of Members are elected and qualified. At the first Annual Meeting of Members, the two (2) candidates for the Board of Directors receiving the greatest number of votes shall be elected for a term of three (3) years, the two candidates receiving the next highest number of votes shall be elected for a term of two (2) years, and, likewise, the candidate receiving the next highest number of votes shall be elected for a term of one (1) year. At the expiration of the initial term of each Director, his successor shall be elected to serve a term of three (3) years. Each Director shall hold office until his death, resignation, retirement, removal, disqualification, or his successors elected and qualified. If at the time of the first Annual Meeting Developer owns 25% of the total condominium units in Phase I of the Condominium, then Developer shall have the right to designate and select three (3) Directors, one of which will serve a term of three (3) years, one of which shall serve a term of two (2) years, and one such Director shall serve a term of one (1) year. At such time as Developer no longer owns 25% of the total condominium units in Phase I of the Condominium, then the Board of Directors shall call a Special Meeting of the membership to elect successor Directors for those originally selected by Developer, and each such Director so elected shall serve until the expiration of the initial term of each Director selected by Developer. The candidate receiving the highest number of votes shall serve the balance of the initial term of the Director selected by Developer for the three (3) years, the candidate receiving the next highest number of votes shall serve the balance of the initial term of the Director selected by Developer or two (2) years, and, likewise, the candidate receiving the third highest number of votes shall serve the balance of the initial term of the Director selected by the Developer for the one (1) year term.

5. In the election of Directors, there shall be appurtenant to each condominium unit one vote per condominium unit. The right of cumulative voting may be exercised by a unit owner or proxy holder by announcing in open meeting before the vote for Directors commences his intention so to vote cumulatively, and if such announcement is made, the presiding officer shall declare that all unit owners shall have the right to vote cumulatively and shall thereupon grant a recess of not less than one nor more than four hours, as such presiding officer shall determine, or for such other period of time as is then unanimously agreed upon. Notwithstanding the fact that a unit owner may be nominated or has been elected to serve as one of the members of the Board of Directors, such unit owner shall still be entitled to cast the vote for each condominium unit owned by him in the elections of Directors.

6. In the event that Developer, in accordance with the rights herein established, selects any person to serve on any board of Directors of the Association, Developer shall have the absolute right at any time, in its sole discretion, to replace such person with another person to service on any Board of Directors. Replacement of any person designated by Developer to serve on any Board of Directors of the Association shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name of the person to be replaced and the name of the person designated as successor to the person so removed from the Board of Directors. The removal of any Director and designation of this successor shall be effective immediately upon delivery of such written instrument by Developer to any officer of the Association.

C. The organizational meeting of each newly elected Board of Directors shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary, provided a quorum shall be present.

D. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

E. Special meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of one-third of the votes of the Board. Not less than three (3) days' notice of a meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

F. Any director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

G. A quorum at a Directors' meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes cast at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Articles of Incorporation, or these Bylaws or the Declaration of Unit Ownership. If any Directors' meeting cannot be organized because a quorum has not attended, or because the greater percentage of attendance may be required as set forth in the Articles of Incorporation, these Bylaws or the Declaration of Unit Ownership, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present. At any adjourned meeting, any business that might have been transacted at the originally called meeting may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

H. The Presiding Officer of Directors' meetings shall be the Chairman of the Board, if such an Officer has been elected; and if none, then the President of the Association shall preside. In the absence of the Presiding Officer, the Directors present shall designate one of their numbers to preside.

I. Directors, fees, if any, shall be determined by the members.

J. All of the powers and duties of the Association shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles of Incorporation of the Association, these Bylaws and the Declaration of Unit Ownership. Such powers and duties shall be exercised in accordance with said Articles of Incorporation, these Bylaws and the Declaration of Unit Ownership and shall include, subject, however, to the agreement between the Carteret County Health Department, Thompson Developers and Summer Winds Condominiums, Inc. as described in the Declaration of Unit Ownership, without limiting the generality of the foregoing, the following:

1. To make, levy and collect assessments against members and members' condominium units to defray the costs of the condominium, as provided for in Article 14 of the Declaration of Unit Ownership, which Article is hereby incorporated by reference, and to use the proceeds of said assessments in the exercise of the powers and duties granted into the Association.
2. To maintain, repair, replace, operate and manage the common areas and facilities whenever the same is required to be done and accomplished by the Association for the benefit of its members; and further to approve any expenditure made or to be made for said purposes;
3. To reconstruct any part of the common areas and facilities after casualty in accordance with Article 17 of the Declaration of Unit Ownership, and to make further improvement to the common areas, real and personal, and to make and to enter into any and all contracts necessary or desirable to accomplish said purposes;
4. To make, amend and enforce regulations governing the use of the common areas and facilities and condominium units so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Incorporation and the Declaration of Unit Ownership;
5. To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including condominium units in the Condominium as may be necessary or convenient in the operation and management of the Condominium, and in accomplishing the purposes set forth in the Declaration of Unit Ownership, provided that the acquisition of real property other than condominium units shall require the approval of the Association.

6. To acquire now or at any time hereafter, and to enter into leases and agreements whereby the Association acquires leaseholds, memberships, and other possessory or use interests in lands or facilities including, but not limited to, swimming pools, tennis and other recreational facilities whether or not contiguous to the lands of the Condominium to provide enjoyment, recreation or other use or benefit to the owner of condominium units.
7. To contract for the management of the Condominium and to designate to such management firm all of the powers and duties of the Association, except those which may be required by the Declaration of Unit Ownership to have approval of the Board of Directors or membership of the Association.
8. To enforce by legal means or proceedings the provisions of the Articles of Incorporation and Bylaws of the Association, the Declaration of Unit Ownership and the regulations hereinafter promulgated governing use of the common areas and facilities in the Condominium.
9. To pay all taxes and assessments which are or may become liens against any part of the Condominium, other than condominium units and the appurtenances thereto, and to assess the same against the members and their respective condominium units;
10. To purchase insurance for the protection of the members and the Association against casualty and liability in accordance with Article 16 of the Declaration of Unit Ownership.
11. To pay all costs of power, water, sewer, and other utility services rendered to the Condominium and not billed to the owners of separate condominium units; and,
12. To designate and remove personnel necessary for the maintenance, repair, replacement and operation of the Condominium including the common areas.

K. The initial Board of Directors of the Association shall be comprised of the three (3) persons designated to serve as Directors in the Articles of Incorporation, which persons shall serve until their successors are elected at the first Annual Meeting of the members of the Association. Should any member of the initial Board of Directors be unable to serve for any reason, the remaining members of the Board of Directors shall have the right to designate a party to serve as a Director for the unexpired term.

L. The undertakings and contracts authorized by the initial Board of Directors shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by any Board of Directors duly elected by the membership after the Declaration of Unit Ownership has been recorded, so long as such undertakings and contracts are within the scope of powers and duties which may be exercised by the Board of Directors of the Association in accordance with all applicable condominium documents.

M. Any one or more of the members of the Board of Directors may be removed, either with or without cause, at any time by a vote of the members owning a majority of the condominium units in the condominium, at any Special Meeting called for such purpose, or at the Annual Meeting. Provided, however, that only the Developer shall have the right to remove a Director appointed by it.

ARTICLE V OFFICERS

A. The executive officer of the Association shall be a President, who shall be a Director, a Vice-President, a Treasurer, a Secretary and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be peeremptorily removed by a vote of the Directors at any meeting. Any person may hold two or more offices, except that the President shall not also be Vice-President, Secretary or an Assistant Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

B. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the president of any association, including, the power to appoint committees from among the members as he may determine appropriate to assist in the conduct of the affairs of the Association.

C. The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of President... He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

D. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors, and such other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the Directors or the President. The Assistant Secretary shall perform the duties of Secretary when the Secretary is absent.

E. The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep, or supervise the keeping of, detailed, accurate records in chronological order of the receipts and expenditures affecting the common areas and facilities, specifying and identifying the maintenance and repair expenses of the common areas and facilities and any other expenses incurred.

F. The compensation of all officers and employees of the Association shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the Association, nor preclude the contracting with a Director for the management of the Condominium.

G. All officers shall serve at the pleasure of the Board of Directors and any officer may be removed from office at any time, with or without cause, by a majority vote of the Board of Directors.

ARTICLE VI FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration of Unit Ownership and Articles of Incorporation shall be supplemented by the following provisions:

A. The assessment roll shall be maintained in a set of accounting books in which there shall be an account name and address of the unit owner or owners, the amount of each assessment against the owners, the dates and amounts in which assessments come due, the amounts paid upon the account and the balance due.

B. The Board of Directors shall adopt a budget for each fiscal year of the Association which shall contain estimates of the cost of performing the functions of the Association, including, but not limited to the following:

1. Common Expense budget, which may include, without limiting the operation of and capital improvements to the common areas including landscaping, street and walkways, office expenses, utility services, casualty insurance, liability insurance, administration and reserves, management fees and costs of maintaining leaseholds, memberships and other possessory or use interests in lands or facilities whether or not contiguous to the lands of the condominium, to provide enjoyment, recreation or other use or benefit to the unit owners; and,

2. Proposed assessments against each member and his unit.

Copies of the proposed budget and proposed assessments shall be transmitted to each member not later than thirty (30) days prior to the beginning of the fiscal year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned. Non-delivery of a copy of any budget or amended budget to each member shall not affect the liability of any member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of said budget and assessments levied to the effectiveness of said budget and assessments levied pursuant thereto and nothing herein contained shall be construed as restricting the right of the Board of Directors, at any time in their sole discretion, to levy and additional assessments in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

C. The Board of Directors may retain professional management services to be primarily responsible for fiscal management of the Association and maintaining the Condominium. Any management agreement for the Condominium will be terminable by the Association for cause upon thirty (30) days' written notice thereof, and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one-year periods.

D. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the funds of the Association shall be deposited. Withdrawal of funds from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

E. The books and all supporting documentation shall be available for examination by all unit owners and their lenders or their agents during normal business hours.

F. An audit of the accounts of the Association shall be made annually by a Certified Public Accountant, and a copy of the report shall be furnished to each member not later than sixty (60) days' after the end of the fiscal year for which the report is made.

G. Fidelity bonds may be required by the Board of Directors for all officers and employees of the Association and for any contractor handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors. The premiums on such bonds shall be paid by the Association.

H. The fiscal year of the Association shall be a consecutive twelve (12) month period selected by the Board of Directors, except that in the initial year of operation of the Condominium, the fiscal year shall commence with the closing of the sale of the first condominium unit and may be less than twelve (12) months.

ARTICLE VII
PARLIMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these Bylaws or with the General Statutes of the State of North Carolina.

ARTICLE VIII
Amendments to bylaws.

Amendments to these Bylaws shall be proposed and adopted in the following manner:

A. Amendments to these Bylaws may be proposed by the Board of Directors of the Association acting upon a vote of the majority of the Directors, or by members of the Association owning a majority of the condominium units in the Condominium, whether meeting as members or by instrument in writing signed by the.

B. Upon any amendment to these Bylaws being proposed by said Board of Directors or members, such proposed amendment shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a Special Joint Meeting of the Board of Directors of the Association and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such officer of the proposed amendment and it shall be the duty of the Secretary to give to each member written notice of the Secretary to give to each member written notice of such meeting in the same form and in the same manner as notice of the call of a Special Meeting of the members is required as herein set forth.

C. In order for such amendment to become effective, it must be approved by an affirmative vote of a majority of the entire Board of Directors and by an affirmative vote of members owning not less than three-fourths of the condominium units in the Condominium. Thereupon, such amendment or amendments to these Bylaws shall be transcribed, certified by the Secretary of the Association, and a copy thereof shall be recorded in the office of the Register of Deeds of Carteret County, North Carolina, within twenty (20) days from the date on which any amendment has been approved by the Directors and members. No amendment shall be come effective until it is duly recorded.

D. Upon the approval and proper recording of any amendment, it shall become binding upon all unit owners.

E. At any meeting held to consider any amendment to the Bylaws, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

F. Notwithstanding the foregoing provisions of this Article VIII, no amendment to these Bylaws which shall abridge, amend or alter the right of the Developer to designate and select members of each Board of Directors of the Association, as provided in Article IV hereof may be adopted or become effective without the prior written consent of the Developer.

ARTICLE IX GENERAL PROVISIONS

a. The seal of the Association shall consist of two (2) concentric circles between which is the name of the Corporation and in the center of which is inscribed SEAL, and such seal, in the form approved and adopted by the Board of Directors, shall be the corporate seal of the Corporation.

B. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors.

C. All checks, drafts or other order for the payment of money issued in the name of the Association shall be signed by such officer or officers, agent or agents, as from time to time may be designated and authorized by a resolution of the Board of Directors.

ARTICLE X COMPLIANCE

These Bylaws are set forth to comply with the requirements of the Unit Ownership Act, Chapter 47A of the General Statutes of the State of North Carolina. In the event that any of these Bylaws conflict with the provisions of said statute, it is hereby agreed that the provisions of the statute will apply.

The foregoing was adopted as the Bylaws of Summer Winds Condominiums, Inc. at the first meeting of the Board of Directors on October 24, 1983.

APPROVED: _____
President

Secretary

Deed

AMENDMENT TO BYLAWS
OF
SUMMER WINDS CONDOMINIUMS, INC.

WHEREAS, the Board of Directors of Summer Winds Condominiums, Inc. (said corporation being referred to hereinafter as "The Association"), acting upon a vote of the majority of the directors proposed amending the bylaws of the Association to increase the number of members of the Board from five (5) to seven (7), and to change the date of the annual meeting of the membership of the Association from the first Saturday in October to the last Saturday in October of each year; and

WHEREAS, by notice dated May 24, 1988 the President of the Association called for a special meeting of the membership for June 26, 1988 at 10:00 a. m. in connection with a meeting of the Board of Directors of the Association to consider the proposed bylaw amendments; and

WHEREAS, on June 26, 1988 at 10:00 a. m. a Special Joint Meeting of the Board of Directors and of the membership of the Association was conducted; and

WHEREAS, there were present in person or by proxy members owning 188 condominium units at Summer Winds Condominiums, and a quorum of the Board of Directors was also present; and

WHEREAS, the following amendments were approved by a majority of the entire Board of Directors; and

WHEREAS, the Bylaw Amendment increasing the number of members of the Board of Directors from five (5) to seven (7) was approved by an affirmative vote of members owning eighty-nine percent (89%) of the condominium units in the condominium (of the 211 condominium units in the condominium, members owning 188 condominium units voted in favor of the proposed amendment) and members owning eighty-seven percent (87%) of the condominium units in the condominiums voted in favor of the proposed bylaw amendment to change the annual meeting date (of the 211 units in the condominium the owners of 184 condominium units voted for the proposed amendment);

NOW, THEREFORE, the following amendments to the bylaws of Summer Winds Condominiums, Inc. are hereby adopted to become effective upon the date this instrument is recorded in the Register of Deeds of Carteret County:

Article IV, Section B, Paragraph 4 is amended as follows:

Book 4083
4083 *Page 355*

Paragraph Number 4 - From and after the annual meeting of the membership in October of 1988, the number of directors shall be increased from five (5) to seven (7). The terms of the Board Members in office from the existing five (5) member Board shall continue until their expiration unaffected by this amendment. At the October 1988 annual meeting of the membership, the sixth board member shall be elected for a term of three (3) years and the seventh board member shall be elected for a term of two (2) years. At the expiration of the term of each director, his successor shall be elected to serve a term of three years. Each director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified.


Article III, Section A, is deleted in its entirety, and substituted therefore with the following:

A. The annual meeting of the membership shall be held at a time and place designated by the Board of Directors on the last Saturday in October of each year for the purpose of electing directors and of transacting any other business authorized to be transacted by the members.

Adopted the 26th day of June, 1988.

SUMMER WINDS CONDOMINIUMS, INC.

by: 
F. W. Eatman, Jr., President

(SEAL)
Attest:

William B. Buffaloe, Secretary

NORTH CAROLINA

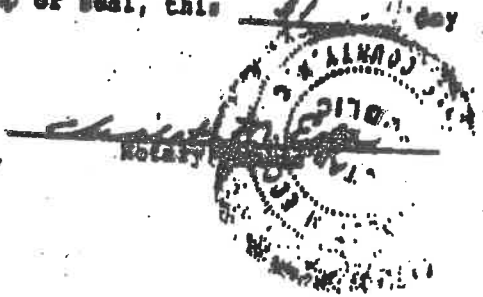
CARTERET COUNTY

I, a Notary Public of the County and State aforesaid, certify that William B. Buffaloe, personally came before me this day and acknowledged that he is Secretary of Summer Winds Condominiums, 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 William B. Buffaloe as its

Secretary.

Witness my hand and official stamp or seal, this
of August, 1946

My commission expires: 1-25-92



9:46

NORTH CAROLINA, CARTER
The foregoing certificate of W. D. Edge
is (and) certified to be correct. This instrument was published
for registration and recorded in this office in Book 1083.

Witness my hand and seal this 3rd day of June, 1946 at 9:46 o'clock A. M.

Sharon Flier
Register of Deeds
Meemee C. Cull
Assistant Register

See 1083 Pg 355

AMENDMENT TO BY-LAWS

OF

SUMMER WINDS CONDOMINIUMS, INC.

WHEREAS, the Board of Directors of Summer Winds Condominiums, Inc. (said corporation being referred hereinafter as "The Association"), acting upon a vote of majority of the directors, proposed amending the by-laws of the Association in accordance with this amendment; and

WHEREAS, by notice dated September 26, 1990, president of the Association called for a special joint meeting of the membership and the Board of Directors on October 27, 1990 at 10:00 a.m. to consider the proposed by-law amendment; and

WHEREAS, on October 27, 1990 at 10:00 o'clock a.m. a special joint meeting of the Board of Directors and of the membership of the Association was conducted; and

WHEREAS, there were present in person or by proxy members owning one hundred seventy-five (175) condominium units at Summer Winds Condominiums, and a quorum of the Board of Directors was also present; and

WHEREAS, the amendment set forth below was approved by an affirmative vote of members owning eighty (80%) percent of the condominium units in the condominium (of the two hundred eleven [211] condominium units within Summer Winds Condominiums, and a quorum of the Board of Directors members owning one hundred, sixty-eight [168] condominium units voted in favor of the proposed amendment); and

WHEREAS, the amendment set forth below was approved by a majority of the entire Board of Directors.

NOW, THEREFORE, the following amendment to the by-laws of Summer Winds Condominiums, Inc. is hereby adopted and shall become effective upon the date this instrument is recorded in the Register of Deeds of Carteret County:

The sentence in Section 2 of ARTICLE VI FINANCIAL MANAGEMENT of the Bylaws of Summer Winds Condominiums, Inc. that reads "Copies of the proposed budget and proposed assessments shall be transmitted to each member not later than thirty (30) days prior to the beginning of the fiscal year for which the budget is made." is deleted and substituted in its place is the following:

"Copies of the proposed budget and proposed assessments shall be transmitted to each member not later than October 31st of each fiscal year or delivered at the annual meeting of members. If a budget is not adopted by the Board of Directors prior to the beginning of the fiscal year, the budget for the previous year, excluding special assessments, shall be deemed the temporary budget of the association. At such time as the budget for the new fiscal year is adopted, it will be retroactive to the first day of the fiscal year."

Adopted the 27th day of October, 1990.

SUMMER WINDS CONDOMINIUMS, INC..

BY: [Signature]
F. STEVE LAPEERE, President

ATTEST:

[Signature]
BRENDA BEAVER, Assistant Secretary

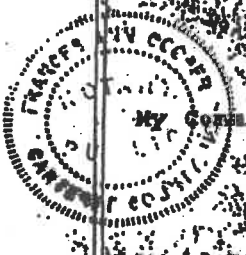


I, a Notary Public of the county and state aforesaid, certify that BRENDA BEAVER, personally came before me this day and acknowledged that she is assistant secretary of Summer Winds Condominiums, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its president, sealed with its corporate seal and attested by Brenda Beaver as its assistant secretary.

WITNESS my hand and official stamp or seal this the 17 day of November, 1990.

[Signature]
NOTARY PUBLIC

My Commission Expires: 12-16-93



Sharon Flynn
#2

1:15 PM

NORTH CAROLINA, CARTERET COUNTY
The foregoing certificate(s) of Frances L. Cooper
is (are) certified to be correct. This instrument was pre-
sented for registration and recorded in this office in
Book 110-96 Page 439
This 8th day of Nov. 1990 at 1:15 o'clock P.

Sharon Flynn
Register of Deeds
By [Signature]
Assistant, Deputy

BOOK 110-96 PAGE 439

NORTH CAROLINA, CARTERET COUNTY
This instrument and this certificate are duly filed at the date and time and in the Book and Page shown on the first page hereof.

Melanie Arthur, Register of Deeds
By R. K & W
Asst. Deputy, Register of Deeds

R. K & W

AMENDMENT TO BY-LAWS OF UNIT OWNERSHIP
OF SUMMER WINDS CONDOMINIUMS, INC.

WHEREAS, the Board of Directors of Summer Winds Condominiums, Inc. (said corporation being referred to hereinafter as the "Association"), acting upon a vote of the majority of the Directors, proposed amending the Declaration and By-Laws of the Association to provide for regulation of the rental of Units; and

WHEREAS, by Notice dated July 23, 2006, the President of the Association called a special meeting of the membership on August 20, 2006 at 10:00 a.m.; and

WHEREAS, at the special meeting, by the affirmative vote of members owning 160 of the 211 condominium units in the project seventy five & 82/100 percent (75.82%) and seventy six & 61/100 percent (76.61%) of the common area of the project [both percentages exceeding the 75% required to

BOOK 1188 PAGE 393

(3)

amend the By-laws] the amendment set forth hereinbelow was approved; and

NOW, THEREFORE, the following Amendment to the By-Laws of Summer Winds Condominiums, Inc. is hereby adopted to become effective upon the date this instrument is recorded with the Register of Deeds of Carteret County:

I.

Article IV, entitled "Board of Directors," Section J, is amended by adding additional numbered paragraphs at the conclusion of paragraph 12 as follows:

"13. To impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements other than limited common elements described in subsections N.C.G.S. 47C-2-102 (2) and (4) and for services provided to unit owners; and

14. To adopt and publish Rules and Regulations, consistent with the Declaration, regarding the rental of units, and to enforce all provisions thereof."

Adopted this 20 day of August, 2006.



SUMMER WINDS CONDOMINIUMS, INC.

By: [Signature]
President

Attest:

Barbara A Johnson
Secretary

STATE OF NORTH CAROLINA
COUNTY OF WAKE

I, a Notary Public of the county and state aforesaid, certify that BARBARA A Johnson, personally appeared before me this day and acknowledged that she is the Secretary of Summer Winds Condominiums, Inc., a North Carolina corporation, and that by authority duly given and as the action 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 and official stamp or seal, this 28 day of August, 2006.

[Signature]
Notary Public

(STAMP OR SEAL)

My Commission Expires: 10-18-2008

