

DECLARATION OF UNIT OWNERSHIP
UNDER CHAPTER 47A
NORTH CAROLINA GENERAL STATUTES
OAK BLUFF AT
BRANDYWINE BAY, a Condominium

BRANDYWINE BAY DEVELOPMENT CORPORATION
DECLARANT

Book 400-3

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OAK BLUFF AT BRANDYWINE BAY, a Condominium

Declaration of Unit Ownership

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for OAK BLUFF AT BRANDYWINE BAY, a Condominium

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DECLARATION OF UNIT OWNERSHIP
UNDER CHAPTER 47A
NORTH CAROLINA GENERAL STATUTES
FOR
OAK BLUFF AT
BRANDYWINE BAY, a CONDOMINIUM

THIS DECLARATION OF UNIT OWNERSHIP, made this the 2nd day of December, 1976, by the BRANDYWINE BAY DEVELOPMENT CORPORATION, a corporation organized and existing under and by virtue of the laws of the State of North Carolina, maintaining its registered office in Wake County, North Carolina (hereinafter referred to as "DECLARANT"), pursuant to the provisions of Chapter 47A of the North Carolina General Statutes, as amended, (sometimes hereinafter referred to as the "Unit Ownership Act"):

W I T N E S S E T H: THAT

WHEREAS, DECLARANT is the owner of certain real estate located in Carteret County, North Carolina (herein as Development Area), said real estate being more fully and particularly described on Schedule "A" annexed and attached hereto, made a part hereof and incorporated herein by reference as fully and to the same extent as if said description or descriptions were set forth herein-verbatim in words and figures; and

WHEREAS, DECLARANT is constructing on a portion of the Development Area a development consisting of dwelling units and attendant facilities (herein as the "Project") and the Project, when completed, will comprise living units (hereinafter referred to as "Dwelling Units" or "Units"); and

WHEREAS, it is the desire of DECLARANT to submit the Project property, described and referred to in Paragraph 2 below, together with the improvements thereon constructed or to be constructed, to the provisions of the Unit Ownership Act to provide for the condominium form of ownership; and

WHEREAS, DECLARANT has constructed, or is constructing, certain recreational facilities on a portion of the Development Area for the use and benefit of certain owners and occupants of the Brandywine Bay Development Area (the "Recreational Area"), which facilities are to be owned

and maintained by THE BRANDYWINE BAY ASSOCIATION, INC. (herein as the "BRANDYWINE BAY ASSOCIATION"), a North Carolina non-profit corporation; and

WHEREAS, DECLARANT has constructed certain entranceway gates, together with certain streets and roadways, on a portion of the Development Area for the use and benefit of the owners and occupants of the Brandywine Bay Development Area, which entranceway gates, streets and roadways are to be owned and maintained by the BRANDYWINE BAY ASSOCIATION; and

WHEREAS, DECLARANT has conveyed the Recreational Area, together with the improvements thereon constructed, and the entranceway gates, streets and roadways to the BRANDYWINE BAY ASSOCIATION; and

WHEREAS, the entranceway gates, street and roadway property is subject to a Declaration of Easement which provides for pedestrian and vehicular access to and from the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM PROPERTY (Schedule "B" hereof) as well as certain other portions of the Brandywine Bay Development Area; and

WHEREAS, the BRANDYWINE BAY ASSOCIATION may own certain other facilities and engage in certain other activities, all as described in and controlled by its Articles of Incorporation, Bylaws and the acts of its Board of Directors and members from time to time; and

WHEREAS, DECLARANT also desires herein to provide and allow for the submission of additional Phases to the Project as said Phases are developed and completed, and to provide for equality of rights, privileges and obligations of all condominium unit owners in all Phases of the OAK BLUFF AT BRANDYWINE BAY Condominium Project by amending this Declaration of Unit Ownership as said Phases, if any, are developed and completed; and

WHEREAS, DECLARANT hereby establishes by this Declaration of Unit Ownership a plan for the individual ownership of the real property estates consisting of the Dwelling Units and the co-ownership by the individual and separate owners thereof, as tenants in common, of all of the remaining Project real property, which are the Common Areas and facilities of the Project (hereinafter referred to as "COMMON ELEMENTS").

NOW, THEREFORE, DECLARANT hereby declares:

1. Legal Description of the Brandywine Bay Development Area.

The Brandywine Bay Development Area (herein as "Development Area") referred to hereinabove is situated in Carteret County, State of North Carolina and is described on Schedule "A" annexed and attached hereto, made a part hereof and incorporated herein by reference as fully and to the same extent as if said description or descriptions were set forth herein verbatim in words and figures.

2. Legal Description of OAK BLUFF AT BRANDYWINE BAY, a Condominium.

The Phase of the Development Area, that is OAK BLUFF AT BRANDYWINE BAY, a Condominium, (the Project) which is herewith and hereby dedicated to the condominium or unit form of ownership is situated in Carteret County, State of North Carolina, and described on Schedule "B" annexed and attached hereto, made a part hereof, and incorporated herein by reference as fully and to the same extent as if said description were set forth herein verbatim in words and figures (herein as the "Condominium Property").

The Property described and referred to in this Paragraph is submitted to the provisions of the North Carolina Unit Ownership Act, as amended.

2A. Legal Description of Recreational Area

The Recreational Area referred to above is situated in Carteret County, State of North Carolina and is described on Schedule "B-1" annexed and attached hereto, made a part hereof and incorporated herein by reference as fully and to the same extent as if said description were set forth herein verbatim in words and figures. The Recreational Area has been conveyed to the BRANDYWINE BAY ASSOCIATION for the use and benefit of the members of said Association and has not been submitted to the condominium form of ownership and is not part of the Condominium Property.

2B. Legal Description of Proposed Future Phases of the Project; Retained Lands.

DECLARANT, for itself, its successors and assigns, reserves the right herein, but shall not be obligated, to submit additional property in one (1) or more separate phases to the provisions of the Unit Ownership Act and to the provisions of this Declaration of Unit

Ownership on or before the expiration of seven (7) years from and after the date this Declaration is filed for record, by filing Amendments to this Declaration in the Register of Deeds' Office of Carteret County, North Carolina as provided in Paragraphs 17 and 18 of this Declaration of Unit Ownership. The property, or a portion thereof, which may be made subject to this Declaration and the Unit Ownership Act by such an Amendment or Amendments is described on Schedule "B-2" hereof and is the property shown as Parcel "C" on Sheet No. 3 of the Drawings (said Drawings being Schedule "D" hereof and are described and referred to in Paragraph 3(L) hereof), labelled "Possible Future Additions to OAK BLUFF AT BRANDYWINE BAY, a Condominium". Said property consists of approximately 23.61 acres and the additions, if any, to OAK BLUFF AT BRANDYWINE BAY, a Condominium, shall be made on a portion or portions of said property to be selected by DECLARANT, it being understood that any or all of said property not utilized by DECLARANT for the purpose of construction of additional condominium units for addition to OAK BLUFF AT BRANDYWINE BAY, a Condominium, as provided in this Declaration, may be, from time to time, otherwise developed by DECLARANT, its successors and assigns, for residential purposes, either condominium, fee simple attached housing for sale, apartments for rent or single family detached housing, and/or for such other development as DECLARANT may in its sole discretion determine, subject to applicable governmental regulation and control, if any. While any development, other than the aforesaid forty-six (46) additional Dwelling Units, would not be a part of OAK BLUFF AT BRANDYWINE BAY, a Condominium, the owners thereof may be members of the BRANDYWINE BAY ASSOCIATION and be entitled to the benefits of membership in said Association applicable to their respective classifications of membership.

The total number of additional Dwelling Units which DECLARANT may submit to this Declaration pursuant to the provisions of this paragraph shall not exceed forty-six (46) condominium dwelling units and the same shall be built and added to the Condominium Property on a density basis of not more than ten (10) dwelling units per acre. It is further understood and agreed that buildings containing any of the additional forty-six (46) condominium units shall not exceed three (3) stories in height. The right herein reserved to submit such additional property shall permit the addition by DECLARANT of any number of additional dwelling

units up to and including forty-six (46) such additional units; however, the submission of one or more additional dwelling units as herein provided shall not obligate DECLARANT to submit further additional units to the provisions of the Unit Ownership Act or to the provisions of this Declaration. PROVIDED, FURTHER, that DECLARANT may cause other development to occur on the property described on Schedule "B-2" hereof, from time to time, irrespective of whether or not it has developed, or plans to develop, any of the forty-six (46) additional units on said property.

At such time, and from time to time, as any additional Phase is subjected to this Declaration the Condominium Property will consist of the property described on Schedule "B" hereof, such property as may have been previously added thereto by amendment as provided in Paragraphs 17 and 18 hereof, together with such additional property as may then be added by Amendment to this Declaration as provided in Paragraphs 17 and 18 hereof.

PORTIONS OF THE PROPERTY OWNED BY DECLARANT ARE NOT A PART OF THIS DECLARATION OF UNIT OWNERSHIP AND ARE THEREFORE REFERRED TO EITHER AS DEVELOPMENT AREA (SEE SCHEDULE A HEREOF) OR AS RETAINED LANDS (SEE PARAGRAPH 20 (L) AND SCHEDULE F HEREOF).

2C. Legal Description for Entranceway Gates, Street and Roadway Easement Area.

The entranceway gates, street and roadway easement area referred to above is situated in Carteret County, State of North Carolina and is described on Schedule "B-3" annexed and attached hereto, made a part hereof and incorporated herein by reference as fully and to the same extent as if said description were set forth herein verbatim in words and figures. This easement area has been conveyed to the BRANDYWINE BAY ASSOCIATION for the use and benefit of the members of said Association and has not been submitted to the condominium form of ownership and is not part of the Condominium Property.

3. Definitions

The terms defined in this Paragraph 3 (except as herein otherwise expressly provided or unless the context hereof otherwise requires) for all purposes of this Declaration of Unit Ownership and of any amendments hereto shall have the respective meanings specified in this Paragraph.

(A) The term "Unit Owner's Association" shall mean and refer to THE OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION (herein as

"UNIT OWNER'S ASSOCIATION") which is an unincorporated unit owners' association as defined in the Unit Ownership Act, and the same is a separate and distinct entity from THE BRANDYWINE BAY ASSOCIATION, INC. (herein as the "BRANDYWINE BAY ASSOCIATION").

(B) The term "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Unit Owner's Association as the same may be constituted from time to time; provided, that, when the context requires the term "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the BRANDYWINE BAY ASSOCIATION.

(C) The term "Bylaws" shall mean and refer to the Bylaws of the UNIT OWNER'S ASSOCIATION, annexed and attached hereto as Schedule "C" and made a part hereof; provided, that, when the context requires the term "Bylaws" shall mean and refer to the Bylaws of the BRANDYWINE BAY ASSOCIATION.

(D) The term "Buildings" shall mean and refer to the buildings located on the Condominium Property: PROVIDED, HOWEVER, that when buildings located on other portions of the Development Area have been added to the Condominium Property pursuant to the provisions of Paragraphs 17 and 18 hereof, the term buildings shall also include said buildings.

(E) The term "Unit Ownership Act" shall mean and refer to Chapter 47A of the General Statutes of the State of North Carolina, as amended.

(F) The term "Condominium" means the ownership of single units in a multi-unit structure or project with common areas and facilities.

(G) The term "Majority" or "Majority of Unit Owners" means the owners of more than fifty percent (50%) of the aggregate interest in the common areas and facilities (COMMON ELEMENTS) as established by the Declaration assembled at a duly called meeting of the unit owners.

(H) The term "Common Areas and Facilities" (herein as "COMMON ELEMENTS") shall mean and refer to all parts of the Condominium Property except the Units, including, without limitation, all foundations, exterior and supporting walls and roofs of the Buildings, all structural and component parts of all interior walls, all storage rooms and laundry rooms (if any), all patios, courtyards, walkways, driveways and parking spaces and all lawns, landscaping and gardens now or hereafter situated on the Condominium Property and all facilities and equipment related and attendant thereto, including any repairs and replacements thereof.

(I) The term "Common Expenses" shall mean and refer to those expenses designated as Common Expenses in the Unit Ownership Act, this Declaration of Unit Ownership or the Bylaws, including, without limitation, the following:

(i) all sums lawfully assessed against the Unit Owners by the UNIT OWNER'S ASSOCIATION; and

(ii) expenses of the UNIT OWNER'S ASSOCIATION incurred in the administration, maintenance, repair and replacement of the COMMON ELEMENTS; and

(iii) expenses determined from time to time to be Common Expenses by the UNIT OWNER'S ASSOCIATION.

(J) The term "Condominium Property" shall mean and refer to the real estate described and referred to in Paragraph 2 above, together with the buildings and all other improvements thereon, all easements, rights, and appurtenances belonging thereto, and all articles of personal property existing thereon for the common use of the Unit Owners; PROVIDED, HOWEVER, when portions of the Development Area have been added to the Condominium Property pursuant to the provisions of Paragraphs 17 and 18 hereof, the term "Condominium Property" shall also include such portions of the Development Area, together with the buildings and all improvements thereon, all easements, rights, and appurtenances belonging thereto, and all Articles of personal property existing thereon for the common use of the Unit Owners.

(K) The term "Declaration of Unit Ownership" or "Declaration" shall mean and refer to this instrument and all of the Schedules and Exhibits hereto, as originally executed, or if amended as herein provided, as so amended.

(L) The term "Drawings" shall mean and refer to the Drawings prepared and certified by C. C. King, Registered Land Surveyor of Beaufort, North Carolina, dated October 14, 1976, consisting of four (4) sheets, and by S. Thomas Shumate, Architect of Raleigh, North Carolina, dated September, 1976, consisting of nine (9) sheets, in accordance with the Unit Ownership Act relating to the Condominium Property, which Drawings are identified as Schedule "D" hereto and by this reference made a part of this Declaration.

(M) The term "Limited Common Areas and Facilities" (herein as "LIMITED COMMON ELEMENTS") shall mean and refer to those parts of the

COMMON ELEMENTS reserved for the use of a certain Unit or Units to the exclusion of all other Units and more specifically described in Paragraph 7, Sub-paragraph (H) hereof.

(N) The term "Occupant" shall mean and refer to the person or persons, natural or artificial, in possession of a Unit.

(O) The term "Ownership Interest" shall mean and refer to the fee simple title interest in a Unit and the undivided percentage interest in the COMMON ELEMENTS appertaining thereto.

(P) The term "Rules" shall mean and refer to such rules and regulations governing the operation and use of the Condominium Property, or any portion thereof, as may be adopted by the UNIT OWNER'S ASSOCIATION or the Board of Directors thereof from time to time; provided that, when the context requires the term "Rules" shall mean and refer to such rules and regulations governing the Development Area, including, but not limited to the Recreational Area, or any portion thereof, as may be adopted by the BRANDYWINE BAY ASSOCIATION or the Board of Directors thereof from time to time.

(Q) The term "Dwelling Unit" or "Unit" shall mean and refer to that part of the Condominium Property described in Paragraph 6 hereof.

(R) The term "Unit Owner" shall mean and refer to any person or persons, natural or artificial, owning the fee simple estate in a Unit and an undivided percentage interest in the COMMON ELEMENTS.

(S) The term "BRANDYWINE BAY ASSOCIATION" shall mean and refer to THE BRANDYWINE BAY ASSOCIATION, INC., a North Carolina Non-profit Corporation, to which has been conveyed and/or leased certain real property and the facilities constructed thereon, said facilities to be owned, or leased, and maintained by said Association for the use and benefit of its members. Unit Owners of OAK BLUFF AT BRANDYWINE BAY, a Condominium, are automatically members of said Association, as will be the owners of any townhouse lots or other residences which may be located on portions of the Development Area, and the owners of other portions of the Brandywine Bay Development Area may be members of the BRANDYWINE BAY ASSOCIATION. The BRANDYWINE BAY ASSOCIATION is separate and distinct from, and should not be confused with, the UNIT OWNER'S ASSOCIATION.

(T) The term "Recreational Area" shall mean and refer to all real property and improvements thereon, together with all easements appurtenant thereto owned by the BRANDYWINE BAY ASSOCIATION for the

common use and enjoyment of its members. The Recreational Area to be owned by the BRANDYWINE BAY ASSOCIATION at the time of the conveyance of the first dwelling unit pursuant hereto is described on Schedule "B-1" annexed and attached hereto, made a part hereof and incorporated herein in reference as fully and to the same extent as if said description were set forth herein verbatim in words and figures.

(U) The term "DECLARANT" shall mean and refer to the BRANDYWINE BAY DEVELOPMENT CORPORATION, a corporation organized and existing under and by virtue of the laws of the State of North Carolina, its successors and assigns if such successors and/or assigns should acquire Development Area property from DECLARANT for the purpose of development.

(V) The term "Member" shall mean and refer to every person or entity who holds membership in the BRANDYWINE BAY ASSOCIATION. There are several categories or classifications of membership in the BRANDYWINE BAY ASSOCIATION, all of which are described in detail in the Articles of Incorporation for said Association.

(W) The term "Retained Lands" shall mean and refer to certain other properties (Schedule "F" hereof) adjoining or nearby the Development Area (Schedule "A" hereof), which properties are owned by BRANDYWINE BAY DEVELOPMENT CORPORATION and which properties exclude the Development Area. See Paragraph 20, Sub-Paragraph (L) for a discussion of said Retained Lands.

(X) "Institutional mortgage", sometimes referred to as "first mortgage" herein, shall be defined as a first mortgage or deed of trust originally executed and delivered to or held through assignment or assignments by a bank or a savings and loan association, or an insurance company, or a title insurance company, or a pension trust, or a real estate investment trust, or any other private or governmental institution which is regularly engaged in the business of mortgage financing, or a subsidiary of any of the foregoing, or a designee of any of the foregoing, or the DECLARANT or any of its subsidiaries.

(Y) "Institutional lender", shall be defined as a bank or savings and loan association or an insurance company or a title insurance company or a pension trust or real estate investment trust, or any other private or governmental institution which is regularly engaged in the business of mortgage financing, or a subsidiary of any of the foregoing or a designee of any of the foregoing, owning an institutional mortgage on one or more units, or any of the foregoing which acquires an

institutional mortgage as herein defined, by assignment or through mesne assignments from a non-institutional lender.

(Z) The use of the plural shall include the singular; the singular the plural; and the use of any gender shall be deemed to include all genders.

4. Name of the Condominium Property.

The Condominium Property shall be known as "OAK BLUFF AT BRANDYWINE BAY, a Condominium."

5. General Description of the Condominium Project.

The Condominium Property includes nine (9) buildings without basements. While most of the dwelling units in each building consist of three stories, there are 15 two-story dwelling units within the Project. Each building contains at least three (3), and not more than eight (8), Dwelling Units for a total of forty-six (46) Dwelling Units in the Project. Each building is of wood frame and masonry construction with exterior finish of stucco and wood trim. Wood and masonry are the principal materials of which each building is constructed. The floor in each building is concrete slab or floor joist (as shown on the plans) covered by carpet and tile; walls and ceilings are sheetrock. Reference is made to the Drawings (Schedule "D" hereof) for a more detailed description of the buildings and Dwelling Units, including the location, layout, dimensions (area) of the Dwelling Units and the COMMON ELEMENTS. The buildings are not named but are designated numerically as Buildings 11, 12, 13, 14, 15, 16, 17, 18 and 19. The Dwelling Units in each building are also designated numerically as "1", "2", "3" or "4" up to a maximum of "8". Thus, a specific Dwelling Unit will be identified by reference to the numerical designation of such building and the numerical designation of such Dwelling Unit. For example, Unit "2" in Building 11 may be identified as "Unit 2 in Building 11", or "Building 11, Unit 2", or Unit 112". Any such designation shall be sufficient as long as it contains the numerical designation of the building and the numerical designation of the Dwelling Unit. The building and unit designation by number, together with the unit type of each Dwelling Unit, is as follows:

<u>BUILDING</u>	<u>UNIT</u>	<u>TYPE OF UNIT</u>
11	1	Croatan
	2	Bogue
	3	Albemarle
	4	Croatan
12	1	Roanoke
	2	Croatan
	3	Bogue
	4	Croatan

<u>BUILDING</u>	<u>UNIT</u>	<u>TYPE OF UNIT</u>
	5	Bogue
13	1	Currituck
	2	Croatan
	3	Currituck
	4	Currituck
14	1	Carteret
	2	Currituck
	3	Croatan
15	1	Currituck
	2	Croatan
	3	Currituck
	4	Currituck
	5	Albemarle
	6	Croatan
	7	Currituck
	8	Carteret
16	1	Currituck
	2	Croatan
	3	Currituck
	4	Albemarle
	5	Currituck
17	1	Currituck
	2	Croatan
	3	Currituck
	4	Albemarle
	5	Currituck
	6	Currituck
	7	Currituck
18	1	Croatan
	2	Currituck
	3	Croatan
19	1	Pamlico
	2	Currituck
	3	Currituck
	4	Albemarle
	5	Croatan
	6	Currituck
	7	Pamlico

there are 7 types of Dwelling Units in the Condominium Property which are named and described as follows:

(A) The "Croatan" Unit. This is a two-story townhouse type unit, containing a living room, kitchen, dining area and one-half bathroom on the first floor and two bedrooms and two bathrooms on the second floor. The Unit is built on a concrete slab and contains approximately One Thousand Four Hundred and Fifteen (1,415) square feet.

(B) The "Bogue" Unit. This is a three-story townhouse type unit containing a living room, kitchen, dining area and one-half bathroom on the first floor, two bedrooms and two bathrooms on the second floor and one bedroom, one bathroom and an oversized closet on the third floor. The unit is built on a concrete slab and contains approximately One Thousand Nine Hundred (1,900) square feet.

(C) The "Currituck" Unit. This is a three-story townhouse type unit containing a living room, kitchen, dining area and one-half bathroom on the first floor, two bedrooms and two bathrooms on the second floor and one bedroom and one bathroom on the third floor. The unit is built on a concrete slab and contains approximately One Thousand Nine Hundred and Forty-Four (1,944) square feet.

(D) The "Carteret" Unit. This is a two-story townhouse type unit containing a living room, dining room, kitchen, covered patio (as a limited common element) one bedroom and one bathroom on the first floor and two bedrooms and two bathrooms on the second floor. The unit is built on a concrete slab and contains approximately One Thousand Six Hundred and Ninety-Five (1,695) square feet.

(E) The "Albemarle" Unit. This is a three-story townhouse type unit containing a living room, kitchen, dining area and one-half bathroom on the first floor, two bedrooms and two bathrooms on the second floor and two bedrooms and two bathrooms on the third floor. The unit is built on a concrete slab and contains approximately Two Thousand One Hundred and Sixty-Three (2,163) square feet.

(F) The "Roanoke" Unit. This is a three-story townhouse type unit containing a living room, dining room, kitchen, covered patio (as a limited common element), one bedroom and one bathroom on the first floor, two bedrooms and two bathrooms on the second floor and one bedroom, one bathroom and an oversized closet on the third floor. The unit is built on a concrete slab and contains approximately Two Thousand Two Hundred and Twenty-Four (2,224) square feet.

(G) The "Pamlico" Unit. This is a three-story townhouse type unit containing a living room, dining room, kitchen, sun-porch, one bedroom and one bathroom on the first floor, two bedrooms and two bathrooms on the second floor and one bedroom and one bathroom on the third floor. The unit is built on a concrete slab and contains approximately Two Thousand Four Hundred and Nineteen (2,419) square feet.

There are 5 building types on the Condominium Property, and the building numerical designations, together with the Unit types contained therein, are as follows:

(A) Building "11" is a four-plex building containing two (2) "Croatan" Units, one (1) "Bogue" unit, and one (1) "Albemarle" unit.

(B) Building "12" is a five-plex building containing two (2) "Croatan" Units, two (2) "Bogue" Units and one (1) "Roanoke" Unit.

(C) Building "13" is a four-plex building containing one (1) "Croatan" Unit and three (3) "Currituck" Units.

(D) Building "14" is a tri-plex building containing one (1) "Croatan" Unit, one (1) "Currituck" Unit and one (1) "Carteret" Unit.

(E) Building "15" is an eight-plex building containing two (2) "Croatan" Units, four (4) "Currituck" Units, one (1) "Carteret" unit and one (1) "Albemarle" Unit.

(F) Building 16 is a five-plex building containing one (1) "Croatan" Unit, three (3) "Currituck" Units, and one (1) "Albemarle" Unit.

(G) Building 17 is a seven-plex building containing one (1) "Croatan" Unit, five (5) "Currituck" Units and one (1) "Albemarle" unit.

(H) Building 18 is a tri-plex building containing two (2) "Croatan" Units and one (1) "Currituck" Unit.

(I) Building 19 is a seven-plex building containing one (1) "Croatan" Unit, three (3) "Currituck" Units, one (1) "Albemarle" Unit and two (2) "Pamlico" Units.

Further phases of the Condominium Project, if any, may contain none, some or all of the units and building types described above, as well as other unit and/or building types.

5A. General Description of Proposed Future Phases.

At such time, and from time to time, as the DECLARANT subjects a portion or portions of the parcel of land designated on the Site Plan (included among the Drawings, Schedule "D" hereof) as "Possible Future Additions to OAK BLUFF AT BRANDYWINE BAY, a Condominium" (See Schedule B-2 hereof for legal description) to the Unit Ownership Act by filing an amendment or amendments to this Declaration as specified herein, the improvements thereon will have been constructed of materials of substantially equal quality as those used in the first phase of the Project. Future phases, if any, of OAK BLUFF AT BRANDYWINE BAY, a Condominium, will contain not more than forty-six (46) additional dwelling units and will also include such landscaping and automobile parking areas as will be appropriate to any such addition or additions.

6. Description of Units.

Each Unit shall constitute a single freehold estate and means an enclosed space consisting of one or more rooms occupying all or part of one or more floors in buildings of one or more floors or stories

provided, always, that any such Unit has direct exit to a thoroughfare or to a COMMON ELEMENT leading to a thoroughfare. The lower vertical boundary of any such condominium unit is a horizontal plane (or planes) the elevation of which coincides with the upper surface of the unfinished concrete slab or the unfinished subfloors thereof and the upper vertical boundary is a horizontal plane (or planes) the elevation of which coincides with the elevation of the exterior surface of the interior ceilings thereof, to include the drywall. The lateral or perimetrical boundaries of any such condominium unit are the exterior surfaces of the interior perimeter or main walls, to include the drywall, windows and doors thereof, and vertical planes coincidental with the exterior surfaces of the interior perimeter or main walls thereof and to intersect the other lateral or perimetrical boundaries of the condominium unit. Usual homeowner equipment and appurtenances located within any unit and serving only that unit, such as kitchen appliances, light fixtures and plumbing fixtures and appliances and the like, shall be considered a part of the condominium unit. The general description and number of each condominium unit, including its location, layout and dimensions and such other data as may be necessary or appropriate for its identification, are set forth on the Drawings (Schedule "D" hereof), which Drawings are incorporated herein and by this reference made a part hereof.

7. Common Areas and Facilities (COMMON ELEMENTS).

(A) Description. Except as may otherwise be set forth on the Drawings, the general COMMON ELEMENTS shall mean and include at least the following:

(i) the real estate and easements appurtenant thereto, except the units, described on Schedule "B" annexed and attached hereto and made a part hereof; and

(ii) the foundations, bearing walls, perimeter walls, main walls, roofs, halls, columns, girders, beams, supports, fire escapes, lobbies, parking areas or structures not designated as LIMITED COMMON ELEMENTS, stairways, and entrance and exit or communication ways; and

(iii) the roofs, yards and streets not designated as LIMITED COMMON ELEMENTS, and gardens, except as otherwise provided; and

(iv) the compartments or installations for central services (to service more than one unit) such as power, light, gas, hot and cold water, water storage tanks, pumps and the like, including, but not limited to, all pipes, ducts, flues, chutes, conduits, cables and wire

outlets and other utility lines; and

(v) in general all devices or installations existing for common use on the Condominium Property; and

(vi) the premises designated on the Drawings for the lodging of custodial or managerial personnel, if any; and

(vii) all other elements of the condominium project rationally of common use or necessary to its existence, upkeep and safety.

The LIMITED COMMON ELEMENTS include those designated as such on the Drawings and such others as are agreed upon by all of the co-owners to be reserved for the exclusive use of a certain number of condominium units. All areas designated on the Drawings as a terrace, patio, balcony, fenced area, storage lockers, mechanical equipment room, or the like, or which are designated thereon as LIMITED COMMON ELEMENTS, are reserved for the exclusive use of the owners of the condominium unit or units to which they are adjacent or to which they are declared to be appurtenant by appropriate designations on the Drawings.

(B) Ownership of COMMON ELEMENTS. The COMMON ELEMENTS comprise, in the aggregate, a single freehold estate and shall be owned by the Unit Owners, as tenants in common, and ownership thereof shall remain undivided. No action for partition of any part of the COMMON ELEMENTS shall be maintainable, except as specifically provided in the Unit Ownership Act, nor may any Unit Owner otherwise waive or release any rights in the COMMON ELEMENTS; PROVIDED, HOWEVER, that if any Unit be owned by two or more co-owners as tenants-in-common or as tenants by the entirety, nothing herein contained shall be deemed to prohibit a voluntary or judicial partition of such unit's ownership as between such co-owners as by law provided.

(C) Undivided Interest in COMMON ELEMENTS. Each condominium (dwelling) unit shall have the same incidents of ownership as real property and the owner of any condominium (dwelling) unit shall hold the same in fee simple and shall have a common right to a share, with the other Unit Owners, of an undivided fee simple interest in the COMMON ELEMENTS equivalent to the percentage representing the approximate "fair market value" of his or her unit on the date of recordation of this Declaration of Unit Ownership divided by the then approximate "fair market value" of all the condominium (dwelling) units having an undivided

interest in said COMMON ELEMENTS. The percentage appertaining to each condominium (dwelling) unit in the expenses of and rights in the COMMON ELEMENTS according to those basic values is, unless and until amended as provided in Paragraphs 17 and 18 hereof, as set forth on Schedule "E" annexed and attached hereto and by this reference made a part hereof. The percentage of undivided interest in the COMMON ELEMENTS herein established shall have a permanent character and shall not be altered without the consent of the Unit Owners evidenced by an appropriate amendment to this Declaration of Unit Ownership, as provided in Paragraphs 17 and 18 hereof, recorded among the Public Records of Carteret County, North Carolina. The undivided interest in the COMMON ELEMENTS shall not be separated from the condominium (dwelling) unit to which it appertains and shall be deemed conveyed or encumbered along with the condominium unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

(D) Fair Market Value. The approximate "fair market value" herein established for any Dwelling Unit shall not fix the market value of the Dwelling Unit and shall not prevent the owner of any Dwelling Unit, including the DECLARANT, from establishing a different circumstantial value for such Dwelling Unit.

(E) Encroachments. If any portion of the COMMON ELEMENTS now encroaches upon any Dwelling Unit, or if any Dwelling Unit now encroaches upon any other Dwelling Unit or upon any portion of the COMMON ELEMENTS, as a result of the construction or repair of the buildings, or if any such encroachment shall occur hereafter as a result of settlement or shifting of any building, or otherwise, a valid easement for the encroachment and for the maintenance of the same so long as the building stands shall exist. In the event any building, any Dwelling Unit, any adjoining Dwelling Unit, or any adjoining COMMON ELEMENTS, shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then reconstructed, encroachments of parts of the COMMON ELEMENTS upon any Dwelling Unit or of any Dwelling Unit upon any other Dwelling Unit or upon any portion of the COMMON ELEMENTS, due to such reconstruction, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the building shall stand.

(F) Easements. Each dwelling unit shall be subject to an easement to the Unit Owners of all of the other Dwelling Units to and

for the unobstructed and uninterrupted use of any and all pipes, ducts, flues, chutes, conduits, cables and wire outlets and utility lines of any kind and other COMMON ELEMENTS located within or accessible only from any particular Dwelling Unit and for support.

(G) Use of COMMON ELEMENTS. Each Unit Owner shall have the right to use the COMMON ELEMENTS in accordance with the purposes for which they are intended and for all purposes incident to the use and occupancy of his Unit, and such rights shall be appurtenant to and run with his Unit; provided, however, that no person shall use the COMMON ELEMENTS or any part thereof in such manner as to interfere with or restrict or impede the use thereof by others entitled to the use thereof or in any manner contrary to or not in accordance with this Declaration of Unit Ownership and the Bylaws of the Unit Owners Association.

(H) Use of LIMITED COMMON ELEMENTS. Each Unit Owner is hereby granted an exclusive and irrevocable license to use and occupy the LIMITED COMMON ELEMENTS located within the bounds of his Unit or which serve only his Unit, the cost of maintenance and repair of such LIMITED COMMON ELEMENTS to be the responsibility of such Unit Owner. The LIMITED COMMON ELEMENTS with respect to each Unit shall consist of the following, in addition to those LIMITED COMMON ELEMENTS hereinabove described and referred to:

(i) all ducts and plumbing, electrical and other fixtures, equipment and appurtenances, including heating and air conditioning systems and control devices, (except those items considered part of the Unit pursuant to Paragraph 6 of this Declaration) located within the bounds of such Unit or which serve only such Unit and, exterior lighting fixtures controlled by or metered to a particular Dwelling Unit;

(ii) all gas, electric, water or other utility or service lines, pipes, wires and conduits located within the bounds of such Dwelling Unit and which serve only such Dwelling Unit;

(iii) patios, balconies, courtyards and appurtenant improvements, walkways, front and back stoops, and decks (if any) which serve only such Unit;

(iv) all other COMMON ELEMENTS as may be located within the bounds of such Unit and which serve only such Unit or which may be designated on the Drawings as a LIMITED COMMON ELEMENT.

7A. Common Areas and Facilities (COMMON ELEMENTS) if Further Phases Submitted to Unit Ownership Act.

(A) At such time, and from time to time, as additional Phases,

if any, may hereinafter be subjected to this Declaration and the Unit Ownership Act by an amendment to this Declaration, the total combined property, consisting of such Phases as have then been subjected to this Declaration and the Unit Ownership Act, shall continue to be known as OAK BLUFF AT BRANDYWINE BAY, a Condominium. At such time as any additional Phase is submitted to this Declaration, it is hereby declared that the then owners of dwelling units in OAK BLUFF AT BRANDYWINE BAY, a Condominium, and the owners of Dwelling Units in any such additional phase or phases shall have the rights and privileges in all of the COMMON ELEMENTS located in both Phases combined in the percentage of undivided interests as shown in tabular form in the Amendment to this Declaration filed in accordance with the provisions of Paragraphs 17 and 18 of this Declaration.

(B) The undivided interest of the COMMON ELEMENTS vested in the owners of Dwelling Units in Phase 1 (the first forty-six (46) dwelling units) is hereby declared to be vested in said owners in fee simple determinable in the percentages of undivided interest set forth on Schedule "E" hereof for their respective unit or units, during and for so long as Phase 1 herein described is the only property subjected to the Unit Ownership Act and no longer. Upon the filing of an amended Declaration to subject an additional phase to this Declaration and the Unit Ownership Act pursuant to Paragraphs 17 and 18 hereof, the fee simple determinable estate in the undivided interest of the COMMON ELEMENTS shall immediately terminate and simultaneously the undivided interest of the COMMON ELEMENTS in Phase 1 and such additional phase combined is hereby declared by DECLARANT to be vested in the owners of the Dwelling Units in Phase 1 and the owners of Dwelling Units in such additional phase in fee simple determinable in the percentages of undivided interest set forth in the amendment to this Declaration providing for said circumstance, during and for so long as Phase 1 and such additional phase is the only property subjected to the Unit Ownership Act and no longer. Upon the filing of an amended Declaration to subject additional phases to this Declaration and the Unit Ownership Act, the fee simple determinable estate in the undivided interest of the COMMON ELEMENTS shall immediately terminate as set forth above and simultaneously the undivided interest of the COMMON ELEMENTS in all phases of OAK BLUFF AT BRANDYWINE BAY, a Condominium, and such additional phase is hereby declared by DECLARANT to be vested in the owners of the

Dwelling Units in OAK BLUFF AT BRANDYWINE BAY, a Condominium, and such additional phase or phases in fee simple determinable in the percentages of undivided interest set forth in such amendment to this Declaration providing for said circumstance or circumstances, during and for so long as said phases are the only property subjected to the Unit Ownership Act and no longer. Upon the filing of the amended Declaration to subject to the Unit Ownership Act an additional phase which, with any additional phases previously submitted, would include all forty-six (46) additional Dwelling Units, the fee simple determinable estate in the undivided interest of the COMMON ELEMENTS shall immediately terminate and simultaneously the undivided interest of the COMMON ELEMENTS in all previous phases and the phase including the 46th additional Dwelling Unit is hereby declared by DECLARANT to be vested in the owners of the Dwelling Units in all previous phases and the additional phase including the 46th additional Dwelling Unit in fee simple absolute in the percentage of undivided interest set forth in the Amendment to this Declaration providing for such circumstance. Upon the failure of the DECLARANT to file amended Declarations subjecting additional land to the Unit Ownership Act on or before the expiration of seven (7) years from and after the date this Declaration is filed for record, as provided for herein, so that Phase 1 or Phase 1 and some number of additional Dwelling Units less than 46, are the only properties subject to the Unit Ownership Act, any fee simple determinable estate in the COMMON ELEMENTS outstanding on said date is automatically terminated and said COMMON ELEMENTS are further hereby declared by DECLARANT to be vested in the then owners of all of said Dwelling Units in fee simple absolute in their then existing percentages of undivided interest in the COMMON ELEMENTS. In the event that ALL of the proposed Phases (consisting of a total of 46 additional dwelling units) herein referred to are subjected to this Declaration by an Amendment or Amendments hereto as in this Paragraph contemplated and as provided in Paragraph 18 of this Declaration, then and in such event the minimum percentage of ownership in the COMMON ELEMENTS of OAK BLUFF AT BRANDYWINE BAY, a Condominium, for Unit Owners of units in Phase 1 (the first forty-six (46) units) shall be not less than that described and set forth in column (b) of Schedule "E" annexed and attached hereto, made a part hereof and incorporated herein by reference as fully and to the same extent as if the same were set forth herein verbatim in words and figures.

(C) An Amendment to this Declaration to subject additional phases of the project to the Unit Ownership Act as herein provided may be made by duly authorized officers of the Brandywine Bay Development Corporation, its successors or assigns, executing said Amendment or Amendments and filing same in the Register of Deeds Office of Carteret County, North Carolina, in the manner and form as provided in Paragraph 18 hereof as and for the additions of phases to the Condominium Property when said phases are so submitted within the seven (7) year limited period as herein set forth, and no other approval or joinder shall be required by or of any Unit Owner or mortgagee, lienholder or judgment creditor of any Unit Owner of any Phase already subjected to this Declaration and the Unit Ownership Act, it being understood, however, that a JOINDER AND CONSENT OF MORTGAGEE shall be required of the holder of any Mortgage or Deed of Trust encumbering any such additional Phase THEN being subjected to this Declaration by any such Amendment hereto. Any other Amendment to this Declaration shall be made as is otherwise provided for in said Paragraph 18.

(D) The COMMON ELEMENTS of future Phases, if any, of OAK BLUFF AT BRANDYWINE BAY, a Condominium, shall consist of the following:

- (i) All the COMMON ELEMENTS of Phase 1; and
- (ii) the real property, except the units, subjected, from time to time, to this Declaration and the Unit Ownership Act; and
- (iii) the foundations, bearing walls, perimeter walls, main walls, roofs, halls, columns, girders, beams, supports, corridors, fire escapes, lobbies, parking areas or structures not designated as LIMITED COMMON ELEMENTS, stairways, and entrance and exit or communication ways; and
- (iv) the roofs, yards and streets not designated as LIMITED COMMON ELEMENTS, and gardens, except as otherwise provided; and
- (v) the compartments or installations for central services such as power, light, gas, hot and cold water, water storage tanks, pumps and the like, including, but not limited to, all pipes, ducts, flues, chutes, conduits, cables and wire outlets and other utility lines; and
- (vi) in general all devices or installations existing for common use on future Phases of the condominium project; and
- (vii) the premises designated on the Drawings of future Phases, if any, for the lodging of custodial or managerial personnel; and

(viii) all other elements of future Phases of the condominium project rationally of common use or necessary to its existence, upkeep and safety.

8. Covenants of Unit Owners.

DECLARANT, its successors and assigns, by this Declaration of Unit Ownership, and all future owners of the Dwelling Units, by their acceptance of their respective deeds, covenant and agree as follows:

(A) That the Dwelling Units shall be occupied and used by the respective owners only as a private dwelling for the owner, his, her or their family, tenants and social guests and for no other purpose.

(B) That the owners of the respective Dwelling Units shall not be deemed to own the pipes, wires, conduits or other utility lines running through said respective Dwelling Unit which are utilized for, or serve, more than one Dwelling Unit, except as tenants in common with the other Unit Owners as heretofore provided in Paragraph 7. Said owner, however, shall be deemed to own the walls and partitions which are contained within said owner's respective Dwelling Unit.

(C) That the owner of a Dwelling Unit shall automatically, upon becoming the owner of a Dwelling Unit, be a member of THE OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION, herein referred to as the "UNIT OWNER'S ASSOCIATION," and shall remain a member of said UNIT OWNER'S ASSOCIATION until such time as his Dwelling Unit ownership ceases for any reason, at which time his membership in said UNIT OWNER'S ASSOCIATION shall automatically cease.

(D) That the owners of Dwelling Units covenant and agree that the administration of the condominium shall be in accordance with the provisions of this Declaration of Unit Ownership and the Bylaws of the UNIT OWNER'S ASSOCIATION which are annexed and attached hereto, made a part hereof, labelled Schedule "C" and incorporated herein by reference as fully and to the same extent as if the same were set forth herein verbatim in words and figures.

(E) That each owner, tenant or occupant of a Dwelling Unit shall comply with the provisions of this Declaration of Unit Ownership, the Bylaws, and decisions and resolutions of the UNIT OWNER'S ASSOCIATION or its representatives. Failure to comply with any such provisions, decisions or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief.

(F) That this Declaration of Unit Ownership shall not be revoked or any of the provisions herein amended except as provided in the Unit Ownership Act and in Paragraphs 17 and 18 below.

(G) That no owner of a Dwelling Unit may exempt himself from liability for his contribution towards the common expenses of the UNIT OWNER'S ASSOCIATION by waiver of the use or enjoyment of any of the COMMON ELEMENTS or by the abandonment of his Dwelling Unit.

(H) That the owner of a Dwelling Unit shall automatically, upon becoming the owner of a Dwelling Unit, be a member of The Brandywine Bay Association, Inc. (herein as the "BRANDYWINE BAY ASSOCIATION"), and shall remain a member of said Association until such time as his Dwelling Unit ownership ceases for any reason, at which time his membership in said Association shall automatically cease.

(I) That the owners of Dwelling Units covenant and agree that the administration of the property and facilities owned and maintained by the BRANDYWINE BAY ASSOCIATION shall be in accordance with the Articles of Incorporation and Bylaws of said Association, together with the decisions and resolutions of the Board of Directors thereof, all of which are made a part hereof.

(J) That each owner, tenant or occupant of a Dwelling Unit shall comply with the provisions of the Articles of Incorporation and Bylaws of the BRANDYWINE BAY ASSOCIATION, and the decisions and resolutions of said Association or its representatives. Failure to comply with any such provisions, decisions or resolutions, shall be grounds for an action to recover sums due for damages, or for injunctive relief.

(K) That no owner of a Dwelling Unit may exempt himself from liability for his contribution towards the expenses of the BRANDYWINE BAY ASSOCIATION by waiver of the use or enjoyment of any of the facilities maintained and owned by said Association or by the abandonment of his Dwelling Unit.

9. Covenant for Assessments.

(A) Creation of the Lien and Personal Obligation for Assessments.
The DECLARANT, for each Dwelling Unit owned within the Condominium Property, hereby covenants and agrees, and each Owner of any Dwelling Unit by acceptance of a deed therefor, whether or not expressed in such deed, is deemed to covenant and agree to pay the UNIT OWNER'S ASSOCIATION: (i) annual assessments or charges, and (ii) special assessments for capital

improvements, such assessments to be established and collected as hereinafter provided. All such annual and special assessments, together with interest, costs, and reasonable attorney's fees for the collection thereof shall be a charge and lien upon the Dwelling Unit of the respective owners thereof, and the same shall be a continuing lien upon the Dwelling Unit against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees for the collection thereof, shall also be a personal financial obligation of the owner or owners of such Dwelling Unit at the time when the assessments became due. All sums assessed by the UNIT OWNER'S ASSOCIATION but unpaid for the share of the common expenses chargeable to any Dwelling Unit shall constitute a lien on such Dwelling Unit prior to all other liens except (i) ad valorem tax liens and liens for special assessments on the Dwelling Unit made by a lawful governmental authority, (ii) all sums unpaid on the first mortgage of record (institutional mortgage) on such Unit, if any, and (iii) other liens, if any, granted priority by statutory authority.

(B) Purpose of Assessments. The assessments levied by the UNIT OWNER'S ASSOCIATION shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and residents of the Dwelling Units and for the improvement and maintenance of the COMMON ELEMENTS, and easements appurtenant thereto.

(C) Maximum Annual Assessments. Until December 31, 1977 the monthly payment towards maximum annual assessment for each Dwelling Unit shall be as shown on column (a) of Schedule "E-1" annexed and attached hereto, made a part hereof and incorporated herein by reference as fully and to the same extent as if the same were set forth herein verbatim in words and figures. Thereafter, the amount of annual assessments for the UNIT OWNER'S ASSOCIATION shall be established in accordance with the terms and provisions of this Declaration and the Bylaws of said Association, subject to the following limitations:

(i) From and after December 31, 1977 the annual assessment may be increased each year not more than five percent (5%) above the budgeted annual assessment for the previous year without a vote of the membership of the UNIT OWNER'S ASSOCIATION, as hereinbelow provided.

(ii) From and after December 31, 1977, the annual assessment may be increased more than five percent (5%) of the budgeted annual

assessment for the previous year by a vote of two-thirds (2/3) of the voting power of the UNIT OWNER'S ASSOCIATION who are voting in person, or by proxy, at a meeting duly called for such purpose.

(iii) The Board of Directors may fix the annual assessment by an amount not exceeding five percent (5%) of the budgeted annual assessment for the previous year as herein provided.

(iv) Notwithstanding any provision contained in this Declaration, or the Bylaws of the UNIT OWNER'S ASSOCIATION, during the period of time beginning with the recording of this Declaration among the Public Records of Carteret County, North Carolina and ending on December 31, 1977, the UNIT OWNER'S ASSOCIATION shall collect all assessments from Unit Owners and shall pay all expenses for the maintenance of the COMMON ELEMENTS and administration of the ASSOCIATION during such period of time on an accrual basis (giving pro rata credit for prepaid expenses, deposits, etc.). DECLARANT shall be obligated to provide to said ASSOCIATION sufficient funds, in addition to those required by unit owners by assessment, to enable the UNIT OWNER'S ASSOCIATION to operate on a breakeven basis until December 31, 1977 should Unit Owner assessments per column (a) of Schedule "E-1" hereof (including DECLARANT) not be adequate for that purpose; PROVIDED, HOWEVER, that DECLARANT'S obligation herein to provide said funds to enable the UNIT OWNER'S ASSOCIATION to operate on a breakeven basis should Unit Owner assessments be inadequate for that purpose shall apply to the planned level of operation and services to be provided by said ASSOCIATION on the date that this Declaration is recorded among the Public Records of Carteret County, North Carolina.

From and after December 31, 1977 DECLARANT shall have absolutely no obligation to make payments to or for the UNIT OWNER'S ASSOCIATION for any purpose except for its obligation to make periodic payment of assessments levied on Dwelling Units which DECLARANT may, from time to time, own.

(D) Reserve Funds. From and after the recording of this Declaration the UNIT OWNER'S ASSOCIATION shall establish and maintain a reserve fund or funds for replacement and maintenance of the COMMON ELEMENTS by allocation and payment monthly to such reserve fund or funds in such amounts and in such manner as may be established from time to time by the Board of Directors of the UNIT OWNER'S ASSOCIATION.

(E) Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the COMMON ELEMENTS including (but not limited to) fixtures and personal property related thereto; provided that to the extent that any such assessment shall exceed the sum and amount of \$5,000.00 it shall have the assent of two-thirds (2/3) of the voting power of the UNIT OWNER'S ASSOCIATION who are voting in person or by proxy at a meeting duly called for such purpose.

(F) Notice and Quorum for Any Action Authorized Under Sub-Paragraphs (C) and (E). Written notice of any meeting called for the purpose of taking any action authorized under Sub-Paragraphs (C) and (E) of this Paragraph 9 shall be sent to all members of the UNIT OWNER'S ASSOCIATION not less than seven (7) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of the voting power of the UNIT OWNER'S ASSOCIATION shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the date of the preceding meeting.

(G) Date of Commencement of Annual Assessments: Due Date. The annual assessments provided for herein shall commence as to all Units on the date of recordation of this Declaration among the Public Records of Carteret County, North Carolina. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year for the UNIT OWNER'S ASSOCIATION. The Board of Directors shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors, and unless otherwise provided, the UNIT OWNER'S ASSOCIATION shall collect each month from each Unit Owner one-twelfth (1/12th) of the annual assessment for such Unit. The UNIT OWNER'S ASSOCIATION shall, upon demand, furnish a certificate

signed by an officer of the UNIT OWNER'S ASSOCIATION setting forth whether the assessments on a specified Unit have been paid. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid, as to any purchaser or mortgagee of a Unit relying thereon.

(H) Effect of Nonpayment of Assessments; Remedies of the UNIT OWNER'S ASSOCIATION. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the UNIT OWNER'S ASSOCIATION may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action for collection thereof shall be added to the amount of such assessment. Each such Owner, by his acceptance of a deed to a Unit, thereby expressly vests in THE OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION (the UNIT OWNER'S ASSOCIATION), or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges and liens as a debt and to enforce the aforesaid charge and lien by methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the UNIT OWNER'S ASSOCIATION in a like manner as a mortgage or deed of trust lien on real property and such member expressly grants to the UNIT OWNER'S ASSOCIATION a power of sale in connection with any such charge or lien. The lien provided for in this section shall be in favor of the UNIT OWNER'S ASSOCIATION and shall be for the benefit of all other Unit Owners. The UNIT OWNER'S ASSOCIATION, acting on behalf of the Unit Owners shall have the power to bid in an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same, and to subrogate so much of its right to such liens as may be necessary or expedient to an insurance company continuing to give total coverage notwithstanding nonpayment of such defaulting Owner's portion of the premium. NO OWNER MAY WAIVE OR OTHERWISE ESCAPE LIABILITY FOR THE ASSESSMENTS PROVIDED FOR HEREIN BY NON-USE OF THE COMMON AREA OR FACILITIES (COMMON ELEMENTS) OR ABANDONMENT OF HIS UNIT.

(I) Subordination of the Assessment Lien to Mortgages, Deeds of Trust and Similar Security Interests. The lien of the assessments

provided for herein shall be subordinate to the lien of any institutional mortgage, or similar security interest owned or held by an institutional lender and subordinate to tax liens and special assessments on a Unit made by lawful governmental authority. Sale or transfer of any Unit shall not affect the assessment lien. However, where the mortgagee of an institutional mortgage of record or other purchaser of a Unit obtains title to the Unit as a result of foreclosure of an institutional mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the UNIT OWNER'S ASSOCIATION chargeable to such Unit which became due prior to the acquisition of title to such Unit as a result of foreclosure by such acquirer. Such unpaid shares of common expenses or assessments shall be deemed to be common expenses collectible from all of the Unit Owners including such acquirer, his successors and assigns. No such sale of a unit shall relieve such unit (or its owner) from liability for any assessments thereafter becoming due and payable or from the lien of any subsequent assessment.

(J) Exempt Property. All properties, if any, dedicated to, and accepted by, a local public authority, and all properties owned by a charitable or non-profit organization exempt from ad valorem taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments, irrespective of the tax status of the owner thereof.

10. Rental of Units by Unit Owners.

The respective Units shall not be rented by the owners thereof for transient or hotel purposes, which shall be defined as any rental in which the occupants of the Unit are provided customary hotel services, such as room service for food and beverage, maid service, furnishing laundry and linen, and bellboy service. Other than the foregoing, the owners of the respective Units, including the DECLARANT, shall have the absolute right to lease or rent the same subject to the covenants and restrictions contained in this Declaration of Unit Ownership and further subject to the Bylaws attached hereto. PROVIDED, HOWEVER, that the restrictions herein contained shall not apply to any unit or units owned by DECLARANT and maintained by DECLARANT as a guest unit in connection with its sales and marketing program prior to DECLARANT's sale of all units owned by it.

11. Reconstruction.

In the event that property subject to this Declaration of Unit Ownership is totally or substantially damaged or destroyed, the repair, reconstruction, or disposition of the property shall be as provided by the provisions of the Unit Ownership Act, subject to the applicable provisions of Paragraph 14 of this Declaration.

12. Conveyance of Dwelling Unit.

In a voluntary conveyance of a Dwelling Unit the Grantee of the Unit shall be jointly and severally liable with the Grantor for all unpaid assessments of the UNIT OWNER'S ASSOCIATION and the Brandywine Bay Association against the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. However, any such Grantee shall be entitled to a statement from the Board of Directors of each Association setting forth the amount of the unpaid assessments against the Grantor due the UNIT OWNER'S ASSOCIATION and/or the Brandywine Bay Association and such Grantee shall not be liable for, nor shall the Dwelling Unit conveyed be subject to a lien for, any unpaid assessments made by the UNIT OWNER'S ASSOCIATION or the Brandywine Bay Association against the Grantor in excess of the amount therein set forth.

13. Voting.

All agreements and determinations lawfully made by the UNIT OWNER'S ASSOCIATION in accordance with the voting percentages established in the Unit Ownership Act, this Declaration of Unit Ownership or in the Bylaws, shall be deemed to be binding on all owners of Dwelling Units, their successors and assigns.

14. Insurance and Reconstruction.

(A) Insurance. The insurance which shall be carried upon the Condominium Property shall be governed by the following provisions:

(i) Casualty or physical damage insurance shall be carried in an amount equal to the full replacement value (i.e., 90% of the full "replacement cost") of the Condominium Property, exclusive of excavations and foundations, with a replacement cost endorsement and an inflation guard endorsement or an annual review clause, without deduction or allowance for depreciation (as determined annually by the Board of Directors of the UNIT OWNER'S ASSOCIATION with the assistance of the insurance company affording such coverage), such coverage to afford

protection against at least the following: (a) loss or damage by fire or other hazards covered by the standard extended coverage endorsement together with coverage for common expenses with respect to condominium units during any period of repair or reconstruction; and (b) such other risks as from time to time customarily shall be covered with respect to buildings similar to the Buildings in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm and water or flood (if available) damage, subject to such deductible amounts, not in excess of One Thousand Dollars (\$1,000.00), as the Board shall determine. All Casualty Insurance Policies shall be purchased by the UNIT OWNER'S ASSOCIATION for the benefit of the UNIT OWNER'S ASSOCIATION, the DECLARANT, the Unit Owners and their respective mortgagees, as their interests may appear and shall provide (1) for the issuance of certificates of insurance with mortgagee endorsements to the holders of mortgages on the Units, if any, and (2) that the insurer waives its rights of subrogation against Unit Owners, Occupants and the UNIT OWNER'S ASSOCIATION. All Casualty Insurance policies shall provide that all proceeds payable as a result of casualty losses shall be paid to the Board of Directors as trustee for each of the Unit Owners in the percentages established in this Declaration of Unit Ownership for the purposes elsewhere stated herein, and for the benefit of the DECLARANT, the UNIT OWNER'S ASSOCIATION, the Unit Owners, and their respective mortgagees.

(ii) The UNIT OWNER'S ASSOCIATION shall insure itself, the members of the Board of Directors, the Unit Owners and the Occupants against liability for personal injury, disease, illness or death and for injury to or destruction of property occurring upon, in or about, or arising from or relating to the Condominium Property or any portion thereof, including, without limitation, water damage, legal liability, hired automobile, non-owned automobile and off-premises employee coverage, such insurance to afford protection to a limit of not less than One Million Dollars (\$1,000,000.00) in respect to personal injury, disease, illness or death suffered by any one person, and to the limit of not less than One Million Dollars (\$1,000,000.00) in respect to any one occurrence, and to the limit of not less than Five Hundred Thousand Dollars (\$500,000.00) in respect to damage to or destruction of property arising out of any one accident. All liability insurance shall contain cross-liability endorsements to cover liabilities of the Unit Owners as

a group to a Unit Owner. In the event the insurance effected by the UNIT OWNER'S ASSOCIATION on behalf of the Unit Owners and Occupants against liability for personal injury or property damage arising from or relating to the Condominium Property shall, for any reason, not fully cover any such liability, the amount of any deficit shall be a Common Expense to the Unit Owners, and any Unit Owner who shall have paid all or any portion of such deficit in an amount exceeding his proportionate share thereof based upon his percentage of interest in the COMMON ELEMENTS shall have a right of contribution from the other Unit Owners according to their respective percentages of interest in the COMMON ELEMENTS.

(iii) The UNIT OWNER'S ASSOCIATION shall provide fidelity insurance coverage to protect against dishonest acts on the part of officers, directors, volunteers, managers and employees of such Association and all others who handle, or are responsible for handling funds of the Association. Such fidelity insurance coverage shall, at least, meet the following requirements: (a) all such fidelity insurance coverage shall name the UNIT OWNER'S ASSOCIATION as an obligee thereunder; and (b) shall be written in an amount equal to at least 50% of the estimated annual operating expenses of the Association, including reserves; and (c) shall contain waivers of any defense bond upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

(iv) Premiums upon insurance policies purchased by the UNIT OWNER'S ASSOCIATION shall be paid by the UNIT OWNER'S ASSOCIATION at least thirty (30) days prior to the expiration date of such policies and shall be assessed as Common Expenses.

(v) All insurance policies shall be written with a Company or Companies licensed to do business in the State of North Carolina and holding a rating of "A+AAAAA" or better in Best's Insurance Guide.

(vi) Exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors of the UNIT OWNER'S ASSOCIATION, or its authorized representative.

(vii) In no event shall the insurance coverage obtained and maintained pursuant to the requirements hereof be brought into contribution with insurance purchased by the Owners of the condominium units or their mortgagees, as herein permitted, and any "no other insur-

ance" or similar clause in any policy obtained by the UNIT OWNER'S ASSOCIATION pursuant to the requirements hereof shall exclude such policies from consideration.

(viii) All policies shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days prior written notice to any and all insureds named thereon, including any and all mortgagees of the condominium units.

(ix) All policies of casualty insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Board of Directors of the UNIT OWNER'S ASSOCIATION (or any Insurance Trustee) or when in conflict with the provisions of this Declaration of Unit Ownership or the provisions of the North Carolina Unit Ownership Act as the same may be in force from time to time.

(x) All policies of insurance shall contain a waiver of subrogation by the insurer as to any and all claims against the UNIT OWNER'S ASSOCIATION, the Board of Directors thereof, the Owner of any Condominium Unit and/or their respective agents, employees, invitees or mortgagees and of any defenses based upon co-insurance or invalidity arising from the acts of the insured.

(B) Unit Owners Policies of Insurance.

The Owner of any Condominium Unit (including the holder of any mortgage thereon) may obtain additional insurance (including a "Condominium Unit Owner's Endorsement" for improvements and betterments to the condominium unit made or acquired at the expense of the Owner) at his own expense. Such insurance shall be written by the same carrier as that purchased by the Board of Directors of the UNIT OWNER'S ASSOCIATION pursuant to the provisions hereof OR shall provide that it shall be without contribution as against the same. Such insurance policy or policies shall contain the same waiver of subrogation provisions as that set forth in Paragraph 14 (A) (x) hereof. The DECLARANT recommends that each owner of a Condominium Unit in the project obtain, in addition to the insurance hereinabove provided to be obtained by the UNIT OWNER'S ASSOCIATION, a "Tenant Homeowner's Policy", or equivalent, to insure against loss or damage to personal property used in or incidental to the occupancy of the Condominium Unit, additional living expenses, vandalism

or malicious mischief, theft, personal liability and the like. Such policy should include a "Condominium Unit-Owner's Endorsement" covering losses to improvements and betterments to the condominium unit made or acquired at the expense of the Owner.

(C) Responsibility for Reconstruction or Repair.

(i) If any portion of the Condominium Property shall be damaged by perils covered by the Casualty Insurance, the UNIT OWNER'S ASSOCIATION shall cause such damaged portion to be promptly reconstructed or repaired with the proceeds of insurance available for that purpose, if any, and such reconstruction or repair shall be substantially in accordance with the Drawings; provided, however, if such damage renders two-thirds (2/3) or more of the Units then comprised within the Condominium Property untenable, the Unit Owners may, by the vote of those entitled to exercise not less than seventy five percent (75%) of the voting power, elect not to reconstruct or repair such damaged part at a meeting which shall be called within ninety (90) days after the occurrence of the casualty, or, if by such date the insurance loss has not been finally adjusted, then within thirty (30) days after such final adjustment, and upon any such election: (a) the Condominium property shall be deemed to be owned by the Unit Owners as tenants in common; (b) the undivided interest in the property owned by the Unit Owners as tenants in common which shall appertain to each unit owner shall be the percentage of undivided interest previously owned by such owner in the COMMON ELEMENTS; (c) any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the percentage of the undivided interest of the Unit Owner in the property as provided herein; and (d) the property shall be subject to an action for sale for partition at the suit of any Unit Owner, in which event the net proceeds of sale, together with the net proceeds of insurance policies, if any, shall be considered as one fund and shall be divided among all of the Unit Owners in proportion to their respective undivided ownership of the COMMON ELEMENTS, after first paying off, out of the respective shares of Unit Owners, to the extent sufficient for that purpose, all liens on the Unit of each Unit Owner. No Unit Owner, however, shall receive any portion of his share of such proceeds until all liens and encumbrances on his Unit have been paid, released or discharged.

(ii) In the event that the proceeds of insurance are not sufficient to repair damage or destruction by fire or other casualty or in the event such damage or destruction is caused by any casualty not herein required to be insured against, then the repair or reconstruction of the damaged COMMON ELEMENTS shall be accomplished promptly by the UNIT OWNER'S ASSOCIATION at its Common Expense and the repair or reconstruction of any condominium unit shall be accomplished promptly by the UNIT OWNER'S ASSOCIATION at the expense of the Owner of the affected Condominium Unit. The ratable share of the expense of such repairs or reconstruction may be assessed and the lien for same shall have all the priorities provided for in this Declaration of Unit Ownership.

(D) Procedure for Reconstruction or Repair.

(i) Immediately after a casualty causing damage to any portion of the Condominium Property, the UNIT OWNER'S ASSOCIATION shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board deems necessary.

(ii) If the proceeds of the Casualty Insurance are not sufficient to defray the estimated costs of reconstruction and repair by the UNIT OWNER'S ASSOCIATION (including the aforesaid fees and premiums, if any) one or more special assessments shall be made against all Unit Owners in sufficient amounts to provide funds for the payment of such costs, and the proceeds of such special assessments shall be deposited with the Board of Directors.

(iii) The proceeds of the Casualty Insurance referred to in Paragraph 14 (A)(i) hereof and the sums deposited with the Board of Directors by the UNIT OWNER'S ASSOCIATION from collections of special assessments against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed to the Board of Directors and be applied by the Board of Directors to the payment of the cost of reconstruction and repair of the Condominium Property from time to time as the work progresses, but not more frequently than once in any calendar month. Said Board shall make such payments upon a certificate dated not more than fifteen (15) days prior to such request, signed by a responsible officer of the UNIT OWNER'S ASSOCIATION and by an architect in charge of the work who shall be selected by the UNIT OWNER'S ASSOCIATION,

setting forth (1) that the sum then requested either has been paid by the UNIT OWNERS ASSOCIATION or is justly due to contractors, subcontractors, materialmen, architects, or other persons who have rendered services or furnished materials in connection with the work, giving a brief description of the services and materials, and that the sum requested does not exceed the value of the services and materials described in the certificate, (2) that except for the amount stated in such certificate to be due as aforesaid and for work subsequently performed, there is no outstanding indebtedness known to the person signing such certificate after due inquiry which might become the basis of a vendor's, mechanic's, materialmen's or similar lien arising from such work, and (3) that the cost as estimated by the person signing such certificate of the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining in the hands of the Board of Directors after the payment of the sum so required. It shall be presumed that the first monies disbursed in payment of such costs of reconstruction and repair shall be from insurance proceeds; and if there is a balance in any construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be disbursed to the UNIT OWNER'S ASSOCIATION.

15. Water and Sewer Charges.

Water and sewer services for the Dwelling Units are to be provided either by a private utility company or a division of The Brandywine Bay Association, Inc. until municipal, other governmental or other private utility system facilities are available and will be individually billed by the provider to each Unit Owner.

16. DECLARANT as Unit Owner.

(A) That so long as DECLARANT, its successors and assigns, owns one or more of the Dwelling Units established and described herein, said DECLARANT, its successors and assigns, (i) shall be subject to the provisions of this Declaration of Unit Ownership and of the Schedules and Exhibits attached hereto; and (ii) covenants to take no action which would adversely affect the rights of the UNIT OWNER'S ASSOCIATION with respect to assurances against latent defects in the property or other rights assigned to the UNIT OWNER'S ASSOCIATION, the members of such UNIT OWNER'S ASSOCIATION and their successors in interest, as their interests may appear, by reason of the establishment of the condominium.

(B) The DECLARANT at the time of the recording of this Declaration of Unit Ownership is the owner in fee simple of all of the real property and individual dwelling units, together with any appurtenances thereto. The DECLARANT is irrevocably empowered, NOTWITHSTANDING ANY PROVISION HEREIN CONTAINED TO THE CONTRARY, to sell, mortgage or lease units to any persons approved by it. Said DECLARANT shall have the right to transact on the Condominium Property any business necessary to consummate sales of units, including but not limited to, the right to maintain models, have signs, employees in the office, use the COMMON ELEMENTS and show dwelling units. Any sales office, signs and all property owned by DECLARANT and utilized for the development and sale of the project shall not be considered COMMON ELEMENTS and shall remain the property of the DECLARANT. In the event there are unsold dwelling units, the DECLARANT retains the right to be the owner thereof under the same terms and conditions as other Unit Owners save for the right to sell, lease or mortgage as contained in this paragraph.

17. Additions to Condominium Property.

As DECLARANT completes future stages or phases of the OAK BLUFF AT BRANDYWINE BAY, a Condominium, Project, if any, said stages or phases will become part of the Condominium Property by amendment to this Declaration and the Unit Owners of the Dwelling Units constructed on the future stages will become members of the UNIT OWNER'S ASSOCIATION and the BRANDYWINE BAY ASSOCIATION, to the same extent as if their Units were originally one of the Units covered by this Declaration. DECLARANT therefore, hereby reserves the right at any time within a period of seven (7) years, commencing on the date of filing this Declaration for record, that DECLARANT determines to take the action so contemplated (A) to submit from time to time additional stages or phases of the Project to the provisions of this Declaration and the Unit Ownership Act, and (B) to amend this Declaration, in the manner provided in Paragraph 18 hereof, in such respects as DECLARANT may deem advisable in order to effectuate such submission or submissions, including, without limiting the generality of the foregoing, the right to amend this Declaration so as (i) from time to time within said seven (7) year period to include stages or phases of the Project Property and the improvements constructed thereon as part of the Condominium Property, (ii) from time to time to

include descriptions of Buildings constructed on said stages of the Project Property in this Declaration and to add Drawings thereof to Schedule "D" hereof, and (iii) to provide that the owners of Units in the additional Buildings will have an interest in the COMMON ELEMENTS of the Condominium Property and to amend Paragraph 7(C) hereof, and the schedule therein referred to, so as to establish the percentage of interest in the COMMON ELEMENTS as to the owners of all Units within the Buildings on the Condominium Property at the time of such amendment or amendments, which percentage shall be, with respect to each Unit, in the various percentages to be shown and described on said Amendment applicable to the particular stages or phases then subjected to this Declaration, which determination shall be made by DECLARANT and shall be conclusive and binding upon all Unit Owners. DECLARANT expressly agrees, however, that there will not be constructed and added to the Project under and pursuant to the provisions of this Paragraph 17 more than a total of forty-six (46) Additional Dwelling Units. DECLARANT, on its own behalf as the owner of all Units in the Condominium Property and on behalf of all subsequent Unit Owners, hereby consents and approves, and each Unit Owner and his mortgagees by acceptance of a deed conveying such Ownership Interest or a mortgage encumbering such Ownership Interest, as the case may be, thereby consents to, and approves, the provisions of this Paragraph 17, including, without limiting the generality of the foregoing, the amendment of this Declaration by DECLARANT in the manner provided in this Paragraph 17 and in Paragraph 18 hereof, and all such Unit Owners and their respective mortgagees, upon request of DECLARANT, shall execute and deliver from time to time all such instruments and perform all such acts as may be deemed by DECLARANT to be necessary or proper to effectuate said provisions.

18. Amendments to Declaration.

(A) Each Unit Owner and his respective mortgagees by acceptance of a deed conveying an Ownership Interest or a mortgage encumbering such Ownership Interest, as the case may be, hereby irrevocably appoints DECLARANT his Attorney-in-Fact, coupled with an interest, and authorizes, directs and empowers such Attorney, at the option of the Attorney, in the event that DECLARANT exercises the rights reserved in Paragraph 17 hereof to add to the Condominium Property as provided in Paragraph 17

hereof, to execute, acknowledge and record for and in the name of such Unit Owner and any such mortgagee an amendment or amendments of this Declaration for such purpose and for and in the name of such respective mortgagees, a consent and joinder to such amendment or amendments.

(B) This Declaration may be amended upon the filing for record with the Register of Deeds of Carteret County, North Carolina of an instrument in writing setting forth specifically the item or items to be amended and any new matter to be added, which instrument shall have been duly executed by Unit Owners having not less than seventy-five percent (75%) interest in the COMMON ELEMENTS, or in the case of an amendment for the purpose of adding to the Condominium Property pursuant to Paragraph 17 hereof, by DECLARANT acting as Attorney-in-Fact for all of the Unit Owners and their mortgagees as above provided, or in any other case where the Unit Ownership Act requires unanimous consent of the Unit Owners, by all of the Unit Owners.

(C) Any amendment hereto must be executed with the same formalities as this instrument and must refer to the volume and page in which this instrument and its attached schedules and exhibits are recorded and must contain an affidavit by the President of the ASSOCIATION or an officer of DECLARANT, as the case may be, that a copy of the amendment has been mailed by certified mail to all Unit Owners and all mortgagees having a bona fide lien of record against any Unit Ownership interest.

(D) Except as hereinabove provided with respect to amendments for the purpose of making additions to the Condominium Property as provided in Paragraph 17 hereof, no amendment of this Declaration shall have any effect, however, upon DECLARANT, the rights of DECLARANT under this Declaration and upon the rights of bona fide mortgagees until the written consent of DECLARANT and such mortgagees to such amendment has been secured. Such consents shall be retained by the Secretary of the UNIT OWNER'S ASSOCIATION or the DECLARANT, as the case may be, and his certification in the instrument of amendment as to the consent or non-consent of DECLARANT and the names of the consenting and non-consenting mortgagees of the various units may be relied upon by all persons for all purposes.

19. The Brandywine Bay Association, Inc.

With respect to The Brandywine Bay Association, Inc., a North Carolina Non-Profit Corporation (herein as "BRANDYWINE BAY ASSOCIATION"),

and its facilities, the DECLARANT, by this Declaration and all owners of the Dwelling Units by acceptance of their deeds, covenant and agree as follows:

(A) Automatic Membership. That all Dwelling Unit Owners shall automatically be members of the BRANDYWINE BAY ASSOCIATION and shall enjoy the privileges and be bound by the obligations contained in said Association's Articles of Incorporation and Bylaws, subject to:

(i) the right of said Association to charge reasonable fees for the use of any facilities situated upon its property;

(ii) the right of said Association to suspend the voting rights and the right to use any facilities situated upon its property by a member for any period during which any assessment against his Unit remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(iii) the right of said Association to dedicate or transfer all or any part of its property to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument or instruments signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded (such instrument or instruments may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument);

(iv) the right of said Association to limit the number of guests of members as to the use of any facilities situated upon said Association's property;

(v) the right of said Association, in accordance with its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving its property and facilities and in aid thereof to mortgage and grant liens and encumbrances upon said property and facilities, the rights of any mortgagee of said Association's property and facilities shall be subordinate to the rights of the members hereunder;

(vi) the right of said Association, through its Board of Directors, to determine the time and manner of use of any of the facilities situated upon its property by the Members;

(vii) the right of said Association to reasonably regulate, locate and direct access routes on its property and the location of parking thereon.

(B) Covenant for Assessments. That each owner of any Dwelling Unit subject to this Declaration, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the BRANDYWINE BAY ASSOCIATION: (i) annual assessments or charges, and (ii) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided, all such annual and special assessments, together with interest, costs, and reasonable attorney's fees for the collection thereof shall be a charge and lien upon the Unit of the respective Owners thereof, and the same shall be a continuing lien upon the Unit against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees for the collection thereof, shall also be a personal financial obligation of the person, or persons, who was, or were, the Owner, or Owners, of such Unit at the time when the assessment became due. All sums assessed by the BRANDYWINE BAY ASSOCIATION but unpaid for the share of the common expenses chargeable to any Dwelling Unit shall constitute a lien on such Dwelling Unit prior to all other liens except (i) ad valorem tax liens and liens for special assessments on the Dwelling Unit made by a lawful governmental authority, (ii) all sums unpaid on the first mortgage of record (institutional mortgage) on such Unit, if any, and (iii) other liens, if any, granted priority by statutory authority.

(C) Purpose of Assessments. That the assessments levied by the BRANDYWINE BAY ASSOCIATION shall be used exclusively to provide for necessary insurance coverage, reserve fund for replacements, maintenance and operation of its facilities and to promote the recreation, health, safety, and welfare of the members.

(D) Maximum Annual Assessments. That until December 31, 1977 the monthly payment towards maximum annual assessment made by the BRANDYWINE BAY ASSOCIATION on each Dwelling Unit shall be as shown in column (b) of Schedule "E-1" annexed and attached hereto, made a part hereof and incorporated herein by reference as fully and to the same extent as if the same were set forth herein verbatim in words and figures. Thereafter, the amount of annual assessments for the BRANDYWINE BAY ASSOCIATION shall be established in accordance with the terms and provisions of this Declaration and the Bylaws of said Association, subject to the following limitations:

(i) From and after December 31, 1977 the annual assessment may be increased each year not more than five percent (5%) above the budgeted annual assessment for the previous year without a vote of the membership of the BRANDYWINE BAY ASSOCIATION, as hereinbelow provided.

(ii) From and after December 31, 1977 the annual assessment may be increased more than five percent (5%) of the budgeted annual assessment for the previous year by a vote of two-thirds (2/3) of each class of members of the BRANDYWINE BAY ASSOCIATION who are voting in person, or by proxy, at a meeting duly called for such purpose.

(iii) The Board of Directors may fix the annual assessment by an amount not exceeding five percent (5%) of the budgeted annual assessment for the previous year as herein provided.

(iv) Notwithstanding any provision contained in the Articles of Incorporation or the Bylaws of the BRANDYWINE BAY ASSOCIATION, during the period of time beginning with the recording of this Declaration among the Public Records of Carteret County, North Carolina and ending on December 31, 1977, the BRANDYWINE BAY ASSOCIATION shall collect all assessments from Unit Owners and shall pay all expenses for the maintenance of the Association's property and facilities and administration of the Association during such period of time on an accrual basis (giving pro rata credit for prepaid expenses, deposits, etc.). DECLARANT shall be obligated to provide to said Association sufficient funds, in addition to those required by unit owners by assessment, to enable the BRANDYWINE BAY ASSOCIATION to operate on a breakeven basis until December 31, 1977 should Unit Owner assessments per Column (b) of Schedule "E-1" hereof (including DECLARANT) not be adequate for that purpose; PROVIDED, HOWEVER, that DECLARANT'S obligation herein to provide said funds to enable the BRANDYWINE BAY ASSOCIATION to operate on a breakeven basis should Unit Owner assessments be inadequate for that purpose shall apply to the planned level of operation and services to be provided by said Association on the date that this Declaration is recorded among the Public Records of Carteret County, North Carolina.

From and after December 31, 1977 DECLARANT shall have absolutely no obligation to make payments to or for the BRANDYWINE BAY ASSOCIATION for any purpose except for its obligation to make periodic payment of

assessments levied on Dwelling Units which DECLARANT may, from time to time, own, or assessments on any class or classes of membership which DECLARANT may from time to time hold in the BRANDYWINE BAY ASSOCIATION.

(E) Special Assessments for Capital Improvements. That, in addition to the annual assessments authorized above, the BRANDYWINE BAY ASSOCIATION may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement, including (but not limited to) fixtures and personal property related thereto or the expense of any other contingencies; provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members of said Association who are voting in person or by proxy at a meeting duly called for such purpose.

(F) Reserve Funds. That from and after the recording of the Declaration the BRANDYWINE BAY ASSOCIATION shall establish and maintain a reserve fund or funds for replacement and maintenance of its property and by allocation and payment monthly to such reserve fund or funds in such amounts as are established from time to time by the Board of Directors of the BRANDYWINE BAY ASSOCIATION.

(G) Notice and Quorum Requirement. That written notice of any meeting called for the purpose of taking any action authorized in this Paragraph 19 shall be sent to all members of the BRANDYWINE BAY ASSOCIATION not less than seven (7) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership in said Association shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the date set for the preceding meeting.

(H) Date of Commencement of Annual Assessments; Due Date. That the annual assessments provided for herein shall commence as to all Units on the date of recordation of this Declaration among the Public Records of Carteret County, North Carolina. The first annual assessment for each unit shall be adjusted according to the number of months

remaining in the calendar year following such unit's conveyance to its purchaser. The Board of Directors of the BRANDYWINE BAY ASSOCIATION shall fix the amount of the annual assessment against each Unit at least forty-five (45) days in advance of each annual assessment period.

Written notice of the annual assessment shall be sent to every member. The due dates shall be established by the Board of Directors, and, unless otherwise provided, said Association shall collect each month from the members one-twelfth (1/12) of the annual assessment for their Units. Said Association shall, upon demand, furnish a certificate signed by an officer of said Association setting forth whether the assessments on a specified Unit have been paid. Such certificates shall be conclusive evidence of payment of the assessment therein stated to have been paid, as to any purchaser or mortgagee of a Unit relying thereon.

(I) Effect of Nonpayment of Assessments; Remedies of the BRANDYWINE BAY ASSOCIATION. That any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the BRANDYWINE BAY ASSOCIATION may bring an action at law against the member personally obligated to pay the same or foreclose the lien against the Unit, and interest, costs, and reasonable attorney's fees of any such action for collection thereof shall be added to the amount of such assessment. Each such member, by his acceptance of a deed to a Unit, thereby expressly vests in the BRANDYWINE BAY ASSOCIATION, or its agents, the right and power to bring all actions against such member personally for the collection of such charges and liens as a debt and to enforce the aforesaid charge and lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of said Association in a like manner as a mortgage or deed of trust lien on real property, and such member expressly grants to said Association a power of sale in connection with any such charge or lien. The lien provided for in this Paragraph 19 shall be in favor of said Association and shall be for the benefit of all other members. Said Association, acting on behalf of the members shall have the power to bid in a unit foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. NO MEMBER MAY WAIVE OR OTHERWISE ESCAPE

LIABILITY FOR THE ASSESSMENTS PROVIDED FOR HEREIN BY NONUSE OF THE BRANDYWINE BAY ASSOCIATION'S PROPERTY OR FACILITIES OR ABANDONMENT OF HIS UNIT.

(J) Subordination of the Assessment Lien to Mortgages, Deeds of Trust and Similar Security Interests. That the lien of the assessments provided for in this Paragraph 19 shall be subordinate to the lien of any institutional mortgage on a member's dwelling unit owned or held by an institutional lender, and subordinate to tax liens and special assessments on the unit made by a lawful governmental authority and other liens granted priority by statutory authority. Sale or transfer of any Unit shall not affect the assessment lien. However, where the mortgagee of an institutional mortgage or record or other purchaser of a Unit obtains title to the Unit as a result of foreclosure of an institutional mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the BRANDYWINE BAY ASSOCIATION chargeable to such Unit which became due prior to the acquisition of title to such Unit as a result of foreclosure by such acquirer. Such unpaid shares of common expenses or assessments shall be deemed to be common expenses collectible from all members of the BRANDYWINE BAY ASSOCIATION including such acquirer, his heirs, successors and assigns. No such sale of a unit shall relieve such unit (or its owner) from liability for any assessments thereafter becoming due and payable or from the lien of any subsequent assessment.

(K) Insurance; Insurance Assessments. That the Board of Directors of the BRANDYWINE BAY ASSOCIATION or its duly authorized agent shall have the authority to and shall obtain insurance for all the buildings and improvements owned by said Association against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any hazard, and shall also obtain a broad form public liability policy covering its property and facilities, and all damage or injury caused by the negligence of said Association or any of its agents. Said insurance may include coverage against vandalism. Premiums for all such insurance shall be an expense of said Association. All such insurance coverage shall be written in the name of said Association as Trustee for each of the members. In the event of damage or destruction by fire or other casualty to any property covered by insurance written in the name of said Association, the Board of Directors

shall, with concurrence of the mortgagee, if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damage or destroyed portions of the property to as good condition as formerly. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a Federal governmental agency, with the provisions agreed to by said bank or institution that such funds may be withdrawn only by signature of at least one-third (1/3) of the members of the Board of Directors, or by an agent duly authorized by said Board of Directors. The Board of Directors may advertise for sealed bids with any licensed contractors and they may negotiate with any contractor, who shall be required to provide full performance and payment bond for the repair, reconstruction or rebuilding of such damaged or destroyed building or buildings. In the event the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same condition as formerly, the Board of Directors shall levy a special assessment against all members of the Association, to make up any deficiency for repair or rebuilding of its property and facilities.

(L) Condominium Disclaimer. THAT THE PROPERTY AND FACILITIES OF THE BRANDYWINE BAY ASSOCIATION HAVE NOT BEEN SUBMITTED TO THE CONDOMINIUM FORM OF OWNERSHIP BY THE DECLARANT, AND THE SAME SHALL NOT BE CONSIDERED AS A PART OF THE CONDOMINIUM PROPERTY OR THE COMMON ELEMENTS OF THE CONDOMINIUM PROJECT.

20. Miscellaneous Provisions.

(A) DECLARANT to appoint initial Directors of the UNIT OWNER'S ASSOCIATION.

(i) The initial Board of Directors of the UNIT OWNER'S ASSOCIATION shall consist of not less than three (3) persons appointed by DECLARANT. These persons may or may not be employees of DECLARANT, and need not own or occupy a Unit. Until these persons are replaced by elected Board members at the first annual meeting of members they shall constitute the Board of Directors and exercise all powers and duties granted to the Board of Directors in the Bylaws. Said Directors are further specifically authorized to enter into a Management Agreement for the ASSOCIATION upon the terms, provisions, conditions and limitations as are herein and in the Bylaws (Schedule "C" hereof) provided for and upon such other terms and conditions as the Directors may deem to be in the best interests of the ASSOCIATION.

(ii) In addition thereto and NOTWITHSTANDING ANY PROVISION CONTAINED IN THIS DECLARATION OR THE BYLAWS TO THE CONTRARY, for so long as Declarant is the owner of three (3) or more OAK BLUFF AT BRANDYWINE BAY Dwelling Units, including any such Dwelling Units which may be added thereto pursuant to the provisions of Paragraph 17 of this Declaration of Unit Ownership, DECLARANT shall and does have and retain the right, privilege and option to designate, as nearly as may be, one-third (1/3) of the members of the Board of Directors of the UNIT OWNER'S ASSOCIATION. These appointees may or may not be employees of DECLARANT, and need not own or occupy a Unit.

(B) Notices of Mortgages. Any Unit Owner who mortgages his Ownership Interest or interest therein shall notify the UNIT OWNER'S ASSOCIATION, in such manner as the UNIT OWNER'S ASSOCIATION may direct, of the name and address of his mortgagee and thereafter shall notify the UNIT OWNER'S ASSOCIATION of the payment, cancellation or other alteration in the status of such mortgages. The UNIT OWNER'S ASSOCIATION shall maintain such information in a book entitled "Mortgagees of Units".

(C) Copies of Notices to Mortgage Lenders. Upon written request to the Board, the holder of any duly recorded mortgage on any Ownership Interest or interest therein shall be given a copy of any and all notices permitted or required by this Declaration to be given to the Unit Owner or Owners whose Ownership Interest or interest therein is subject to such mortgage.

(D) Covenants Running with the Land. Each grantee of the DECLARANT, by the acceptance of a deed of conveyance for a Dwelling Unit, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration of Unit Ownership, and all rights, benefits and privileges of every character hereby granted, created, reserved, or declared, and all impositions and obligations hereby imposed shall be deemed to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such person in like manner as though the provisions of this Declaration of Unit Ownership were recited and stipulated at length in each and every deed of conveyance.

(E) Construction and Enforcement. The provisions hereof shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a condominium project.

Enforcement of these covenants and restrictions shall be by any proceedings at law or in equity against any person or persons violating or attempting to violate any covenant or restriction either to restrain or enjoin violation or to recover damages, or both, and against any Dwelling Unit to enforce any lien created hereby; and the failure or forbearance by the UNIT OWNER'S ASSOCIATION or the owner of any Dwelling Unit to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

There shall be, and there is hereby, created and declared to be a conclusive presumption that any violation or breach or any attempted violation or breach of any of the within covenants or restrictions cannot be adequately remedied by action at law or exclusively by recovery of damages.

(F) Termination. Upon the removal of the Condominium Property from the provisions of Unit Ownership Act, all easements, covenants and other rights, benefits, provisions, privileges, impositions and obligations declared in this Declaration of Unit Ownership to run with the land or any Ownership Interest or interest therein shall terminate and be of no further force and effect.

(G) Waiver. No covenants, restrictions, conditions, obligations, or provisions contained in this Declaration of Unit Ownership shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

(H) Severability. The invalidity of any covenant, restriction, condition, limitation or any other provisions of this Declaration of Unit Ownership, or of any part of the same, shall not impair or affect in any manner the validity or enforceability of the rest of the Declaration of Unit Ownership.

(I) Time Limits. If any of the privileges, covenants, or rights, created by this Declaration of Unit Ownership shall be unlawful or void for violation of (i) the rule against perpetuities or some analogous statutory provision, (ii) the rule restricting restraints on alienation, or (iii) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living children of John C. Livingston, an officer of the DECLARANT, and the now living children of Dennis H. Sullivan, each of Raleigh, North Carolina.

(J) Liability. (i) Neither DECLARANT, nor any subsidiary of DECLARANT, nor any employee, agent, successor or assign of DECLARANT or any such subsidiary, shall be liable for any claim or damage whatsoever arising out of or by reason of any actions performed pursuant to or in accordance with any authority granted or delegated to them or any of them by or pursuant to this Declaration of Unit Ownership.

(K) Declarant's Right to Amend Declaration with Approval of Veterans Administration or Department of Housing and Urban Development.

In the event that the Declarant shall seek to obtain approval of this Declaration and the plan of development of its property in order that the Dwelling Units constructed thereon will be eligible for loans approved or guaranteed by the Veterans Administration (herein called "VA") or the Department of Housing and Urban Development (herein called "HUD") or other governmental agency, it is possible that such agency or agencies will require changes in this Declaration in order to make the Dwelling Units eligible for such loans. In such event, the Declarant, without the consent or approval of any other owner, shall have the right to amend this Declaration, and the amendment shall become effective upon recording of the amendment, along with attached evidence of approval by the appropriate governmental agency, in the Carteret County Registry. A letter from an official of the VA, HUD, or other appropriate governmental agency, requesting or suggesting an amendment, shall be sufficient evidence of the approval of VA, HUD and/or such other agency.

(L) Petained Lands. Certain other properties adjoining or nearby the Development Area (Schedule "A" hereof), owned by DECLARANT and not subject to this Declaration, are referred to herein as Retained Lands. Said Petained Lands are described on Schedule "F" annexed and attached hereto, made a part hereof and incorporated herein by reference as fully and to the same extent as though set forth herein verbatim in words and figures, and said Retained Lands (and their relationship to the Development Area and Condominium Property) are shown graphically on Sheet No. 4 of the "Drawings" (Schedule "D" hereof). At the time of the filing of this Declaration improvements have been constructed on only a portion thereof, and the DECLARANT, its successors and assigns, reserve and retain the right, privilege and option to develop and improve such Retained Lands (and to sell and dispose of all or any portions thereof) at such time in the future as may be selected by DECLARANT, its successors

and assigns, for such use and purpose as may be permissible under and pursuant to applicable governmental control, if any. If any such development and improvement does occur, at such time the owners and occupants of said Retained Lands, or any portions thereof, may be entitled to membership, together with all rights and privileges appertaining thereto, in The Brandywine Bay Association, Inc., said Association being described and referred to in Paragraph 3, subparagraph (S) and Paragraph 19 hereof, conditioned only upon payment of the prescribed assessments to be utilized for the operation of said Association and the maintenance and repair of its facilities and equipment, and other purposes as specified in its Articles of Incorporation and Bylaws and as set forth in Paragraph 19 hereof. SAID RETAINED LANDS SHALL NOT BE CONSIDERED AS A PART OF THE CONDOMINIUM PROPERTY OR THE COMMON ELEMENTS OF THE CONDOMINIUM PROJECT, AND THE SAME HAVE NOT BEEN SUBMITTED TO THE CONDOMINIUM FORM OF OWNERSHIP BY THE DECLARANT.

(M) Rental of Units; Future Phases. To the extent that improvements may be, or have been, constructed on portions of the Development Area which, if submitted to this Declaration by amendment as in this Declaration provided, would be known as future phases of this project DECLARANT, its successors and assigns, retain and reserve the right, privilege and option to rent or lease any or all of the said improvements for residential purposes, subject only to the limitations on renting of units as are prescribed and set forth in Paragraph 10 of this Declaration.

(N) First Mortgagees; Right to Examine Association Books. The holders of first mortgages or first Deeds of Trust on units (Institutional Mortgagees) shall have the right to examine the books and records of the UNIT OWNER'S ASSOCIATION, as well as the books and records of the BRANDY-WINE BAY ASSOCIATION.

(O) Loans to Association. DECLARANT may, at its discretion, loan funds to the UNIT OWNER'S ASSOCIATION from time to time as required, which loans shall be repayable with interest at six percent (6%) per annum as funds are available, but in no event more than one (1) year from the date of advancement of funds.

(P) Service of Notices on the Board. John C. Howard, whose mailing address is Route 2, Morehead City, North Carolina is hereby appointed agent for service of process and service of all notices

required to be given to the Board or the UNIT OWNER'S ASSOCIATION. Any such notices may be delivered to John C. Howard, either personally or by certified mail, with postage prepaid, addressed to such agent. The Board may from time to time designate a substitute agent for service of process and service of all notices.

(Q) Headings. The heading to each Paragraph and each Sub-paragraph hereof is inserted only as a matter of convenience for reference and in no way defines, limits or describes the scope or intent of this Declaration of Unit Ownership nor in any way affects this Declaration of Unit Ownership.

IN WITNESS WHEREOF, the undersigned DECLARANT hereof, the Brandywine Bay Development Corporation, has caused this Declaration of Unit Ownership to be executed by its _____ President, attested by its _____ Secretary, and its common seal to be hereunto affixed, all by authority of all of its Board of Directors duly given, this the day and year first above written.

(SEAL)

ATTEST:

J. C. Livingston
Secretary

BRANDYWINE BAY DEVELOPMENT CORPORATION,
DECLARANT

BY:

[Signature]
President

STATE OF NORTH CAROLINA

COUNTY OF WAKE

This is to certify that on this day before me personally appeared J. C. Livingston, with whom I am personally acquainted, who, being by me first duly sworn, says that J. C. Smith, Jr. is the _____ President and that J. C. Livingston is the _____ Secretary of the BRANDYWINE BAY DEVELOPMENT CORPORATION, the corporation described in and which executed the foregoing DECLARATION OF UNIT OWNERSHIP; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal and the name of the corporation was subscribed thereto by the said _____ President and the said _____ President and _____ Secretary subscribed their names thereto and said common seal was affixed thereto all by order of the Board of Directors of said corporation, and that the said instrument is the act and deed of said corporation.

Witness my hand and notarial seal this the 2nd day of December, 1970.

J. C. Cline
Notary Public

My commission expires: 5-25-81

[Handwritten notes and signatures]
J. C. Cline
Notary Public
5-25-81

SCHEDULE "A"

TO DECLARATION OF UNIT OWNERSHIP FOR OAK BLUFF AT BRANDYWINE BAY, a
 CONDOMINIUM, DATED THE 2nd DAY OF December, 1976

Development Area Legal Description:

BEGINNING at a stake in the southerly property line of N. C. Highway No. 24, as shown on the plat of survey hereinafter referred to, said BEGINNING POINT being reached by commencing at a point in the southerly property line of N. C. Highway No. 24, which point is coincident with the center line of McCabe Road if said center line were extended from its present terminus to the southerly property line of said N. C. Highway No. 24, and RUNNING THENCE from said point along and with the southerly property line of the said N. C. Highway No. 24 in an easterly direction a distance of 1,388.29 feet to a stake in the southerly property of N. C. Highway No. 24, the PLACE AND POINT OF BEGINNING; and RUNNING THENCE from said BEGINNING POINT along and with the southerly property line of the said N. C. Highway No. 24, crossing the northern terminus of Bay Drive (a private street) South 71° 23' 31" East a distance of 140.47 feet to a stake in the southerly property line of N. C. Highway No. 24, the northwest corner of property belonging to the J. W. Murphree Company; thence along and with the westerly property line of the said J. W. Murphree Company South 18° 35' 29" West a distance of 53.39 feet to a stake in the westerly property line of the said J. W. Murphree Company; thence, North 71° 24' 31" West a distance of 17.0 feet to a stake in the easterly property line of the said Bay Drive; thence along and with easterly property line of the said Bay Drive along the arc of a curve to the southwest, said curve having a radius of 394.0 feet and a chord bearing of South 13° 35' 29" West, an arc length distance of 68.77 feet to a point in the easterly property line of the said Bay Drive; thence continuing with the easterly property line of the said Bay Drive South 8° 35' 29" West a distance of 368.26 feet to a stake in the easterly property line of the said Bay Drive; thence along the arc of a curve to the southeast, said curve connecting the easterly property line of Bay Drive with the northerly property line of Bogue Drive (a private street), said curve having a radius of 17 feet and a chord bearing of South 36° 24' 31" East, an arc length distance of 26.7 feet to a stake in the northerly property line of Bogue Drive, the southwestern corner of the J. W. Murphree Company property; thence along and with the northerly property line of the said Bogue Drive (said property line being coincident with the southerly property line of the said J. W. Murphree Company) South 81° 24' 31" East a distance of 400.97 feet to a stake in the southerly property line of the said J. W. Murphree Company; thence crossing the easternmost terminus of Bogue Drive South 9° 39' 59" West a distance of 30.0 feet to a point, the northeastern corner of the OAK BLUFF AT BRANDYWINE BAY, a Condominium, property, the same also being a point in the westerly property line of the Brandywine Bay Development Corporation; thence along and with the westerly property line of the Brandywine Bay Development Corporation property (a new line) the following courses and distances: South 9° 39' 59" West a distance of 100.87 feet to a stake; thence South 5° 27' 19" West a distance of 133.1 feet to a stake; thence South 00° 29' 12" West a distance of 191.44 feet to a stake; thence South 41° 09' 16" West a distance of 100.0 feet to a stake; thence South 28° 09' 36" West a distance of 126.09 feet to a stake at the mean high water line of Bogue Sound; thence along and with the mean high water line of Bogue Sound the following courses and distances: North 83° 35' 41" West a distance of 197.41 feet to a stake; thence South 59° 03' 59" West a distance of 101.0 feet to a stake; thence North 73° 36' 41" West a distance of 176.05 feet to a stake and corner with property owned by the Brandywine Bay Development Corporation; thence continuing along and with the mean high water line of Bogue Sound the following courses and distances: North 82° 32' 21" West a distance of 140.24 feet to a stake; thence South 74° 08' 59" West a distance of 48.91 feet to a stake; thence South 26° 34' 09" West a distance of 251.37 feet to a stake; thence North 79° 16' 21" West a distance of 104.34 feet to a stake; thence North 3° 23' 39" East a distance of 165.28 feet to a stake; thence North 57° 16' 31" West a distance of 197.96 feet to a stake; thence North 62° 00' 11" West a

distance of 139.57 feet to a stake; thence North 69° 55' 01" West a distance of 222.38 feet to a stake; thence leaving the mean high water line of Bogue Sound a new line North 18° 07' 59" East a distance of 1,293.1 feet to a stake in the southerly property line of N. C. Highway No. 24; thence along and with the southerly property line of N.C. Highway No. 24 South 71° 23' 31" East a distance of 695.86 feet to a stake in the southerly property line of N. C. Highway No. 24, the PLACE AND POINT OF BEGINNING; the same being a tract or parcel of land containing approximately 34 acres and being labelled Parcels A, B and C plus the areas for Bogue and Bay Drive as shown on Sheet 3 of the "Drawings" for OAK BLUFF AT BRANDYWINE BAY, a Condominium, said "Drawings" being recorded among the Public Records of Carteret County, North Carolina. In addition, the BEGINNING POINT for this parcel or tract of land is locatable by reference to Sheet 2 of said "Drawings"; said Sheets 2 and 3 having been prepared by C. C. King, Registered Land Surveyor of Beaufort, North Carolina, dated the 14th day of October, 1976; Sheet 2 being labelled "Boundary and Final Map, Parcels A and B, OAK BLUFF AT BRANDYWINE BAY, a Condominium" and Sheet 3 being labelled "Boundary Map, Parcels A, B and C, OAK BLUFF AT BRANDYWINE BAY, a Condominium," each of said sheets being herein referred to more particular description of said property.

SCHEDULE "B"

TO DECLARATION OF UNIT OWNERSHIP FOR OAK BLUFF AT BRANDYWINE BAY, a
 CONDOMINIUM, DATED THE 2nd DAY OF December, 1976.

OAK BLUFF AT BRANDYWINE BAY, a Condominium, Legal Description:

BEGINNING at a stake in the easterly property line of Bay Drive (a private street) as shown on the plat of survey hereinafter referred to, said BEGINNING point being reached by commencing at a point in the southerly property line of N. C. Highway No. 24, which point is coincident with the center line of McCabe Road if said center line were extended from its present terminus to the southerly property line of said N. C. Highway No. 24, AND RUNNING THENCE from said point along and with the southerly property line of the said N. C. Highway No. 24 in an easterly direction a distance of 1,388.29 feet to a stake in the southerly property line of N. C. Highway No. 24; thence a new line South 00° 21' East a distance of 40.04 feet to a stake; thence South 48° 25' East a distance of 40.0 feet to a stake; thence South 71° 23' 11" East a distance of 17.0 feet to a stake in the westerly property line of Bay Drive; thence along and with the westerly property line of said Bay Drive along the arc of a curve to the southwest, said curve having a radius of 450.66 feet, said curve also having a chord bearing of South 13° 35' 29" West and a chord length distance of 78.55 feet, an arc length distance of 78.66 feet to a point in the westerly property line of said Bay Drive; thence continuing with the westerly property line of said Bay Drive South 8° 35' 29" West a distance of 503.3 feet to a stake in the westerly property line of Bay Drive; thence crossing said Bay Drive South 81° 24' 31" East a distance of 56.66 feet to a stake in the easterly property line of the said Bay Drive, the place and point of BEGINNING; AND RUNNING THENCE from said BEGINNING point along and with the easterly property line of said Bay Drive North 8° 35' 29" East a distance of 71.04 feet to a stake in the easterly property line of said Bay Drive; thence along the arc of a curve joining the easterly property line of Bay Drive with the southerly property line of Bogue Drive, said curve being to the northeast and having a radius of 17 feet, said curve also having a chord bearing of North 53° 35' 29" East and a chord length distance of 24.04 feet, an arc length distance of 26.7 feet to a stake in the southerly property line of Bogue Drive (a private street); thence along and with the southerly property line of the said Bogue Drive South 81° 24' 31" East a distance of 400.41 feet to a point in the line of property owned by Brandywine Bay Development Corporation, a new corner; thence along and with a westerly property line of Brandywine Bay Development Corporation (a new line) the following courses and distances: South 9° 39' 59" West a distance of 100.87 feet to a stake; thence South 5° 27' 19" West a distance of 133.1 feet to a stake; thence South 00° 29' 12" West a distance of 191.44 feet to a stake; thence South 41° 09' 16" West a distance of 100.0 feet to a stake; thence South 28° 09' 36" West a distance of 126.09 feet to a stake at the mean high water line of Bogue Sound; thence along and with the mean high water line of Bogue Sound the following courses and distances: North 83° 35' 41" West a distance of 197.41 feet to a stake; thence South 59° 03' 59" West a distance of 101.0 feet to a stake; thence North 73° 36' 41" West a distance of 176.05 feet to a stake and new corner with property owned by Brandywine Bay Development Corporation; thence along and with an easterly property line of the said Brandywine Bay Development Corporation North 27° 18' 35" West a distance of 89.79 feet to a stake; thence continuing with an easterly property line of the said Brandywine Bay Development Corporation North 18° 14' 31" West a distance of 123.1 feet to a stake in the southeasterly property line of the said Bay Drive, a new corner with the property owned by the said Brandywine Bay Development Corporation; thence along and with the southeasterly property line of the said Bay Drive North 60° 14' 49" East a distance of 187.56 feet to a stake in the southeasterly property line of the said Bay Drive; thence continuing along and with the southeasterly property line of the said Bay Drive along the arc of a curve to the northeast, said curve having a radius of 148.032 feet, and arc length distance of 133.46 feet to a point in the easterly property line of the said Bay Drive; thence continuing along and with the easterly property line of the said Bay Drive North 8° 35' 29" East a distance of 171.0 feet to a stake, the place and point of BEGINNING; the same being a tract or parcel of land containing 7.25 acres, more or less, and being labelled Parcel A on Sheet 2 and Sheet 3 of the "Drawings" for OAK BLUFF AT BRANDYWINE BAY, a Condominium, said "Drawings" being recorded among

the public records of Carteret County, North Carolina; said Sheets 2 and 3 having been prepared by C. C. King, Registered Land Surveyor of Beaufort, North Carolina, and dated the 14th day of October, 1976; Sheet 2 being labelled "Boundary and Final Map, Parcels A and B, OAK BLUFF AT BRANDYWINE BAY, a Condominium" and Sheet 3 being labelled "Boundary Map, Parcels A, B and C, OAK BLUFF AT BRANDYWINE BAY, a Condominium," each of said Sheets being herein referred to for more particular description of said property.

The foregoing property is subject to and/or benefited by the following Declarations of Easement:

- (i) That certain Declaration of Easement wherein Brandywine Bay Development Corporation is named as Declarant, dated the 2nd day of December, 1976 and recorded in Book 391, Page 391 in the Public Registry of Carteret County, North Carolina.
- (ii) That certain Declaration of Easement wherein Brandywine Bay Development Corporation is named as Declarant, dated the 2nd day of December, 1976 and recorded in Book 391, Page 392 in the Public Registry of Carteret County, North Carolina.
- (iii) That certain Declaration of Easement wherein Brandywine Bay Development Corporation is named as Declarant, dated the 2nd day of December, 1976 and recorded in Book 391, Page 393 in the Public Registry of Carteret County, North Carolina.
- (iv) That certain Declaration of Easement wherein Brandywine Bay Development Corporation is named as Declarant, dated the 2nd day of December, 1976 and recorded in Book 391, Page 394 in the Public Registry of Carteret County, North Carolina.

SCHEDULE "B-1"

TO DECLARATION OF UNIT OWNERSHIP FOR OAK BLUFF AT BRANDYWINE BAY, a
CONDOMINIUM, DATED THE 2nd DAY OF December, 1976.

Recreational Area Legal Description:

BEGINNING at a stake in the westerly property line of Bay Drive (a private street), as shown on the plat of survey hereinafter referred to, said BEGINNING point being reached by commencing at a point in the southerly property line of N. C. Highway No. 24, which point is coincident with the center line of McCabe Road if said center line were extended from its present terminus to the southerly property line of said N. C. Highway No. 24, AND RUNNING THENCE from said point along and with the southerly property line of the said N. C. Highway No. 24 in an easterly direction a distance of 1,388.29 feet to a stake in the southerly property line of N. C. Highway No. 24; thence a new line South 00° 21' East a distance of 40.04 feet to a stake; thence South 48° 25' East a distance of 40.0 feet to a stake; thence South 71° 23' 11" East a distance of 17.0 feet to a stake in the westerly property line of Bay Drive; thence along and with the westerly property line of said Bay Drive along the arc of a curve to the southwest, said curve having a radius of 450.66 feet, said curve also having a chord bearing of South 13° 35' 29" West and a chord length distance of 78.55 feet, an arc length distance of 78.66 feet to a point in the westerly property line of said Bay Drive; thence continuing with the westerly property line of said Bay Drive South 8° 35' 29" West a distance of 503.3 feet to a stake in the westerly property line of Bay Drive, the place and point of BEGINNING; AND RUNNING THENCE from said BEGINNING point along and with the westerly property line of said Bay Drive South 8° 35' 29" West a distance of 171.0 feet to a point in the westerly property line of said Bay Drive, a point of curvature; thence continuing along and with the westerly property line of said Bay Drive along the arc of a curve to the southwest, said curve having a radius of 91.372 feet, an arc length distance of 82.38 feet to a point in the westerly property line of said Bay Drive; thence North 73° 01' 11" West a distance of 18.22 feet to a stake in the northerly edge of a parking lot; thence North 52° 20' 41" West a distance of 55.39 feet to a stake; thence along the arc of a curve to the northwest to a stake, said curve having a chord bearing of North 14° 12' 01" West and a chord distance of 10.27 feet; thence North 20° 32' 09" East a distance of 11.97 feet to a stake; thence along the arc of a curve to the northwest to a stake, said curve having a chord bearing of North 69° 46' 34" West and a chord distance of 66.84 feet; thence along the arc of a curve to the northwest to a stake, said curve having a chord bearing of North 79° 28' 28" West and a chord distance of 66.84 feet; thence along the arc of a curve to the southwest to a stake, said curve having a chord bearing of South 19° 01' 09" West and a chord distance of 18.46 feet; thence North 82° 40' 11" West a distance of 86.30 feet to a stake; thence North 11° 06' 31" West a distance of 58.55 feet to a stake; thence North 68° 36' 09" East a distance of 90.28 feet to a stake; thence North 21° 23' 51" West a distance of 99.57 feet to a stake; thence North 68° 36' 09" East a distance of 133.8 feet to a stake; thence South 65° 28' 31" East a distance of 208.07 feet to a stake in the westerly property line of said Bay Drive, the place and point of BEGINNING; the same being a tract or parcel of land containing 1.60 acres, more or less, and being labelled Parcel B, "Recreational Area," on Sheet 2 and Sheet 3 of the "Drawings" for OAK BLUFF AT BRANDYWINE BAY, a Condominium, said "Drawings" being recorded among the public records of Carteret County, North Carolina; said Sheets 2 and 3 having been prepared by C. C. King, Registered Land Surveyor of Beaufort, North Carolina, and dated the 14th day of October, 1976; Sheet 2 being labelled "Boundary and Final Map, Parcels A and B, OAK BLUFF AT BRANDYWINE BAY, a Condominium" and Sheet 3 being labelled "Boundary Map, Parcels A, B and C, OAK BLUFF AT BRANDYWINE BAY, a Condominium," each of said Sheets being herein referred to for more particular description of said property.

The foregoing property is subject to and/or benefited by that certain Declaration of Easement wherein BRANDYWINE BAY DEVELOPMENT CORPORATION is named as Declarant, dated the 2nd day of December, 1976 and recorded in Book 391, Page 372 in the Public Registry of Carteret County, North Carolina.

SCHEDULE "B-2"

TO DECLARATION OF UNIT OWNERSHIP FOR OAK BLUFF AT BRANDYWINE BAY, a
 CONDOMINIUM, DATE: THE 2nd DAY OF December,
 1976.

Legal description for area from which possible future additions to OAK
 BLUFF AT BRANDYWINE BAY, a Condominium, may be made:

BEGINNING at a stake in the southerly property line of N. C. Highway No. 24, as shown on the plat of survey hereinafter referred to, said BEGINNING point being reached by commencing at a point in the southerly property line of N. C. Highway No. 24, which point is coincident with the center line of McCabe Road if said center line were extended from its present terminus to the southerly property line of said N. C. Highway No. 24; AND RUNNING THENCE from said point along and with the southerly property line of the said N. C. Highway No. 24 in an easterly direction a distance of 1,388.29 feet to a stake in the southerly property line of the said N. C. Highway No. 24, the place and point of BEGINNING; AND RUNNING THENCE from said BEGINNING point South 00° 21' East a distance of 40.04 feet to a stake; thence South 48° 25' East a distance of 40.0 feet to a stake; thence South 71° 23' 11" East a distance of 17.0 feet to a stake in the westerly property line of Bay Drive (a private street); thence along and with the westerly property line of the said Bay Drive along the arc of a curve to the southwest, said curve having a radius of 450.66 feet, said curve also having a chord bearing of South 13° 35' 29" West and a chord length distance of 78.55 feet, an arc length distance of 78.66 feet to a point in the westerly property line of the said Bay Drive; thence continuing with the westerly property line of the said Bay Drive South 8° 35' 29" West a distance of 503.3 feet to a stake in the westerly property line of Bay Drive; thence North 65° 28' 31" West a distance of 208.07 feet to a stake; thence South 68° 36' 09" West a distance of 133.8 feet to a stake; thence South 21° 23' 51" East a distance of 99.57 feet to a stake; thence South 68° 36' 09" West a distance of 90.28 feet to a stake; thence South 11° 06' 31" East a distance of 58.55 feet to a stake; thence South 82° 40' 11" East a distance of 86.30 feet to a stake; thence along the arc of a curve to the northeast to a stake, said curve having a chord bearing of North 19° 01' 09" East and a chord distance of 18.46 feet; thence along the arc of a curve to the southeast to a stake, said curve having a chord bearing of South 79° 28' 28" East and a chord distance of 66.84 feet; thence along the arc of a curve to the southeast to a stake, said curve having a chord bearing of South 69° 46' 34" East and a chord distance of 66.84 feet; thence South 20° 32' 09" West a distance of 17.97 feet to a stake; thence along the arc of a curve to the southeast to a stake, said curve having a chord bearing of South 14° 12' 01" East and a chord distance of 10.27 feet; thence South 52° 20' 41" East a distance of 55.39 feet to a stake in the northerly edge of a parking lot; thence South 73° 01' 11" East a distance of 18.22 feet to a point in the westerly property line of Bay Drive; thence along and with the westerly property line of Bay Drive South 60° 14' 49" West a distance of 10.12 feet to a stake in the westerly property line of Bay Drive; thence along and with the westerly property line of the said Bay Drive South 60° 14' 49" West a distance of 177.44 feet to a point; thence crossing the southernmost terminus of Bay Drive South 29° 45' 11" East a distance of 56.66 feet to a stake, a corner with the OAK BLUFF AT BRANDYWINE BAY, a Condominium, property; thence along and with a line of the OAK BLUFF AT BRANDYWINE BAY property South 18° 14' 31" East a distance of 123.1 feet to a stake; thence continuing with the line of the said OAK BLUFF AT BRANDYWINE BAY South 27° 18' 35" East a distance of 89.79 feet to a stake in the mean high water line of Bogue Sound, the southwestern corner of OAK BLUFF AT BRANDYWINE BAY, a Condominium; thence along and with the mean high water line of Bogue Sound the following courses and distances: North 82° 32' 21" West a distance of 140.24 feet to a stake; thence South 74° 08' 59" West a distance of 48.91 feet to a stake; thence South 26° 34' 09" West a distance of 251.37 feet to a stake; thence North 79° 16' 21" West a distance of 104.34 feet to a stake; thence North 3° 23' 39" East a distance of 165.28 feet to a stake; thence North 57° 16' 31" West a distance of 197.96 feet to a stake; thence North 62° 00' 11" West a distance of 139.57 feet to a stake; thence North 69° 55' 01" West a distance of 222.38 feet to a stake; thence leaving the mean high water line of Bogue Sound a new line North 18° 07' 59" East a distance of

1,293.1 feet to a stake in the southerly property line of N. C. Highway No. 24; thence along and with the southerly property line of N. C. Highway No. 24 South 71° 23' 31" East a distance of 695.86 feet to a stake in the southerly property line of N. C. Highway No. 24, the place and point of BEGINNING; the same being a tract or parcel of land containing 23.61 acres, more or less, and being labelled Parcel C, "Possible Future Additions to OAK BLUFF AT BRANDYWINE BAY, a Condominium, if any" as shown on Sheet 3 of the "Drawings" for OAK BLUFF AT BRANDYWINE BAY, a Condominium, said "Drawings" being recorded among the public records of Carteret County, North Carolina. In addition, the BEGINNING point for this parcel or tract of land is locatable by reference to Sheet 2 of said "Drawings"; said Sheets 2 and 3 having been prepared by C. C. King, Registered Land Surveyor of Beaufort, North Carolina, and dated the 14th day of October, 1976; Sheet 2 being labelled "Boundary and Final Map, Parcels A and B, OAK BLUFF AT BRANDYWINE BAY, a Condominium" and Sheet 3 being labelled "Boundary Map, Parcels A, B and C, OAK BLUFF AT BRANDYWINE BAY, a Condominium," each of said Sheets being herein referred to for more particular description of said property.

The foregoing property is subject to and/or benefited by that certain Declaration of Easement wherein BRANDYWINE BAY DEVELOPMENT CORPORATION is named as Declarant, dated the 2nd day of December, 1976 and recorded in Book 391, page 392 in the Public Registry of Carteret County, North Carolina.

SCHEDULE "B-3"

TO DECLARATION OF UNIT OWNERSHIP FOR OAK BLUFF AT BRANDYWINE BAY, a
 CONDOMINIUM, DATED THE 2nd DAY OF December, 1976.

Legal Description for entranceway gate, street and roadway easement area:

BEGINNING at a stake in the southerly property line of N. C. Highway No. 24, as shown on the plat of survey hereinafter referred to, said BEGINNING point being reached by commencing at a point in the southerly property line of N. C. Highway No. 24, which point is coincident with the center line of McCabe Road if said center line were extended from its present terminus to the southerly property line of said N. C. Highway No. 24, AND RUNNING THENCE from said point along and with the southerly property line of the said N. C. Highway No. 24 in an easterly direction a distance of 1,388.29 feet to a stake in the southerly property line of N. C. Highway No. 24, the place and point of BEGINNING; AND RUNNING THENCE from said BEGINNING point a new line South 00° 21' East a distance of 40.04 feet to a stake; thence South 48° 25' East a distance of 40.0 feet to a stake; thence South 71° 23' 11" East a distance of 17.0 feet to a stake in the westerly property line of Bay Drive (a private street); thence along and with the westerly property line of the said Bay Drive along the arc of a curve to the southwest, said curve having a radius of 450.66 feet, said curve also having a chord bearing of South 13° 35' 29" West and a chord length distance of 78.55 feet, an arc length distance of 78.66 feet to a point in the westerly property line of the said Bay Drive; thence continuing with the westerly property line of the said Bay Drive South 8° 35' 29" West a distance of 503.3 feet to a stake in the westerly property line of Bay Drive; thence continuing with the westerly property line of Bay Drive South 8° 35' 29" West a distance of 171.0 feet to a point in the westerly property line of Bay Drive, a point of curvature; thence continuing along and with the westerly property line of said Bay Drive along the arc of a curve to the southwest, said curve having a radius of 91.372 feet, an arc length distance of 82.38 feet to a point in the westerly property line of Bay Drive; thence continuing along and with the westerly property line of the said Bay Drive South 60° 14' 49" West a distance of 10.12 feet to a stake in the westerly property line of Bay Drive; thence continuing along and with the westerly property line of Bay Drive South 60° 14' 49" West a distance of 177.44 feet to a point and corner with the property owned by BRANDYWINE BAY DEVELOPMENT CORPORATION; thence crossing the southernmost terminus of Bay Drive South 29° 45' 11" East a distance of 56.66 feet to a stake and corner with the OAK BLUFF AT BRANDYWINE BAY, a Condominium, property; thence along and with the northwesterly property line of the OAK BLUFF AT BRANDYWINE BAY property North 60° 14' 49" East a distance of 187.56 feet to a stake; thence continuing along and with the northwesterly property line of the said OAK BLUFF AT BRANDYWINE BAY property along the arc of a curve to the northeast, said curve having a radius of 148.032 feet, an arc length distance of 133.46 feet to a point in the westerly property line of the said OAK BLUFF AT BRANDYWINE BAY property; thence continuing along and with the westerly property line of the said OAK BLUFF AT BRANDYWINE BAY property North 8° 35' 29" East a distance of 171.0 feet to a stake; thence continuing along and with the westerly property line of the OAK BLUFF AT BRANDYWINE BAY property North 8° 35' 29" East a distance of 71.04 feet to a stake in the westerly property line of the said OAK BLUFF AT BRANDYWINE BAY Condominium property; thence along the arc of a curve joining the westerly property line of the OAK BLUFF AT BRANDYWINE BAY Condominium property with the northerly property line of the said OAK BLUFF AT BRANDYWINE BAY Condominium property (coincident with the southerly property line of Bogue Drive [a private street]) said curve being to the northeast and having a radius of 17 feet, said curve also having a chord bearing of North 53° 35' 29" East and a chord length distance of 24.04 feet, an arc length distance of 26.7 feet to a stake in the northerly property line of the OAK BLUFF AT BRANDYWINE BAY Condominium property (and in the southerly property line of the said Bogue Drive); thence along and with the southerly

property line of the said Bogue Drive (a private street) and the northerly property line of the said OAK BLUFF AT BRANDYWINE BAY Condominium property South 81° 24' 31" East a distance of 400.41 feet to a point in the line of property owned by BRANDYWINE BAY DEVELOPMENT CORPORATION, a new corner; thence crossing the easternmost terminus of Bogue Drive North 9° 39' 59" East a distance of 30 feet to a stake in the southerly property line of the J. W. Murphree Company; thence along and with the southerly property line of the said J. W. Murphree Company North 81° 24' 31" West a distance of 400.97 feet to a stake, the southwestern corner of the J. W. Murphree Company property; thence along the arc of a curve to the northwest, said curve joining the northerly property line of Bogue Drive with the easterly property line of Bay Drive and having a radius of 17 feet, an arc length distance of 26.7 feet to a point in the easterly property line of Bay Drive; thence along and with the easterly property line of the said Bay Drive North 8° 35' 29" East a distance of 368.26 feet to a point in the easterly property line of the said Bay Drive, a point of curvature; thence continuing along and with the easterly property line of the said Bay Drive along the arc of a curve to the northeast, said curve having a radius of 394.0 feet, an arc length distance of 68.77 feet to a point in the easterly property line of Bay Drive; thence South 71° 24' 31" East a distance of 17.0 feet to a stake and corner with the line of the western boundary of the J. W. Murphree Company property; thence along and with the line of the said J. W. Murphree Company North 18° 35' 29" East a distance of 53.39 feet to a stake in the southerly property line of N. C. Highway No. 24, said stake being the northwestern corner of the J. W. Murphree Company; thence along and with the southerly property line of N. C. Highway No. 24 (crossing the northernmost terminus of Bay Drive as shown on the plat of survey hereinafter referred to) North 71° 23' 31" West a distance of 140.47 feet to a stake in the southerly property line of said N. C. Highway No. 24 the place and point of BEGINNING; the same being a tract or parcel of land consisting of Bay Drive and Bogue Drive (both private streets), inclusive of the entry-way gate area (less and except the portion thereof owned by the J. W. Murphree Company) as shown on Sheet 2 and Sheet 3 of the "Drawings" for OAK BLUFF AT BRANDYWINE BAY, a Condominium, said "Drawings" being recorded among the public records of Carteret County, North Carolina; said Sheets 2 and 3 having been prepared by C. C. King, Registered Land Surveyor of Beaufort, North Carolina and dated the 14th day of October, 1976; Sheet 2 being labelled "Boundary and Final Map, Parcels A and B, OAK BLUFF AT BRANDYWINE BAY, a Condominium" and Sheet 3 being labelled "Boundary Map, Parcels A, B and C, OAK BLUFF AT BRANDYWINE BAY, a Condominium," each of said Sheets being herein referred to for more particular description of said tract or parcel of land.

SCHEDULE "C"

TO DECLARATION OF UNIT OWNERSHIP FOR OAK BLUFF AT BRANDYWINE BAY, a
CONDOMINIUM, DATED THE 22nd DAY OF December, 1976.

BYLAWS OF THE OAK BLUFF AT BRANDYWINE BAY
CONDOMINIUM ASSOCIATION

ARTICLE I

THE ASSOCIATION

Section 1. Name and Nature of Association. The Association shall be an unincorporated association and shall be called "The OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION" (herein as "the Association"). The business and property of OAK BLUFF AT BRANDYWINE BAY, a Condominium, shall be managed and directed by the Board of Directors of the Association.

Section 2. Membership. Each Unit Owner upon acquisition of an Ownership Interest in a Unit, shall automatically become a member of the Association. Such membership shall terminate upon the sale or other disposition of such Unit Owner of his Ownership Interest, at which time the new Unit Owner shall automatically become a member of the Association.

Section 3. Voting Rights. Each member owning the entire Ownership Interest in a Unit shall be entitled to exercise that percentage of the total voting power of the Association which is equivalent to the percentage of interest of such member's Unit in the Common Areas and facilities (herein as "Common Elements"). If two or more persons, whether fiduciaries, tenants in common, tenants by the entirety or otherwise, own an interest in the Ownership Interest in a Unit, there shall be designated one person with respect to such Ownership Interest who shall be entitled to vote at any meeting of the Association. Such person is sometimes hereinafter referred to as "the voting member." Such voting member may be one of the group composed of all of the owners of the Ownership Interest in a Unit or may be some other person designated by such owners to act as proxy on their behalf. Such designation shall be in writing to the Board and shall be revocable at any time by written notice to the Board signed by each of the owners who signed the designation.

Section 4. Proxies. Members may vote or act in person or by proxy. The person appointed as proxy need not be a member of the Association. Designation by a member or members of a proxy to vote or act on his or their behalf shall be made in writing to the Board and shall be revocable

at any time by actual notice to the Board by the member or members making such designation. Notice to the Board in writing or in open meeting of the revocation of the designation of a proxy shall not affect any vote or act previously taken or authorized.

Section 5. Meetings of Members.

(a) Annual Meeting. The annual meeting of members of the Association for the election of members of the Board, the consideration of reports to be laid before such meeting, and the transaction of such other business as may properly be brought before such meeting shall be held at the office of the Association, or at such other place upon or in close proximity to the Condominium Property as may be designated by the Board and specified in the notice of such meeting, at 10:00 o'clock a.m., eastern time or at such other time as may be designated by the Board and specified in the notice of such meeting. The first annual meeting of members of the Association shall be held on Saturday, October 8, 1977, and successive annual meetings of members of the Association shall be held on the second Saturday in April in succeeding years, if not a legal holiday and, if a legal holiday, then on the next succeeding Saturday.

(b) Special Meetings. Special meetings of the members shall be called upon the written request of the President of the Association or, in case of the President's absence, death or disability, the Vice President of the Association authorized to exercise the authority of the President, the Board by action at a meeting, or a majority of the members acting without a meeting, or of the members entitled to exercise at least twenty-five percent (25%) of the voting power. Calls for such meeting shall specify the time, place and purpose thereof. No business other than that specified in the call shall be considered at any special meeting.

(c) Notices of Meetings. Not less than seven (7) nor more than sixty (60) days before the day fixed for a meeting of the members of the Association, written notice stating the time, place and purpose of such meeting shall be given by or at the direction of the Secretary of the Association or any other person or persons required or permitted by these Bylaws to give such notice. The notice shall be given by personal delivery or by United States mail to each member of the Association. If mailed, the notice shall be addressed to the members of the Association

at their respective addresses as they appear on the records of the Association. Notice of the time, place and purpose of any meeting of members of the Association may be waived in writing, either before or after the holding of such meeting, by any member of the Association, which writing shall be filed with or entered upon the records of the meeting. The attendance of any member of the Association at any such meeting without protesting, prior to or at the commencement of the meeting, lack of proper notice shall be deemed to be a waiver of notice by such member of such meeting.

(d) Quorum; Adjournment. At any meeting of the members of the Association, the members of the Association entitled to exercise a majority of the voting power of the Association present in person or by proxy shall constitute a quorum for such meeting; provided, however, that no action required by law, by the Declaration or by these Bylaws to be authorized or taken by a designated percentage of the voting power of the Association may be authorized or taken by a lesser percentage; and provided further, that the members of the Association entitled to exercise a majority of the voting power represented at a meeting of members, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned for lack of a quorum or without completing the business scheduled to come before the meeting, notice of the time and place to which such meeting is adjourned need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

(e) Order of Business. The order of business at all meetings of members of the Association shall be as follows:

- (1) Calling of meeting to order
- (2) Proof of notice of meeting or waiver of notice
- (3) Reading of minutes of preceding meeting
- (4) Reports of officers
- (5) Reports of committees
- (6) Election of inspectors of election
- (7) Election of members of Board
- (8) Unfinished and/or old business
- (9) New business
- (10) Adjournment

Section 6. Actions Without a Meeting. All actions, except removal of a Board member, which may be taken at a meeting of the Association, may be taken without a meeting with the approval of, and in a writing or writings signed by members of the Association having the

percentage of voting power required to take such action if the same were taken at a meeting. Such writings shall be permanently filed with the Secretary of the Association.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number and Qualification. Except as provided in Section 11 of this Article II, the Board shall consist of not less than three nor more than seven persons, the exact number of directors required from time to time to be fixed by Resolution of the Board of Directors of this Association. Except as provided in Section 11 of this Article II all persons nominated or elected to the Board shall be a Unit Owner and Occupant, officers of a corporation or other business entity owning an individual condominium unit or a partner in a partnership owning an individual condominium parcel.

Section 2. Election of Board; Vacancies. Board members shall be elected at the annual meeting of members of the Association or at a special meeting called for such purpose. At a meeting of members of the Association, at which Board members are to be elected, except as provided in Section 11 of this Article II, only persons nominated as candidates shall be eligible for election as Board members and the candidates receiving the greatest number of votes shall be elected. In the event of the occurrence of any vacancy or vacancies in the Board, however caused, the remaining Board members, though less than a majority of the total authorized number of Board members, may, by vote of a majority of their number, fill any such vacancy for the unexpired term.

Section 3. Term of Office; Resignations. Each Board member shall hold office for the term stated below or until his successor is elected, or until his earlier resignation, removal from office or death. Any Board member may resign at any time by oral statement to that effect made at a meeting of the Board or in a writing to that effect delivered to the Secretary of the Association, such resignation to take effect immediately or at such other time as the Board member may specify. Members of the Board shall serve without compensation. At the first annual meeting the members shall elect one-third (1/3) of the directors for a term of one year, one-third (1/3) of the directors for a term of two years and one-third (1/3) of the remaining number of directors for a

term of three years; and at each annual meeting thereafter the members shall elect one-third (1/3) of the directors for a term of three years. In the event of any increase in the number of directors, the additional directors shall be elected so that each respective "third" of directors shall be increased equally, as nearly as may be, and, in the event of any decrease in the number of directors, each respective "third" of directors shall be decreased equally, as nearly as may be. In view of the fact that the first annual meeting of members of the Association is scheduled for October 8, 1977 and succeeding annual meetings of members of the Association are scheduled for the second Saturday of April in succeeding years it is necessary that the terms of the Board members elected at the first annual meeting of members of the Association be reduced sufficiently to accommodate scheduling of the annual meetings.

Section 4. Organizational Meeting. Immediately after each annual meeting of members of the Association, the newly elected Board members and those Board members whose terms hold over shall hold an organizational meeting for the purpose of electing officers and transacting any other business. Notice of such meetings need not be given.

Section 5. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined by a majority of the Board, but at least four such meetings shall be held during each fiscal year.

Section 6. Special Meetings. Special meetings of the Board of Directors shall be held at any time upon call by the President or any two (2) Board members. Written notice of the time and place of each such meeting shall be given to each Board member either by personal delivery or by mail, telegram or telephone at least two (2) days before the meeting, which notice need not specify the purpose of the meeting; PROVIDED, HOWEVER, that attendance of any Board member at any such meeting without protesting, prior to or at the commencement of the meeting, lack of proper notice shall be deemed to be a waiver by him or her of notice of such meeting, and such notice may be waived in writing either before or after the holding of such meeting, by any Board member, which writing shall be filed with or entered upon the records of the meeting. Unless otherwise indicated in the notice thereof, any business may be transacted at any organizational, regular or special meeting.

Section 7. Quorum; Adjournment. A quorum of the Board of Directors shall consist of a majority of the Board members then in office; provided that a majority of the Board members present at a meeting duly held, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned for lack of a quorum or without completing the business scheduled to come before the meeting, notice of the time and place to which such meeting is adjourned need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting. At each meeting of the Board at which a quorum is present, all questions and business shall be determined by a majority vote of those present, except as may be otherwise expressly provided in the Declaration of Unit Ownership or in these Bylaws.

Section 8. Powers and Duties. Except as otherwise provided by law, the Declaration of Unit Ownership or these Bylaws, all power and authority of the Association shall be exercised by the Board of Directors. In carrying out the purposes of the Condominium Property and subject to the limitations prescribed by law, the Declaration of Unit Ownership or these Bylaws, the Board, for and on behalf of the Association, may

(a) purchase or otherwise acquire, lease as lessee, hold, use, lease as lessor, sell, exchange, transfer, and dispose of property of any description or any interest therein;

(b) make contracts;

(c) effect insurance;

(d) borrow money, and issue, sell and pledge notes, bonds, and other evidences of indebtedness of the Association;

(e) levy assessments against Unit Owners;

(f) employ lawyers and accountants to perform such legal and accounting services as the Board may authorize; and

(g) do all things permitted by law and exercise all power and authority within the purposes stated in these Bylaws, or the Declaration or incidental thereto.

(h) in addition to the foregoing the Board of Directors shall have the following duties and powers:

(A) Duties. It shall be the duty of the Board of Directors to:

(i) cause to be kept a complete record of all its acts and Association affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

(ii) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(iii) as more fully provided in the Declaration of Unit Ownership and/or these Bylaws, to:

(1) establish the annual assessment period and fix the amount of the annual assessment against each member at least thirty (30) days in advance of each annual assessment period;

(2) foreclose the lien against any Unit or property of a member for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same; and

(3) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period.

(iv) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(v) procure and maintain adequate liability and hazard insurance on property, if any, owned by the Association;

(vi) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate and as is required by the Declaration of Unit Ownership and/or these Bylaws; and

(vii) cause the Condominium Property to be maintained.

(B) Powers: The Board of Directors shall have power to:

(i) adopt and publish rules and regulations governing the use of the facilities of the Association, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(ii) suspend the voting rights and right to use of the facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(iii) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, or the Declaration of Unit Ownership;

(iv) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(v) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 8.1 Management Agent. The Board of Directors shall employ for the Association a Management Agent (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize, including, but not necessarily limited to, the duties set out in subsections (a) through (d) of this Section 8.1. A copy of all such agreements shall be available to every unit owner. Any and all Management Agreements entered into by the Board shall provide that said Management Agreement, and any succeeding Management Agreements, may be cancelled prior to the expiration thereof upon (i) thirty (30) days prior written notice and (ii) an affirmative vote of sixty percent (60%) of the voting power of the Association. Except as herein provided, no such Management Agreement shall be cancelled prior to effecting by the Association or its Board of Directors a new Management Agreement, which new Management Agreement will become effective immediately upon the cancellation of the then existing Management Agreement. It shall be the duty of the Association or its Board of Directors to effect a new Management Agreement upon the expiration or cancellation of any existing Management Agreement unless self-management is undertaken as herein provided. Any and all Management Agreements shall be made with a responsible party or parties having experience adequate for the management of a project of this size and type. The Association may undertake self-management upon the affirmative vote of 75% of the voting power of the Association and upon the approval of 100% of the institutional lenders holding institutional mortgages upon the units covered hereby. The Association shall not employ any new Management Agent without thirty (30) days prior written notice to the holders of all first mortgages (institutional mortgages) on the condominium units. Said Management Agent, subject to supervision by the Board of Directors, shall provide for the:

(a) Care, upkeep and surveillance of the condominium project and its general and limited Common Elements and services in a manner consistent with law and the provisions of these Bylaws and the Declaration of Unit Ownership.

(b) Collection of assessments and/or carrying charges from the members and for the assertion and/or enforcement of liens therefor

in a manner consistent with law and the provisions of these Bylaws and the Declaration.

(c) Designation, hiring and/or dismissal of the personnel necessary for the good working order of the condominium project and for the proper care of the general or limited common elements and to provide services for the project in a manner consistent with law and the provisions of these Bylaws and the Declaration of Unit Ownership.

(d) Promulgation and enforcement of such rules and regulations and such restrictions or requirements as may be deemed proper respecting the use, occupancy and maintenance of the project and the use of the general and limited common elements to prevent unreasonable interference with the use and occupancy of the condominium project and of the general and limited Common Elements by the members, all of which shall be consistent with law and the provisions of these Bylaws and the Declaration of Unit Ownership.

Section 9. Removal of Members of the Board. Except for Board members appointed pursuant to Section 11 of this Article II, at any regular or special meeting of members of the Association duly called, at which a quorum shall be present, any one or more of the Board members may be removed with or without cause by the vote of the members of the Association entitled to exercise at least seventy-five percent (75%) of the voting power of the Association, and a successor or successors to such Board member or members so removed shall then and there be elected to fill the vacancy or vacancies thus created. Any Board member whose removal has been proposed by the members of the Association shall be given an opportunity to be heard at such meeting.

Section 10. Fidelity Bonds. The Board shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate Fidelity Bonds in accordance with the requirements of the Declaration of Unit Ownership. The premiums for such bonds shall be paid by the Association and shall be a Common Expense.

Section 11. Initial Board of Directors; Declarants' Sell-out Period. (a) From the time of formation of this Association until the first annual meeting of members on October 8, 1977, the Board shall consist of not less than three (3) persons appointed by BRANDYWINE

BAY DEVELOPMENT CORPORATION ("Declarant"). These persons may or may not be employees of Declarant and need not own or occupy a Unit. Until these persons are replaced by elected board members they shall constitute the Board of Directors and exercise all powers and duties granted to the Board of Directors in these Bylaws. Said Directors are further specifically authorized to enter into a Management Agreement for the Association upon the terms, provisions, conditions and limitations as are herein and in the Declaration of Unit Ownership provided for and upon such other terms and conditions as the Directors may deem to be in the best interest of the Association.

(b) In addition thereto and NOTWITHSTANDING ANY PROVISION CONTAINED IN THESE BYLAWS TO THE CONTRARY, for so long as DECLARANT is the owner of three (3) or more OAK BLUFF AT BRANDYWINE BAY dwelling units, including any such dwelling units which may be added thereto pursuant to the provisions of Paragraph 17 of the Declaration of Unit Ownership, DECLARANT shall and does have and retain the right, privilege and option to designate, as nearly as may be, one-third (1/3) of the members of the Board of Directors of the Association. These appointees may or may not be employees of DECLARANT and need not own or occupy a Unit.

Section 12. The Brandywine Bay Association, Inc. (a) The Brandywine Bay Association is described and referred to in Paragraph 3(S) and Paragraph 19 of the Declaration of Unit Ownership. Coordination of some of the activities and assessment responsibilities of that Association with those of the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION is essential and appropriate for a smooth functioning and efficient operation of the overall Brandywine Bay Community. Therefore, in addition to the powers and duties otherwise granted to and imposed upon the Board of Directors of the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION by these Bylaws and the Declaration of Unit Ownership, said Board is further authorized and empowered to coordinate with the Board of Directors of The Brandywine Bay Association, Inc. such of their respective activities and functions as may be deemed appropriate by said Boards of Directors in order to avoid unnecessary duplication of managing agents, activities and functions, unnecessary expenses and to encourage efficiencies in the performance of their respective duties and obligations by said Boards of Directors.

(b) In order to facilitate collection of assessments by The Brandywine Bay Association, Inc. and in order to simplify assessment obligations of the members of the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION, the Board of Directors of the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION is further authorized and empowered to include in its annual budgets all assessments budgeted by The Brandywine Bay Association, Inc. applicable to members of the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION, as if the same were a common expense of the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION, and to thereafter collect from its members and transmit to The Brandywine Bay Association, Inc. all assessments of The Brandywine Bay Association, Inc. applicable to members of the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION, whether so budgeted or not. PROVIDED, HOWEVER, ultimate collection of assessments for the Brandywine Bay Association shall be and remain the responsibility of The Brandywine Bay Association, Inc. and the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION shall not be responsible to The Brandywine Bay Association, Inc. for failure of its members to remit to it funds due to The Brandywine Bay Association, Inc., and the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION shall be entitled to collect or deduct the amount of its periodic assessments from its members remittances and forward the balance, if any, to The Brandywine Bay Association, Inc. PROVIDED, FURTHER, HOWEVER, that the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION may, in its sole and arbitrary discretion, elect, through a majority vote of the Board of Directors, to pay the amount of any defaulted payment due to The Brandywine Bay Association, Inc. and receive an assignment from The Brandywine Bay Association, Inc. of its rights in and to said claim, including, but not limited to, the right of The Brandywine Bay Association, Inc. to lien the unit of any member not making payment of assessments to The Brandywine Bay Association, Inc. Payment of any such defaulted amounts by the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION on one (1) or more occasions shall not be deemed to imply that such payments will be automatically made thereafter. Each specific instance shall require deliberate action of the Board of Directors of the OAK BLUFF AT BRANDYWINE BAY CONDOMINIUM ASSOCIATION.

ARTICLE III

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board

of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members only.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration of Unit Ownership. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE IV

OFFICERS

Section 1. Election and Designation of Officers. The Board shall elect a President and a Vice President, each of whom shall be a member of the Board. The Board shall appoint a Secretary and a Treasurer who may or may not be members of the Board but who shall be members of the Association and the Board may also appoint an Assistant Treasurer and Assistant Secretary and such other officers as in their judgment may be necessary who may or may not be members of the Board but who are members of the Association. NOTWITHSTANDING the requirements of this section members of the Board of Directors who are appointed or designated pursuant to the provisions of Article II, Section 11 of these Bylaws shall be deemed qualified to serve as officers of the Association if they are so elected or appointed by the Board.

Section 2. Term of Office: Vacancies. The officers of the Association shall hold office until the next organizational meeting of the Board and until their successors are elected, except in cases of

resignation, removal from office or death. The Board may remove any officer at any time with or without cause by a majority vote of the Board members then in office. Any vacancy in any office may be filled by the Board.

Section 3. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of members of the Association and shall preside at all meetings of the Board. Subject to directions of the Board, the President shall have general executive supervision over the business and affairs of the Association. He may execute all authorized deeds, contracts and other obligations of the Association and shall have such other authority and shall perform such other duties as may be determined by the Board or otherwise be provided for in the Declaration of Unit Ownership or in these Bylaws.

Section 4. Vice President. The Vice President shall perform the duties of the President whenever the President is unable to act and shall have such other authority and perform such other duties as may be determined by the Board.

Section 5. Secretary. The Secretary shall keep the minutes of meetings of the members of the Association and of the Board. He shall keep such books as may be required by the Board, shall give notices of meetings of members of the Association and of the Board required by law, the Declaration of Unit Ownership or these Bylaws, and shall have such authority and shall perform such other duties as may be determined by the Board or otherwise be provided for in the Declaration of Unit Ownership or these Bylaws.

Section 6. Treasurer. The Treasurer shall receive and have in charge all money, bills, notes and similar property belonging to the Association, and shall do with the same as may be directed by the Board. He shall keep accurate financial accounts and hold the same open for the inspection and examination of the Board and shall have such authority and shall perform such other duties as are determined by the Board.

Section 7. Other Officers. The Assistant Secretaries and Assistant Treasurers, if any, and any other officers whom the Board may appoint shall, respectively, have such authority and perform such duties as may be determined by the Board.

Section 8. Delegation of Authority and Duties. The Board is authorized to delegate the authority and duties of any officer to any

other officer and generally to control the action of the officers and to require the performance of duties in addition to those mentioned herein. The office of Treasurer may be held by any other officer of the Association, except that the President shall not also hold the office of Treasurer.

ARTICLE V

GENERAL POWERS OF THE ASSOCIATION

Section 1. Common Expenses. The Association, for the benefit of all the Unit Owners, shall pay all Common Expenses arising with respect to, or in connection with, the Condominium Property, including, without limitation, the following:

(a) Utility Service for Common Areas and Facilities. The cost of water, waste removal, electricity, telephone, heat, power or any other utility service for the Common Elements and, to the extent that the same are not separately metered or billed to each Condominium Unit, for the Condominium Units, excluding the Limited Common Areas and Facilities (herein as Limited Common Elements). Upon determination by the Board that any Unit Owner is using excessive amounts of any utility services which are Common Expenses, the Association shall have the right to levy special assessments against such Unit Owner to reimburse the Association for the expense incurred as a result of such excessive use;

(b) Casualty Insurance. The premium upon a policy or policies of Casualty Insurance insuring the Common Elements, with extended coverage, vandalism and malicious mischief endorsements, as provided in the Declaration, the amount of which insurance shall be reviewed annually;

(c) Liability Insurance. The premium upon a policy or policies of insurance for the Association, the members of the Board, the Unit Owners and the Occupants against liability for personal injury, disease, illness or death or for injury to or destruction of property occurring upon, in or about, or arising from or relating to the Common Elements, as provided in the Declaration, and the limits of such policy shall be reviewed annually;

(d) Workmen's Compensation. Workmen's compensation insurance to the extent necessary to comply with any applicable laws;

(e) Wages and Fees for Services. The wages and/or fees for services, of any person or firm employed by the Association, including, without limitation, the services of a person or firm to act as a manager or managing agent for the Condominium Property, the services of any

person or persons required for the maintenance or operation of the Condominium Property (including a recreation director, if any), and legal and/or accounting services necessary or proper in the operation of the Condominium Property or the enforcement of the Declaration of Unit Ownership and these Bylaws and for the organization, operation and enforcement of the rights of the Association;

(f) Care of Common Areas and Facilities (the Common Elements)

The cost of landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintaining, decorating, repairing and replacing of the Common Elements, excluding the Limited Common Elements.

(g) Exterior Maintenance. The cost of exterior maintenance in accordance with the following provisions:

(i) In addition to Maintenance upon the Common Elements, the Association shall provide exterior maintenance upon each unit which is subject to assessment hereunder, as follows: paint, repair, replacement and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces, screens and screen doors, exterior door and window fixtures and other hardware or decks, balconies or patios, except that such exterior maintenance shall include painting of decks, balconies and patios.

(ii) In the event that the need for maintenance or repair is caused through the willful or negligent act of an Owner, his family, or guests, or invitees, such negligent or willful act to be determined by the Board of Directors acting in good faith after hearing all available facts, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such unit is subject.

(iii) In the event an Owner of any unit shall fail to maintain the premises and the improvements situated thereon in a manner reasonably satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said unit and to repair, maintain, and restore the unit and the exterior of the building and any other improvements erected thereon. The cost of such maintenance shall be added to and become part of the assessment to which such unit is subject.

(h) Additional Expenses. The cost of any materials, supplies, furniture, labor, services, maintenance, repairs, replacements, structural alterations and insurance, which the Association is required to secure or pay for pursuant to the terms of the Declaration and these Bylaws or by law or which the Association deems necessary or proper for the maintenance and operation of the Condominium Property as a first class Condominium Project or for the enforcement of the Declaration of Unit Ownership and these Bylaws;

(i) Discharge of Mechanic's Liens. Any amount necessary to discharge any mechanic's lien or other encumbrance which may in the opinion of the Association or the Board constitute a lien against the Condominium Property or against the Common Elements, rather than merely against the interests therein of such Unit Owner responsible for the existence of such lien or encumbrances; provided, however, that the Association shall levy a special assessment against such Unit Owner to recover the amount expended in discharging such lien or encumbrance.

(j) Certain Maintenance of Units. The cost of the maintenance and repair of the Limited Common Elements and of any Unit, if such maintenance or repair is necessary, in the discretion of the Association or the Board, to prevent damage to or destruction of any part of the Common Elements, or any other Unit, and the Unit Owner having the exclusive right to use such Limited Common Elements or owning such Unit requiring such maintenance or repair shall have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Association to said Unit Owner; provided, however, that the Association shall levy a special assessment against such Unit Owner to recover the amount expended for such maintenance or repair.

(k) All invoices, vouchers, bills or other requests for payment from Association funds, together with payment vouchers therefor, must be approved in writing by the President or Treasurer of the Association prior to payment.

Section 2. Association's Right to Enter Units. The Association or its agents may enter any Unit or portion of the Limited Common Elements when necessary in connection with any maintenance, repair or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Unit Owner as practicable, and any damage

caused thereby shall be repaired by the Association. The Association reserves the right to retain a pass key to each Unit and no locks or other devices shall be placed on the doors to the Units to obstruct entry through the use of such pass key. In the event of any emergency or manifest danger originating in or threatening any Unit at a time when required alterations or repairs are scheduled, the management or its representatives or any other person designated by the Board may enter the Unit immediately, whether the Unit Owner is present or not.

Section 3. Capital Additions and Improvements. Whenever, in the judgment of the Board, the Common Elements shall require additions, alterations or improvements (as opposed to maintenance, repair and replacement) costing in excess of Five Thousand Dollars (\$5,000.00) and the making of such additions, alterations or improvements shall have been approved by Unit owners entitled to exercise not less than two-thirds (2/3) of the voting power of the Association, the Board shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing Five Thousand Dollars (\$5,000.00) or less may be made by the Board without approval of the Unit Owners, and the cost thereof shall constitute a common expense, and the Association may specially assess therefor if the funds are not otherwise available.

Section 4. Rules and Regulations. The Association, by vote of the members entitled to exercise a majority of the voting power of the Association, or the Board of Directors thereof may adopt such reasonable Rules and Regulations, and from time to time amend the same, as it or they may deem advisable for the maintenance, conservation and beautification of the Condominium Property, and for the health, comfort, safety and general welfare of the Unit Owners and Occupants. Written notice of such Rules and Regulations shall be given to all Unit Owners and Occupants and the Condominium Property shall at all times be maintained subject to such Rules and Regulations. In the event such Rules and Regulations shall conflict with any provisions of the Declaration of Unit Ownership or of these Bylaws, the provisions of the Declaration and of these Bylaws shall govern.

Section 5. Special Services. The Association may arrange for special services and facilities for the benefit of such Unit Owners and Occupants as may desire to pay for the same, including, without limitation,

the cleaning, repair and maintenance of Units and special recreational, education or medical facilities. The cost of any such special services or facilities shall be determined by the Association and may be charged directly to participating Unit Owners as a special assessment or paid by the Association as a Common Expense, in which case a special assessment shall be levied against such participating Unit Owners to reimburse the Association therefor.

Section 6. Delegation of Duties. Nothing herein contained shall be construed so as to preclude the Association, through its Board of Directors and officers, from delegating in accordance with the Declaration of Unit Ownership, to persons, firms or corporations, including any manager or managing agent, such duties and responsibilities of the Association as the Board shall from time to time specify, and to provide for reasonable compensation for the performance of such duties and responsibilities.

ARTICLE VI

FINANCES OF ASSOCIATION

Section 1. Preparation of Estimated Budget. Each year on or before December 1st, the Association shall estimate the total amount necessary to pay all the Common Expenses for the next calendar year together with reasonable amounts considered by the Association to be necessary as reserves for contingencies and replacements, and shall on or before December 15th notify each Unit Owner in writing as to the amount of such estimate, with reasonable itemizations thereof. The "estimated cash requirement" shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements. On or before January 1st of the ensuing year and the 1st of each and every month of said year, each Unit Owner shall be obligated to pay to the Association as it may direct one-twelfth (1/12th) of the assessment made pursuant to this Section. On or before the date of each annual meeting, the Association shall supply to all Unit Owners an itemized accounting of the Common Expenses for the preceding calendar year actually incurred and paid together with a tabulation of the amounts collected pursuant to the estimates provided, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited, according to each Unit Owner's percentage of

ownership in the Common Elements, to the next monthly installments due from Unit Owners under the current year's estimate, until exhausted, and any net shortage shall be added, according to each Unit Owner's percentage of ownership in the Common Elements, to the installments due in the succeeding six months after rendering the accounting.

Section 2. Reserve for Contingencies and Replacements. The Association shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual estimate which may be necessary for the year, shall be charged first against such reserve. If said estimated cash requirement proves inadequate for any reason, including nonpayment of any Unit Owner's assessment, such extraordinary expenditures shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements. The Association shall serve notice of such further assessment on all Unit Owners by a statement in writing giving the amount and reasons therefor, and such further assessments shall be payable with the next regular monthly payment becoming due to the Association not less than ten (10) days after delivery or mailing of such notice of further assessment. All unit Owners shall be obligated to pay the adjusted monthly amount.

Section 3. Budget for First Year. The budget for the remainder of the calendar year 1976 and for the calendar year 1977 shall be determined by the Board appointed by Declarant.

Section 4. Failure to Prepare Annual Budget. The failure or delay of the Board to prepare or deliver to the Unit Owners the annual or adjusted estimate shall not constitute a waiver or release in any manner of such Unit Owner's obligation to pay the maintenance costs and necessary reserves, as herein provided, whenever the same shall be determined, and in the absence of any annual estimate or adjusted estimate, the Unit Owner shall continue to pay the monthly maintenance charge at the existing monthly rate established for the previous period until the monthly maintenance payment which is due more than ten (10) days after such new annual or adjusted estimate shall have been mailed and/or delivered.

Section 5. Books and Records of Association. The Association shall keep full and correct books of account and the same shall be open for inspection by any Unit Owner or his representative duly authorized

in writing, at such reasonable time or times during normal business hours as may be requested by such Unit Owner. Upon ten (10) days notice to the Board, any Unit Owner and/or the holder of a first mortgage or Deed of Trust on any unit, shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

Section 6. Status of Funds Collected by Association. All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all of the Unit Owners, and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the use, benefit and account of all of the Unit Owners in proportion to each Unit Owner's percentage ownership in the Common Elements.

Section 7. Annual Audit. The books of the Association shall be audited once a year by the Board and such audit shall be completed prior to each annual meeting. In addition, an outside audit shall be made at least once during each calendar year.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Indemnification of Board Members and Officers.

Each Board member and officer of the Association, and each former Board member and former officer of the Association, shall be indemnified by the Association against the cost and expenses reasonably incurred by him in connection with the defense of any pending or threatened action, suit or proceeding, criminal or civil, to which he is or may be made a party by reason of his being or having been such Board member or officer of the Association (whether or not he is a Board member or officer at the time of incurring such costs and expenses), except with respect to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for misconduct or negligence in the performance of his duty as such Board member or officer. In case of the settlement of any action, suit or proceeding to which any Board member or officer of the Association, or any former Board member or officer of the Association, is made a party or which may be threatened to be brought against him by reason of his being or having been a Board member or officer of the Association, he shall be indemnified by the Association against the

costs and expenses (including the cost of settlement) reasonably incurred by him in connection with such action, suit or proceeding (whether or not he is a Board member or officer at the time of incurring such costs and expenses), if (a) the Association shall be advised by independent counsel that, in such counsel's opinion, such Board member or officer did not misconduct himself or was not negligent in the performance of his duty as such Board member or officer with respect to the matters covered by such action, suit or proceeding, and the cost to the Association of indemnifying such Board member or officer (and all other Board members and officers, if any, entitled to indemnification hereunder in such case) if such action, suit or proceedings were carried to a final adjudication in their favor could reasonably be expected to exceed the amount of costs and expenses to be reimbursed to such Board members and officers as a result of such settlement, or (b) disinterested Association members entitled to exercise a majority of the voting power shall, by vote at any annual or special meeting of the Association, approve such settlement and the reimbursement to such Board member or officer of such costs and expenses. The phrase "disinterested members" shall mean all members of the Association other than (i) any Board member or officer of the Association who at the time is or may be entitled to indemnification pursuant to the foregoing provisions, (ii) any corporation or organization of which any such Board member or officer owns of record or beneficially ten percent (10%) or more of any class of voting securities, (iii) any firm of which such Board member or officer is a partner, and (iv) any spouse, child, parent, brother or sister of any such Board member or officer. The foregoing rights of indemnification shall inure to the benefit of the heirs and legal representatives of each such Board member or officer, and shall not be exclusive of other rights to which any Board member or officer may be entitled as a matter of law or under the Declaration of Unit Ownership, any vote of the Association members or any agreement.

Section 2. Amendments. Provisions of these Bylaws may be amended by the Unit Owners at a meeting held for such purpose by the affirmative vote of those unit owners entitled to exercise not less than seventy-five percent (75%) of the voting power; provided that Amendment of Article II, Section 11 shall require the affirmative vote of those unit owners entitled to exercise not less than one hundred percent (100%) of the

voting power. Any such amendment shall not be effective until it is set forth in an Amendment to the Declaration, duly recorded, as required under Chapter 47A of the North Carolina General Statutes (the Unit Ownership Act.) No such amendment shall conflict with the provisions of the Declaration or of the Unit Ownership Act. All Unit Owners shall be bound by an amendment upon the same being passed and duly set forth in an amended Declaration duly recorded.

Section 3. Definitions. The terms used in these Bylaws (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of these Bylaws and of any amendment hereto shall have the respective meanings specified in Paragraph 3 of the Declaration of Unit Ownership.

SCHEDULE "D"

TO DECLARATION OF UNIT OWNERSHIP FOR OAK BLUFF AT BRANDYWINE BAY, A
CONDOMINIUM, DATED THE 2nd DAY OF December, 1976.

SCHEDULE "D" IS THE DRAWINGS. SEE PARAGRAPH 3(L) OF THE
DECLARATION OF UNIT OWNERSHIP

SCHEDULE "E"

TO DECLARATION OF UNIT OWNERSHIP FOR BAK BLUFF AT BRANDYWINE BAY, a CONDOMINIUM, DATED THE 24th DAY OF December, 19 76 (SEE NOTE BELOW).

Percentage of Undivided Interest in Common Elements

Building	Unit Number	Type of Unit	(a)	(b)
11	111	Croatan	.02318	.01159
	112	Bogue	.02649	.01324
	113	Albemarle	.02980	.01490
12	121	Roanoke	.02980	.01490
	122	Croatan	.02152	.01076
	123	Bogue	.02483	.01241
124	124	Croatan	.02152	.01076
	125	Bogue	.02483	.01241
	131	Curriltuck	.02483	.01241
13	131	Curriltuck	.02483	.01241
	132	Croatan	.02152	.01076
	133	Curriltuck	.02483	.01241
134	134	Curriltuck	.02483	.01241
	141	Cartaret	.02649	.01324
	142	Curriltuck	.01987	.00993
14	141	Cartaret	.02649	.01324
	143	Croatan	.01656	.00828
	151	Curriltuck	.01821	.00910
15	151	Curriltuck	.01821	.00910
	152	Croatan	.01656	.00828
	153	Curriltuck	.01821	.00910
154	154	Curriltuck	.01821	.00910
	155	Albemarle	.02152	.01076
	156	Croatan	.01656	.00828
157	157	Curriltuck	.01821	.00910
	158	Cartaret	.02152	.01076
	161	Curriltuck	.01821	.00910
16	161	Curriltuck	.01821	.00910
	162	Croatan	.01656	.00828
	163	Curriltuck	.01821	.00910
164	164	Albemarle	.02152	.01076
	165	Curriltuck	.01821	.00910
	171	Curriltuck	.01821	.00910
17	171	Curriltuck	.01821	.00910
	172	Croatan	.01656	.00828
	173	Curriltuck	.01821	.00910
174	174	Albemarle	.02152	.01076
	175	Curriltuck	.01821	.00910
	176	Curriltuck	.01821	.00910
177	177	Curriltuck	.01821	.00910
	181	Croatan	.01821	.00910
	182	Curriltuck	.01821	.00910
18	181	Croatan	.01821	.00910
	182	Curriltuck	.01821	.00910
	183	Croatan	.01821	.00910
19	191	Pamlico	.03311	.01655
	192	Curriltuck	.02483	.01241
	193	Curriltuck	.02483	.01241
194	194	Albemarle	.02815	.01407
	195	Croatan	.02152	.01076
	196	Curriltuck	.02483	.01241
197	Pamlico	.03311	.01655	

NOTE: (1) Column (a) above denotes the percentage of undivided interest appurtenant to each dwelling unit constructed within the Condominium project during such time as Phase 1 only is subject to the Declaration of Unit Ownership.

(2) Column (b) above denotes the minimum percentage of undivided interest appurtenant to each dwelling unit within Phase 1 of the Condominium project if all 46 additional dwelling units become subject to the Declaration.

(3) The percentages of undivided interest in the common elements appurtenant to each dwelling unit now or hereafter made subject to this Declaration are based upon values assigned by Declarant to each such dwelling unit solely for this purpose. Such values do not necessarily reflect or represent the selling price or other circumstantial value for the particular dwelling unit and no opinion, appraisal, sale or market value transaction at a greater or lesser price than the assigned value utilized in computing said percentages shall be interpreted as requiring or permitting any change in the percentage of undivided interest assigned herein.

SCHEDULE "E-1"

TO DECLARATION OF UNIT OWNERSHIP FOR OAK BLUFF AT BRANDYWINE BAY, A CONDOMINIUM,
DATED THE 2nd DAY OF December, 1976 (SEE NOTE BELOW).

Maximum Annual Assessment for each OAK BLUFF AT BRANDYWINE BAY Dwelling Unit
up to and including December 31, 1977

Building	Unit Number	Monthly Payment Towards Maximum Annual Assessment	
		(a)	(b)
11	111	\$67.90	21.50
	112	77.59	21.50
	113	87.29	21.50
	114	67.90	21.50
12	121	87.29	21.50
	122	63.04	21.50
	123	72.73	21.50
	124	63.04	21.50
	125	72.73	21.50
13	131	72.73	21.50
	132	63.04	21.50
	133	72.73	21.50
	134	72.73	21.50
14	141	77.59	21.50
	142	58.20	21.50
	143	48.51	21.50
15	151	53.34	21.50
	152	48.51	21.50
	153	53.34	21.50
	154	53.34	21.50
	155	63.04	21.50
	156	48.51	21.50
	157	53.34	21.50
	158	63.04	21.50
16	161	53.34	21.50
	162	48.51	21.50
	163	53.34	21.50
	164	63.04	21.50
	165	53.34	21.50
17	171	53.34	21.50
	172	48.51	21.50
	173	53.34	21.50
	174	63.04	21.50
	175	53.34	21.50
	176	53.34	21.50
	177	53.34	21.50
18	181	53.34	21.50
	182	53.34	21.50
	183	53.34	21.50
19	191	96.98	21.50
	192	72.73	21.50
	193	72.73	21.50
	194	82.46	21.50
	195	63.04	21.50
	196	72.73	21.50
197	96.98	21.50	

NOTE: (1) Column (a) above denotes the monthly payment towards the maximum annual assessment which the UNIT OWNER'S ASSOCIATION may impose against each OAK BLUFF AT BRANDYWINE BAY Dwelling Unit to and including December 31, 1977.

(2) Column (b) above denotes the monthly payment towards the maximum annual assessment which the BRANDYWINE BAY ASSOCIATION may impose against each OAK BLUFF AT BRANDYWINE BAY Dwelling Unit to and including December 31, 1977.

SCHEDULE "F"

TO DECLARATION OF UNIT OWNERSHIP FOR OAK BLUFF AT BRANDYWINE BAY, a
CONDOMINIUM, DATED THE 2nd DAY OF December, 1976.

RETAINED LANDS Description:

The "Retained Lands" consist of five (5) tracts of land containing an aggregate of approximately seven hundred fifty (750) acres located approximately five (5) miles west of Morehead City, in Carteret County, North Carolina. The first tract is situated on the south side of N. C. Highway No. 24 between N. C. Highway No. 24 and Bogue Sound immediately southeast of the intersection of N. C. Highway No. 24 and McCabe Road and contains approximately 25 acres. The second tract is situated on the south side of N. C. Highway No. 24 between N. C. Highway No. 24 and Bogue Sound immediately east of the property owned by the J. W. Murphree Company and contains approximately thirty (30) acres. The third tract is situated between N. C. Highway No. 24 and U. S. Highway No. 70 and is bordered along its western boundary by McCabe Road and contains approximately six hundred and eighty (680) acres. The remaining two parcels are situated on the western side of McCabe Road approximately fifteen hundred (1,500) feet north of its intersection with McCabe Road and contain approximately five (5) acres each. The "Retained Lands" are portions of the property conveyed to the Brandywine Bay Development Corporation by J. C. Livingston, Nominee (Agent) by a Deed dated December 2, 1976 and recorded among the land records of Carteret County, North Carolina and are the same lands as are generally shown on Sheet 4 of the "Drawings" for OAK BLUFF AT BRANDYWINE BAY, a Condominium, said "Drawings" being recorded among the public records of Carteret County, North Carolina; said Sheet 4 having been prepared by C. C. King, Registered Land Surveyor of Beaufort, North Carolina; said Sheet 4 being labelled "Overall Brandywine Bay Property" and being herein referred to for more particular description of the property.