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NORTH CAROLINA
DARE COUNTY

ALVA G. WISE
REGISTER OF DEEDS
DARE COUNTY, N.C.

DECLARATION OF UNIT OWNERSHIP
THE SEAWALK CONDOMINIUMS
KILL DEVIL HILLS, NORTH CAROLINA

WALKERS DUNE, INC., a Virginia stock corporation qualified to transact business in the State of North Carolina, and M. H. HOOD ELLIS, Trustee for Home Federal Savings and Loan Association of Norfolk, Virginia, pursuant to Chapter 47A of the North Carolina General Statutes entitled "Unit Ownership Act" does hereby state and declare:

SECTION 1. Statement of Submission

A. WALKERS DUNE, INC. is the record owner of the land hereinafter described and hereby declares and submits the same to the condominium form of ownership and use in accordance with Chapter 47A of the General Statutes of North Carolina, entitled Unit Ownership Act.

1. The name by which the condominium is to be identified is "SEAWALK CONDOMINIUMS", located in the Town of Kill Devil Hills, Dare County, North Carolina.

2. The legal description of the land which is included in and submitted to condominium ownership ("Property") is located in the Town of Kill Devil Hills, Atlantic Township, Dare County, North Carolina and more particularly described as follows:

All that certain parcel of land lying and being in the Town of Kill Devil Hills, Atlantic Township, Dare County, North Carolina, and more particularly described as follows:

Beginning at a point located in the Eastern margin or right of way of U.S. 158 Business Highway, sometimes referred to as Virginia Dare Trail, said highway having a 60 foot right of way at this point, and said point of beginning being located a distance of 75 feet on a course of North 19° 30' West along the Eastern margin of said highway from the intersection point of such Eastern margin of the highway with the Northern margin or right of way of Eighth Street, such street having a 50 foot right of way; running thence from the point of beginning along the Eastern margin or right of way of Virginia Dare Trail a course of North 19° 30' West a distance of 175 feet to a point, said point marking the Southwestern

corner of Lot No. 8 of Block 3, Section 4, of the subdivision known as Nags Head Shores as shown on a map or plat recorded in Map Book 1, page 179, of the Dare County Public Registry; thence turning and running North 70° 30' East a distance of 310.44 feet to a point, which point marks the Northern terminus of a tie-line hereafter referred to; thence continuing a course of North 70° 30' East a distance of 183 feet, more or less, to the highwater mark of the Atlantic Ocean; thence turning and running in a general Southerly direction following the courses and meanderings of the Atlantic Ocean and the highwater mark thereof to a point, which point is located a distance of 208 feet, more or less, on a course of North 70° 30' West from the Southern terminus point of the tie-line referred to above (said tie-line having a distance of 175 feet between its Northern and Southern terminus points and a bearing of North 19° 30' West from the Southern terminus point to the Northern terminus point); running thence from the point located in the highwater mark of the Atlantic Ocean a distance of 208 feet, more or less, on a course of South 70° 30' West to the Southern terminus point on the tie-line referred to above; thence continuing a course of South 70° 30' West a distance of 310.44 feet to a point in the Eastern margin or right of way of Virginia Dare Trail, which point marks the point or place of beginning.

Same being all of Lots 9, 10, 11 and the Northern one-half of Lot 12 of Block 3, Section 4, Nags Head Shores as shown on a map or plat recorded in Map Book 1, page 179, Dare County Public Registry, dated April, 1936, and prepared by C. R. McIntire, Engineer.

Reference is made to a deed from Sea Side Associates, dated January 29, 1982, to Walkers Dune, Inc. recorded in the Office of the Register of Deeds of Dare County in Book 321, page 1038.

SECTION 2. Definitions. All terms shall have the meaning as set out in Chapter 47A of the General Statutes of North Carolina ("Condominium Act") and in addition thereto and for clarification, the following terms shall have the following meanings:

A. "Apartment unit" means "condominium unit" or "units" and is synonymous therewith as defined in N.C.G.S. 47A3(12).

B. "Association" or "Association of Unit Owners" means all of the unit owners acting as a group in accordance with the By-Laws and Declaration. As to the Seawalk Condominiums, this term means the Seawalk Condominiums Homeowners Association, Inc., a non-profit corporation organized and existing under the laws of the State of North Carolina.

C. "Articles" means the Articles of Incorporation of the Association.

D. "Board of Directors" means the executive and administrative body designated as the governing body of the Association.

E. "Building" means a building, or a group of buildings, each building containing two or more units, and comprising a part of the Property.

F. "By-Laws" means the By-Laws of the Association.

G. "Common Areas" or "Common Elements" means all that portion of the condominium property which is not included in the individual condominium units and as further defined in N.C.G.S. 47A-3(2), except those items listed in paragraphs 'h' therein, unless specifically set out in this section.

H. "Common Expenses" means expenses for which the Condominium unit owners are liable to the Association as defined in the North Carolina Unit Ownership Act and in the condominium documents and includes:

1. All sums lawfully assessed against the unit owners by the Association of Unit Owners;

2. Expenses of administration, maintenance, repair or replacement of the common areas and facilities, and Association-owned property;

3. Expenses agreed upon as common expenses by the Association of Unit Owners;

4. Expenses declared common expenses by the provisions of Chapter 47A of the General Statutes, or by the Declaration or the By-Laws;

5. Hazard and liability insurance premiums, if required.

6. Flood Insurance premiums, if required.

I. "Common profits" means the balance of all income, rents, profits, and revenues from the common areas and facilities remaining after the deduction of the common expenses.

J. "Condominium" means the ownership of single units as a multi-unit structure with common areas and facilities.

K. "Convertible Land" shall mean one or more building sites, that is to say, a portion of the common elements, within which additional units and/or limited common elements may be created in accordance with this declaration.

L. "Declaration" means the instrument, duly recorded, by which the property is submitted to the provisions of Chapter 47A of the General Statutes, as hereinafter provided, and as such declaration from time to time may be lawfully amended.

M. "Developer" means Walkers Dune, Inc., a Virginia corporation qualified to transact business in the State of North Carolina, or assigns.

N. "Limited common areas and facilities" means and includes those common areas and facilities which are set forth in this Declaration, or agreed upon by all the Unit owners to be reserved for the use of a certain number of units to the exclusion of the other units, such as special corridors, stairways, balconies, decks, sanitary services common to the

units of a particular floor, and the like.

O. "Majority" or "majority of unit owners" means the owners of more than fifty percent (50%) of the aggregate interests in the common areas and facilities as established by the declaration, assembled at a duly called meeting of the Unit owners.

P. "Petson" means individual, corporation, partnership, association, trustee, or other legal entity.

Q. "Property" means and includes the land, the buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto, and all articles of personal property intended to be submitted to the provisions of this chapter.

R. "Owner" means Walkers Dune, Inc.

S. "Recordation" means to file of record in the office of the county register of deeds in Dare County, in the manner provided by law for recordation of instruments affecting real estate.

T. "Unit" or "condominium unit" means an enclosed space consisting of one or more rooms occupying all or part of a floor in a building of one or more floors or stories regardless of its designated use and shall include such accessory spaces and areas as may be described in the declaration, such as garage space, storage space, balcony, terrace or patio, provided it has a direct exit to a thoroughfare or to a given common space leading to a thoroughfare.

U. "Unit designation" means the number, letter, or combination thereof designating the unit in the declaration.

V. "Unit Owner" means a person, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns a unit within the building.

SECTION 3. Building Description. The condominium building, constructed on the Property, consists of one building. The building consists of seven (7) dwelling units. The building is supported on reinforced concrete construction and on treated wood pilings.

All units are wood-frame construction meeting the requirements of the North Carolina Building Code as modified or amended by the Town of Kill Devil Hills as in force at the date of this Declaration. All interior partitions and living spaces are finished with gypsum dry wall, taped and painted. The thickness of the dry wall varies from a minimum of 1/2 inch to a maximum of 5/8 inches. The ceilings are finished with gypsum dry wall, with a sprayed, textured gypsum finish. Other speciality finishes are provided in accordance with the approved plans and specifications. Floors are covered, in part, with 100 percent nylon, medium-density carpet, of a medium height. Other floor areas are covered with 1/8 inch sheet vinyl.

The exterior siding material is 3/8 to 3/4 inch horizontal board cedar or cyprus siding. Exterior decks and all exposed exterior structural members are salt-treated lumber. The roofing is sheathed with 1/2 inch CBX plywood with 15-pound roofing felt and asphalt shingles, standard weight, UL wind resistant, Class C label.

All windows are in accordance with the approved plans. All window units are anodized metal frame or vinyl-clad wood, with a 1/2 inch double glazing system. Each unit has bathroom fixtures, plumbing fixtures, light fixtures and other accessories as shown on the approved plans.

Each unit includes the following appliances: one (1) 7-cubic foot frostless refrigerator, one (1) four-burner electric range, one (1) dishwasher.

All other items of construction are in accordance with the approved plans and specifications.

SECTION 4. Apartment Unit Designation and Description.

There are seven (7) condominium unit apartments in the condominium building, each apartment being designated by a numerical figure. The seven (7) units are constructed in a three-story arrangement running along a line from north to south. The northernmost three story-column of construction contains Units Number 1 and 2. Unit Number 1 is also designated in the as-built survey as Model "A." Unit Number 2 is also designated in the as-built survey and plans as the northernmost Model "B." Unit Number 1 is a two-bedroom unit occupying the lower two floors of the northernmost column of construction. Unit Number 2 is a one-bedroom unit, located on the floor above Unit Number 1.

The remaining four-columns of construction, running north to south are referred to herein as the second through fifth columns for convenience and clarity. The second, third, and fourth columns each contain one unit which occupies three floors and contains two bedrooms, living room, dining room, kitchen and den. These three units are designated as Units 3, 4, and 5 respectively and are shown on the attached plans and survey as Model "C."

The fifth column of construction contains Units 6 and 7. Unit 6 is designated in the attached survey and plans as Model "D." Unit 7 is designated in the attached survey and plans as Model "E." Unit Number 6 is a two bedroom unit occupying the lower two floors of the fifth column of construction. Unit Number 7 is a one bedroom unit, located on the floor above Unit Number 6.

Each of the condominium units shall be known and designated by the numerical figures set forth herein as referenced to the model type and plans attached hereto. Each unit shall consist of an enclosed space designated as a dwelling occupying part of one or more floors in a building as shown on the plats recorded in the Dare County Registry and lying between the unfinished surface of the floor and the unfinished surface of the ceiling of each floor or story of the building and between the interior unfinished surface on the inside of each unit. The balcony, or balconies, adjoining each unit shall be a part thereof and shall be bounded horizontally by vertical planes coinciding with the interior surface of the railings, and the exterior surface of the wall of the building, and extending vertically from the top of the unfinished floor of the balcony to a horizontal plane in an extension of the bottom of the unfinished ceiling of the unit.

Each condominium unit shall include the exclusive right to all space and facilities located within the area above described for each such unit including, but not limited to, partitions, doors, windows, plumbing, electric and other facilities located within that condominium unit, except such

elements hereinafter described as general common elements.

Each apartment unit shall have access over a common area walkway leading to the pool area.

A full and exact copy of the plans of the building is filed in the Unit Ownership Book, Dare County Registry.

SECTION 5. Common Elements, Areas and Expenses Related Thereto.

A. The general common elements or areas located in the Property shall be as follows:

1. Except as excluded in this Section 5, and Section 8 all of the land and the premises above described in Section 1 hereof, including all appurtenant rights thereto, shall be general common elements. All facilities located underground shall be general common elements, including any septic tank installation and associated pumps, tanks, drainfields, and lines, and waste treatment facilities and systems associated therewith.

2. At the ground level and extending there upwards, all of the area of said premises not included in the condominium units as described in Section 4 hereof and all facilities not located in said condominium areas, including pool deck area, shall be general common areas.

3. Any lighting facilities, equipment and wiring installed to illuminate the above general common elements and all electric lines, both primary and secondary, leading to but exclusive of any individual unit electric meter, shall also be general common elements.

4. In addition, those items set out in the Condominium Act, except as herein reserved or excepted, shall be general common elements.

5. Also included as general common elements are water supply lines to the individual common units, vent lines, plumbing facilities, sanitary sewerage lines, waste pipes and vents, located outside the individual condominium units, or serving more than one unit.

B. Each condominium unit or apartment owner shall own a share in the common elements and in any surplus funds possessed by the Association and shall be liable for the common insurance expenses as follows:

<u>Unit #</u>	<u>Model</u>	<u>Appraised Value</u>	<u>Percentage</u>
1	A	\$116,500	15.169%
2	B	85,000	11.068%
3	C	125,000	16.276%
4	C	125,000	16.276%
5	C	125,000	16.276%
6	D	110,500	14.388%
7	E	81,000	10.547%
			<u>100%</u>

C. Each Unit or apartment owner shall be assessed at the beginning of each calendar quarter for dues for Association expenses other than insurance, at the monthly rate as follows:

<u>Unit No.</u>	<u>Monthly Assessment</u>
1	\$50.00
2	40.00
3	60.00
4	60.00
5	60.00
6	50.00
7	40.00

SECTION 6. Limited Common Elements or Areas.

The limited common elements or areas are those portions of the common areas specifically designated, now or in the future, for the exclusive use of less than all of the apartment units.

SECTION 7. Easements.

A. Perpetual Non-Exclusive Easement in Common Areas.

The common elements or areas shall be, and the same are hereby declared to be subject to a perpetual non-exclusive easement which easement is hereby created, in favor of all of the apartment or Unit Owners in the condominium for their use and for the use of their immediate families, guests, invitees and licensees, and for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended. In addition, this easement shall run in favor of the Developer, its assigns, the Condominium Association, and all Unit Owners, present and future, and may be used for the providing of electric power, telephone, sewer, water, and other utility services and lighting facilities, including but not limited to television transmission facilities, security services, and facilities connected therewith for the benefit of Unit Owners in the existing Association as well as those in the Convertible Lands. The Owners, for themselves, their heirs and assigns and the Association herein described reserve the right to impose upon the common elements henceforth and from time to time such easements and cross easements for any of the foregoing purposes as they deem to be in the best interest of and necessary and proper for, the owners of apartments and units in the Sea Walk Condominiums.

B. Encroachment Easement. The entire condominium property, including common areas and individual condominium units or apartments shall be subject to easements for encroachments which now exist, caused by the settlement or movement of the building, or caused by minor inaccuracies in construction or reconstruction, which encroachments shall be permitted to remain undisturbed and which said easement shall run in favor of each individual condominium Unit Owner the Association and the Developer.

C. Easement for Recreation, Parking, Access, Egress and Ingress.

There is hereby conveyed and reserved a non-exclusive easement of access, egress and ingress to and from the condominium buildings and U.S. Highway 158 Business and the Atlantic Ocean and for other purposes herein expressed over, upon and across all of the lands dedicated to unit ownership and described in Section 1 of this Declaration.

The herein conveyed easement shall be subject to such regulations and rules as to the use thereof as may be promulgated by the Association from time to time, which said

regulations may control and regulate parking, assignment of parking spaces, walkways, driveways and passageways. The aforesaid easement is also subject to the right of the Association and the owners to construct, build or place thereon such recreational facilities as, but not limited to, a swimming pool as in the discretion of the owners or the Association may be deemed desirable.

D. Easement for Construction. There is retained, by Developer, a construction easement over, upon and across the common elements or areas and also, over, upon and across those lands set out and described in Section 1 for the purposes of constructing improvements on the properties now owned by Developer, said easement to run in favor of Developer, its heirs and assigns, its contractor and subcontractors, laborers, and materialmen.

E. Easements for Utilities, Sewerage and Waste Treatment Facilities. There is conveyed hereby an easement of right of way in and to the lands described in Section 1 for the benefit of the condominium Unit Owners and the association, for the construction, operation and maintenance of all utility lines, pipes, sewerage lines, septic tanks, waste treatment facilities, pumps, drain lines and facilities related thereto, which said easement shall also inure to the benefit of the Owner, and all future property owners located or to be located in the tract owned by the owner.

SECTION 8. Conversion of Convertible Land.

The Developer hereby expressly reserves the right, in its sole discretion, without the consent of any Unit Owner or mortgagee and without any other limitations, to create additional units or limited common elements, or both, on all or any part of the Convertible Lands, at any time or times, as such lands are more particularly described hereinbelow. The said conversion of condominium convertible lands shall be governed by the following conditions:

(a) All units to be created on the Convertible Land shall be restricted exclusively to residential use.

(b) Any structure erected on the Convertible Land shall be compatible with structures on other portions of the submitted land in terms of quality of construction. The Developer gives no assurances as to the principal materials to be used or the architectural styles of structures which may be erected on the Convertible Land. The Developer may erect additional units and limited common elements appurtenant thereto on the Convertible Lands. In addition, the declarant may erect other improvement such as parking areas, utility installations, recreational facilities and such other ancillary improvements which the declarant, in its sole discretion, deems necessary to the use and enjoyment of the units.

(c) The Developer shall have the right, exercisable in its sole discretion, to create limited common elements within the Convertible Lands and/or to designate common elements therein which may subsequently be assigned as limited common elements. Said limited common elements shall be only those improvements which serve or relate to less than all units only and which would constitute limited common elements were they a part of the improvements built on land other than Convertible Land. That is, limited common elements to be erected on Convertible Land shall be of the same nature and type as limited common elements existing on non-convertible land as described in the condominium

documents.

(d) Units built on Convertible Land may be similar to units on other portions of the submitted land. Units will be contemporary in design and will not exceed 2,000 square feet of living area per unit. Units built on convertible land may, or may not, be substantially identical to units on other portions of the submitted land.

(e) The conversion or conversions, if any, of the condominium Convertible Land shall all occur within twenty (20) years after the recordation of this Declaration.

(f) The Developer reserves the right to create additional units and limited common elements on the Convertible Land at different times and in one or more phases, without limitation.

(g) Assessments pertaining to any Unit erected on Convertible Land shall not commence to accrue until conversion affecting the Unit takes place by recordation of the appropriate instruments with the Public Registry, Dare County, North Carolina.

(h) Prior to the expiration of the twenty (20) year period described in subparagraph (e) above, the Declaration may not be terminated without the express written consent of the Developer or its assignee.

(i) Upon the due recordation of an amendment or amendments to this Declaration and appropriate plats and plans creating additional units and limited common elements on Convertible Land, each unit so created shall have an appurtenance to that unit an undivided ownership interest in all the common elements. Reallocation of fractional interests in the common elements among all units, including the units depicted on the survey and plans, attached to this Declaration and units created on Convertible Land, shall take place upon the recordation of the appropriate instruments pursuant to the Condominium Act and upon such recordation all units shall henceforth have an undivided interest in the common elements in accordance with their relative appraised value as approved in the sole discretion of Developer, or its assigns.

(j) The said Convertible Land is described as follows:

All that certain parcel of land located in Dare County, Atlantic Township, in the Town of Kill Devil Hills, more particularly described as follows:

Beginning at a point in the Eastern margin or right of way of U.S. 158 Business Highway, sometimes known as Virginia Dare Trail, said road having a 60 foot right of way at this point, and said point of beginning being located a distance of 75 feet on a course of North 19° 30' West from the intersection point of the Eastern margin of U.S. 158 Business Highway with the Northern margin of Eighth Street, said road having a 50 foot right of way; running thence from the point of beginning a course of North 19° 30' West a distance of 93 feet along the Eastern margin of U.S. 158 Business

Highway to a point; thence turning and running a distance of 198.80 feet on a course of North 70° 30' East to a point; thence turning and running South 19° 30' East a distance of 27.35 feet to a point; thence turning and running North 70° 30' East a distance of 295.0 feet, more or less, to the highwater mark of the Atlantic Ocean; thence turning and running in a general Southerly direction along the highwater mark of the Atlantic Ocean a distance of 65.65 feet, more or less, to a point in the highwater mark of the Atlantic Ocean, which point is located a distance of 518.44 feet, more or less, on a course of North 70° 30' East from the point of beginning set forth above; thence turning and running South 70° 30' West a distance of 518.44 feet, more or less, to the point or place of beginning.

Said parcel comprising an area known as Parcel B.

(k) The Convertible Land may be converted in whole or in part in the sole discretion of the Developer. In the event that Developer so elects, all or a portion of the Convertible Land may be withdrawn from the terms and effect of this Declaration and upon such withdrawal, the lands so withdrawn shall be free and clear of the effects of this Declaration. The withdrawal shall be accomplished by the recordation of a certificate of withdrawal by the Developer in the office of the Register of Deeds of Dare County, North Carolina. A copy of such certificate will be delivered to the Board of Directors of the Association at the time of withdrawal. The language within this Declaration and/or the inclusion of various properties on the plat of the condominium or on the plans filed herewith shall not alter or diminish the rights retained in this paragraph and section and the owners of units subject to this Declaration shall have no rights in the lands described as Convertible Lands unless and until an Amended Declaration so provides.

(l) If the period of twenty (20) years passes as described in paragraph (e) above, and no Amended Declaration has been filed which affects the Convertible Lands, such lands will thereafter be considered a portion of the total common property owned by the Association and the unit owners and no further declaration shall be required.

SECTION 9. Statement of Purpose, and Restrictions as to use.

A. The Sea Walk Condominiums are residence-type condominiums and shall be used for single family residences, vacation or resort living units by the Unit Owner, his family, servants and guests, or tenants and lessees, their servants and guests, and for no other purposes. No condominium unit may be used for a commercial, professional, or home business enterprise or as a hotel or motel, provided, however, that this section will not prevent any Unit Owner from renting or leasing his condominium unit either himself or through his agent.

B. Each condominium unit is subject to alienation, mortgage or transfer as is any other real property located within the State of North Carolina, however, no condominium Unit Owner may mortgage or convey by deed of trust his apartment or condominium unit or convey the same as collateral, to any person, firm or corporation except as said

conveyance, mortgage or deed of trust shall be a first lien deed of trust or first mortgage or a purchase money mortgage or deed of trust on the condominium unit, unless prior approval is obtained from the Association.

C. The space within any of the condominium units and common elements shall not be further subdivided and any instrument, whether a conveyance, mortgage, deed of trust or otherwise, which describes only a portion of the space within any apartment shall be deemed to describe the entire apartment unit owned by the person, firm or corporation executing such instrument.

D. No Condominium Unit Owner shall show any sign, advertisement or notice on any of the common elements, windows, porches, or balconies, or upon his condominium unit and shall erect no exterior antenna or antenna upon any portion or any part of his apartment or on any of the common elements.

E. An individual condominium Unit Owner may keep a pet or pets in his unit, but only under the regulations as promulgated by the Association from time to time, and no person may keep any other animals, livestock, or poultry nor may any of the same be raised, bred or kept upon any portion of the condominium property, including the common elements, balconies and terraces. The Association shall have the authority to declare any pet or pets a nuisance and may cause the owner thereof to remove the same from the condominium property.

F. No apartment or Unit Owner shall permit or suffer anything to be done or kept in his unit which will increase the insurance rates on his unit or the common elements, or which will obstruct or interfere with the rights of other owners or otherwise. No Unit Owner shall permit any open fire or charcoal-type grill to be operated on any balcony. This restriction shall be published in a conspicuous place in the Unit for observance by tenants of Unit Owners. No Unit Owner shall commit or permit any nuisance, immoral or illegal act in his unit, or on the common elements.

G. No trailer, tent, storage shed, garage or other similar outbuilding or structure shall be placed on the Property at any time, either temporarily or permanently, excepting that individual boat trailers, not exceeding the size of one parking space, may be permitted provided said parking space or area is properly assigned to the individual Unit Owner who owns the said boat trailer or with the express written consent of any other Unit Owner for the use of his assigned parking space therefor. This restriction shall not apply to the Owners, their contractor, subcontractors, laborers or materialmen until such time as all apartment or condominium units have been constructed and sold in the Sea Walk Condominiums.

H. No condominium Unit Owner shall make structural modifications or alterations in his unit or the permanent fixtures therein unless he has previously obtained written approval therefor, in writing from the Board of Directors of the Association.

I. Unit Owners shall abide by and be subject to such rules and regulations as may be adopted by the Association and as may be set out herein or in the by-laws of the Association as the same from time to time may be amended.

SECTION 10. Maintenance and Alteration of Apartment Units.

A. The Association shall maintain, repair and replace all portions of the condominium building, except interior surfaces and walls, contributing to the support of the apartment building, which portions shall include but not be limited to the outside walls of the apartment building and all fixtures, including plumbing and electrical fixtures, on the exterior thereof; boundary walls of apartments; floor slabs and roofs; and load-bearing piers and load-bearing walls.

B. The responsibility of the apartment Unit Owner shall be:

1. To maintain, repair and replace at his expense all portions of his apartment unit except the portions to be maintained, repaired and replaced by the association.

2. Not to paint, or otherwise decorate or change the appearance of any portion of the exterior of the condominium building.

3. To repair any frozen pipes, repair any stopped sewer and sink lines, to repair any heating and air conditioning equipment, whether located within an apartment unit or on a limited common element, and to replace any broken window panes or doors that serve an individual apartment unit.

4. To promptly report to the Association any defect or need for repairs, the responsibility for which is that of the Association.

C. Neither a Unit Owner nor the Association shall make any alteration in the portions of an apartment unit or the building which is to be maintained by the Association, or remove any portion thereof, or make any additions thereto, or do anything which would jeopardize the safety or soundness of the building or impair any easement, without first obtaining approval in writing of owners of all apartment units in the condominium building.

SECTION 11. Maintenance and Alterations of Common Elements and Association Property.

A. The maintenance and operation of the common elements, including any limited common elements, and property, real and personal, owned by the Association shall be the responsibility and expense of the Association.

B. After the completion of the improvements including the common elements which are contemplated by this Declaration, there shall be no alteration or further improvements of the real property constituting the common elements, other than pursuant to the express easements set forth herein, without prior approval in writing by the owners of not less than 75 percent of the common elements and any such alteration or improvement shall not directly interfere with the rights of any Unit Owner, without first obtaining his written consent. There shall be no change in the shares and rights of any Unit Owner in the common elements which are altered or further improved, whether or not such Unit Owner contributes to the cost thereof, except by an Amended Declaration.

SECTION 12. Assessments.

A. Assessments against apartment Unit Owners for common

expenses shall be made pursuant to North Carolina General Statutes Section 47A-12 and the By-Laws of the Association shall be allocated as set forth in Section 5, paragraph B of this Declaration. Assessments shall commence to accrue as to all units, except those constructed on Convertible Land, or those units which have not been constructed, upon the conveyance of the initial unit and the Declarant shall then-eforth be responsible for 100% of all assessments attributable to the units which are unsold and until such time as each unit is conveyed, excepting unfinished units built on Convertible Land.

B. Any sums assessed by the Association for the share of the common expenses chargeable to any unit, and remaining unpaid for a period of thirty (30) days or longer, shall constitute a lien on such apartment unit when filed for record in the Office of the Clerk of Superior Court of Dare County by the Association under the provisions of Article 8 of Chapter 44 of the North Carolina General Statutes and any amendments or supplements thereto. The lien created herein shall be prior to all other liens except (a) liens for real estate taxes due and unpaid, (b) all sums unpaid on deeds of trust and other encumbrances recorded against the unit prior to the docketing of this lien, and (c) materialmen's and mechanics liens.

C. A lien created pursuant to Paragraph B above may be foreclosed by suit by the Board of Directors of the Association, acting on behalf of the apartment Unit Owners, in like manner as a foreclosure of a deed of trust or mortgage of real property. The Board of Directors of the Association, acting on behalf of the apartment Unit Owners, may maintain a suit to recover a money judgment for unpaid common expenses without foreclosing or waiving the lien securing said common expenses. The Unit Owner shall be responsible for all court costs, interest and reasonable attorney's fees incurred in the collection, by foreclosure or otherwise, of said lien for common expenses. Except for purchasing at foreclosure as herein stated, the Association shall not purchase or own a condominium unit.

D. Any sum assessed by the Association for the share of the common expenses due prior to the acquisition of title to an apartment unit pursuant to a foreclosure proceeding of a mortgage or deed of trust shall not be assessed against the mortgage or deed of trust of record who forecloses said mortgage or other purchaser of the apartment unit as a result of the foreclosure of a mortgage. Any sums assessed against the apartment unit which is the subject of a foreclosure of a mortgage shall be collectible, from the former owner, or if not collectible, from all apartment Unit Owners, including the purchaser at the foreclosure sale, in the proportions which their shares in the common elements bear to each other.

E. No apartment Unit Owner may exempt himself from contributing toward the common expenses by waiver of the use or enjoyment of the common elements and facilities or by abandonment of the apartment unit belonging to him.

SECTION 13. Association. The operation of the condominium shall be by Sea Walk Condominiums Homeowners Association, Inc., hereinafter called the Association, a non-profit corporation under the laws of North Carolina which shall be organized and shall fulfill its functions pursuant to the following provisions.

A. The members of the Association shall be the con-

dominium Unit Owners.

B. The Association has been incorporated under the Articles of Incorporation, a true copy of which is attached as Exhibit B. The Articles of Incorporation may be amended as permitted by law without amending this Declaration.

C. A true copy of the initial By-Laws of the Association is attached as Exhibit C, but may be amended as therein provided or as permitted by law without amending this Declaration, except as required by law.

D. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to such member's apartment unit.

E. Whenever the decision of an apartment Unit Owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person, in person or by proxy who would cast the vote of such owner if in an Association meeting. Where any unit is owned as a tenancy in common or as a tenancy by the entirety, said tenants may determine between or among themselves how the vote to which they are entitled shall be cast, but the chairman of the meeting of the Association shall not accept any division of a vote that said owners would otherwise be entitled to cast if said tenants do not unanimously agree between or among themselves as how their vote would be cast.

SECTION 14. Damage or Destruction Insurance.

If any part of the improvements is damaged by casualty, the same shall be reconstructed and restored to its original condition and materials of substantially the same quality and type shall be used, and the architectural style and appearance of the original improvements shall be adhered to. In the event of casualty, the improvements shall be reconstructed as aforesaid and there shall be no termination of the condominium regime unless the Condominium is terminated as provided hereinabove.

Subject to the provisions of this Section, in the event of damage to or destruction of all or any part of the improvements as a result of fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration of the Property (including any damaged units therein, and any kitchen or bathroom fixtures initially installed therein by the Owners, and replacements thereof installed by a Unit Owner, but not including any other furniture, furnishings, fixtures, or equipment installed therein by the Unit Owners. Notwithstanding the foregoing, each Unit Owner shall have the right to supervise the redecorating of his Unit.

In the event of any casualty loss, the proceeds from the hereinafter-described policies of insurance shall be applied to the cost of repair or reconstruction. In the event that said proceeds are not sufficient to pay the cost of repair or reconstruction, then the Unit Owners shall bear the cost of repairing or reconstructing the common elements, whether general or limited, to the extent that insurance proceeds are deficient, and all Units shall be assessed for the deficiency in proportion to the percentage interest in the common elements appertaining to each Unit.

Insurance proceeds shall be applied first to the repair

and restoration of common elements and then applied to the repair and restoration of Units. In the event that insurance proceeds are insufficient for the repair and restoration of the Units, then funds available for repair and restoration of the Units shall be distributed pro rata to Unit Owners whose Units sustained damage, in proportion to the loss to each Unit. Unit Owners of Units sustaining a loss shall bear their respective losses to the extent of any deficiency in insurance proceeds.

In the event that the Unit Owners agree to terminate the condominium regime subsequent to a casualty loss, the proceeds of each insurance policy insuring the common elements shall be distributed to the Unit Owners and their respective mortgagees prior to the recordation of the instrument terminating the condominium regime. Distribution of insurance proceeds shall be made to each Unit Owner (and his mortgagee) in proportion to the percentage interest in the common elements appertaining to each Unit.

The Association shall, and is hereby required to obtain and maintain flood, casualty, and liability insurance on the Building. Association, as a common expense, shall obtain and maintain a master casualty policy affording flood, fire and extended coverage in an amount consonant with the full replacement value of the structures within the Condominium, without restricting the policy to coverage of the Common Elements, thus assuring sufficient funds for reconstruction and replacement of all improvements, without prejudice to the right of any Unit Owner to insure his own Unit at his own expense, for his own benefit. In the event of reconstruction and replacement all proceeds from the master casualty insurance policy shall be used for reconstruction or repair of the Building. Any surplus of insurance proceeds not required for repair and replacement shall be paid to reserve funds established for future repairs. In addition, the master casualty policy shall provide coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location, and use on a replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost).

Each such policy, or certificate of coverage, must contain the standard mortgage clause which must be endorsed to provide that any proceeds shall be paid to the Association of Unit Owners of Sea Walk Condominium for the use and benefit of mortgagees as their interest may appear.

The net proceeds of insurance collected on account of a casualty and the funds collected by the Board of Directors from assessments against Unit Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Section. The Board of Directors subsequent to a casualty loss shall submit in writing to each mortgagee holding a first mortgage or deed of trust on any Unit, a proposal for the establishment of a construction fund and for the disbursement of funds therefrom. Such proposal shall provide for the obtaining of cost estimates, a schedule of progress payments and such other reasonable provisions and safeguards as the nature and scope of the loss may warrant. Said proposal may call for the appointment of an insurance trustee or other independent third party who may be given control of construction funds or other supervisory responsibilities. Said proposal, if accepted in writing by the holder(s) of a majority of first mortgagees or deeds of trust, shall be binding upon holders

of all mortgages and deeds of trust. Upon such acceptance, the proposal shall be implemented forthwith by the Board of Directors, and repair and reconstruction shall commence as soon as practicable.

Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Unit Owner upon whose property such encroachment exists, provided that such construction is in accordance with the preceding paragraphs.

The Association shall have a comprehensive policy of public liability insurance covering all of the Common Elements, commercial spaces, and public ways in the condominium project. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Condominium Unit Owner because of negligent acts of the Association or other Unit Owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location, and use. Liability coverage shall be for at least \$1,000,000.00 per occurrence, for personal injury and/or property damage.

All insurance proceeds shall be payable to the named insured.

As soon as any policy of insurance has been obtained by or on behalf of the Association, written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be promptly furnished each Unit Owner by the officer required to send notices of meetings of the Association, such notices shall be sent by United States mail, return receipt requested, to all Unit Owners or record at the address of their respective Units and to such other addresses as any of them may have designated to such officer; or such notice may be hand delivered by the said officer, provided he obtains a receipt of acceptance of such notice from the Unit Owner.

SECTION 15. Compliance and Default.

A. Each apartment Unit Owner shall be governed by and shall comply with the terms of this Declaration, the By-Laws of the Association and the regulation adopted pursuant thereto, and by such documents and regulations as the same may be amended from time to time. A violation or default shall entitle the Association, or other apartment Unit Owners, to the relief described in Paragraph D of this Section in addition to the remedies provided by the Unit Ownership Act.

B. An apartment Unit Owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect or carelessness or by that of any member of his family or his or their guests, tenants, employees, agents or lessees. This provision shall apply even though the maintenance, repair or replacement would otherwise be a common expense to be paid by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of an apartment unit or its appurtenances.

C. The failure of the Association or any apartment Unit Owner to enforce any covenant, restriction or other provision of this Declaration, or the Articles or By-Laws of the

Association shall not constitute a waiver of the right to do so thereafter.

D. Any Unit Owner, the manager, Board of Directors of the Association or a combination of Unit Owners may invoke any appropriate civil remedy to enforce the terms of this Declaration or the By-Laws of the Association.

SECTION 16. Amendments.

The provisions for amendment of this Declaration by Developer, without the consent of the Association, or the Unit Owners, in the care of Convertible Lands, is set forth in Section 8. This Declaration may be amended by the Association in the following manner:

A. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting of the members of the Association at which a proposed amendment is to be considered.

B. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by any member of the Association. Directors and members not present in person or by proxy at any meeting considering the amendment may express their approval in writing, providing, such approval is delivered to the secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be by not less than 75 percent of the entire membership of the Association.

C. No amendment shall discriminate against any apartment Unit Owner or against any apartment unit or class or group of apartment units unless the apartment Unit Owners so affected shall consent. No amendment shall change any apartment Unit Owner's share in the common elements appurtenant to his unit, nor increase the apartment Unit Owner's share of the common expenses unless the record owner of the apartment unit and all record owners of liens thereon shall join in the execution of the amendment.

D. A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective when recorded in the office of the Dare County Register of Deeds.

SECTION 17. Agent for Service of Process.

A. Starkey Sharp, Esq., whose address is Kellogg, White, Evans & Sharp, Kellogg Building, Ananias Dare Street, P. O. Box 189, Manteo, North Carolina 27983, is hereby designated as the agent upon whom service of process may be made in any action or proceeding brought against the condominiums.

SECTION 18. Termination.

A. This condominium may be terminated, subject to these limitations set forth in Section 8, by all of the apartment Unit Owners executing an instrument for that purpose to be recorded in the Dare County Registry. Said instrument must also include the consent of all holders of liens on apartment units that his or its lien may be transferred to the percentage of the undivided interest of the apartment Unit Owners subsequent to termination.

B. When a termination has been effected as herein provided, all the property previously subject to, the Unit

Ownership Act shall be deemed to be owned by all of the apartment Unit Owners as tenants in common, including those parcels of land over which an apartment unit is situated. And further, the Association, prior to dissolution, shall convey to all the Unit Owners, as tenants in common, all real property owned by the Association by a duly executed deed of conveyance. Each tenant's undivided interest shall be that percentage of the undivided interest previously owned by such apartment Unit Owner in the common elements and facilities.

SECTION 19. Status of Owners.

A. Since the Association is not in existence at the time of the creation of the Condominium, the Owners shall, until there is such an association with officers, have the power and the responsibility to act in all instances where the Condominium Act requires action by the Association, its board of directors, or any officer or officers or until the period of control contemplated by the foregoing section expires, whichever occurs first.

The foregoing shall be strictly construed to protect the right of the Apartment Unit Owners. Upon initial creation of Association, the Owners shall have control of and shall appoint the Board of Directors therefor. At such time as six (6) Units are sold in the Condominium buildings, the Owner, within fifteen (15) days after the conveyance of said sixth (6th) Unit shall turn over and deliver control of the Condominium Association Board of Directors to the duly-elected officers of the Association, as provided in the Articles of Incorporation and the By-Laws.

B. For as long as the Owner is the record owner of one or more Condominium Apartment units which have an occupancy permit and remain unsold, the Owner shall be responsible for and pay its pro rata portion of the common expenses as determined by the Association.

C. Until the Owner has sold all of the Apartment units, neither the condominium Unit Owners, nor the Association, nor the use of the condominium property shall interfere with the completion of the contemplated improvements and sale of the condominium units. The Owner may make use of the unsold condominium apartment units and common areas as may facilitate completion of the construction thereof and sale, including but not limited to the maintenance of a sales office, model apartment, the showing of the property and displaying of advertising signs.

SECTION 20. Severability. If any provision of this Condominium Declaration or any of the condominium documents is held to be invalid or unconstitutional by a Court of competent jurisdiction, the validity of the remainder of this Declaration and the other condominium documents shall not be affected thereby.

SECTION 21. M.H. Hood Ellis, Trustee for Home Federal Savings and Loan Association of Norfolk, joins in this Declaration for the sole purpose of consenting to the submission of the property herein described to Unit Ownership in accordance with Section 47A of the General Statutes of North Carolina, which property is described in that certain deed of trust from Walkers Dune, Inc. to M. H. Hood Ellis, of Elizabeth City, North Carolina, as Trustee, dated January 29, 1982, and duly recorded in the public registry of Dare County, North Carolina, provided, however, that in no way shall this joinder affect the validity of the lien aforemen-

tioned in the deed of trust, the same being expressly retained on all property described herein.

IN TESTIMONY WHEREOF, the authorized officers of Nags Head Retreat, Inc. and M.H. Hood Ellis, have hereunto set their hands and seals this 24th day of June, 1982.

WALKERS DUNE, INC.

By *Alan C. Jensen* President

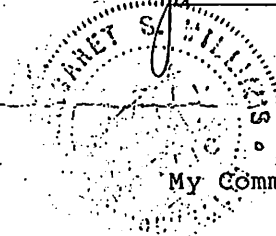
[seal]
ATTEST:

Douglas E. Kahle
Secretary



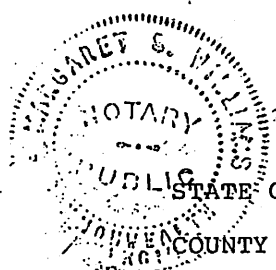
STATE OF VIRGINIA

CITY OF VIRGINIA BEACH, to-wit:
I, a notary public, do hereby certify that Alan C. Jensen, President, and Douglas E. Kahle, Secretary of Walkers Dune, Inc., personally appeared before me this day and acknowledged the due execution of the foregoing instrument.
WITNESS my hand and seal this the 24th day of June, 1982.



Margaret S. Williams
Notary Public
My Commission Expires: 9/2/85

M.H. Hood Ellis
M.H. Hood Ellis
Trustee



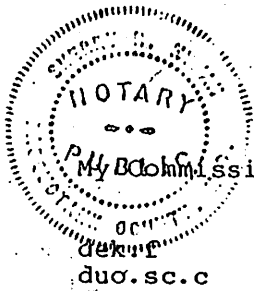
STATE OF NORTH CAROLINA

COUNTY OF PASQUOTANK, to-wit:

I, SHERRY H. HYMAN, a notary public in and for the aforesaid State and County do hereby certify that M.H. Hood Ellis, Substitute Trustee, personally appeared before me this day and acknowledged the due execu-

tion of the foregoing instrument.

WITNESS my hand and notary seal this 8th day of July, 1982.



Henry R. Hyman
Notary Public

NORTH CAROLINA, DARE COUNTY
The foregoing certificate of Margaret Williams of Commonwealth of Va.
Henry R. Hyman of Pasquotank Co., N.C. both Notaries Public
is certified to be correct.
Presented for registration this the 9th day of July, 1982, at 3:30 o'clock P. M., and
recorded in this office in Book 328, Page 389.

Alva B. Wise
Register of Deeds

By Barbara A. Gray
Assistant Register of Deeds

RECORDED July 12, 1982

FILED
JUL 25 PM 4 17

NORTH CAROLINA, DARE COUNTY

ALVA WISE
MEMPHIS, TENNESSEE
ATTORNEY AT LAWAMENDMENT NUMBER 1
TO DECLARATION OF UNIT OWNERSHIP
THE SEA WALK CONDOMINIUMS
KILL DEVIL HILLS, NORTH CAROLINA

WALKERS DUNE, INC., a Virginia stock corporation qualified to do business in the state of North Carolina, pursuant to Chapter 47A of the North Carolina General Statutes entitled "Unit Ownership Act: does state and declare as follows:

W I T N E S S E S

WHEREAS, Walkers Dune, Inc. is the Developer ("Developer") on that Declaration of Unit Ownership for Sea Walk Condominiums, as recorded in Deed Book 328, at page 389, in Condominium Plat Book Number 2, Unit Ownership File Pages 43 to 54, inclusive, all of the Dare County Public Registry ("Declaration");

WHEREAS, Section 8 of said Declaration provides for the conversion of certain convertible land into additional units or common elements, or both; and

WHEREAS, Developer hereby desires to exercise its right to convert a portion of the convertible land as defined in said Declaration;

NOW, THEREFORE, the Developer does hereby amend the Declaration as follows:

SECTION 1. The Developer hereby exercises its right to create additional units and common elements, on that portion of the Convertible Land as more particularly described on the attached Exhibit A. While exercising this right, the Developer hereby expressly reserves the right, in its sole discretion, without the consent of any unit owner or mortgagee, and without any other limitations, to create additional units or limited common elements or common elements, or both, on all or any part of the remaining Convertible Lands, at any time or times, as such lands are more particularly described in the Declaration.

SECTION 2. Building Description.

Section 3 of the Declaration is hereby amended to reflect that the condominium buildings to be constructed on the property shall consist of FOURTEEN (14) dwelling units. Except as hereby expressly amended, Section 3 of the Declaration otherwise remains in full force and effect and unmodified.

SECTION 3. Apartment Unit Designation and Description.

Section 4 of the Declaration is hereby amended to reflect that there are now FOURTEEN (14) condominium unit apartments in the condominium building, each apartment being designated by a numerical figure. In addition to the portion of the condominium building as being described in Section 4 of the Declaration, there are SEVEN (7) additional units constructed in a three-story arrangement running along a line from north to south, located on the south, adjacent to the condominium building described in the Declaration. When envisioned as one condominium

building, the FOURTEEN (14) condominium unit apartments are contained in NINE (9) three-story columns of construction. The first five columns of construction are described in the original Declaration.

From the north, the sixth column of three-story construction contains unit numbers 8 and 9. Unit number 8 is also designated variously as a model "D". Unit number 9 is also sometimes designated as being a model "E". Unit number 8 is a two-bedroom unit occupying the lower two floors of the sixth column of construction. Unit number 9 is a one-bedroom, located on the floor above unit number 8.

The seventh column of construction contains unit 10 and 11. Unit 10 is variously also designated as a model "F". Unit 11 is sometimes designated as a model "G". Unit number 10 is a two-bedroom unit occupying the lower two floors of the seventh column of construction. Unit number 11 is a one-bedroom unit located on the floor above unit number 10.

The eighth column of construction contains units 12 and 13. Unit 12 is sometimes also designated as a model "A". Unit number 13 is sometimes also designated as being a model "B". Unit number 12 is a two-bedroom unit occupying the lower two floors of the eighth column of construction. Unit number 13 is a one-bedroom unit located on the floor of unit number 12.

The southern most three-story column of construction contains one unit which occupies three floors and contains two bedrooms, a living room, dining room, kitchen and den. This southern most unit, which occupies the ninth column of construction, counting from the north, is hereby designated as unit number 14 and is sometimes shown in the plans as a model "C".

Except as hereby amended, Section 4 of the original Declaration is hereby declared to be in full force and effect and unmodified.

SECTION 4. Common Elements, Areas and Expenses Related Thereto.

Section 5 of the Declaration, Subsection B, is hereby amended to read as follows:

B. Each condominium unit or apartment owner shall own a share in the common elements and in any surplus funds possessed by the Association and shall be liable for the common insurance expenses as follows:

<u>Unit #</u>	<u>Model</u>	<u>Appraised Value</u>	<u>Percentage</u>
1	A	\$116,500	7.912%
2	B	85,000	5.772%
3	C	125,000	8.489%
4	C	125,000	8.489%
5	C	125,000	8.489%
6	D	110,500	7.504%
7	E	81,000	5.501%
8	D	110,000	7.470%
9	E	82,000	5.569%
10	F	108,000	7.334%
11	G	82,000	5.569%
12	A	113,500	7.708%
13	B	84,000	5.705%
14	C	125,000	8.489%
			<u>100 %</u>

Paragraph C of Section 5 of the Declaration is hereby amended to read as follows:

C. Each Unit or apartment owner shall be assessed at the beginning of each calendar quarter for dues for Association expenses other than insurance, at the monthly rate as follows:

<u>Unit No.</u>	<u>Monthly Assessment</u>
1	\$50.00
2	40.00
3	60.00
4	60.00
5	60.00
6	50.00
7	40.00
8	50.00
9	40.00
10	50.00
11	40.00
12	50.00
13	40.00
14	60.00

SECTION 5. Except as hereby expressly amended in this Amendment 1 to the Declaration of Unit Ownership, said Declaration is hereby declared to be in full force and effect and unmodified.

IN WITNESS WHEREOF, the authorized officers of Walkers Dune, Inc., have hereunto set their hands and seals this 22 day of JULY, 1983.

WALKERS DUNE, INC.

BY Alan C Jensen
President

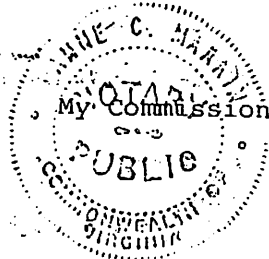
Secretary

COMMONWEALTH OF VIRGINIA
CITY OF VIRGINIA BEACH, to-wit:

I, a notary public of the city and state aforesaid, certify that Douglas E. Kahle, personally came before me this day and acknowledged that he is secretary of Walkers Dune, Inc., a Virginia corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its president, sealed with its corporate seal and attested by Douglas E. Kahle as its secretary.

Witness my hand and official stamp or seal this 22nd day of July, 1983.

Anne C. Marrin
Notary Public



My Commission Expires: 12-29-86

NORTH CAROLINA DARE COUNTY

The foregoing Certificate(s) of Anne C. Marrin
a Notary Public of Commonwealth of Va.

Is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

Alma M. Winn Register of Deeds For Dare County

By Chapella M. Munn Deputy/Assistant-Register of Deeds RECORDED: July 26, 1983

EXHIBIT A

ATTACHMENT TO AMENDMENT 1 OF
DECLARATION OF UNIT OWNERSHIP
FOR THE SEA WALK CONDOMINIUMS
KILL DEVIL HILLS, NORTH CAROLINA

Description of Convertible Lands converted by this amendment:

All of that property owned by Walker's Dune, Inc. and fully described in the original Declaration of Unit Ownership recorded in Deed Book 328 at Page 389 of the Dare County Public Registry lying to the east of the following line: Beginning at a point which is located the following course and distance from a point located in the Eastern margin of U.S. 158 Business Highway and marking the Southwestern corner of lot number 8 of Section 4, Block 3, Kill Devil Hills, and subdivision of Nags Head Shores; running thence from that point a distance of 165 feet on a course of N70 deg. 30 Min East to a point being the point of beginning; thence a distance of 175 feet on a course of N 19 deg. 30 min. W to a point in the Southern line of the Walker's Dune, Inc. property.

All of the remaining property of Walker's Dune, Inc. as referred to above shall remain in an unconverted status with the exception of an easement across such property for existing septic fields and access driveways.

Reference to the plat of Nags Head Shores subdivision are made with reference to Map Book 1 at Page 179 of the Dare County Registry.

NORTH CAROLINA, DARE COUNTY

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AMENDMENT NUMBER 2
 TO DECLARATION OF UNIT OWNERSHIP
 THE SEA WALK CONDOMINIUMS
 KILL DEVIL HILLS, NORTH CAROLINA

ALVA G. WISE
 REGISTER OF DEEDS
 DARE COUNTY, N.C.

WALKERS DUNE, INC., a Virginia stock corporation qualified to do business in the state of North Carolina, pursuant to Chapter 47A of the North Carolina General Statutes entitled "Unit Ownership Act: does state and declare as follows:

W I T N E S S E S

WHEREAS, Walkers Dune, Inc. is the Developer ("Developer") on that Declaration of Unit Ownership for Sea Walk Condominiums, as recorded in Deed Book 328, at page 389, in Condominium Plat Book Number 2, Unit Ownership File Pages 43 to 54, inclusive, all of the Dare County Public Registry ("Declaration");

WHEREAS, Section 8 of said Declaration provides for the conversion of certain convertible land into additional units or common elements, or both;

WHEREAS, Developer amended the Declaration by Amendment Number 1 to Declaration of Unit Ownership, recorded in Deed Book 347, page 989, in the Condominium Plat Book 2, Unit Ownership File Pages 148-154, inclusive, all of the Dare County Public Registry; and

WHEREAS, Developer hereby desires to exercise its right to convert an additional portion of the convertible land as defined in said Declaration;

NOW, THEREFORE, the Developer does hereby further amend the Declaration as follows:

SECTION 1. The Developer hereby exercises its right to create additional units and common elements, on that portion of the Convertible Land as more particularly described as Convertible Parcel Number 2, as defined in the Declaration. While exercising this right, the Developer hereby expressly reserves the right, in its sole discretion, without the consent of any unit owner or mortgagee, and without any other limitations, to create additional units or limited common elements or common elements, or both, on all or any part of the remaining Convertible Lands, at any time or times, as such lands are more particularly described in the Declaration.

SECTION 2. Building Description.

Section 3, of the Declaration is hereby amended to reflect that the condominium buildings to be constructed on the property shall consist of EIGHTEEN (18) dwelling units. Except as hereby expressly amended, Section 3 of the Declaration otherwise remains in full force and effect and unmodified.

SECTION 3. Apartment Unit Designation and Description.

Section 4 of the Declaration is hereby amended to reflect that there are now EIGHTEEN (18) condominium unit apartments in the condominium building, each apartment being designated by a numerical figure. In addition to the portion of the condominium building as described in Section 4 of

the Declaration, and in Section 3 of Amendment Number 1 to the Declaration, there are FOUR (4) additional units constructed in a three-story arrangement running along a line from north to south, located on the Property, as defined in the Declaration, and lying to the west of the condominium building containing the other FOURTEEN (14) condominium units. When envisioned as one condominium building, the additional FOUR (4) condominium unit apartments created herein are contained in FOUR (4) three-story columns of construction.

From the north, the first column of three-story construction contains unit number 15. Unit number 15 is also designated variously as a model "H". Unit number 15 is a two-bedroom unit occupying the three floors of the first column of construction.

The second column of construction contains unit 16. unit 16 is variously also designated as a model "H". Unit number 16 is a two-bedroom unit occupying the three floors of the second column of construction.

The third column of construction contains unit 17. Unit 17 is sometimes also designated as a model "H". Unit number 17 is a two-bedroom unit occupying the three floors of the third column of construction.

The southern-most three-story column of construction contains unit number 18 which occupies the three floors. This southern-most unit, is also sometimes shown in the plans as a model "H".

Except as amended by Amendment Number 1 and as hereby amended, Section 4 of the original Declaration is hereby declared to be in full force and effect and unmodified.

SECTION 4. Common Elements, Areas and Expenses Related Thereto.

Section 5 of the Declaration, Subsection B, is hereby amended to read as follows:

B. Each condominium unit or apartment owner shall own share in the common elements and in any surplus funds possessed by the Association and shall be liable for the common insurance expenses as follows:

<u>Unit #</u>	<u>Model</u>	<u>Appraised Value</u>	<u>Percentage</u>
1	A	\$116,500	6.501%
2	B	85,000	4.743%
3	C	125,000	6.978%
4	C	125,000	6.978%
5	C	125,000	6.978%
6	D	110,500	6.166%
7	E	81,000	4.510%
8	D	110,000	6.138%
9	E	82,000	4.576%
10	F	108,000	6.026%
11	G	82,000	4.576%
12	A	113,500	6.333%
13	B	84,000	4.687%
14	C	125,000	6.978%
15	H	79,900	4.458%
16	H	79,900	4.458%
17	H	79,900	4.458%
18	H	79,900	4.458%
			100 %

Paragraph C of Section 5 of the Declaration is hereby amended to read as follows:

C. Each Unit or apartment owner shall be assessed at the Beginning of each calendar quarter for dues for Association expenses other than insurance, at the monthly rate as follows:

<u>Unit No.</u>	<u>Monthly Assessment</u>
1	\$50.00
2	40.00
3	60.00
4	60.00
5	60.00
6	50.00
7	40.00
8	50.00
9	40.00
10	50.00
11	40.00
12	50.00
13	40.00
14	60.00
15	50.00
16	50.00
17	50.00
18	50.00

SECTION 5. Except as hereby expressly amended in this Amendment 2 to the Declaration, and as amended by Amendment Number 1 to the Declaration, said Declaration is hereby declared to be in full force and effect and unmodified.

IN WITNESS WHEREOF, the authorized officers of Walkers Dune, Inc., have hereunto set their hands and seals this 12TH day of December, 1983.



WALKERS DUNE, INC.

BY

President

Secretary

COMMONWEALTH OF VIRGINIA
CITY OF VIRGINIA BEACH, to-wit:

I, a notary public of the city and state aforesaid, certify that Douglas E. Kahle, personally came before me this day and acknowledged that he is secretary of Walkers Dune, Inc., a Virginia corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its president, sealed with its corporate seal and attested by Douglas E. Kahle as its secretary.

Witness my hand and official stamp or seal this 12th day of December, 1983.



Notary Public

My Commission Expires: December 29, 1986

I, George Zuidema, a licensed Engineer in the State of North Carolina, certify that the plans dated December 8, 1983, signed by me fully and accurately depict the layout, location, ceiling and floor heights, unit numbers and dimensions as built for Seawalk Condominium, Third Phase.

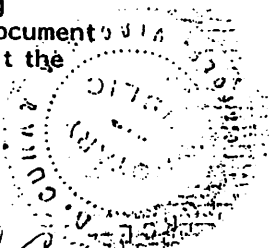


George Zuidema
George Zuidema

State of Virginia, City of Norfolk

This is to certify that on the 8th day of December, 1983, before me, a notary public, personally appeared George Zuidema, who being by me first duly sworn, declared that he signed the foregoing document in the capacity indicated, that he was authorized to sign and that the statements contained herein are true.

Witness my hand and affixed seal this 8th day of December, 1983.



Grace A. Curry
Notary Public

My Term of Office Expires April 1, 1984

NORTH CAROLINA DARE COUNTY

The foregoing Certificate(s) of Anne C. Marrin of Comm. of Va. & Grace A. Curry of Norfolk, Va. both Notaries Public

is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

Alvin M. W. W. Register of Deeds For Dare County

By Ungelb M. Mullan Deputy/Assistant-Register of Deeds

RECORDED: December 19, 1983

BK 764 0377

FILED

Prepared by and return to:
M. H. Hood Ellis
P. O. Box 220
Wilmington, NC 27907-0220

AUG 26 PM 3

NORTH CAROLINA
DARE COUNTY

RECEIVED
DARE COUNTY

AMENDMENT TO DECLARATION OF UNIT OWNERSHIP
SEAWALK CONDOMINIUMS
KILL DEVIL HILLS, NORTH CAROLINA

THIS AMENDMENT TO DECLARATION OF UNIT OWNERSHIP is made this the 12 day of August, 1991 by SEA WALK CONDOMINIUMS ASSOCIATION, INC., a North Carolina nonprofit corporation, hereinafter referred to as the "Association":

W I T N E S S E T H :

WHEREAS, the Declaration of Unit Ownership of the Seawalk Condominiums was duly filed for record in Book 328, Page 389, Dare County Registry; and

WHEREAS, the Association, pursuant to Section 16 of said Declaration, and upon resolution adopted by not less than seventy-five percent (75%) of the entire membership of the Association, desires to make certain changes and amendments to said Declaration.

NOW, THEREFORE, the Association, by this Amendment to Declaration of Unit Ownership, does hereby amend the said Declaration referred to above, by substituting the following new sections, as amended, in place of the previously stated sections in said Declaration:

Section 5(A)(5) is hereby amended, and now reads as follows:

5. Also included as general common elements are the following fixtures (or portions thereof) located outside of the individual condominium units or serving more than one unit: water supply lines to each unit, vent lines, plumbing facilities, sanitary sewerage lines, waste pipes, and vents. The above described fixtures (or portions thereof) located inside of the units are part of the units and thus are each owner's responsibility to maintain. The chimney flue for each unit is part of the unit and is thus the unit owner's responsibility to maintain.

Section 9(H) is hereby amended, and now reads as follows:

H. No condominium Unit Owner shall make alterations to his unit impairing the structural integrity of the condominium building, unless he has previously obtained written approval therefor from all unit owners and from the Board of Directors of the Association. The Unit Owner desiring to make the structural modification or alteration must first give written notice to all unit owners, who must give unanimous written consent to the request. Once such consent is obtained, the Unit Owner shall submit to the Association's Board of Directors the request and proof of unanimous consent of all Unit Owners. The Board of Directors shall then have the obligation to answer the request within thirty (30) days, and failure to do so within that time shall mean that there is no objection to the proposed structural modification or alteration by the Unit Owner.

Section 10(C) is hereby amended, and now reads as follows:

C. Neither a Unit Owner nor the Association shall make any alterations in the portion of an apartment unit or the building which is to be maintained by the Association, or remove any portion thereof, or make any additions thereto, or do anything which would jeopardize the safety or soundness of the building or impair any easement, without first obtaining approval in writing as provided herein by Section 9(H), as amended.

Section 12(B) is hereby amended, and now reads as follows:

B. Any sums assessed by the Association for the share of the common expenses chargeable to any unit, and remaining unpaid for a period of thirty (30) days or longer, shall constitute a lien on such apartment unit when filed for record in the Office of the Clerk of Superior Court of Dare County by the Association under the provisions of Article 8 of Chapter 44, and § 47C-3-116 of the North Carolina General Statutes and any amendments or supplements thereto. The lien created herein shall be prior to all other liens except (a) liens for real estate taxes due and unpaid, (b) all sums unpaid on deeds of trust and other encumbrances recorded against the unit prior to the docketing of this lien, and (c) materialmen's and mechanics liens. In addition to or in place of a lien, the Unit Owner, tenants of a Unit Owner, or any other occupants of the unit may be denied access to the common elements and the utilities that are provided by the Association. The Unit Owner may be

assessed a fifty dollars (\$50.00) per month late charge by the Association if quarterly dues remain unpaid for a period of thirty (30) days or longer.

Section 12(C) is hereby amended, and now reads as follows:

C. A lien created pursuant to paragraph B above maybe be foreclosed by suit by the Board of Directors of the Association, acting on behalf of the apartment Unit Owners, in like manner as a foreclosure of a deed of trust or mortgage of real property. The Association's lien may be foreclosed after dues are delinquent for a period of six (6) months or longer. The Board of Directors of the Association, acting on behalf of the apartment Unit Owners, may maintain a suit to recover a money judgment for unpaid common expenses without foreclosing or waiving the lien securing said common expenses. The Unit Owner shall be responsible for all court costs, interest and reasonable attorney's fees incurred in the collection, by foreclosure or otherwise, of said lien for common expenses. Except for purchasing at foreclosure as herein stated, the Association shall not purchase or own a condominium unit.

The second paragraph of Section 14 is hereby amended, and now reads as follows:

Subject to the provisions of this Section, in the event of damage to or destruction of all or any part of the improvements as a result of fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration of the Property, including any damaged units therein, and any kitchen or bathroom fixtures initially installed therein by the Developer, and replacements thereof installed by a Unit Owner, but not including any other furniture, furnishings, fixtures, or equipment installed therein by the Unit Owners. The quality of replacement shall be equal to that originally installed. Notwithstanding the foregoing, each Unit Owner shall have the right to supervise the redecorating of his Unit.

Section 14, paragraph 12 is hereby amended, and now reads as follows:

As soon as any policy of insurance has been obtained by or on behalf of the Association, written notice of the obtainment thereof and of any subsequent major changes therein or termination thereof shall be promptly furnished each Unit Owner by the officer required to send notices of meetings of the Association. Such notices shall either be sent by United States mail to all Unit

Owners of record at the address of their respective Units or to such other address as any of them may have designated to such officer, or such notice may be hand delivered to such officer, provided the officer obtains a receipt of acceptance of such notice from the Unit Owner. Written notice of subsequent minor changes to any policy of insurance obtained by or on behalf of the Association shall not be given to the Unit Owners, but said Unit Owners shall be furnished, upon request, with the name and telephone number of the insurance agent to whom questions may be directed from any interested Unit Owner.

Section 16(B) is hereby amended, and now reads as follows:

B. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by any member of the Association. Directors and members not present at any meeting considering the amendment may express their approval by proxy, providing such proxy is delivered to the secretary at or prior to the meeting. Except as otherwise provided herein, such approvals for a resolution adopting a proposed amendment must be by not less than a simple majority of the Association members present at any meeting considering the amendment. To be effective, the amendment must be recorded pursuant to paragraph D below.

Section 17 is hereby amended, and now reads as follows:

A. M. H. Hood Ellis, whose address is 301 East Main Street, P. O. Box 220, Elizabeth City, NC 27907-0220, is hereby designated as the agent upon whom service of process may be made in any action or proceeding brought against the condominiums.

Except as specifically as amended herein, the Declaration filed in Book 328, Page 389, Dare County Registry, shall remain the same and of full force and effect.

IN WITNESS WHEREOF, the undersigned, Seawalk Condominiums Association, Inc. has caused this instrument to be executed by the signature of its President, attested to by its Secretary, and its corporate seal to be hereunto affixed, the day and year first above written.

(AFFIX CORPORATE SEAL)



SEA WALK CONDOMINIUMS
ASSOCIATION, INC.

BY:

[Signature]
President

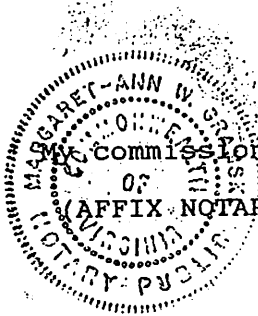
ATTEST:

Carole H. Bloomquist
Secretary

STATE OF Virginia
COUNTY/CITY OF Fairfax

I, a Notary Public of the County or City of Fairfax, and State aforesaid, certify that Carole H. Bloomquist personally came before me this day and acknowledged that she is Secretary of Sea Walk Condominiums Association, Inc., a North Carolina Non-Profit Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by (him) (her) as its Secretary.

Witness my hand and official stamp or seal, this 12th day of August, 1991.



Margaret Ann W. Jones
Notary Public

My commission expires: 5/11/92
(AFFIX NOTARY SEAL)

BK 76450382

NORTH CAROLINA
Dare COUNTY

NORTH CAROLINA DARE COUNTY

The foregoing certificate(s) of Margaret-Ann W. Granski
a Notary Public of Commonwealth of Va.

is/are certified to be correct. This instrument and this certificate are duly
registered at the date and time in the Book and Page shown on the first page hereof.

Dorris A. Fry, Register of Deeds

By Nama Jean Wad Assistant register of Deeds

PREPARED BY & RETURN TO: SEA WALK CONDOMINIUM, P. O. BOX 231, Kitty Hawk,
NC 27949

NORTH CAROLINA, DARE COUNTY

**AMENDMENT NUMBER 4 TO DECLARATION OF UNIT OWNERSHIP
SEA WALK CONDOMINIUM HOMEOWNERS ASSOCIATION, INC.
KILL DEVIL HILLS, NORTH CAROLINA**

WHEREAS, the Declaration of Unit Ownership of the Sea Walk Condominiums was duly filed for record in Book 328, Page 389, Dare County Registry; and

WHEREAS, the Association, pursuant to Section 16 of said, Declaration, and upon resolution adopted by not less than seventy-five percent (75%) of the entire membership of the Association, desires to make certain changes and amendments to said Declaration.

WHEREAS, the condominium owners, at the November 3rd, 2007 Annual Meeting, discussed changing the Declaration of Unit Ownership as they relate to the assessment due dates.

WHEREAS, the notice of the spring meeting (held on Saturday, April 5th, 2008) was mailed to all owners on March 3rd, 2008 and included an agenda, with an item included under New Business, Document Amendments Regarding Due Dates for Quarterly Assessments.

THEREFORE, Amendment to Declaration of Unit Ownership of Sea Walk Condominiums", Section 12B, Assessments (amendment dated August 12, 1991), as follows:

"Any sums assessed by the Association for the share of the common expenses chargeable to any unit, and remaining unpaid for a period of ~~thirty (30) days~~ fifteen (15) days or longer, shall constitute a lien on such apartment unit when filed for record in the Office of the Clerk of Superior Court of Dare County by the Association under the provisions of Article 8 of Chapter 44, and 47C-116 of the North Carolina General Statutes and any amendments or supplements thereto. The lien created herein shall be prior to all other liens except (a) liens for real estate taxes due and unpaid, (b) all sums unpaid on deeds of trust and other encumbrances recorded against the unit prior to the docketing of this lien, and (c) materialmen's and mechanics liens. In addition to or in place of a lien, the Unit Owner, tenants of a Unit Owner, or any other occupants of the unit may be denied access to the common elements and the utilities that are provided by the Association. The Unit Owner may be assessed a fifty dollars (\$50.00) per month late charge by the Association if quarterly dues remain unpaid for a period of ~~thirty (30) days~~ fifteen (15) days or longer."

IN WITNESS THEREOF, the president of the Sea Walk Condominium Homeowners Association, Inc. hereby confirms the above to be true and accurate.

[Signature] President

8/21/08 Date

State of VIRGINIA
County of Prince William to-wit:

I, a notary public of the County and state aforesaid, certify
that GARY BURRELL personally appeared before me this
day and acknowledged the execution of this foregoing
instrument. Witness my hand and official stamp or seal
this day of 8/21/, 2008

[Signature] Notary Public
MARIA S. BURNS

My Commission expires 4-30-2010

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