

**DECLARATION OF
RIVERWINDS CONDOMINIUMS**

This Declaration is made on this 5th day of June, 2008, by RIVERWINDS CONDOMINIUMS, LLC, a North Carolina limited liability company, hereinafter referred to as "Declarant". Declarant hereby states and declares as follows:

A. Declarant is the owner of that tract of real estate located in Pamlico County, North Carolina, said real estate being more particularly described on Exhibit A, which is attached hereto and incorporated herein by reference. The tract of real estate and all rights and privileges appurtenant thereto are hereinafter collectively referred to as "the Property".

B. Declarant desires and intends to convert the Property into a condominium pursuant to N.C.G.S. Chapter 47C.

C. Declarant also desires and intends to subject the Property to certain covenants, conditions and restrictions to be binding upon all owners of any interest in the condominium and their lessees, guests, mortgagees, heirs, executors, administrators, successors and assigns.

THEREFORE, pursuant to N.C.G.S. § 47C-2-101, Declarant hereby executes this Declaration to create Riverwinds Condominiums and declares that henceforth the condominium and all units thereof shall be held and owned subject to the following terms, provisions, covenants, conditions and restrictions, which shall be binding upon all owners of any unit of the condominium and their lessees, guests, mortgagees, heirs, executors, administrators, successors and assigns:

1. **Definitions.** The definitions set forth in N.C.G.S. § 47C-1-103 shall apply to this Declaration and are incorporated herein, except that the terms listed below shall have the specific meanings stated:

(a) "Association" shall mean Riverwinds Condominiums Unit Owners Association, Inc., a North Carolina nonprofit corporation, its successors and assigns.

(b) "Declarant" shall mean and refer to Riverwinds Condominiums, LLC, a North Carolina Limited Liability Company, its successors and assigns

(c) "Declaration" shall mean this Declaration of Riverwinds Condominiums.

(d) "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association.

(e) "Boat Slips" shall mean the ten (10) wet spaces as shown on the Plat.

(f) "Bylaws" shall mean the Bylaws of the Association, as the same may be amended from time to time.

(g) "Plat" shall mean the that map entitled "Condominium Plan of Riverwinds Condominiums, LLC" by Suitt and Associates, P.A., dated May 15-20, 2008, and recorded in Condominium **Cabinet 1 Slide 11-7** Pamlico County Registry.

(h) "Property" shall mean and refer to that certain real estate described in Exhibit "A".

2. **Name.** The Name of the condominium created by this Declaration is "Riverwinds Condominiums".

3. **Maximum Number of Units.** The maximum number of units of Riverwinds Condominiums which the Declarant may create at any time is seven (7).

4. **Description of Units.** There are, or will be, seven (7) units contained in that one (1) three-story wood-frame building located on the Property. The Unit 2 within the building is more fully described and depicted by those plans entitled " FLOOR PLANS RIVERWINDS CONDOMINIUMS, LLC UNIT 2", of record at Condominium **Cabinet 1 Slide 11-8 & 9** Pamlico County Registry, which plans are incorporated herein and are hereinafter referred to as "the Plans".

5. **Boundaries of Units.** The horizontal boundaries of each unit are the interior surfaces of its perimeter walls. The vertical boundaries of each unit are the interior surfaces of its ceilings and floors. In determining whether materials or items are Common Elements, Limited Common Elements or parts of a unit, the terms and provisions of N.C.G.S. § 47C-2-102 shall apply, and are incorporated herein.

6. **Limited Common Elements.** Limited Common Elements shall mean those portions of the Common Elements allocated by operation of N.C.G.S. § 47C-2-102, for the exclusive use of one of the units, the maintenance of which shall be the responsibility of the unit owner. Those portions of the Common Elements which are Limited Common Elements are described on Exhibit "B".

The individually numbered Boat Slips (excluding the docks, piers and pilings, which are Common Elements and are referred to from time to time collectively as the "Docks"), and appurtenant proportional riparian rights are Limited Common Elements. The numbered Boat Slips adjacent to the Docks are referred to from time to time throughout as "Boat Slip" or "Boat Slips". The Declarant reserves the right to assign and convey Boat Slips with the conveyance of a unit. Until such assignment, the Declarant retains ownership of all Boat Slips.

7. **Special Declarant Rights.** The Declarant reserves the following special Declarant rights, which shall apply to all of the Property and which must be exercised within five (5) years of the date of recording of this Declaration:

- (a) To complete all improvements shown on the Plans;
- (b) To maintain a sales office and/or management office within any unit owned by Declarant;
- (c) To maintain signs advertising the condominium on the Common Elements;
- (d) To use and create easements through the Common Elements for the purpose of making improvements to the Property and the project;
- (e) To amend this Declaration as necessary to cure any minor or typographical error contained herein or exercise the development rights reserved herein or if required by any state or federal agency (see subsection 16(c) below).
- (f) To appoint or remove any officer or member of the executive board of the Association, subject to the limitations stated in N.C.G.S. § 47C-3-103(d) and (e), which are incorporated herein;
- (g) To assign and convey Boat Slips, and the proportional riparian rights, to unit owners in the Declarant's absolute discretion;
- (h) To construct, re-configure, and annex additional Boat Slips.
- (i) To install and construct underground wells within the Common Elements in connection with the units' HVAC systems and to designate those areas as Limited Common Elements for the respective unit.
- (j) To assign specific areas within the Common Elements to units for parking purposes, said areas to be shown on the Plat and any amendments thereto.

8. **Reservation of Easements.** Pursuant to N.C.G.S. § 47C-2-116, the Declarant hereby reserves unto itself, its successors and assigns, those easements shown on the Plat and such easements over all of the Common Elements of the condominiums as may be reasonably necessary to exercise the development rights specified in Section 7 above.

9. **Reservation of Riparian Rights.** The Declarant reserves unto itself, its successors and assigns all riparian and littoral rights in Smith Creek.

10. **Allocated Interests.** The Undivided interests in the Common Elements, the common expense liability and votes in the Association (collectively, "the allocated interests") are to be allocated among all units equally on a per unit basis. The allocation of interests and obligations among the presently existing units is one-seventh (1/7) per unit. If the Declarant exercises its development rights to add units to the condominium, the allocated interests shall be reallocated among all then existing units equally on a per unit basis.

11. **Riverwinds Unitowners Association.** Every unit owner shall be a member of the Association. Ownership of a fee interest in a unit shall be the sole qualification for membership, and membership shall be appurtenant to and shall not be separated from such ownership. The basic purposes and duties of the Association shall be to manage the condominium pursuant to the terms and provisions of Article 3 of Chapter 47C of the North Carolina General Statutes, this Declaration, any Bylaws promulgated by the Association and any Rules and Regulations promulgated by the Association or its executive board; and to promote and to protect the enjoyment and beneficial use and ownership of the units. The Association shall have all of the powers stated in N.C.G.S. § 47C-3-102, the terms and provisions of which are incorporated herein. The Association shall also have the power to enforce in its own name the terms and provisions of this Declaration, any bylaws promulgated by the Association and any Rules and Regulations promulgated by the Association. In addition, the Association shall have the power to:

- (a) Adopt and amend bylaws and rules and regulations;
- (b) Adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from unit owners;
- (c) Hire and terminate managing agents and other employees, agents, and independent contractors;
- (d) Institute, defend, or intervene in its own name in litigation or administrative proceedings on matters affecting the condominium;
- (e) Make contracts and incur liabilities;
- (f) Regulate the use, maintenance, repair, replacement, and modification of Common Elements;
- (g) Cause additional improvements to be made as a part of the Common Elements;
- (h) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, provided that Common Elements may be conveyed or subjected to a security interest only pursuant to N.C.G.S. § 47C-3-112;
- (i) Grant easements, leases, licenses, and concessions through or over the Common Elements;
- (j) Impose and receive any payments, fees or charges for the use, rental, or operation of the Common Elements and for services provided to unit owners;
- (k) Impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines not to exceed one hundred fifty dollars (\$150.00) for violations of the declaration, bylaws, and rules and regulations of the Association;
- (l) Impose reasonable charges for the preparation and recordation of amendments to the declaration, resale certificates or statements of unpaid assessments;
- (m) Provide for the indemnification of and maintain liability insurance for its officers, executive board, directors, employees and agents;

(n) Exercise all other powers that may be exercised in North Carolina by a nonprofit corporation; and

(o) Exercise any other powers necessary and proper for the governance and operations of the Association.

12. **Restrictions on Use of Units.** All other units shall be subject to the following restrictions on use:

(a) Each unit shall be used for residential purposes only. No commercial activities shall be conducted in or from any unit, except home occupations that do not involve physical access or visitation to the unit by any member of the general public and that do not involve any increased use whatsoever by any person of any of the Common Elements of the condominium or any general services provided to the condominium (such as trash removal).

(b) The maximum number of occupants of any one unit shall be that number which is the product of the number of bedrooms in a unit, as originally designed, times two, regardless of the age of any of the occupants.

(c) Noxious, immoral, offensive or loud activities shall not be conducted within any unit. Each unit owner shall refrain from any use of his or her unit which could reasonable cause embarrassment, discomfort, annoyance or nuisance to any other unit owner or occupant.

(d) All governmental codes, regulations and ordinances applicable to a unit shall be observed.

(e) No unit may be subdivided, nor shall the ownership of any unit be divided into units of time commonly known as "timeshares".

(f) No animals of any kind shall be kept within any unit or on any of the Common Elements of the condominium, other than domestic dogs or cats, not to exceed two (2) in number.

(g) No unit shall be used for hotel or other transient residential purposes. Every lease relating to any unit must be in writing, must be for a term of at least ninety (90) days and must provide that the tenant is obligated to observe all applicable terms and provisions of this Declaration, the bylaws of the Association and any rules and regulations promulgated by the Association or its executive board.

(h) All window coverings or dressings within a unit shall appear white or off-white from the exterior.

(i) No sign shall be exhibited on or from any unit.

13. **Restrictions on Use of Boat Slips.**

(a) Declarant has constructed a pier with ten (10) Boat Slips adjacent to the Property. Each Boat Slip shall be a Limited Common Element as defined herein, and shall be appurtenant to the owner's unit. Boat Slips may be sold or assigned, but only to other unit owners within the development. No building, fence, wall, sign, boatlift, or other structure shall be constructed, stored, erected or permitted to remain upon or within any Boat Slip, nor on the Dock, nor shall any addition to or change or alteration therein be made. "For Sale" signs, vessel names, owner's names, and delinquent assessment notices shall be permitted to be exhibited without such approval subject to general rules regarding such matters adopted by the Board. No Boat Slip shall be used for any purpose except for the purpose of berthing or docking a vessel which has a length which does not exceed the designated length of the Boat Slip by more than three (3) feet and has a width which does not exceed the designated width of the Boat Slip. Only ordinary, light maintenance shall be permitted on any vessel while docked at a Boat Slip. Spray painting, welding, burning and any other hazardous activities are prohibited in any Boat Slip, on the Property or in the Common Elements. Nothing shall be done or kept in any Boat Slip which shall endanger the Dock, other owners, or the property of such owners.

(b) Each Boat Slip shall be occupied and utilized pursuant to the provisions of this Declaration, however a Boat Slip may not be rented except to other unit owners. No "live-aboards" shall be allowed.

(c) No dock boxes are allowed or other items which would obstruct the pier.

(d) No improvements of any type shall be made upon a Boat Slip by an owner except after prior written approval of the Board.

(e) Without the written approval of the Board, no Boat Slip shall be used for any commercial purpose, including, but not limited to, charter fishing or sailing lessons or the leasing or renting of vessels.

(f) Subject to the provisions of this Declaration, the Articles and the Bylaws, the Board shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Boat Slips. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board shall be recorded in the Association's Minute Book, which shall be maintained at a place convenient to the owners and available to them for inspection during normal business hours.

(g) No noxious or offensive activity shall be conducted within the Boat Slips, nor shall anything be done thereon which may be or become a nuisance or annoyance to any owner.

(h) No trash, ashes, garbage, or other refuse shall be dumped or stored within a Boat Slip or in any waterway. The Board may adopt rules and regulations governing the disposal of refuse from heads on vessels.

(i) No owner shall in any manner obstruct the Dock or access area.

14. **Maintenance and Assessments.** The Association shall maintain all of the Common Elements of the condominium, including the Limited Common Elements, and shall have the power to assess all of the units for the costs thereof, pursuant to N.C.G.S. §§ 47C-3-107 and 113, the terms and provisions of which are incorporated herein.

(a) **Regular Assessments.** The Association shall establish an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Elements and Limited Common Elements. The Association shall charge each unit on a quarterly or monthly basis (as determined by its executive board) a Regular Assessment as its share of the common expenses and its contribution to the reserve fund.

(b) **Special Assessments.** In addition to the Regular Assessments authorized in subsection 14(a) above, the Association may charge each unit, in any fiscal year of the Association, a Special Assessment applicable to that fiscal year only for the purpose of defraying, in whole or in part, the cost of any construction of a capital improvement upon and to any part of the Common Elements, including fixtures and personal property related thereto; provided that any such Special Assessment must be approved by the affirmative vote of at least two-thirds (2/3) of all units existing at the time of the vote, cast in person or by proxy at a meeting duly held in accordance with the bylaws of the Association. If authorized by the Association, Special Assessments may be paid by unit owners in monthly or quarterly installments, as determined by the executive board of the Association.

(c) **Rates of Regular and Special Assessments.** Regular and Special Assessments shall be assessed against all units equally on a per unit basis.

(d) **Commencement of Regular and Special Assessments.** Each unit shall be and become subject to Regular and Special assessments from and after the date of recording of this Declaration.

(e) **Initial Assessments.** In order to provide initial operating funds for the Association, each unit shall be assessed an Initial Assessment of twelve (12) months of dues at the time of the conveyance of the unit. The Initial Assessment shall be due and payable at closing on sale of the unit to the first unit owner who intends to occupy the unit or lease the unit for occupancy. The Initial Assessment due from each unit pursuant to this subsection shall be in addition to all other assessments created hereunder, and shall not be credited against any other assessment.

(f) **Maintenance of Limited Common Elements.** Any common expense associated with the maintenance, repair or replacement of a Limited Common Element must be assessed only against the unit to which that Limited Common Element is allocated.

(g) **Assessments for Fines.** The Association may assess individual units for any fines owed to the Association by the owner(s) of the unit for violations of this Declaration

or any Bylaws or Rules and Regulations promulgated by the Association. Any such fine shall not exceed One Hundred Fifty Dollars (\$150.00) per occurrence.

(h) **Certificates of Assessments.** The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association stating whether all assessments against a specified unit have been paid. A properly executed certificate of the Association as to the status of assessments against a unit shall be binding upon the Association as of the date of its issuance.

(i) **Payment and Collection of Assessments.** Each of the applicable assessments described above, together with interest thereon and the costs of collection thereof, including reasonable attorney's fees, and together with late fees, if any, shall be a lien upon each unit and the personal obligation of all of the owners of such unit. Assessments shall be paid in such manner and on such dates as the executive board of the Association may establish, which may include discounts for early payment, reasonable late fees for late payment and special requirements for unit owners with a history of late payment. No unit owner may exempt himself from liability for assessments by non-use of Common Elements, abandonment of his unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each unit owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action taken by the Association. Any assessment against any unit which remains unpaid for a period of thirty (30) days after delivery of a request for payment thereof shall be past due, and interest shall accrue on any unpaid amount from the date that it became past due at the rate of twelve percent (12.00%) per annum. The Association shall have the power to take whatever action is necessary, at law or in equity, to collect any past due assessment, together with interest, late fees and costs of collection, including reasonable attorney's fees. When an assessment becomes past due, the lien created hereunder may be filed by the Association against the delinquent unit owner in the office of the Clerk of Superior Court of Pamlico County. The lien may be foreclosed by the Association in like manner as a mortgage on real estate under power of sale pursuant to Article 2A of Chapter 45 of the North Carolina General Statutes.

(j) **Subordination of Lien to First Mortgages.** The lien created by subsection (i) above shall be subordinate to the lien of any first mortgage. Sale or transfer of any unit shall not affect the lien of any assessment, except that the sale or transfer of any unit pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of any assessment against the unit that first became due prior to such sale or transfer.

15. **Insurance.** The Association shall purchase, maintain in force and administer insurance coverage as provided by N.C.G.S. § 47C-3-113, the terms and provisions of which are incorporated herein. In addition, the Association shall meet the following requirements regarding insurance:

(a) **Property Insurance.** All Common Elements of the condominium (including all Limited Common Elements), except land, excavations, foundations, the Docks, and other items normally excluded by property insurance policies, shall be insured by the Association in an amount equal to at least one hundred percent (100%) of their insurable replacement value as determined annually by the Association, with the assistance of the insurance company underwriting the coverage. Such coverage shall provide protection against loss or damage by fire and other hazards or risks covered by a standard extended coverage endorsement. The Association shall have the right to exclude the Boat Slips and the appurtenant wooden structures in the event it determines the costs to be excessive.

(b) **Liability Insurance.** The Association shall acquire and maintain in full force and effect a policy of insurance which insures the Association against any liability arising out of the use, ownership, maintenance and control of the Common Elements, any commercial space leased or owned by the Association and any public rights-of-way within the Property, with limits of liability therefor of not less than One Million Dollars (\$1,000,000.00) per occurrence, which policy shall include an endorsement to cover liability of the Association to a single unit owner.

(c) **Other Insurance.** There shall also be obtained such other insurance coverage as the Association shall from time to time determine to be desirable and necessary or as may be required by the Federal Housing Administration, Veterans Administration or Federal National Mortgage Association.

(d) **Waiver of Subrogation.** All policies of insurance required to be carried hereunder shall contain waivers of subrogation.

(e) **Fidelity Insurance or Bond.** All persons responsible for or authorized to expend funds or otherwise deal in the assets of the Association shall first be bonded by a fidelity insurer to indemnify the Association for any loss or default in the performance of their duties in an amount not less than the estimated maximum of funds, including reserve funds, in the custody of the Association or its agent at any given time during the term of the bond (however, in no event shall the amount of the bond be less than a sum equal to three (3) months' aggregate assessments against all units plus reserve funds).

(f) **Qualifications of Insurance Carriers.** The Association shall obtain the insurance coverages specified herein only from carriers licensed and admitted to transact business in North Carolina and which have received an A- or better rating by the latest edition of A.M. Best's Insurance Rating Service.

(g) **Proceeds.** All contracts of property insurance purchased by the Association shall be for the benefit of all of the unit owners and their mortgagees, as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Association or its authorized representative as insurance trustee under this Declaration. Each unit owner and his mortgagee, if any, shall be beneficiaries of each insurance policy in the percentage of the unit owner's undivided interest in the condominium. The sole duty of the Association or its authorized representative as insurance trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated herein. Subject to the provisions of N.C.G.S. § 47C-3-113, proceeds of insurance received by the insurance trustee shall be distributed to or for the benefit of the beneficiaries in the following manner:

- i. Proceeds shall first be paid to cover the cost of reconstruction and repair of any damage covered;
- ii. Proceeds shall then be paid to the trustee to reimburse it for costs reasonably incurred in discharging its duties as trustee; and
- iii. Any remaining proceeds shall then be distributed to the beneficiary or beneficiaries of the trust, as their interests may appear.

16. **Availability of Documents and Records of the Association.** The Association shall make reasonably available for examination true copies of this Declaration and of all bylaws, rules and regulations, books, records and current financial statements of the Association, to the following: (a) unit owners and their agents and mortgagees, and (b) contract purchasers of units and their agents and prospective mortgagees. Upon written request from any governmental agency holding, insuring or guaranteeing any mortgage against any unit of the condominium, the Association shall provide a copy of an audited financial statement of the Association for the immediately preceding fiscal year to the requesting agency within a reasonable period of time.

17. **Notices to Lenders.** Upon written request from any entity holding, insuring or guaranteeing a mortgage against any unit of the condominium, the Association shall provide the requesting entity with timely written notice of:

- (a) Any proposed amendment to this Declaration;
- (b) Any proposed termination of the condominium;
- (c) Any condemnation of or loss, destruction or damage to the condominium which affects a material portion of the condominium or any unit against which there is a mortgage held, insured or guaranteed by the requesting entity;
- (d) Any delinquency of sixty (60) days or more in payment of any assessments due from the owner(s) or any unit against which there is a mortgage held, insured or guaranteed by the requesting entity; and
- (e) Any lapse, cancellation or material modification of any insurance coverage held by the Association.

18. General Provisions.

(a) **Parties Bound.** All persons and entities acquiring any interest in any of the units, including but not limited to lessees, shall be bound by the provisions of this Declaration. All guests and invitees of such persons and entities, and any other occupants of any of the units, shall likewise be bound.

(b) **Duration.** The provisions of this Declaration shall run with and bind the Property perpetually, unless rescinded pursuant to subsection 18(c) below.

(c) **Amendment or Rescission.** Except as provided herein, this Declaration may be amended or rescinded only by a written instrument executed by the Association and authorized by the affirmative vote of at least two-thirds (2/3) of all units existing at that time, case in person or by proxy at a meeting duly held in accordance with the bylaws of the Association; provided that the terms and provisions of this Declaration may be amended by the Declarant at any time within five (5) years of the date of recording of this Declaration, without the approval of the Association or any other party, as necessary to exercise the development rights reserved in Section 7 above or if the proposed amendment is required to obtain any approval of HUD, FHA, VA, FNMA OR FHLMC. Any amendment or rescission must be recorded at the Pamlico County Registry to be effective.

(d) **Enforcement.** The Declarant, any unit owner and/or the Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, and obligations imposed by this Declaration. The Declarant, the Association or any unit owner may bring any action necessary to enjoin any violation or breach of the provisions of this Declaration, and/or to recover damages therefor. The Declarant, the Association and/or any unit owner shall be entitled to recover reasonable attorney's fees incurred in bringing and prosecuting such action from the breaching or violating unit owner(s).

(e) **Failure to Enforce Not a Waiver.** The failure to enforce any right, reservation, covenant or restriction contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so thereafter.

(f) **Severability.** Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any of the other provisions of this Declaration, which shall remain in full force and effect.

(g) **Captions.** The captions herein are inserted only as a matter of convenience and for reference, and shall not be construed to define, limit or describe the scope of any provision of this Declaration.

(h) **Law Controlling.** This Declaration shall be construed and governed pursuant to the laws of North Carolina.

(i) **References to Statutes.** All references herein to any statutory provision shall be construed to include and apply to any subsequent amendments to or replacements of such provision.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed by its authorized member on the date shown above.

RIVERWINDS CONDOMINIUMS, LLC

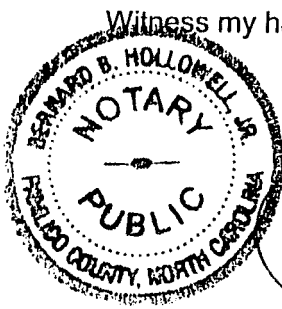
By:  (SEAL)
GWINN O. HEDRICK
Member/Manager

STATE OF NORTH CAROLINA

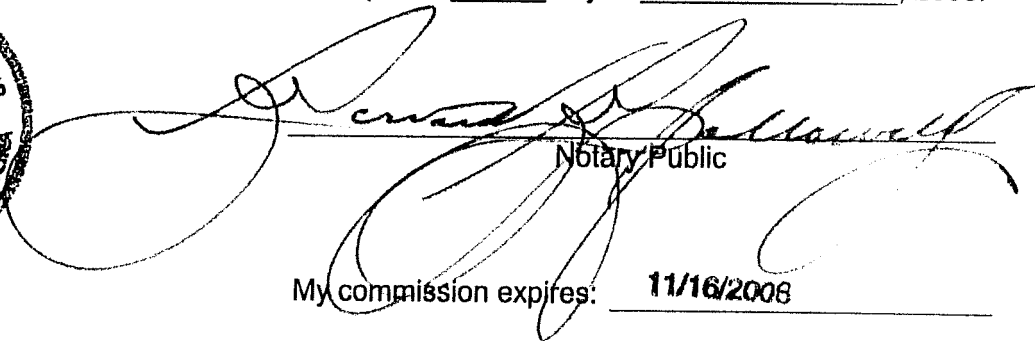
COUNTY OF PAMLICO

I, BERNARD B. HOLLOWELL, JR., a Notary Public of the County and State aforesaid, certify that **GWINN O. HEDRICK** either being personally known to me or proven by satisfactory evidence (said evidence being -personally known-), who is the Member/Manager of RIVERWINDS CONDOMINIUMS, LLC, a North Carolina limited liability company, personally appeared before me this day and acknowledged that he is the Member/Manager of RIVERWINDS CONDOMINIUMS, LLC, and that as the Member/Manager being authorized to do so, voluntarily executed the foregoing instrument on behalf of said company for the purposes stated therein.

Witness my hand and notarial seal/stamp, this 6th day of June, 2008.



(Notarial Seal)


Notary Public

My commission expires: 11/16/2008

EXHIBIT A

BEING all that certain lot or parcel of land in Number Five Township, Pamlico County, near the Town of Oriental, being bounded on the east by the 35-foot right of way of Blackwell Point Loop Road; on the north by the lands, now or formerly, of George E. Benedict and wife; on the west by Smith Creek; and on the south by the property, now or formerly, of Edward L. Embree III, et al., and being more particularly described as follows:

BEGINNING at an existing iron pipe in the western margin of the aforesaid Blackwell Point Loop Road, said Beginning point being the southeast corner with George E. Benedict and wife, and running thence, with the western edge of Blackwell Point Loop Road, S 04° 22' 50" W 100.07 feet to an existing iron pipe, and thence, continuing along the western edge of said road, S 06° 29' 10" W 92.55 feet to an existing iron pipe, a corner with Edward L. Embree III, et al., thence, along said Embree line, N 86° 37' 55" W 86.96 feet to an existing iron pipe in the eastern edge of Smith Creek; thence with the high water line of the eastern shore of Smith Creek, as it meanders north-northwestwardly to an existing iron pipe in the eastern edge of said creek, a corner with George E. Benedict and wife; thence, with the said Benedict line S 86° 04' 45" E 195.57 feet to the point of BEGINNING, containing 0.624 acres, more or less, according to a survey by Nixon Surveying dated April 24, 2003 prepared for Gerald D. Hedrick and wife Anne P. Hedrick, a copy of which is recorded in Deed Book 399 at Page 227, Pamlico County Registry, and incorporated herein by reference for a more complete description of said property.

As an appurtenance to the aforesaid property, there is conveyed herewith an easement for purposes of ingress, egress and regress and utilities to and from said property over and along said 35-foot-wide roadway, said easement being described by instrument recorded in Book 181 at Page 245, which instrument is incorporated herein by this reference for purposes of description.

BOOK 517 PAGE 591

EXHIBIT B

Limited Common Elements

- A. Boat Slips 1 through 10 and being those wet spaces shown on the Plat, excluding the Dock.
- B. Those four (4) wells shown on the Plat for Units 1 and 2.
- C. Those areas shown on the Plans for Unit 2 and designated as "COVERED PORCH" on the First and Second Floors.
- D. All skylights constructed within the roofs of the units.