

STATE OF NORTH CAROLINA

COUNTY OF CARTERET

DECLARATION OF UNIT OWNERSHIP
UNDER CHAPTER 47A
NORTH CAROLINA GENERAL STATUTES
FOR
PEBBLE BEACH CONDOMINIUM

THIS DECLARATION OF UNIT OWNERSHIP, made this the 1st day of June, 1982, by PEBBLE BEACH RESORTS, INC., a North Carolina corporation, hereinafter called "Declarant", pursuant to the provisions of Chapter 47A of the North Carolina General Statutes, as amended, sometimes hereinafter referred to as "Unit Ownership Act"; and O.B. Hawkins, Jr., Trustee and Cameron-Brown Company which execute this Declaration under the provisions of that deed of trust recorded in Book 473, Page 115, Carteret County Registry:

W I T N E S S E T H:

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

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

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

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

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

NOW, THEREFORE, Declarant hereby declares its intention by filing of this Declaration, to submit, and does hereby submit, the following real property and improvements thereon (the Project property) to the provisions of the North Carolina Unit Ownership Act; being Chapter 47A of the North Carolina General Statutes, as a condominium project; and further desires to impose upon the said property a general plan of mutually beneficial covenants, conditions and restrictions for the benefit of all of the owners of condominium units therein:

BEING all of that property described on Exhibit A-1 attached hereto and incorporated herein by reference as if fully set forth, and referred to as "Project Area".

✓
LEV. BAYNE
CARTERET, P.A.
REGISTERED AT LAST
BY EDWARD STEVENS
WILLIAM H. C. JONES
30 APR 1982

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NOW, THEREFORE, Declarant does further publish and declare that all of the property described in Exhibit A-1 hereinabove is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division of the same into condominium units, to be called Pebble Beach Condominium, and shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns and any person acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

1. Definitions:

Certain terms in this Declaration, the plats and drawings appended hereto, and the By-Laws recorded herewith, shall be defined as follows, unless the context clearly indicates a different meaning therefor:

- (a) "Declarant" shall mean Pebble Beach Resorts, Inc., a North Carolina corporation.
- (b) "Project" shall mean the total of the real property incorporated herein and described hereinabove in Exhibit A-1, together with all structures and other improvements thereon, together with such other portions of the Development Area as may from time to time be added to and incorporated in the Project Area by amendment of this Declaration.
- (c) "Association" shall mean the Pebble Beach Homeowners' Association, Inc., as the same is created by this Declaration and the appended By-Laws.
- (d) "Unit" shall mean that enclosed space within each dwelling entity or apartment as shown on the engineer's drawings filed concurrently with this Declaration, and being further defined as lying between the following boundaries: the interior surfaces of its perimeter walls, exclusive of decorative wall coverings; its floor substrate under carpeting, vinyl covering, or other decorative floor covering; and the interior surface of its ceiling; said "Unit" shall also include its doors and door frames and glass in doors, solariums, and exterior windows also including the air conditioning compressor located adjacent to unit; but excluding therefrom all of those wires, ducts, pipes, and other utility installations which lie within the enclosed space defined herein but which are for the common use of one or more other units in the Project.
- (e) "Development Area" shall mean and refer to that property described in "Exhibit A", all or part of which may from time to time be submitted to unit ownership under the terms of this Declaration.
- (f) "Plans" shall mean the plans and specifications of the Registered Professional Engineer which are incorporated herein by reference and which are recorded with this Declaration as Exhibit "B".

2. Legal Description of Proposed Future Phases of Project:

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

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of seven (7) years from and after the date this Declaration is filed for record, by filing Amendments to this Declaration in the Register of Deeds Office of Carteret County, North Carolina as provided in Paragraph 26 and 27 of this Declaration of Unit Ownership. The property, or a portion thereof, which may be made subject to this Declaration and the Unit Ownership Act by such an Amendment or Amendments is described on Schedule "A" hereof. The additions, if any, to Pebble Beach Condominiums shall be made on a portion or portions of said property to be selected by Declarant, it being understood that any or all of said property not utilized by Declarant for the purpose of construction of additional condominium units for addition to Pebble Beach Condominiums, as provided in this Declaration, may be, from time to time, otherwise developed by Declarant, its successors and assigns, for residential purposes, either condominium fee simple attached housing for sale, apartments for rent or single family detached housing, and/or for such other development as Declarant may in its sole discretion determine, subject to applicable governmental regulation and control, if any.

The total number of additional Dwelling Units which Declarant may submit to this Declaration pursuant to the provisions of this paragraph shall not exceed two hundred four (204) condominium units and the same shall be built and added to the Project Area on a density basis of not more than ten (10) dwelling units per acre based on aggregate Project acreage. The total number of units in all Phases shall not exceed 228 units. The right herein reserved to submit such additional property shall permit the addition by Declarant of any number of additional dwelling units up to and including 204 such additional units; however, the submission of one or more additional dwelling units as herein provided shall not obligate Declarant to submit further additional units to the provisions of the Unit Ownership Act or to the provisions of this Declaration. PROVIDED, FURTHER, that Declarant may cause other development to occur on the property described on Exhibit "A" hereof, from time to time, irrespective of whether or not it has developed, or plans to develop, any of the 204 additional units on said property.

At such time, and from time to time, as any additional Phase is subjected to this Declaration the Project Area will consist of the property described hereinabove, such property as may have been previously added thereto by amendment as provided in Paragraphs 26 and 27 hereof, together with such additional property as may then be added by amendment to this Declaration as provided in Paragraphs 26 and 27 hereof.

3. Description of Buildings, Units and Unit Designations:

- (a) The Project consists initially of one building, which contains 24 condominium units.
- (b) Plans and specifications showing construction material and methods for Pebble Beach Condominiums, as certified by the licensed professional engineer, are recorded in the Office of the Register of Deeds of Carteret County as Exhibit B, together with this Declaration, and the same are incorporated herein by reference. In general terms, the buildings are or are to be constructed as follows:
 - (1) Foundations: on timber pilings.
 - (2) Ground level to first living floor: open, on pilings.
 - (3) From first floor level up: wood frame with built-up wooden trusses.

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- (4) Walls within units shall be conventional wood stud with dry-wall surfaces. Walls separating units shall be of cripple-stud construction providing an air space and a sound attenuation barrier.
- (5) Floors are of 1/2 inch pressboard on 1/2 inch plywood. Floors are finished with carpeting and vinyl floor covering.
- (6) Each building shall be divided into sections, separated by firewalls as required by the North Carolina Building Code.
- (7) Exterior siding is cedar siding; decks are of rot-resistant treated lumber; and roofs are plywood surfaced with composition shingles.

4. Unit Designations:

The location, designation, and arrangement of individual units is as shown on the plans referenced above. The alpha numeric design identification, unit numbers, and brief description of units are more fully set out in Exhibit "B" which is incorporated, in full, by reference herein.

5. Description of Common Areas:

- (a) **General Common Area:** The general common area of Pebble Beach Condominium shall consist of all land therein together with all improvements thereon and easements or other rights appurtenant thereto except those areas contained within units as defined in Paragraph 1.(d) above and excepting those limited common areas as defined in sub-paragraph (b) below.
- (b) **Limited Common Area:** Certain portions of the Common Area and Facilities are reserved for the use of a particular Condominium Unit or Units to the exclusion of other Units and are designated as "Limited Common Areas and Facilities" and the Condominium Unit or Units to which they are reserved are as follows:
 - 1. The patios, porches, balconies and decks which are adjacent to respective Condominium Units and interior access to which can be had only through a Unit are Limited Common Areas and Facilities, and use of such areas shall be limited to the Unit owner or occupant whose Unit affords interior access to such patio, porch, balconies or decks.
 - 2. The steps and stoops which are a part of each building are Limited Common Areas and Facilities and are reserved for the use of the owners of Units in the respective buildings, their families, guests, invitees and lessees.
 - 3. There are storage closets, or compartments located to the rear of each building. These closets or compartments are Limited Common Areas and Facilities and their use is limited to the respective Owner or Owners of the Condominium Unit with which each closet, or compartment is associated. Each closet, or compartment, is designated as the Unit with which it is associated.
 - 4. There are attic spaces and air handlers located therein over some units of each building. These attic spaces and air handlers located therein are Limited Common Areas and Facilities and their use is limited to the respective Owner or Owners of the Condominium Unit with which each attic space and air handler are associated.

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6. Easements:

There shall exist, with respect to the common area and individual units, certain easements described below, which easements shall run with the land and shall be binding, as the case may be, on unit owners and the Association, and their heirs, successors and assigns:

- (a) Each unit owner shall have an easement in common with other owners for all other units to use all pipes, wires, ducts, cables, conduits, public utility lines, cable television wires, chimneys and flues, and other common facilities located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use the pipes, ducts, cables, wires, conduits, public utility lines, cable television wires, and other common facilities serving such other units and located in such unit. The Board of Directors shall have the right of access to each unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the common facilities contained therein or elsewhere in the building, at reasonable times and upon reasonable notice to the unit owners.
- (b) The Board of Directors may hereafter grant easements for utility purposes for the benefit of the property, including but not limited to the right to install, lay, maintain, repair and replace water lines, pipes, sewer lines, gas mains, telephone wires and equipment and electrical conduits, and cable television wires over, under, along and on any portion of the common areas; and each unit owner hereby grants the Board of Directors an irrevocable power of attorney to execute, acknowledge and record for and in the name of each unit owner such instruments as may be necessary to effectuate the foregoing.
- (c) In the event any portion of the common elements encroaches upon any unit or any unit encroaches upon the common elements of another unit as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the improvements, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.
- (d) Each unit owner shall have an easement, as required, on and over the common area of the project for ingress and egress from his unit, which easement may not be impaired by the Association or any unit owner, excepting only such temporary interruption as may be caused by required repairs to drives, stairs, walkways or decks.
- (e) The Declarant reserves unto itself and assigns an easement on and over the common area for construction of the Phases of this project.

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7. Percentage of Unit Ownership:

The fractional interest in the common areas of Pebble Beach Condominiums which is attributable to each individual unit in Phase I is based on the relative fair market value of the units, being set out in Schedule "C" attached hereto and incorporated herein by reference. [Note, however, that said common area percentages are subject to amendment as more fully provided in Paragraphs 26 and 27 of this Declaration.]

8. Use and Restrictions Thereon:

- (a) Each unit shall be used for single-family residential purposes only, with the exception that the Declarant or its agents shall have the right to maintain a sales office of model unit in one or more units of its choice for the sole purpose of selling the remaining units in the project, said right terminating upon the sale of the last unit by the Declarant.
- (b) No advertising signs, (including "For Sale" or "For Rent" signs), billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on the property; but provided, however, this foregoing restriction shall not apply to the activities of the Declarant or its agents during the period of the initial sale of the units.
- (c) No business activities of any kind whatsoever shall be conducted in any building or on any portion of the property, with the exception of the activities of the Declarant as described in Paragraph 8.(a) above.
- (d) No animals, livestock or poultry of any kind shall be raised, bred or kept on any part of the property, except that dogs, cats or other usual household pets may be kept by the respective owners only, in their respective units, provided that they are not kept, bred or maintained for any commercial purposes and do not endanger the health of or, in the sole discretion of the Board of Directors of Pebble Beach Homeowners' Association, Inc., unreasonably disturb the owner of any unit or any resident thereof, and provided, further, that such pets shall not be allowed in the general common area of the condominium project unless on a leash or carried by the owner thereof.
- (e) The exterior of the units, including trim and hardware, doors, unit number signs, and related exterior features, shall not be altered or decorated by the individual owners in any manner without the prior written consent of the Board of Directors of the Pebble Beach Homeowners' Association, Inc., and no radio or television aerials or other projections may be installed or attached to the exterior of any unit without such prior written consent. No interior alterations to load-bearing walls or members or to any part of the structure which carries common utilities services shall be allowed without the submittal and approval of complete plans of such proposed alterations.

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- (f) No noxious or offensive activities shall be carried on, in or upon any unit or in the common areas, nor shall anything be done therein tending to cause embarrassment, discomfort, annoyance or nuisance to other unit owners, or to endanger their person and property.
- (g) No refuse, rubbish, trash or waste of any sort shall be thrown into the waters adjoining the condominium project, nor on the beach strand.
- (h) It shall be the responsibility of each unit owner and the Board of Directors of Pebble Beach Home-Owners' Association, Inc., to prevent the development of any unclean, unsightly or unkempt conditions of the common area, including the tidal margin of the beach strand.
- (i) No temporary structures of any kind shall be permitted on the property at any time, excepting such structures as may be required by the General Contractor while the Project or part thereof is under construction.
- (j) Travel trailers, tent campers, motor homes boat trailers or other like vehicles are permitted only in areas which the Association shall designate for the parking of boat trailers.
- (k) All draperies or other window dressings in unit, shall be white or off-white in color, or in lieu thereof, shall have white lining.
- (l) No open fires, including outdoor cooking activities, shall be permitted anywhere on the condominium property except in such areas as may be designated for such purposes, from time to time, by the Board of Directors of the Association.
- (m) Ownership or sale of "timeshare(s)" or "interval ownership" in any unit(s) herein shall not be permitted.

All restrictions and affirmative obligations set forth in this Declaration shall run with the land and shall be binding on all parties and persons claiming under them for a period of 20 years from the date of recordation of this Declaration, after which time said restrictions and obligations will be automatically extended for successive periods of 10 years, unless an instrument signed by two-thirds (2/3) of the then owners of units affected by such restrictions and obligations has been recorded agreeing to change such restrictions and obligations in whole or in part.

In the event of a violation or breach of any of these restrictions, or of any other covenants of this Declaration, including affirmative obligations therein, by any property owner, or agent thereof, the owners of other units or any of them, jointly or severally and/or the Pebble Beach Homeowners' Association, Inc., shall have the right to proceed at law or in equity to complete compliance with the terms hereof or to prevent the violation or breach in any event.

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The failure to enforce any right, reservation or condition contained in this Declaration, however long continued, shall not be deemed a waiver of the right to do so hereafter, as to the same breach, or as to a breach occurring prior to or subsequent thereto, and shall not bar or affect its enforcement. The invalidation by any court of any restrictions or obligations contained in this Declaration shall in no way affect any of the other restrictions, which shall remain in full force and effect.

All present and future owners, tenants and occupants of units in this Project shall be subject to, and shall comply with the provisions of this Declaration, By-Laws and such rules and regulations as may be adopted in accordance with the By-Laws, and as said Declaration, By-Laws, and rules and regulations may be amended from time to time. The acceptance of a deed of conveyance, or the entering of a lease, or the entering into occupancy of any unit shall constitute agreement that the provisions of this Declaration, By-Laws and any rules and regulations which may be adopted are accepted and ratified by such owner, tenant or occupant and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such unit as though such provisions were made a part of each and every deed of conveyance or lease.

9. Rules and Regulations:

The Board of Directors of Pebble Beach Homeowners' Association, Inc. shall have the authority to implement and interpret the foregoing restrictions and affirmative obligations by the enactment of reasonable rules and regulations which shall be published and made available to all unit owners and their tenants and guests, and the said Board of Directors shall have the authority to enforce such reasonable rules and regulations by denial of the use of the common area and its facilities to such violators until the same shall cease, and may further levy fines for serious infractions in an amount not to exceed Twenty Five and no/100 Dollars (\$25.00) per each offense; and provided further than any alleged violators shall have at least ten (10) days written notice and shall be afforded an opportunity to be heard by the Board of Directors in the event the alleged violator desires to contest the application of these sanctions.

10. Management:

Management of the affairs of Pebble Beach Condominium shall be the right and responsibility of the association of unit owners known as Pebble Beach Homeowners' Association, Inc., hereinafter referred to as the "Association"; and said management duties shall be carried out in accordance with the terms and conditions of this Declaration and the terms and conditions set forth in the By-Laws of Pebble Beach Homeowners' Association, Inc., a copy of which is attached hereto and made a part hereof; provided, however, that the Association shall not be organized to take over the management rights and responsibilities until 120 days after such time as a total of three-fourths (3/4) of the units in Phase I shall have been sold by the Declarant and conveyed to the purchasers thereof, but in any event no longer than five (5) years from the filing of this Declaration for record. Until such time, the Declarant shall have the entire right and responsibility of managing the Project.

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If and when additional property is submitted to the terms and conditions of this Declaration and an additional Phase or Phases shall become a part of Pebble Beach Condominium, the Declarant shall have all of the rights and responsibilities of managing such additional Phase or Phases, unless and until 120 days after such time as a total of three-fourths (3/4) of the units in all Phases have been sold by the Declarant and conveyed to the purchasers thereof.

All assessments required to be paid by purchasers in any Phase not yet managed by the Association shall be paid to the Declarant, and the voting rights according to the By-Laws associated with such units shall be exercised by the Declarant, until 120 days after three-fourths (3/4) of the units in all phases shall have been sold and conveyed, but in any event no longer than five (5) years from the filing of this Declaration, at which time the Declarant shall account to the Association for all such assessments and shall pay to the Association all unexpended assessments. At such time, all owners of units in such Phase shall have all of the voting rights of members of the Association.

Notwithstanding the above, management rights, responsibilities and control shall be undertaken by the Association for all Phases no later than five (5) years from the date of the recording of the conveyance of the first unit to purchasers.

So long as Declarant is the owner of at least one (1) Condominium Unit, but in any event, no longer than seven (7) years after the filing of the Declaration for record, Declarant shall have the right to designate and select one (1) of the persons who shall serve as a member of the Board of Directors of the Association.

In the event of dissolution of Declarant at a time when it is the Owner of a Condominium Unit, then the rights of Declarant shall pass to and may be exercised by its successors receiving ownership of any such Condominium Unit in dissolution.

Whenever Declarant shall be entitled to designate and select any person to serve on any Board of Directors of the Association, the manner in which such person shall be designated shall be as provided in the Articles of Incorporation and/or By-Laws of the Association, and Declarant shall have the right to remove any person selected by it to act and serve on said Board of Directors and to replace such person with another person to act and serve in the place of any Director so removed for the remainder of the unexpired term of any Director so removed. Any Director designated and selected by Declarant need not be a resident in the Condominium. Any representative of Declarant serving on the Board of Directors of Association, shall not be required to disqualify himself from any vote upon management contract or other contract, or lease between Declarant and the Association where said Declarant may have a pecuniary or other interest.

Similarly, Declarant as a member of the Association, shall not be required to disqualify itself in any vote which may come before the membership of the Association upon any management contract or other contract or lease between Declarant and Association, where the said Declarant may have a pecuniary or other interest.

11. Assessments:

Each owner of any unit, by acceptance of the deed thereto, whether or not it shall be so expressed in such deed, is deemed to, and does thereby, covenant and agree to pay monthly assessments in a pro rata share equivalent to such unit's ownership interest in the common area (said ownership interest being defined in Paragraph 7 above) for the common expenses of the upkeep, maintenance and improvement of the common area and for expressly designated services provided to all unit owners in the condominium project.

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Until such time as management shall be undertaken by the Association the unit owners shall pay monthly assessments for the services described hereinabove to the Declarant as set from time to time and in a pro rata share as above set out.

Upon the assumption of management responsibilities by the Board of Directors, the Board shall prepare a budget and may amend the monthly assessment at such time as provided by Paragraph 13, below.

The first pro rata payment of the balance of the current month shall be due and payable on the day on which the deed to the respective unit from the Declarant to the unit owner shall have been delivered. In addition thereto, at closing the Declarant shall cause to be collected from the purchaser an amount equal to two (2) month's assessments for said unit. Subsequent payments shall be due and payable on the first day of each month thereafter. Declarant shall use said sum for the upkeep and maintenance of the common area, for the provision of common services ordinarily to be provided by the Association as set forth hereinafter in Paragraph 12, and for the procurement of comprehensive hazard, flood and liability insurance covering the units and common area. At the time of closing of the initial transfer of each unit by the Declarant, the purchaser shall also pay, to the Declarant, a pro rata sum representing the balance of the premiums for insurance which have been pre-paid by the Declarant, and shall pay an amount equal to the remainder of one year's premium to the Declarant for the Association as a pre-payment of the next annual premium. During such interval, the Declarant shall supplement said assessment by such amount as may be required to meet such expenses and provide such services as are required under the provisions of this paragraph and Paragraph 12, below, but shall not be further obligated to pay assessments for unsold units except as set out below. The Declarant shall then surrender all remaining unexpended funds so collected by it to the Association and shall make a full accounting to the Association for all sums spent from the amounts collected by him and shall transfer to the ownership of the Association all insurance policies then in effect on the condominium units and common area. The Directors of the Association shall then establish an annual budget and may adjust the assessment as required to meet such budgeted expenses. The owner of each unit, including the Declarant as to units on which a Certificate of Completion has been issued but which are unsold, shall thereafter make all future payments directly to the Association for all common expenses in the monthly amounts set out above or as adjusted by the Directors. The Declarant shall be obligated to pay its pro rata share monthly payment upon issuance of a Certificate of Completion at the rate, however, of 50% of the then current assessment, and thereafter so long as the unit is unoccupied, not to exceed 60 days after the recording of the conveyance to the first unit in that Phase, at which time all assessments shall be paid at the full then current assessment.

12. Purposes of Assessments:

The assessments paid to the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of Pebble Beach Condominiums and, in particular, for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and relating to the exterior maintenance of the buildings and units (excluding exterior glass surfaces, exterior doors, and light fixtures controlled from within individual units), and for the use and enjoyment of the common area and facilities, including, but not limited to, the cost of liquid waste disposal, garbage collection, electricity for the common area and facilities, management and supervision, the payment of taxes assessed against the common area and facilities; the procurement and maintenance of liability and hazard insurance coverage on the common area; the employment of attorneys, accountants, and professional management personnel when deemed necessary or advisable by the Association; and such other needs as may arise.

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13. Change in Assessments:

At any time after the actual assumption of management duties by the Association and the establishment of the initial budget and assessment, the Association shall have the right, by a vote of its Board of Directors, to increase said assessments in any one year without the approval of the membership by an amount not to exceed fifteen percent (15%) of the assessment of the previous year, as applicable. The assessment may be increased without limit by a vote of two-thirds (2/3) of the members of the Association. Such vote may be in person or by proxy, at a regular annual meeting or at a meeting duly called for this purpose.

14. Assessments for Capital Improvements:

On the day on which the deed to the respective unit from Declarant to the unit owner shall have been delivered, the Declarant shall cause to be collected from the unit owner, an amount equal to two months' assessment for said unit. This amount shall be collected and maintained in a segregated account to be transferred to the Association when it assumes management, for the sole purpose and use as a working capital fund. A monthly assessment may be made in accordance with procedures outlined in Paragraphs 11, 12 and 13 above on all unit owners. Declarant shall not be required to contribute said initial two (2) months' amount on any unsold unit, but shall pay any monthly assessment made for capital improvements as outlined in Paragraph 11 above.

In addition to the assessments specified above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvements upon the common area, including fixtures and personal property related thereto; provided that, if any such expenditures shall exceed the sum of \$100.00 per unit in any one year, such assessment shall have the assent therefor voted by two-thirds (2/3) of the members of the Association, in person or by proxy in a regular annual meeting or in a meeting duly called for this purpose.

15. Date of Commencement of Association Assessments:

Assessments levied by the Association on the owners of individual units shall commence as soon as practicable, but in any event within thirty (30) days, after the formation of the Association and the taking over of the management of the condominium development from the Declarant and the preparation of the first annual projected budget. Assessments prior to such time shall be paid to the Declarant.

16. Creation of Lien and Personal Obligations of Assessments:

The assessments called for hereinabove, together with interest and costs of collection, including court costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. Personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

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Any assessments not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate allowed by law. The Association may bring an action at law against the owner or owners personally obligated to pay the same or may foreclose the lien against the property and the Association is hereby granted a power of sale to conduct said foreclosure, and interest, costs and reasonable attorneys' fees of the action of foreclosure shall be added to the amount of such assessment. No unit owner or owners may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area and facilities. The Board of Directors of the Association shall also have the power, in its discretion, to assess a late payment penalty, not to exceed five percent (5%) of the monthly assessment, against any owner whose assessment shall be unpaid on due dates.

17. Subordination of the Lien to Mortgages:

The liens provided for herein shall be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust. Sale or transfer of any unit shall not affect the assessment lien provided for in the preceding section. However, the sale or transfer of any unit which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof shall extinguish the lien of such assessment as to the payment thereof which became due prior to such sale or transfer, but shall not extinguish the personal liability of the owner at the time the assessment fell due. No such sale or transfer shall relieve such unit from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust.

18. Exterior Maintenance:

In addition to maintenance upon the common area and facilities, the Association shall provide exterior maintenance upon each unit which is subject to assessment hereunder as follows: paint, repair, replacement and care of roofs, decks, gutters, downspouts, chimneys, shutters, exterior building surfaces, trees, shrubs, columns, railings, walks, and other exterior improvements. Such exterior maintenance of individual units shall not include glass surfaces, exterior doors, lighting controlled from within a unit. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association, as well as Declarant until such time as the Association takes over such duties and responsibilities, the right to unobstructed access over and upon each unit at all reasonable times to perform maintenance and repair as provided herein.

In the event that the need for maintenance, repair or replacement in the common area or to other units is caused through the willful or negligent act of the owner or owners of a unit or units, or the family, guests, tenants or invitees thereof, or results from causes excluded from coverage in North Carolina Standard Fire and Extended Coverage insurance policies or other coverage which may be provided by the Association, the costs of such maintenance, replacement or repairs, including that amount falling under deductible limits, shall be added to and become a part of the assessment to which the unit or units of such owner or owners is subject.

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19. Insurance and Reconstruction:

(a) Insurance. The insurance which shall be carried upon the condominium property shall be governed by the following provisions:

(1) Casualty or physical damage insurance shall be carried in an amount equal to the full replacement value (i.e., 90% of the full "replacement costs") of the condominium property, exclusive of excavations and foundations, with a replacement cost endorsement or an annual review clause, without deduction or allowance for depreciation (as determined annually by the Board of Directors of the unit owner's Association with the assistance of the insurance company affording such coverage), such coverage to afford protection against at least the following:

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

(2) The unit owner's Association shall insure itself, the members of the Board of Directors, the units owners and the occupants against liability for personal injury, disease, illness or death and for injury to or destruction of property occurring upon, in or about, or arising from or relating to the condominium property or any portion thereof, including, without limitation, water damage, legal liability, hired automobile, non-owned automobile and off-premises employee coverage, such insurance to afford protection to a limit of not less than One Million Dollars (\$1,000,000.00) in respect to personal injury, disease, illness or death suffered by any one person, and to the limit of not less than One Million Dollars (\$1,000,000.00) in respect to any one occurrence, and to the limit of not less than Five Hundred Thousand Dollars

(\$500,000.00) in respect to damage to or destruction of property arising out of any one accident. All liability insurance shall contain cross-liability endorsements to cover liabilities of the unit owners as a group to a unit owner. In the event the insurance effected by the unit owner's Association on behalf of the unit owners and occupants against liability for personal injury or property damage arising from or relating to the condominium property shall, for any reason, not fully cover any such liability, the amount of any deficit shall be a common expense to the unit owners, and any unit owner who shall have paid all or any portion of such deficit in an amount exceeding his proportionate share thereof based upon his percentage of interest in the common elements shall have a right of contribution from the other unit owners according to their respective percentages of interest in the common elements.

- (3) The unit owner's Association shall provide fidelity insurance coverage to protect against dishonest acts on the part of officers, directors, volunteers, managers and employees of such Association and all others who handle, or are responsible for handling funds of the Association. Such fidelity insurance coverage shall, at least, meet the following requirements: (a) all such fidelity insurance coverage shall name the unit owner's Association as an obligee thereunder; and (b) shall be written in an amount equal to at least 150% of the estimated annual operating expenses of the Association, including reserves; and (c) shall contain waivers of any defense bond upon the exclusion of persons who serve without compensation from any definition of "employee" of similar expression.
- (4) Premiums upon insurance policies purchased by the unit owner's Association shall be paid by the Association at least thirty (30) days prior to the expiration date of such policies and shall be assessed as common expenses.
- (5) All insurance policies shall be written with a company or companies licensed to do business in the State of North Carolina and holding a rating of "A+AAAAA" or better in Best's Insurance Guide.
- (6) Exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors of the Association, or its authorized representative.
- (7) In no event shall the insurance coverage be obtained and maintained pursuant to the requirements hereof be brought into contribution with insurance purchased by the owners of the condominium units or their mortgagees, as herein permitted, and any "no other insurance" or similar clause in any policy obtained by the Association pursuant to the requirements hereof shall exclude such policies from consideration.

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- (8) All policies shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days written notice to any and all insureds named thereon, including any and all mortgagees of the condominium units.
- (9) All policies of casualty insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Board of Directors of the Association (or any Insurance Trustee) or when in conflict with the provisions of this Declaration of Unit Ownership or the provisions of North Carolina Unit Ownership Act as the same may be in force from time to time.
- (10) All policies of insurance shall contain a waiver of subrogation by the insurer as to any and all claims against the Association, the Board of Directors thereof, the owner of any condominium unit and/or their respective agents, employees, invitees or mortgagees and of any defenses based upon co-insurance or invalidity arising from the acts of the insured.
- (b) Unit Owners Policies of Insurance. The owner of any condominium unit (including the holder of any mortgage thereon) may obtain additional insurance, (including coverage for improvements and betterments to the condominium unit made or acquired at the expense of the owner) at his own expense. Such insurance shall be written by the same carrier as that purchased by the Board of Directors of the Association pursuant to the provisions hereof OR shall provide that it shall be without contribution as against the same. Such insurance policy or policies shall contain the same waiver of subrogation provisions as that set forth in Paragraph 19.(a)10 hereof. The Declarant recommends that each owner of a condominium unit in the Project obtain, in addition to the insurance hereinabove provided to be obtained by the unit owner's Association, a Condominium Owners Policy, or equivalent, to insure against loss or damage to personal property used in or incidental to the occupancy of the condominium unit, additional living expenses, vandalism or malicious mischief, theft, personal liability and losses to improvements and betterments to the condominium unit made or acquired at the expense of the Owner, and loss assessment coverage.

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Liability for Reconstruction or Repair.

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

2. In the event that the proceeds of insurance are not sufficient to repair damage or destruction by fire or other casualty or in the event such damage or destruction is caused by any casualty not herein required to be insured against, then the repair or reconstruction of the damaged common elements shall be accomplished promptly by the Association at its common expense and the repair or reconstruction of any condominium unit shall be accomplished promptly by the Association at the expense of the owner of the affected condominium unit. The ratable share of the

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expense of such repairs or reconstruction may be assessed and the lien for same shall have all the priorities provided for in this Declaration of Unit Ownership.

(d) Procedure for Reconstruction or Repair.

1. Immediately after a casualty causing damage to any portion of the condominium property, the Association shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Board deems necessary.
2. If the proceeds of the Casualty Insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association (including the aforesaid fees and premiums, if any) one or more special assessments shall be made against all unit owners in sufficient amounts to provide funds for the payment of such costs, and the proceeds of such special assessments shall be deposited with the Board of Directors.
3. The proceeds of the Casualty Insurance referred to in Paragraph 19.(a)1. hereof and the sum deposited with the Board of Directors and the Association from collections of special assessments against unit owners on account of such casualty, shall constitute a construction fund which shall be disbursed to the Board of Directors and be applied by the Board of Directors to the payment of the cost of reconstruction and repair of the condominium property from time to time as the work progresses, but not more frequently than once in any calendar month. Said Board shall make such payments upon a certificate dated not more than fifteen (15) days prior to such request, signed by a responsible officer of the Association and by an architect in charge of the work who shall be selected by the Association, setting forth (1) that the sum then requested either has been paid by the Association or is justly due to contractors, subcontractors, materialmen, architects, or other persons who have rendered services or furnished materials in connection with the work, giving a brief description of the services and materials, and that the sum requested does not exceed the value of the services and materials described in the certificate, (2) that except for the amount stated in such certificate to be due as aforesaid for work subsequently performed, there is no outstanding indebtedness known to the person signing such certificate after due inquiry which might become the basis of a vendor's, mechanic's, materialmen's or similar lien arising from such work, and (3) that the cost as estimated by the person signing such certificate of the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining in the hands of the Board of Directors after the payment of the sum so required. It shall be presumed that the first monies disbursed in payment of such costs of reconstruction and repair shall be from insurance proceeds; and if there is a balance in any construction fund after payment of all

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costs of the reconstruction and repair for which the fund is established, such balance shall be disbursed to the Association.

20. Party Walls.

Each wall which is built as a part of the original construction of the units and placed on the dividing line between the units shall constitute a party wall, and the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

21. Mortgage of Units.

Any unit owner may give a deed of trust or mortgage on his unit without prior notice to or authorization by the Declarant or the Board of Directors of the Association, but, provided, however, that any unit owner giving a deed of trust or mortgage on his unit, shall simultaneously with the recording thereof, record a Request for Notice as provided by law, providing that a foreclosing mortgagee shall provide notice of the institution of foreclosure proceedings to the Board of Directors of the Association.

22. Rights of Mortgagees:

(a) **Notices of Action.** A holder or insurer of a first mortgage, upon written request to the owners' Association, (such request to state the name and address of such holder or insurer and the unit number), will be entitled to timely written notice of:

1. Any proposed amendment of the condominium instruments effecting a change in (1) the boundaries of any unit, (2) the undivided interest in the common elements appertaining to any unit or the liability for common expenses appertaining thereto, (3) the number of votes in the owners' Association appertaining to any unit or (4) the purposes to which any unit or the common elements are restricted;
2. Any proposed termination of the condominium regime;
3. Any condemnation or eminent domain proceeding affecting the condominium regime or any portion thereof;
4. Any significant damage or destruction to the common elements; and
5. Any default under the Declaration or By-Laws which gives rise to a cause of action against the owner of a unit subject to the mortgage of such holder or insurer, where the default has not been cured in sixty (60) days.

23. Inspection of Association Book and Records:

The holder and insurer of the first mortgage on a unit shall be entitled, upon request, to: (a) inspect the books and records of the owners' Association during normal business hours and (b) require the preparation of and, if preparation is required, receive an annual audited financial statement of the owners' Association for the immediately preceding fiscal year, except that such statement need not be furnished earlier than ninety (90) days following the end of such fiscal year. All unit owners have reasonable access to inspect the books, records and financial statement of the owners' Association, including annual audited financial statements where such are prepared.

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24. Partitioning:

The common area and facilities shall not be divided nor shall any right to partition any part thereof exist. No unit owner may subdivide or convey any part of his unit; but provided, however, that nothing herein contained shall be deemed to prevent ownership of a condominium unit by the entireties, jointly or in common, or in any other form by law permitted, except as prohibited in Paragraph 8 above.

25. Rental of Units:

Unit owners may lease their units, but provided, however that any lessee shall be bound by the applicable restrictions contained in this Declaration, by rules and regulations enacted by the Board of Directors of the Association and by such reasonable restrictions on such rentals as may be adopted by the said Board of Directors. By his acceptance of a deed of his unit, each unit owner empowers the Association or its designee, as his attorney in fact, to bring a proceeding in summary ejectment to remove any tenant who is in violation of the provisions of this Declaration, the By-Laws, or any rules and regulations adopted by the Board of Directors pursuant thereto. If leased, a unit must be leased in its entirety, and may not be subdivided for this purpose. Nothing contained herein shall be construed, nor shall the Board of Directors be empowered to create a rental pool, to require the employment of an exclusive rental agent, to fix rental rates, or to require that units be made available for rent.

26. Additions to Condominium Property:

As Declarant completes future stages or Phases of Pebble Beach Condominiums, if any, said stages or Phases will become part of the condominium property by amendment to this Declaration and the unit owners of the Dwelling Units constructed on the future stages will become members of the Association, to the same extent as if their units were originally one of the units covered by this Declaration. Declarant therefore, hereby reserves the right at any time within a period of seven (7) years, commencing on the date of filing this Declaration for record, that Declarant determines to take the action so contemplated (a) to submit from time to time additional stages or Phases of the Project to the provisions of this Declaration and the Unit Ownership Act, and (b) to amend this Declaration, in the manner provided in Paragraph 2. hereof, in such respects as Declarant may deem advisable in order to effectuate such submission or submissions, including, without limiting the generality of the foregoing, the right to amend this Declaration so as (1) from time to time within said seven (7) year period to include stages or Phases of the Development Area and the improvements constructed thereon as part of the condominium property, (2) from time to time to include descriptions of buildings constructed on said stages of the Development Area in this Declaration and to add Drawings thereof to the exhibits filed herewith, and (3) to provide that the owners of Units in the additional buildings will have an interest in the common elements of the condominium property and to amend Paragraph 7. hereof, and Schedule "C" therein referred to, so as to establish the percentage of interest in the common areas as to the owners of all units within the buildings on the condominium property at the time of such amendment or amendments, which percentage shall be, with respect to each unit, in the various percentages to be shown and described on said Amendment applicable to the particular stages or Phases then subjected to this Declaration, which determination shall be made by Declarant and shall be conclusive and binding upon all unit owners. Declarant expressly agrees, however, that there will not be constructed and added to the Project under and pursuant to the provisions of this Paragraph 26. more than a two hundred sixteen (204) additional Dwelling Units which will provide a total, in all Phases of two hundred twenty-eight (228) units. Declarant on its own behalf as owner of all units in the condominium property and on behalf of all subsequent unit owners, hereby consents and approves, and each unit owner and his mortgagee by acceptance of a deed conveying such ownership interest or a mortgage encumbering such ownership interest, as the case maybe,

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thereby consents to and approves, the provisions of this Paragraph 26., including, without limiting the generality of the foregoing, the amendment of this Declaration of Declarant in the manner provided in this Paragraph 26. and in Paragraph 27. hereof, and all such unit owners and their respective mortgagees, upon request of Declarant, shall execute and deliver from time to time all such instruments and perform all such acts as may be deemed by Declarant to be necessary or proper to effectuate said provisions.

27. Amendments to Declaration:

- (a) Each unit owner and his respective mortgagees by acceptance of a deed conveying an ownership interest or a mortgage encumbering such ownership interest, as the case may be, hereby irrevocably appoints Declarant his Attorney in Fact, coupled with an interest, and authorizes, directs and empowers such Attorney, at the option of the Attorney, in the event that Declarant exercises the rights reserved in Paragraph 26. hereof to add to the condominium property as provided in Paragraph 26. hereof, to execute, acknowledge and record for and in the name of such unit owner and any such mortgagee an amendment to amendments of this Declaration for such purpose and for and in the name of such respective mortgagees, a consent and joinder to such amendment or amendments.
- (b) This Declaration may be amended upon the filing for record with the Register of Deeds of Carteret County, North Carolina of an instrument in writing setting forth specifically the item or items to be amended and any new matter to be added, which instrument shall have been duly executed by unit owners having not less than seventy-five percent (75%) interest in the common elements, or in the case of an amendment for the purpose of adding to the condominium property pursuant to Paragraph 26. hereof, by Declarant acting as Attorney in Fact for all of the unit owners and their mortgagees as above provided, or in any other case where the Unit Ownership Act requires unanimous consent of the unit owners, by all of the unit owners.
- (c) Any amendment hereto must be executed with the same formalities as this instrument and must refer to the volume and page in which this instrument and its attached schedules and exhibits are recorded and must contain an affidavit by the President of the Association or an officer of Declarant, as the case may be, that a copy of the amendment has been mailed by certified mail to all unit owners and all mortgagees having a bona fide lien of record against any unit ownership interest.
- (d) Except as hereinabove provided with respect to amendments for the purpose of making additions to the condominium property as provided in Paragraph 26. hereof, no amendment of this Declaration shall have any effect, however, upon Declarant, the rights of Declarant under this Declaration and upon the rights of bona fide mortgagees until the written consent of Declarant and such mortgagees to such amendment has been secure. Such consents shall be retained by the Secretary of the Association or the Declarant, as the case may be, and his certification in the instrument of amendment as to the consent or non-consent of Declarant and the names of the consenting or non-consenting mortgagees of the various units may be relied upon by all persons for all purposes.

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28. Person to Receive Service of Process:

Frank W. Erwin is hereby designated to receive Service of Process in any action which may be brought against, or in relation to, this condominium development, the address of his place of business being 323 New Bridge Street, Jacksonville, North Carolina 28540.

29. Severability:

Should any provision of this Declaration be declared to be invalid for any reason or to have ceased to be binding on the parties hereto, such provisions shall be severed, and all other provisions herein shall continue to be effective and binding.

30. Law Controlling:

This Declaration and the By-Laws attached hereto shall be construed in the light of and controlled by and under the laws of the State of North Carolina.

31. JOINDER OF TRUSTEE AND MORTGAGEE:

The undersigned Trustee and mortgagee, O.B. Hawkins, Jr. and Cameron-Brown Company respectively, join in the execution of this Declaration as Trustee and mortgagee under that deed of trust recorded in Book 473, Page 115, Carteret County Registry.

IN WITNESS WHEREOF, the Declarant hereinabove named, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.



PEBBLE BEACH RESORTS, INC.

BY: Harland W. Tuttle
President

Brian A. Ottom
Secretary

O. B. Hawkins, Jr.
O. B. Hawkins, Jr., Trustee

CAMERON-BROWN COMPANY

BY: Thomas O. Deery
President

ATTEST

Kathleen Mays
Not. Secretary

Alinda S. June

NORTH CAROLINA, CARTERET COUNTY
The foregoing certificate(s) of Kathleen Mays
is (are) certified to be correct. This instrument was pre-
sented for registration and recorded in this office in
Book 46-18 Page 423
This 12 day of July 1983 at 9:15 O'clock A.M.

Sharon Finer
Register of Deeds
By: Alexis C. Cline
Assistant, Deputy

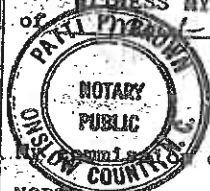
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NORTH CAROLINA

ONSLON COUNTY

I, a Notary Public of the County and State aforesaid, certify that Bobby N. Pittman, personally came before me this day and acknowledged that he is Secretary of Pelle Road Assets, Inc. a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary all by order of its Board of Directors duly given.

WITNESS MY HAND AND OFFICIAL STAMP OR SEAL, this 2 day of June, 1983.



Patti P. Brown
NOTARY PUBLIC

My commission expires: June 3, 1985.

NORTH CAROLINA

COUNTY OF Mecklenburg

I, a Notary Public for said County* and State, do hereby certify that O. B. Hawkins, Jr. Trustee personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS MY HAND AND OFFICIAL SEAL, this the 8th day of March, 1983.

Glenda T. Gann
NOTARY PUBLIC

My commission expires: 10-26-85

STATE OF North Carolina

COUNTY OF Mecklenburg

I, a Notary Public of the County* and State aforesaid, certify that Kathy L. Mayo, personally came before me this day and acknowledged that he is Assistant Secretary of Camden-Brown Company a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Asst. Vice President, sealed with its corporate seal and attested by him as its Assistant Secretary all by order of its Board of Directors duly given.

WITNESS MY HAND AND OFFICIAL STAMP OR SEAL, this 8th day of March, 1983.

Glenda T. Gann
NOTARY PUBLIC

My commission expires: 10-26-85, 1985.

* I, Glenda T. Gann, am a Notary Public for the County of Johnston, North Carolina.

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EXHIBIT A - DESCRIPTION OF DEVELOPMENT AREA

LAND DESCRIPTION

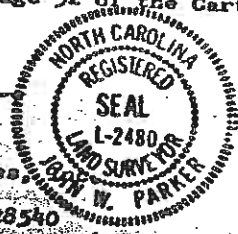
Property of Pebble Beach Resorts Inc.

Beaufort County, North Carolina

BEGINNING at an existing concrete monument on the Northern right-of-way of Ocean Drive (50 foot right-of-way), said concrete monument being at the Easternmost end of Ocean Drive and being the Southeasternmost corner of Lot 26, Block B as shown on that plat of Deer Horn Dunes recorded in Map Book 14, Page 93 of the Carteret County Registry; thence from the above described point of beginning and with the Eastern line of Block B of said subdivision, North 05 degrees 30 minutes West 1648.83 feet to an existing concrete monument on the Southern right-of-way of Coast Guard Road; thence with said right-of-way, North 87 degrees 13 minutes East 189.54 feet to the point of tangency of a curve having a radius of 309.15 feet; thence with the arc of said curve to the left a distance of 274.65 feet to the point of curvature of said curve; thence continuing with said right-of-way of Coast Guard Road (60 foot right-of-way), North 39 degrees 19 minutes East 74.54 feet to the point of intersection of said right-of-way with the curve Southernmost right-of-way of Reed Drive (60 foot right-of-way); thence with the chord of a portion of said curve of Reed Drive having a radius of 1981.02 feet, South 55 degrees 33 minutes East 39.35 feet to an existing iron pipe; thence leaving Reed Drive and with the Holiday Inn Travel Park, a portion of Lot 2 Emerald Isle by the Sea, recorded in Map Book 8, Page 52 of the Carteret County Registry, South 05 degrees 30 minutes East 2005.93 feet to a point on the highwater mark of the Atlantic Ocean; thence with the approximate mean highwater mark of the Atlantic Ocean, South 78 degrees 27 minutes 55 seconds West 516.81 feet to a point on said approximate mean highwater mark; thence leaving said mean highwater mark, North 05 degrees 30 minutes West 287.46 feet to the point and place of beginning. Containing 22.86 acres.

According to a survey by James E. Stewart and Associates, Inc. completed in April 1982 and being a Southern portion of Lot 1, as shown on that map recorded in Map Book 8, Page 52 of the Carteret County Registry.

John W. Parker
 John W. Parker, R.L.S., L-2480



James E. Stewart and Associates,
 P.O. Drawer AD
 Jacksonville, North Carolina 28540

EXHIBIT A-1

DESCRIPTION OF PROJECT AREA

BEING all of Phase I of the Pebble Beach Condominiums Property shown on that certain map prepared by James E. Stewart and Associates, Inc., dated October, 1982 and recorded in Book 20 Page 3, Carteret County Registry and being more particularly described as follows:

Being all of that property described in pages 2-5 of Exhibit A-1 continued, attached hereto and incorporated herein by reference as if fully set forth.

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Y208
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Exhibit A-1
page 1 of 5

LAND DESCRIPTION

Pebble Beach Condominiums, Phase I,
Wastewater Treatment Facilities Areas No. 1 and No. 2, and
Strips for Water and Sewer Lines
Emerald Isle Township, Carteret County, N. C.
Vernon Foster to Pebble Beach Resorts, Inc.

PHASE I

BEGINNING at an existing concrete monument on the Northern right-of-way of Ocean Drive, said monument being at the Easternmost terminus of Ocean Drive as shown on a map entitled "Deer Horn Dunes", recorded in Map Book 14, Page 93 of the Carteret County Registry and also being the Southeasternmost corner of Lot 26, Block B as shown on the aforementioned map of Deer Horn Dunes; thence from the above described point of beginning, leaving said right-of-way of Ocean Drive and with the Easternmost line of referenced subdivision, North 05 degrees 30 minutes West 173.33 feet to a point; thence leaving said line, North 70 degrees 00 minutes East 55.10 feet to a point; thence South 58 degrees 00 minutes East 188.42 feet to a point; thence South 73 degrees 00 minutes East 29.23 feet to a point where the proposed water line crosses the Northern boundary of Phase I; thence the same line South 73 degrees 00 minutes East 31.97 feet (61.20 feet total) to a point; thence South 05 degrees 30 minutes East 20.14 feet to a point; thence South 08 degrees 00 minutes West 29.80 feet to a point; thence South 11 degrees 32 minutes 05 seconds East 259.37 feet to a point on the approximate mean high water mark of the Atlantic Ocean; thence with said approximate mean high water mark, South 78 degrees 27 minutes 55 seconds West 280.82 feet to a point on the Eastern line of the aforementioned subdivision of Deer Horn Dunes, the Southwesternmost corner of the herein described tract; thence leaving said high water mark and along the Eastern line of the Deer Horn Dunes Subdivision North 05 degrees 30 minutes West 237.46 feet to a point on the Southern right-of-way of Ocean Drive, the Northeasternmost corner of Lot 1, Block A as shown on the aforementioned map of Deerhorn Dunes; thence crossing said right-of-way, North 05 degrees 30 minutes West 50.0 feet to the point and place of beginning. Containing 2.41 acres.

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EXHIBIT A-1
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Wastewater Treatment Facilities Area No. 1

BEGINNING at a point, said point being located North 02 degrees 55 minutes 35 seconds East 1512.71 feet from the Southwesternmost corner of the above described Phase I; thence from the above described point of beginning, South 84 degrees 30 minutes West 120.00 feet to a point; thence North 05 degrees 30 minutes West 220.00 feet to a point; thence South 61 degrees 49 minutes East 139.41 feet to a point where a sewer line crosses the Northern boundary of the herein described tract; thence continuing the same line, South 61 degrees 49 minutes East 4.81 (144.22 feet total) feet to a point; thence South 05 degrees 30 minutes East 140.0 feet to the point and place of beginning. Containing 0.50 acres.

Wastewater Treatment Facilities Area No. 2

BEGINNING at a point, said point being located North 07 degrees 50 minutes East 1818.99 feet from the Southwesternmost corner of the above described Phase I; thence from the above described point of beginning, South 84 degrees 30 minutes West 76.44 feet to a point where the sewer line crosses the Southern boundary of the herein described tract; thence continuing the same line, South 84 degrees 30 minutes West 18.56 (95.0 feet total) feet to a point; thence North 05 degrees 30 minutes West 95.0 feet to a point; thence North 84 degrees 30 minutes East 95.0 feet to a point; thence South 05 degrees 30 minutes West 95.0 feet to the point and place of beginning. Containing 0.21 acres.

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Ten Foot Strip of Land for Sewer Line

BEING a 10 foot strip of land lying 5 feet on either side of a centerline described as follows:

BEGINNING at a point, said point being located North 32 degrees minutes 15 seconds East 438.32 feet from the Southwestern corner of the above described Phase I; thence from the above described point of beginning, North 22 degrees 07 minutes West 371.00 feet to a point; thence North 29 degrees 30 minutes East 87.0 feet to a point; thence North 05 degrees 30 minutes West 611.79 feet to a point; thence South 84 degrees 30 minutes West 22.16 feet to a point on the Eastern line of the above described Wastewater Treatment Facilities Area No. 1.

Ten Foot Strip of Land for Sewer Line

BEING a 10 foot strip of land lying 5 feet on either side of a centerline described as follows:

BEGINNING at a point, said point being the point described as the crossing of a sewer line on the Northern boundary of the above described Wastewater Treatment Facilities Area No. 1; thence from the above described point of beginning, North 25 degrees 51 minutes 25 seconds East 269.14 feet to a point on the Southern boundary of the above described Wastewater Treatment Facilities Area No. 2.

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Ten Foot Strip of Land for Water Line

BEING a 10 foot strip of land lying 5 feet on either side of a centerline described as follows:
BEGINNING at a point, said point being the point where the proposed water line crosses the Northern line of the above described Phase I; thence from the above described point of beginning, North 78 degrees 38 minutes East 35.99 feet to a point; thence North 05 degrees 30 minutes West 198.55 feet to a point; thence North 32 degrees 00 minutes East 154.18 feet to a point; thence North 58 degrees 00 minutes West 151.53 feet to a point; thence North 05 degrees 30 minutes West 1163.69 feet to a point on the curved Southern right-of-way of Coast Guard Road.

The above description being drawn by James E. Stewart and Associates, Inc., on November 8, 1982, from computed lines.

The above described tracts being shown on a map entitled "Final Plat, Phase I, Pebble Beach Condominiums" prepared by James E. Stewart, Inc., dated October 1982, soon to be recorded in the office of the Register of Deeds of Carteret County.

John W. Parker 11-08-82
John W. Parker, R.L.S. L-2480

James E. Stewart and Associates, Inc.
P. O. Drawer AD
Jacksonville, N. C. 28540



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EXHIBIT B
IDENTIFICATION OF CONDOMINIUM UNIT

The plans and specifications for each unit, including individual unit number of Pebble Beach Condominiums, prepared by Wilson & Lysiak, Inc. Engineers, and dated Oct. 12, 1982, have been recorded in the Unit Ownership and Condominium Book W-F, Page 21-22, Carteret County Registry, to which reference is made for more full and complete description.

Book W-18

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SMILEY, HAYES
& KERRIN, P.A.
ATTORNEYS AT LAW
100 W. BROAD STREET
NEW YORK, N.Y. 10038

SCHEDULE "C"
 PERCENTAGE OF UNIT OWNERSHIP PER UNIT

<u>UNIT NUMBER</u>	<u>UNIT DESIGNATION</u>	<u>COMMON AREA PERCENTAGE</u>
1	A 101	4.1666
2	A 102	4.1666
3	A 103	4.1666
4	A 104	4.1666
5	A 105	4.1666
6	A 106	4.1666
7	A 107	4.1666
8	A 108	4.1666
9	A 201	4.1666
10	A 202	4.1666
11	A 203	4.1666
12	A 204	4.1666
13	A 205	4.1666
14	A 206	4.1666
15	A 207	4.1666
16	A 208	4.1666
17	A 301	4.1666
18	A 302	4.1666
19	A 303	4.1666
20	A 304	4.1666
21	A 305	4.1666
22	A 306	4.1666
23	A 307	4.1666
24	A 308	4.1666

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