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STATE OF NORTH CAROLINA
COUNTY OF PAMLICO

DECLARATION OF UNIT OWNERSHIP
OF ORIENTAL WEST
CONDOMINIUMS

THIS DECLARATION is made this 29th day of September, 1986, by CLEMENT A. PAFPE, JR., and wife, JOYCE A. PAFPE, residents of Pamlico County, North Carolina, pursuant to Chapter 47A of the North Carolina General Statutes.

W I T N E S S E T H :

WHEREAS, the Developer is the owner of The Property described on Exhibit A attached hereto; and,

WHEREAS, the Developer desires to subject The Property to the provisions of the North Carolina Unit Ownership Act.

NOW, THEREFORE, the Developer hereby subjects The Property to the provisions of Chapter 47A of the North Carolina General Statutes and hereby publishes its plan as to the division of The Property, the imposition of restrictive and protective covenants, conditions, restrictions, reservations, liens, agreements and charges thereon, and the individual ownership thereof, and hereby specifies that this Declaration shall constitute restrictive and protective covenants, conditions, restrictions and reservations which shall run with The Property and shall bind and inure to the benefit of the Developer, their heirs, successors and assigns, and all subsequent owners of any interest in The Property, their heirs, successors and assigns.

ARTICLE I
DEFINITIONS

As used in this Declaration, unless the context otherwise requires, the following definitions shall prevail:

(a) Act shall mean and refer to Chapter 47A of the North Carolina General Statutes.

(b) Articles of Incorporation shall mean the Articles of Incorporation of the Association.

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See Amend #1 Book 247 Page 378.

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(c) Association shall mean Oriental West Condominiums Association, Inc.

(d) Association Properties shall mean such properties as are owned by the Association from time to time.

(e) Board of Directors shall mean the Board of Directors of the Association.

(f) Building shall mean a structure containing in the aggregate two or more Units and comprising a part of the Condominium Complex.

(g) Bylaws shall mean the Bylaws of the Association.

(h) Common Areas shall mean all of The Property and improvements thereon with the exception of Units and shall include Limited Common Areas.

(i) Common Expenses shall mean all expenses of administration, maintenance, repair or replacement of Common Areas, the expenses agreed upon as Common Expenses by the Association, and such other expenses as may be declared to be Common Expenses in this Declaration.

(j) Common Profits shall mean the excess of all receipts of the Association including, but not limited to, assessments, rents, profits and revenues on account of the Common Areas, over and above the Common Expenses.

(k) Condominium Complex shall mean The Property and all improvements thereon.

(l) Declarant shall mean, collectively, Clement A. Paffe, Jr., and wife, Joyce A. Paffe.

(m) Limited Common Areas shall mean those Common Areas reserved for the use of the Unit Owner of a certain Unit to the exclusion of all other Unit Owners.

(n) Management Agreement shall mean any agreement between the Association and any entity providing for the management of any property within the Condominium Complex.

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(o) Person shall mean an individual, firm, corporation, partnership, association, trust, any other legal entity, or any combination thereof.

(p) The Property shall mean The Property described on Exhibit A attached hereto.

(q) Unit shall mean those individual Units within the Condominium Complex as delineated on the plats and plans attached hereto as Exhibit B.

(r) Unit Owner shall mean any Person owning a Unit, but shall not include a mortgagee unless such mortgagee has acquired title to the Unit pursuant to foreclosure or some other process in lieu of foreclosure.

ARTICLE II

NAME

The name by which the Condominium Complex shall be identified is "Oriental West Condominiums."

ARTICLE III

UNITS AND COMMON AREAS

There are three separate Buildings in the Condominium Complex designated as Building A, Building B and Building C which are located as shown on the plats attached hereto as a part of Exhibit B. Buildings A and B shall have two stories each and Building C shall have one story. The Buildings shall have no basements, shall have foundations of solid block reinforced on concrete footings and shall be of wood-frame construction, the exterior of which shall consist of cedar siding and fiberglass shingled roofs, and the interior of which shall consist of plywood sub-flooring and sheetrock walls and ceilings. Buildings A and B contain six (6) Units each and Building C contains two (2) Units.

Units 1 through 6 are located in Building A. Units 7 through 12 are located in Building B. Units 13 and 14 are located in Building C. Units 1-3, 7-9 and 13-14 are first-floor Units and Units 4-6 and 10-12 are second-floor Units.

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The actual location and configuration of each Unit is more particularly shown and delineated on the plats and plans attached hereto as Exhibit B. For purposes of identification, all Units are given identification numbers as stated above and as shown on Exhibit B. No Unit bears the same identifying number as does any other Unit. The Common Areas are designated on Exhibit B. The decks or balconies adjacent to each Unit are Limited Common Areas for the sole use of the Unit Owner of the Unit to which same are adjacent or allocated as indicated on the aforesaid plats and plans. The private boat slips shown on Exhibit B are Limited Common Areas for the sole use of the Unit Owner of the Unit to which they shall be assigned by the Declarant prior to the conveyance of such Unit to the Unit Owner. Exhibit B and this Declaration are sufficiently detailed to identify the location, dimensions and size of each Unit, the Common Areas and the Limited Common Areas.

Each Unit Owner shall have as an appurtenance to his Unit a perpetual easement for ingress, egress and regress to and from such Unit Owner's Unit over all parking areas, stairs, terraces, balconies, walks, piers and other similar Common Areas other than Limited Common Areas and shall own the inner-decorated and/or finished surfaces of all perimeter walls, floors and ceilings in such Unit Owner's Unit including plaster, paint, wallpaper and other finishings and all fixtures in such Unit Owner's Unit intended for the sole use of such Unit. Load-bearing walls; flooring components; roofs; the undecorated or unfinished surfaces of walls, floors or ceilings surrounding Units; and all pipes, wires, conduits, utility lines and fixtures running through Units which are utilized for, serve, or are intended for the use of other than a particular Unit are part of the Common Areas.

To the extent that any portion of a Unit or of the Common Areas encroaches upon another Unit or the Common Areas as a result of construction, reconstruction, repair, shifting, settlement or movement, a valid easement for the encroachment

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and for the maintenance of same shall exist for so long as such encroachment naturally exists.

ARTICLE IV

OWNERSHIP OF COMMON AREAS

Each Unit Owner shall own an undivided interest in the Common Areas. The undivided interest in the Common Areas appurtenant to each Unit stated as a percentage is set forth below. The fee title conveyed to a Unit Owner shall include both the Unit and the respective undivided interest in the Common Areas appurtenant thereto and said undivided interest in the Common Areas shall be deemed to be conveyed or encumbered with the Unit to which it is appurtenant. Any attempt to separate the fee title to a Unit from the undivided interest in the Common Areas appurtenant thereto shall be null and void.

ARTICLE V

PERCENTAGE OF OWNERSHIP

Unit Owners shall own undivided interests in the Common Areas as follows:

<u>Unit Number</u>	<u>Percentage Undivided Interest</u>
1	7.1429
2	7.1428
3	7.1428
4	7.1428
5	7.1428
6	7.1428
7	7.1428
8	7.1428
9	7.1428
10	7.1428
11	7.1428
12	7.1428
13	7.1428
14	7.1428

The undivided interests in the Common Areas as set forth above have been determined as of the date of this Declaration in accordance with the approximate relationship of the fair market value of each Unit to the aggregate fair market value of all Units.

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

The Common Areas shall remain undivided and no Unit Owner or any other Person shall bring any action for partition or division of any part thereof unless the Condominium Complex has been removed from the provisions of the Act as therein provided or as provided in this Declaration.

ARTICLE VII
THE OPERATING ENTITY

The operating entity of the Condominium Complex shall be the Association. The Association shall have all the powers and duties set forth in the Act as well as all of the powers and duties granted to or imposed upon it by this Declaration, the Bylaws attached hereto as Exhibit C, and the Articles of Incorporation attached hereto as Exhibit D as the same may be amended from time to time. Each Unit Owner by the acceptance and recordation of the deed to such Unit Owner's Unit appoints irrevocably the Association as attorney-in-fact to do all things necessary or reasonably required to effect the powers and duties of the Association as herein provided, including the right to execute in such Unit Owner's name any and all instruments or documents necessary or reasonably required in regard thereto. The powers and duties of the Association shall include, but not be limited to, the following:

I. Powers:

A. The Association shall have the power to contract with any Person for the management of the Condominium Complex and to delegate, to the extent permitted by law, all powers and duties of the Association, including the power and duty to determine the budget and to make and collect assessments hereunder. In the event the Association shall so contract, the Association shall require that all officers, employees and agents of the Person with whom the Association shall have contracted handling or responsible for funds of, or administered

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on behalf of, the Association maintain at all times a fidelity bond equal to the greater of the estimated maximum of funds, including reserve funds, as may be in such Person's custody at any time or three (3) months' aggregate assessments on all Units, plus reserve funds, which bond shall name the Association as an obligee, shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation from the definition of the term "employee" or other similar terms and expressions, and shall provide that such bond may not be cancelled or substantially modified, including cancellation for nonpayment of premium, without ten (10) days' prior written notice to the Association. In the event any lender, holder, guarantor or insurer of a first mortgage on a Unit shall require the Association to enter into a Management Agreement, any decision subsequently to establish self-management of the Condominium Complex by the Association shall require the affirmative vote of 67% of the total number of votes of all Voting Members and the prior approval of holders of first mortgages on Units representing 51% of the total votes attributable to all Units subject to first mortgages. Any holder of a first mortgage on a Unit who receives a written request from the Association to approve self-management of the Condominium Complex and does not deliver or post to the Association a negative response within thirty (30) days following receipt of such request shall be deemed to have approved same.

B. The Association shall have the power to enter any Unit at any time in case of emergency and otherwise at any reasonable time and upon reasonable notice to the Unit Owner for the purpose of maintaining, inspecting, repairing or replacing any portion of the Condominium Complex, to determine circumstances threatening same, and to determine compliance with the provisions of this Declaration.

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C. The Association shall have the power to grant permits, licenses and easements over the Common Areas for utilities, roads and other purposes reasonably necessary or useful for the proper administration, maintenance and repair of the Condominium Complex.

D. The Association shall have the power to represent the Unit Owners in all condemnation proceedings or in negotiations, settlements and agreements with any condemning authority for acquisition of the Common Areas or any part thereof. In the event of a taking or acquisition of the Common Areas or any part thereof, the award or proceeds of settlement shall be paid to the Association for the use and benefit of the Unit Owners and their mortgagees as their interests may appear. In the event such condemnation shall necessitate any reallocation of interests in the Common Areas appurtenant to Units as herein provided, no such reallocation shall be effected except by amendment of this Declaration as herein provided.

II. Duties:

A. The Association shall have the duty to make available for inspection, upon request, during normal business hours or under other reasonable circumstances, to any Unit Owner and to any lender, holder, insurer or guarantor of any first mortgage on a Unit, current copies of this Declaration, the Bylaws, the Articles of Incorporation, the rules and regulations relating to the Condominium Complex, and all books, records and financial statements of the Association. Upon request of 51% or more of the holders of all first mortgages on Units, the Association shall have prepared at the expense of such holders an audited financial statement of the Association for the immediately preceding fiscal year and shall furnish same to the holders requesting same within a reasonable time following any such request.

B. The Association shall have the duty to provide timely written notice to any lender, holder, insurer or guarantor of a first mortgage on a Unit upon written request

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identifying the name and address of such lender, holder, insurer or guarantor and further identifying the Unit in question, notice of any condemnation or casualty loss affecting a material portion of the Condominium Complex or affecting such Unit; any delinquency in the payment of assessments or charges owed by the Unit Owner of such Unit which remains unpaid for a period of sixty (60) days; any lapse, cancellation or material modification of any bond or insurance policy maintained by the Association; and any proposed action which would require the consent of any holder of a first mortgage on a Unit as herein provided.

ARTICLE VIII

BUDGET AND ASSESSMENTS

The Association shall have the power and duty to fix and determine from time to time the sum or sums necessary to provide for the Common Expenses and to make such other assessments as may be provided for in this Declaration. In so doing, the Association shall establish an annual budget in advance for each fiscal year, which budget shall project all expenses for the forthcoming year which may be required for the proper administration, maintenance and repair of the Common Areas, including a reasonable allowance for contingencies and reserves, and shall take into account anticipated income during the forthcoming year which may be applied in reduction of the projected expenses. Upon adoption of the budget, copies of same shall be delivered to each Unit Owner and the assessment for the forthcoming year shall be established based upon such budget; provided that the non-delivery of a copy of the budget to a Unit Owner shall not affect the liability of such Unit Owner for such assessment.

Initially, the Association shall establish a working capital fund equal to one-sixth of the annual budget for the first fiscal year of the Association which shall be funded by the assessment of each Unit Owner a sum equal to two (2) months' assessment for Common Expenses as established by the budget

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which shall be collected and transferred to the Association at the time of closing of the sale of each Unit and maintained in an account for the use and benefit of the Association. The contribution to the working capital fund for each unsold Unit shall be paid to the Association within sixty (60) days of the conveyance of the first Unit, such contribution to be reimbursed to Declarant at the time of closing of the sale of each such Unit as aforesaid. Payment of such assessment is not to be considered an advance payment of Common Expenses.

Assessments for Common Expenses shall be paid immediately by each Unit Owner to whom a Unit is conveyed by Declarant commencing on the date selected by the Board of Directors but in any event not later than sixty (60) days after the recordation of the deed conveying the first Unit as aforesaid and shall be paid by Declarant for each Unit owned by Declarant sixty (60) days after the date of recordation of the deed conveying the first Unit.

Regular assessments shall be due and payable monthly on the first day of each month and monthly bills for same shall not be mailed or delivered to Unit Owners. Assessments that are unpaid for a period of thirty (30) days after due shall bear interest from their due date until paid at the legal rate of interest as from time to time may be provided by statute in North Carolina; and, at the sole discretion of the Board of Directors, a late charge of \$25.00 also may be imposed. Further, upon filing a claim of lien in the office of the General Court of Justice for Carteret County as from time to time may be provided by statute in North Carolina, the Association shall have a lien on any Unit, the undivided interest in the Common Areas appurtenant thereto, and all tangible personal property owned by the Unit Owner and located within said Unit for assessments remaining unpaid for a period of thirty (30) days, interest thereon, cost of collection thereof, reasonable attorney fees related thereto, and all sums advanced and paid by the Association for taxes and payments on

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account of superior mortgages, liens or encumbrances which may be required to be advanced by the Association to preserve and protect its lien. The Association may take such action as it deems necessary to collect assessments by personal action or by enforcing and foreclosing its lien and may settle and compromise the same if deemed in its best interest. In the event of such foreclosure, the Unit Owner shall be required to pay reasonable rental for the Unit plus the percentage of Common Expenses attributable to such Unit for the period of time the Unit is occupied by the Unit Owner or by anyone claiming by, through or under said Unit Owner. The Association shall be entitled to bid at any foreclosure sale and may apply as a cash credit against its bid all sums due as provided herein.

Where a lender, holder, guarantor or insurer of a first mortgage on a Unit or other purchaser of a Unit obtains title to a Unit as a result of foreclosure of the first mortgage, such purchaser shall not be liable for the share of Common Expenses or assessments which became due prior to the acquisition of title as a result of the foreclosure. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from all Unit Owners, including such purchaser.

ARTICLE IX

INSURANCE AND CASUALTY

I. INSURANCE

A. Purchase of Insurance. The Association shall obtain insurance coverage as herein provided. Provision shall be made for the issuance of mortgagee endorsements and memoranda of insurance to the mortgagees of Unit Owners.

All policies shall provide for the recognition of any insurance trust agreement, shall waive the right of subrogation against Unit Owners individually, shall provide that the insurance is not prejudiced by any act or neglect of an individual Unit Owner which is not in the control of the Unit Owners collectively, shall provide that the coverage is primary

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in the event a Unit Owner has other insurance covering the same loss, and shall require ten (10) days' prior written notice to the Association and to each holder of a first mortgage listed as a scheduled holder in such policy before cancellation or substantial modification thereof, including cancellation for nonpayment of premium.

B. Coverage.

(1) Casualty. All Buildings and improvements upon The Property and all Association Properties shall be insured in an amount equal to the maximum insurable replacement value or in an amount equal to the maximum insurance available, whichever is less, all as determined annually by the Board of Directors, against:

- (a) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement;
- (b) Loss or damage by flood; and,
- (c) Such other risks as from time to time customarily are covered with respect to buildings similar in construction, location and use as such Buildings, including but not limited to vandalism and malicious mischief. Agreed amount and inflation guard endorsements shall be acquired if available.

(2) Public Liability. Public liability insurance shall be obtained in an amount of no less than \$1,000,000.00 for injury and death of persons and damage of property damage arising out of a single occurrence and shall include, without limitation, legal liability of the insured for property damage, bodily injury and death of persons in connection with the operation, maintenance or use of the Common Areas, and legal liability arising out of lawsuits related to employment contracts of the Association.

(3) Other Insurance. Such other insurance may be purchased as deemed appropriate by the Board of Directors.

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C. Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association as part of the Common Expenses.

D. Insurance Trustee and Shares of Proceeds. All insurance policies purchased by the Association shall name the Board of Directors as the insured as trustee for the Unit Owners and their mortgagees as their interests may appear, and shall provide that all proceeds shall be paid to the Board of Directors as insurance trustee. The duty of the insurance trustee shall be to receive such proceeds as are paid, to make distribution of such proceeds as elsewhere is provided herein, and in the interim to hold such proceeds in trust for the benefit of the Unit Owners and their mortgagees.

E. Distribution of Proceeds. Proceeds of insurance policies received by the insurance trustee and covering property damage shall be distributed in the following manner:

(1) Reconstruction or Repair. If the damage for which the proceeds are paid is to be reconstructed or repaired, the proceeds shall be paid to defray the costs thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners as Common Profits.

(2) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial owners as Common Profits, provided that remittances to Unit Owners and their mortgagees shall be made payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

F. Association as Agent. The Association hereby is appointed agent for each Unit Owner, for each holder of a mortgage or other lien upon a Unit, and for each owner of any other interest in the Condominium Complex to adjust all

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claims arising under insurance policies purchased by the Association, to execute and deliver releases upon the payment of claims, and to execute such other documents and perform such other acts as may be necessary to fulfill its obligation as insurance trustee.

G. Notice of Insurance Coverage. In any legal proceeding in which the Association or Unit Owners may be exposed to liability in excess of applicable insurance coverage held by the Association, the Association shall give notice of the exposure within a reasonable time to all Unit Owners who may be exposed to the liability and such Unit Owners shall have the right to intervene and defend.

H. Inspection of Insurance Policy. A copy of each insurance policy obtained by the Association shall be made available for inspection at any reasonable time by any Unit Owner and by any lender, holder, guarantor or insurer of a mortgage on any Unit.

II. CASUALTY

A. Determination to Reconstruct or Repair. If any part of the Condominium Complex shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in accordance with the applicable North Carolina law in effect as of the time such casualty occurs, and if not provided for by North Carolina law at such time, then in accordance with §47A-25 of the North Carolina General Statutes in effect as of the date of this Declaration.

If the damage is to part of the Common Areas, the damaged property shall be reconstructed or repaired unless it is determined in the manner elsewhere provided that the Condominium Complex shall be terminated.

B. Plans and Specifications. Any reconstruction or repair of improvements must be substantially in accordance with the plans attached to this Declaration as a part of Exhibit B.

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C. Responsibility. If the damage is only to a Unit or Units for which the responsibility of maintenance and repair is that of the Unit Owner or Unit Owners, then the Unit Owner or Unit Owners shall be responsible for reconstruction and repair. In all other instances, the responsibility of reconstruction and repair shall be that of the Association.

D. Estimates of Cost. Immediately after a determination is made to reconstruct or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to reconstruct or repair.

E. Assessments. The amount by which insurance proceeds are reduced on account of a deductible clause in an insurance policy shall be assessed against all Unit Owners in proportion to the undivided interests in the Common Areas appurtenant to the Unit Owners' Units. If the proceeds of such insurance and assessments are not sufficient to defray the cost of reconstruction and repair, further such assessments shall be made against the Unit Owners for the payment of such cost.

F. Construction Funds. The funds for payment of cost of reconstruction and repair after casualty shall be disbursed by the insurance trustee in payment of such cost as follows:

(1) Lesser Damage - If the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association is less than \$5,000.00, the construction fund shall be disbursed in payment of such cost by the Board of Directors.

(2) Major Damage - If the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association is more than \$5,000.00, the construction fund shall be disbursed in payment of such cost by the Board of Directors upon approval of a registered architect entitled to practice in North Carolina and employed by the Association to supervise the work.

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G. Failure to Reconstruct or Repair. In the event it is determined that there shall be no reconstruction or repair of a Building or any portion of a Building or Unit, then all debris shall be removed promptly and that portion of The Property affected shall be cleared and restored to its original condition and maintained thereafter in the same condition as same existed prior to the construction of the Building thereon. The Association shall insure that the restoration shall be compatible with the balance of The Property and shall expend such funds and make such assessments against the Unit Owners as may be necessary to fulfill the requirements of this paragraph. In the event such failure to reconstruct or repair shall necessitate any reallocation of interests in the Common Areas appurtenant to Units as herein provided, no such reallocation shall be effected except by amendment of this Declaration as herein provided.

ARTICLE X

ASSOCIATION PROPERTIES

All properties acquired by the Association, whether real, personal, or otherwise, shall be held by the Association for the use and benefit of all Unit Owners.

ARTICLE XI

BYLAWS AND ARTICLES OF INCORPORATION

The operation of the Association shall be governed by the Bylaws and Articles of Incorporation. No modification or amendment of the Bylaws or Articles of Incorporation shall be valid unless set forth in or annexed to an amendment to this Declaration certified by the President and Secretary of the Association and recorded in the office of the Register of Deeds of Carteret County.

ARTICLE XII

MEMBERSHIP IN ASSOCIATION AND VOTING RIGHTS

All Unit Owners shall be members of the Association. There shall be one individual with respect to each Unit who shall be entitled to vote at any meeting of the Association.

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Such individual shall be known as the "Voting Member." If a Unit is owned by more than one Person, the owners of said Unit shall designate the Voting Member and shall notify the Association as to the name of such Voting Member. Such Voting Member shall be recognized by the Association until such time as the owners of said Unit shall designate some other individual as the Voting Member and shall notify the Association as to the name of such Voting Member. The total number of votes of all Voting Members shall be one hundred (100); and each Voting Member shall be entitled to the number of votes equal to the percentage of ownership in the Common Areas appurtenant to the Unit represented by such Voting Member.

ARTICLE XIII

COMMON EXPENSES AND COMMON PROFITS

Common Expenses shall be shared by the Unit Owners in accordance with the percentage of ownership in the Common Areas appurtenant to the Units. Common Profits of the Association shall be owned by the Unit Owners in like percentages. No Unit Owner may exempt himself from liability for contribution toward the Common Expenses by waiver of the use and enjoyment of any of the Common Areas or by the abandonment of such Unit Owner's Unit.

ARTICLE XIV

MAINTENANCE

A. The Association shall be responsible for maintenance and repair of the Common Areas and all property in the Condominium Complex not required to be maintained and repaired by Unit Owners. The Association may contract with any Person or may join with one or more other condominium or homeowner associations in contracting for such maintenance and repair. Notwithstanding the Unit Owner's duty of maintenance, repair, replacement and the other responsibilities as to such Unit Owner's Unit as hereinafter provided, the Association also may enter into contracts to provide maintenance and services for and on behalf of the Unit Owners whereby such maintenance and

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services are provided on a regularly scheduled basis for heating and air conditioning, exterminating, and such other types of maintenance and services as the Association may deem advisable. Such contracts shall be on behalf of all Unit Owners and the monthly assessment due from each Unit Owner shall be increased by such sum as the Association may deem equitable. Each Unit Owner shall be deemed a party to any such contract with the same force and effect as though the Unit Owner had executed such contract.

B. Unit Owners shall be responsible individually for maintaining in good condition and repair all interior surfaces of Units and all fixtures therein.

ARTICLE XV

USE AND OCCUPANCY

A. Each Unit shall be used only as a single-family residence and for no other purpose. No Unit shall be divided or subdivided into smaller living units. Though rental of an entire Unit is permitted, no lesser portion of any Unit shall be leased, rented, encumbered, mortgaged or otherwise conveyed to any person.

B. Nothing shall be done or kept in any Unit which will increase the rate of insurance applicable to insurance required to be carried hereunder. No Unit Owner shall permit anything to be done or kept in such Unit Owner's Unit which will result in the cancellation of insurance required to be carried hereunder.

C. No industry, business, trade, occupation or profession of any kind, whether commercial, religious, palmist, educational or otherwise, shall be conducted, maintained or permitted within the Condominium Complex except as is provided in Paragraph H below.

D. No immoral, improper, offensive or unlawful use shall be made of any Unit or the Common Areas; and all regulations of governmental authorities which have jurisdiction of the area in which the Condominium Complex is located shall be

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observed. No Unit Owner shall undertake any use or practice which creates or constitutes a nuisance for any other Unit Owner or which obstructs or interferes with the rights of other Unit Owners.

E. No animals, either mammals, fish, fowl or amphibians, shall be raised, bred or kept in the Condominium Complex except dogs, cats, fish, small birds or small amphibians which may be kept subject to rules and regulations adopted by the Association; provided, however, that no such permitted animals may be kept, bred or maintained for commercial purposes. Any permitted animal which causes or creates a nuisance or unreasonable disturbance, upon sixty (60) days' notice by the Board of Directors, shall be removed from the Condominium Complex.

F. Unit Owners shall not cause or permit anything to be hung or displayed on or in windows of Units except for draperies, shades or other appropriate interior window treatments. No signs, awnings, canopies, shutters, or radio or television antennas shall be affixed to or placed upon any Unit or the Common Areas without the prior written consent of the Board of Directors.

G. No Unit Owner shall place any tent, trailer, boat trailer, camper, mobile recreational vehicle, or truck or other vehicle in excess of one (1) ton load capacity on the Common Areas except in such places, if any, as may be authorized by the Board of Directors.

H. Declarant hereby is permitted expressly to operate a model Unit and to maintain signs, temporary structures, and other construction in the Condominium Complex to promote the sale or lease of Units.

I. No stripped, partially wrecked, or junked motor vehicle, or part thereof, shall be permitted to be parked or kept in the Condominium Complex. All motor vehicles of any type kept in the Condominium Complex shall have current license plates and current registration and inspection certificates.

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J. Subject to the rules adopted by the Association,

(i) No trash, ashes, garbage or other refuse shall be dumped, stored or accumulated on the Common Areas except in receptacles provided therefor by the Association.

(ii) No outdoor poles, clothes lines or similar equipment shall be allowed on the Common Areas except as provided by the Association.

(iii) No recreation equipment or personal property other than automobiles and bicycles shall be kept on the Common Areas.

ARTICLE XVI

TAXATION

For purposes of ad valorem taxation, the interest of a Unit Owner in the Unit and Common Areas attributable thereto shall be considered a Unit. The value of the Unit shall equal a percentage of the value of the entire Condominium Complex, including land and improvements, equal to the percentage interest in the Common Areas appurtenant to such Unit and the total of all percentages shall equal 100% of the value of the entire Condominium Complex. Each Unit Owner shall be responsible for listing such Unit Owner's Unit for ad valorem taxation purposes with the Pamlico County Tax Supervisor, the Town of Oriental Tax Supervisor, or with such other authorized governmental official who may have jurisdiction over same from time to time, and each Unit Owner shall be responsible for the payment of taxes levied against such Unit Owner's Unit.

ARTICLE XVII

DECLARANT'S RIGHTS

In addition to each and every right of Declarant as reserved elsewhere herein, Declarant specifically reserves:

A. The right to use a portion of the Common Areas for the purpose of aiding in the sale of Units or in the sale of properties owned by Declarant adjacent or contiguous to

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the Condominium Complex, including the right to use portions of the Condominium Complex for parking for prospective purchasers and such other parties as Declarant may determine. The foregoing right shall include the right to display and erect signs, billboards and placards and to store, keep and exhibit same and distribute audio and visual promotional materials upon the Common Areas.

B. The right to grant such easements for utility service, drainage, pedestrian and vehicular traffic, or otherwise, as may be considered by Declarant to be desirable for the use of the Condominium Complex for the purposes herein stated or to provide such utility service, drainage, pedestrian and vehicular access to properties of Declarant adjacent or contiguous to the Condominium Complex. In conjunction with the reservation as aforesaid, Declarant expressly reserves a perpetual easement over all driveways and parking areas constituting a part of the Common Areas and such additional areas as may be necessary to connect said driveways and parking areas with properties of Declarant adjacent or contiguous to the Condominium Complex, the location of which may be chosen by Declarant for use in conjunction with the Unit Owners and others who rightfully may be using said driveways and parking areas for access to such other properties of Declarant adjacent or contiguous thereto.

ARTICLE XVIII
GENERAL PROVISIONS

A. If any provision of this Declaration, the Bylaws, the Articles of Incorporation or the Act, or any section, clause, phrase, word or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Declaration, the Bylaws, the Articles of Incorporation and the Act, and the application thereof in other circumstances, shall not be affected thereby. To the extent that there is any conflict between this Declaration and the Act, the Act shall

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control only to the extent that the Act does not allow variances.

B. Whenever notices are required to be sent hereunder, the same may be delivered to the Association or to Unit Owners either personally or by United States mail, postage prepaid, and addressed to the Association or to such Unit Owners at the addresses on file with the Association from time to time. Proof of such personal delivery or mailing shall be given by affidavit of the person personally delivering or mailing same.

C. Failure of a Unit Owner or of the Association to comply with the Declaration, the Bylaws, the Articles of Incorporation or the Act as the same may exist from time to time shall entitle any Unit Owner or the Association to recover damages, to obtain injunctive relief, or both. Such actions may be maintained by or against a Unit Owner or by or against the Association, and the prevailing party shall be entitled to reasonable attorney fees. Such relief shall not be exclusive of any other remedies provided by law.

D. Whenever the context so requires, the use herein of any gender shall be deemed to include all genders, and the use herein of the singular shall include the plural, and the plural shall include the singular.

E. The captions used in this Declaration and the exhibits hereto are solely for purposes of convenience and shall not be relied upon or used in construing the effect or meaning of this Declaration.

ARTICLE XIX

METHOD OF AMENDMENT OF DECLARATION

This Declaration may be amended at any regular or special meeting of the Association, called and convened in accordance with the Bylaws, by the affirmative vote of 67% of the total number of votes of all Voting Members and the prior approval of holders of first mortgages on Units representing 51% of the votes attributable to all Units subject to first mortgages. Any holder of a first mortgage on a Unit who

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receives a written request from the Association to approve any proposed modification and does not deliver or post to the Association a negative response within thirty (30) days following receipt of such request shall be deemed to have approved same. Notwithstanding the aforesaid, no amendment shall change, affect or alter the percentage interest in the Common Areas appurtenant to a Unit, a Unit Owner's proportionate share of the Common Expenses or Common Profits, or the voting rights appurtenant to any Unit unless the Unit Owner and all holders of first mortgages on Units shall join in the execution of the amendment. Further, no amendment shall be effective until certified by the President and Secretary of the Association and recorded in the office of the Register of Deeds of Pamlico County.

ARTICLE XX

TERMINATION

If all Unit Owners and the holders of all liens affecting Units execute and record in the office of the Register of Deeds of Pamlico County an instrument terminating the Condominium Complex or if the Condominium Complex is terminated in any other manner, The Property and all improvements thereon shall be owned thereafter by the Unit Owners as tenants in common, the undivided interest of each Unit Owner being identical to the undivided interest in the Common Areas previously appurtenant to such Unit Owner's Unit.

ARTICLE XXI

PERSON TO RECEIVE SERVICE OF PROCESS

Clement A. Paffe, Jr., whose address is Midyette Street, Oriental, North Carolina 28571, hereby is designated to receive service of process in any action which may be brought against the Association or in relation to the Condominium Complex.

IN TESTIMONY WHEREOF, Clement A. Paffe, Jr. and wife, Joyce A. Paffe have hereunto set their hands and adopted as

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their seals the typewritten "SEAL" appearing beside their names, this the the day and year first above written.

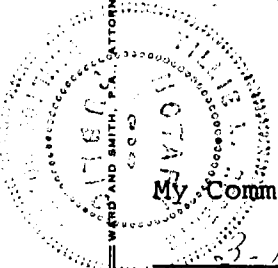
Clement A. Paffe, Jr. (SEAL)
Clement A. Paffe, Jr.

Joyce A. Paffe (SEAL)
Joyce A. Paffe

STATE OF NORTH CAROLINA
COUNTY OF Pamlico

I, William L. Roberts, a Notary Public in and for said County and State, do hereby certify that CLEMENT A. PAFJE, JR. and wife, JOYCE A. PAFJE personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this the 24 day of Sept., 1986.



William L. Roberts
Notary Public

STATE OF NORTH CAROLINA
COUNTY OF PAMLICO

The foregoing certificate of William L. Roberts a Notary Public of Pamlico County, is certified to be correct. This instrument was presented for registration this day and hour and duly recorded in the office of the Register of Deeds of Pamlico County, North Carolina, in Book 240, Page 368.

This 29 day of September, 1986, at 11:00 o'clock A.M.

Joe E. Carrahan
Register of Deeds

86-0598 (A)
26ADPK

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Exhibit A

All that certain lot or parcel of land lying and being situate in the Town of Oriental, Number Five (5) Township, Pamlico County, North Carolina, and more particularly described as follows:

On the northwest side of Midyette Street and on the east side of Smith Creek, southwest of Hodges Street, BEGINNING in the northwestern edge of Midyette Street at the southern corner of the lot conveyed by Keever Lewis and wife to Richard W. Walker and wife by deed dated June 2, 1967 and recorded in Book 147 at page 147, Pamlico County Registry, said point being 286 feet, measured along said street edge from the southern corner of the intersection of Midyette and Hodges Streets, and running thence South 42 degrees 02 minutes West with the northwestern edge of Midyette Street 150 feet; thence North 43 degrees 52 minutes West parallel with Hodges Street 237.20 feet to Smith Creek; thence with the edge of Smith Creek the following three courses and distances: North 13 degrees 08 minutes East 43.36 feet; thence North 1 degree 37 minutes West 74.81 feet; thence North 26 degrees 08 minutes East 67 feet to the western corner of the Richard W. Walker lot hereinabove referred to; thence South 43 degrees 52 minutes East with the southwest line of the Walker lot 328.29 feet to the point of BEGINNING, containing three-fourths (3/4) of an acre, more or less.

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Exhibit B

For the plats and plans attached hereto as Exhibit B, see Map Book _____, at Page _____ through _____, in the office of the Register of Deeds of Pamlico County.

WARD AND SMITH, P.A., ATTORNEYS AT LAW, 1001 COLLEGE COURT, NEW BERN, N. C. 28560-0867

Exhibit C

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BYLAWS
OF
ORIENTAL WEST CONDOMINIUMS ASSOCIATION, INC.
A NONPROFIT CORPORATION

ARTICLE I

Offices

Section 1. Principal Office: The principal office of the corporation shall be located in Pamlico County, North Carolina.

Section 2. Registered Office: The registered office of the corporation required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

Section 3. Other Offices: The corporation may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors from time to time may determine or as the affairs of the corporation may require.

ARTICLE II

Meeting of Members

Section 1. Place of Meetings: All meetings of members shall be held at the principal office of the corporation or at such other place, either within or without the State of North Carolina, as shall be designated in the notice of the meeting or agreed upon by a majority of the members entitled to vote thereat.

Section 2. Annual Meetings: The Annual Meeting of members shall be held at 2:00 p.m. on the first Friday in September of each year, if not a legal holiday, but if a legal holiday then on the next day following which is not a legal holiday, for the transaction of such business as may be properly brought before the meeting.

Section 3. Substitute Annual Meeting: If the Annual Meeting shall not be held on the day designated by these Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 4 of this Article. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.

Section 4. Special Meetings: Special meetings of the members may be called at any time by the President, by the Board of Directors or by any member pursuant to the written request of not less than twenty percent (20%) of all of the members entitled to vote at the meeting.

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Section 5. Notice of Meetings: Written or printed notice stating the time, place, day and hour of the meeting shall be delivered to each member of record of the corporation not less than ten (10) nor more than fifty (50) days before the date thereof, either personally or by United States Postal Service. In the case of an Annual Meeting or substitute Annual Meeting, the notice of meeting need not state specifically the business to be transacted unless it is a matter upon which the vote of members is expressly required by the provisions of the North Carolina Nonprofit Corporation Act. In the case of a special meeting, the notice of meeting shall state specifically the purpose or purposes for which the meeting is called.

Section 6. Voting Lists: A voting list shall not be required to be prepared if the record of members actually presented at the meeting shows in alphabetical order or by alphabetical index the name of each member entitled to vote with his address. Only voting members as defined in the Declaration of Unit Ownership of Oriental West Condominiums shall be entitled to vote and included in the voting list.

Section 7. Quorum: The holders of a majority of the votes of the entire membership, represented in person or by proxy, shall constitute a quorum at the opening of a meeting. In the absence of a quorum at the opening of any meeting, such meeting may be adjourned from time to time by the vote of a majority of the members voting on the motion to adjourn; and, at any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting.

The members at a meeting at which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum in attendance.

Section 8. Proxies: A member may vote either in person or by one or more agents authorized by a written proxy executed by the member or by his duly authorized attorney-in-fact. A proxy shall not be valid after the expiration of eleven (11) months from the date of its execution unless the person executing it specifies therein the length of time for which it is to continue in force or limits its use to a particular meeting.

Section 9. Voting: On all matters upon which the members shall be entitled to vote, each member shall have a vote as provided in the Declaration of Unit Ownership of Oriental West Condominiums as then recorded in the office of the Register of Deeds of Pamlico County, North Carolina.

Except as otherwise may be provided in these Bylaws or in the Declaration of Unit Ownership of Oriental

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West Condominiums, the vote of a majority of the votes entitled to be cast by the members present or represented by proxy on any matter at a meeting at which a quorum is present shall be the act of the members on that matter unless the vote of a greater number is required by law, by the Articles of Incorporation, by these Bylaws or by the Declaration of Unit Ownership of Oriental West Condominiums. Voting on all matters except the election of directors shall be by voice vote or show of hands unless, prior to the voting on any matter, a demand for a ballot vote on such matter is made by any member present and entitled to vote.

Section 10. Informal Action: Any action which may be taken at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and shall be filed with the Secretary to be kept in the corporate minute book.

ARTICLE III

Directors

Section 1. General Powers: The business and affairs of the corporation shall be managed by the Board of Directors or, as provided in the Declaration of Unit Ownership of Oriental West Condominiums, by some other person pursuant to a management agreement.

Section 2. Number, Term and Qualifications: The number of directors shall be three (3), all of whom must be individual Unit Owners as defined in the Declaration of Unit Ownership of Oriental West Condominiums, spouses of such Unit Owners, officers of a corporate Unit Owner, partners of a partnership Unit Owner, or those persons named as the initial Board of Directors in the Articles of Incorporation. Those persons named in the Articles of Incorporation shall serve as the Board of Directors until such time as their successors are duly elected and qualified.

At the first annual meeting of members, the candidate for the Board of Directors receiving the greatest number of votes shall be elected to the Board for a term of three (3) years, the candidate receiving the second greatest number of votes shall be elected to the Board for a term of two (2) years, and the candidate receiving the third greatest number of votes shall be elected to the Board for a term of one (1) year. At the expiration of the initial term of each director, his successor shall be elected to serve a term of three (3) years. Each director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified. Directors need not be residents of the State of North Carolina.

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Section 3. Election of Directors: Except as provided in Section 5 of this Article, the directors shall be elected at the annual meeting of the members, and those persons who receive the highest number of votes shall be deemed to have been elected. If any members entitled to vote so demands, election of directors shall be by secret ballot.

Section 4. Cumulative Voting: Every member entitled to vote in the election of directors shall have the right to vote for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his vote by giving one candidate as many votes as the number of such directors to be elected shall equal, or by distributing such votes on the same principle among any number of such candidates. This right of cumulative voting shall not be exercised unless some member or proxy holder announces in open meeting, before the voting for the directors starts, his intention so to vote cumulatively; and if such announcement is made, the chair shall declare that all members entitled to vote have the right to vote cumulatively and thereupon shall grant a recess of not less than thirty (30) minutes nor more than one (1) hour, as he shall determine, or of such other period of time as is then agreed upon unanimously by the members.

Section 5. Vacancies. Except in the case of a vacancy occurring in the Board of Directors as a result of removal by the vote of the members as provided in the Charter, a vacancy occurring in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum, or by the sole remaining director; but a vacancy created by removal by the vote of the members as provided in the Charter or by an increase in the authorized number of directors shall be filled only by election at an annual meeting or at a special meeting of members called for that purpose. The members may elect a director at any time to fill any vacancy not filled by the directors.

Section 6. Chairman: There may be a Chairman of the Board of Directors elected by the directors from their number at any meeting of the Board. The Chairman shall preside at all meetings of the Board and perform such other duties as may be directed by the Board.

Section 7. Compensation: The Board of Directors shall not compensate directors for their services as such but may provide for the payment of all expenses incurred by directors in attending regular and special meetings of the Board.

Section 8. Fidelity Bond: The Board of Directors may require that any or all officers of the corporation handling funds of the corporation furnish a fidelity bond in

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an amount determined by the Board, the premium for which shall be paid by the corporation, and shall require a fidelity bond as provided in Paragraph I.A. of Article VII of the Declaration of Unit Ownership of Oriental West Condominiums in the event the corporation shall contract for the management of the condominium complex.

ARTICLE IV

Meetings of Directors

Section 1. Regular Meetings: A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members. In addition, the Board of Directors may provide, by resolution, the time and place, either within or without the State of North Carolina, for the holding of additional regular meetings.

Section 2. Special Meetings: Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors. Such meetings may be held either within or without the State of North Carolina.

Section 3. Notice of Meetings: Regular meetings of the Board of Directors may be held without notice.

The person or persons calling a special meeting of the Board of Directors shall, at least two (2) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Section 4. Waiver of Notice: Any director may waive notice of any meeting. The attendance by a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 5. Quorum: A majority of the Board of Directors fixed by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 6. Manner of Acting: Except as otherwise provided in these Bylaws, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 7. Presumption of Assent: A director of the corporation who is present at a meeting of the Board of

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Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent otherwise is entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 8. Informal Action by Directors: Action taken by a majority of the directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

ARTICLE V

Officers

Section 1. Number: The officers of the corporation shall consist of a President, one or more Vice-Presidents, a Secretary, a Treasurer, and such Assistant Secretaries, Treasurers and other officers as the Board of Directors from time to time may elect. Any two or more offices may be held by the same person, except that no officer may act in more than one capacity where action of two or more officers is required.

Section 2. Election and Term: The officers of the corporation shall be elected by the Board of Directors. Such elections may be held at any regular or special meeting of the Board. Each officer shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

Section 3. Removal: Any officer or agent elected or appointed by the Board of Directors may be removed by the Board with or without cause; but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Compensation: The compensation of all officers of the corporation shall be fixed by the Board of Directors.

Section 5. President: The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall supervise and control the management of the corporation in accordance with these Bylaws.

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He shall, when present, preside at all meetings of members. He shall sign, with any other proper officer, any deeds, leases, mortgages, bonds, contracts, or other instruments which may be lawfully executed on behalf of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be delegated by the Board of Directors to some other officer or agent and, in general, he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice-Presidents: In the absence of the President or in the event of his death, inability or refusal to act, the Vice-Presidents in the order of their length of service as Vice-Presidents, unless otherwise determined by the Board of Directors, shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President shall perform such other duties as may be assigned him from time to time by the President or by the Board of Directors.

Section 7. Secretary: The Secretary shall keep accurate records of the acts and proceedings of all meetings of members and directors. He shall give all notices required by law and, unless otherwise provided herein, by these Bylaws. He shall have general charge of the corporate books and records, including the minute book wherein all resolutions of the members and directors shall be recorded, and of the corporate seal, and he shall affix the corporate seal to any lawfully executed instrument requiring it. He shall have general charge of the membership books of the corporation and shall keep, at the registered or principal office of the corporation, a record of members showing the name and address of each member. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned him from time to time by the President or by the Board of Directors.

Section 8. Assistant Secretaries: In the absence of the Secretary or in the event of his death, inability or refusal to act, the Assistant Secretaries in the order of their length of service as Assistant Secretaries, unless otherwise determined by the Board of Directors, shall perform the duties of the Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary. Any Assistant Secretary shall perform such other duties as may be assigned him by the Secretary, by the President or by the Board of Directors.

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Section 9. Treasurer: The Treasurer shall have custody of all funds and securities belonging to the corporation and shall receive, deposit or disburse the same under the direction of the Board of Directors. He shall keep full and accurate accounts of the finances of the corporation in books especially provided for that purpose; and he shall cause a true statement of its assets and liabilities as of the close of each fiscal year and of the results of its operations and of changes in surplus for such fiscal year, all in reasonable detail, to be made and filed at the registered or principal office of the corporation within four (4) months after the end of such fiscal year. The statement so filed shall be kept available for inspection by any member for a period of ten (10) years; and the Treasurer shall mail or otherwise deliver a copy of the latest such statement to any member upon written request therefor. The Treasurer, in general, shall perform all duties incident to his office and such other duties as may be assigned him from time to time by the President or by the Board of Directors.

Section 10. Assistant Treasurers: In the absence of the Treasurer or in the event of his death, inability or refusal to act, the Assistant Treasurers in the order of their of service as Assistant Treasurers, unless otherwise determined by the Board of Directors, shall perform the duties of the Treasurer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Treasurer. Any Assistant Treasurer shall perform such other duties as may be assigned him by the Treasurer, by the President or by the Board of Directors.

ARTICLE VI

Contracts, Loans, Checks and Deposits

Section 1. Contracts: The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or lease, or execute and deliver any instrument on behalf of the corporation, and such authority may be general or confined to specific instances. The Board of Directors may enter into employment contracts for any length of time it deems wise.

Section 2. Loans: No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or specific in nature and scope.

Section 3. Checks and Drafts: All checks, drafts or other orders for the payment of money issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall be determined from time to time by resolution of the Board of Directors.

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Section 4. Deposits: All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such depositories as the Board of Directors shall direct.

ARTICLE VII

MEMBERSHIP

Section 1. Membership: Membership in the corporation shall be as provided in the Declaration of Unit Ownership of Oriental West Condominiums as recorded in the office of the Register of Deeds of Pamlico County.

Section 2. Membership Certificates: The corporation shall not issue certificates representing membership in the corporation but the Secretary of the corporation shall maintain a membership book for the corporation which shall be open for inspection by all members and which shall list the name and address of each member.

Section 3. Closing Books and Fixing Record Dates: For the purpose of determining members entitled to notice of or to vote at any meeting of members or any adjournment thereof, or in order to make a determination of members for any proper purpose, the Board of Directors may provide that the membership books shall be closed for a stated period not to exceed sixty (60) days. If the membership books shall be closed for the purpose of determining members entitled to notice of or to vote at any meeting of members, such book shall be closed for at least ten (10) days immediately preceding such meeting.

In lieu of closing the membership books, the Board of Directors may fix in advance a date as the record date for any such determination of members, such record date in any case to be not more than sixty (60) days and, in case of a meeting of members, not less than ten (10) days immediately preceding the date on which a particular action requiring such determination of members is to be taken.

If the membership books are not closed and no record date is fixed for the determination of members entitled to notice of or to vote at a meeting of members, the date on which notice of the meeting is mailed shall be the record date for such determination of members.

ARTICLE VIII

General Provisions

Section 1. Seal: The corporate seal of the corporation shall consist of two concentric circles between which is the name of the corporation and in the center of which is inscribed "SEAL;" and such seal, in the form

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approved and adopted by the Board of Directors, shall be the corporate seal of the corporation.

Section 2. Waiver of Notice: Whenever any notice is required to be given to any member or director under the provisions of the North Carolina Nonprofit Corporation Act or under the provisions of the Articles of Incorporation or Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 3. Amendments: These Bylaws, being a part of the Declaration of Unit Ownership of Oriental West Condominiums, may be amended or repealed and new Bylaws adopted only in accordance with the provisions set forth in the Declaration of Unit Ownership of Oriental West Condominiums as therein provided and shall be effective only when set forth in or annexed to an amendment to the Declaration of Unit Ownership of Oriental West Condominiums certified by the President and Secretary of the Association and recorded in the office of the Register of Deeds of Pamlico County.

Section 4. Fiscal Year: The fiscal year of the corporation shall be fixed by the Board of Directors.

Section 5. Indemnification: Any person other than one with whom the corporation has contracted for the management of Oriental West Condominiums or any portion thereof, who at any time serves or has served as a director, officer, employee or agent of the corporation, or in such capacity at the request of the corporation for any other corporation, partnership, joint venture, trust or other enterprise, shall have a right to be indemnified by the corporation to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with any threatened or pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether or not brought by or on behalf of the corporation, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (b) reasonable payments made by him in satisfaction of any judgment, money decree, fine, penalty, or settlement for which he may become liable in any such action, suit or proceeding.

The Board of Directors of the corporation shall take all such action as may be necessary and appropriate to authorize the corporation to pay the indemnification required by this Bylaw, including without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the

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reasonable amount of indemnity due him and giving notice to, and obtaining approval by, the members of the corporation.

Any person who at any time after the adoption of this Bylaw serves or has served in any of the aforesaid capacities for or on behalf of the corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this Bylaw.

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Exhibit D

ARTICLES OF INCORPORATION
OF
ORIENTAL WEST CONDOMINIUMS ASSOCIATION, INC.
(A NONPROFIT CORPORATION)

The undersigned, being of the age of eighteen (18) years or more, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a corporation not for profit pursuant to Chapter 55A of the General Statutes of North Carolina, entitled "Nonprofit Corporation Act," and the several amendments thereto:

ARTICLE I
NAME

The name of the corporation is Oriental West Condominiums Association, Inc.

ARTICLE II
DURATION

The period of duration of the Corporation is perpetual.

ARTICLE III
PURPOSES

The purposes for which the Corporation is organized are:

a. To administer the affairs of Oriental West Condominiums in Pamlico County, North Carolina in accordance with the Declaration of Unit Ownership of Oriental West Condominiums to be recorded in the office of the Register of Deeds of Pamlico County, North Carolina.

b. To engage in any lawful act or activity for which corporations may be organized under Chapter 55A of the General Statutes of North Carolina.

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ARTICLE IV
MEMBERSHIP OF THE CORPORATION

The Corporation shall have one class of membership which shall consist of all persons who are owners of a Unit or Units or an interest therein; provided, however, that certain members shall be designated Voting Members as provided in the Declaration of Unit Ownership of Oriental West Condominium. Membership shall terminate automatically when such person is no longer the owner of a Unit or an interest therein.

ARTICLE V
DIRECTORS

The number of directors of the Corporation and the method of their election may be fixed by the Bylaws.

The number of directors constituting the initial Board of Directors shall be three (3), and the names and addresses of the persons who shall serve as directors until the first meeting of members or until successors shall be elected and qualified are as follows:

<u>Name</u>	<u>Address</u>
Clement A. Paffe, Jr.	Midyette Street Oriental, North Carolina 28571
Joyce A. Paffe	Midyette Street Oriental, North Carolina 28571
Henry Blaney	Midyette Street Oriental, North Carolina 28571

Directors may be removed from office with or without cause by the vote of a majority of the members entitled to vote in an election of directors. If any directors are so removed, new directors may be elected at the same or any subsequent meeting of the members; provided, however, that unless the entire Board of Directors is removed, an individual may not be removed if the number of members voting against the removal would be sufficient

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to elect a director if such members voted cumulatively at an annual election.

ARTICLE VI

EARNINGS AND DISTRIBUTIONS

No part of the net earnings of the Corporation shall inure to the benefit of any officer, director or member of the Corporation; and upon dissolution of the Corporation, the assets thereof, after all of its liabilities and obligations have been discharged or adequate provision made therefor, shall be distributed to an association or associations organized for purposes similar to those set forth in Article III hereof or in such other manner consistent with the Corporation's nonprofit status.

ARTICLE VII

REGISTERED OFFICE AND AGENT

The address of the initial registered office of the Corporation in the State of North Carolina is Midyette Street, Oriental, Pamlico County, North Carolina 28571; and the name of its initial registered agent at such address is Clement A. Paffe, Jr.

ARTICLE VIII

INCORPORATOR

The name and address of the incorporator is:

<u>Name</u>	<u>Address</u>
Clement A. Paffe, Jr.	Midyette Street Oriental, North Carolina 28571

IN TESTIMONY WHEREOF, I have set my hand hereto, this the 24 day of September, 1986.

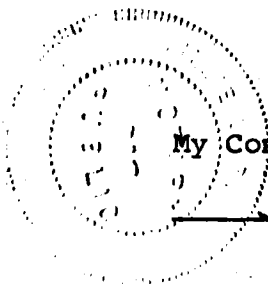
Clement A. Paffe, Jr.
Clement A. Paffe, Jr.

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STATE OF NORTH CAROLINA
COUNTY OF Darlington

I, Julius Robert, a Notary Public in and for said County and State, do hereby certify that CLEMENT A. PAFPE, JR. personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this the 24 day of September, 1986.



Julius Robert
Notary Public

My Commission expires:

3-12-88

86-0598 (A)
39PRM