

STATE OF
NORTH
CAROLINA



Department of the
Secretary of State

To all whom these presents shall come, Greetings:

I, Rufus L. Edmisten, *Secretary of State of the State of North Carolina*, do hereby certify the following and hereto attached (10 sheets) to be a true copy of

ARTICLES OF MERGER
OF

STRAND SOUTH OWNERS ASSOCIATION, INC.

INTO

THE GOLDEN STRAND CONDOMINIUMS ASSOCIATION, INC.

the original of which was filed in this office on the 25th day of April 1991.

In Witness Whereof, I have hereunto set my hand and affixed my official Seal.

Done in Office, at Raleigh, this the 25th day of April in the Year of our Lord 1991.



Rufus L. Edmisten

Secretary of State

ARTICLES OF MERGER OF
STRAND SOUTH OWNERS ASSOCIATION, INC.

DOCUMENT #502787

INTO

THE GOLDEN STRAND CONDOMINIUMS ASSOCIATION, INC.

DATE 04/25/91 TIME 14:4

The undersigned North Carolina corporations hereby execute these Articles of Merger pursuant to the provisions of N.C.G.S. Section 55A-41 for the purpose of merging Strand South Association, Inc. into ^{the} Golden Strand Condominiums Association, Inc.:

OFFICE OF THE
SECRETARY OF STATE
NORTH CAROLINA

1. The Agreement and Plan of Merger, hereinafter "Plan", a copy of which is attached hereto as Exhibit A and is hereby incorporated by reference, has been unanimously approved by the members of each of the undersigned corporations in the manner prescribed by law.

2. The name of the surviving corporation upon the effective date of the merger shall be ^{the} Golden Strand Condominiums Association, Inc.

The Agreement and Plan of Merger was considered and adopted at a meeting of the members of the Constituent Corporations held on Sunday, the 8th day of October, 1989, at which meeting a quorum of voting members of the Constituent Corporation were present. The Agreement and Plan of merger received at least two-thirds (2/3rds) of the votes entitled to be cast by members present or represented by proxy at such meeting of the Constituent Corporations.

4. These Articles of Merger and the Plan incorporated herein by reference shall be effective upon endorsement of these Articles of Merger by the Secretary of State of North Carolina as provided by N.C.G.S. Section 55A-4(a)(5), at which time the merger shall be deemed completed.

IN WITNESS WHEREOF, these Articles of Merger have been signed by the President and Secretary of each corporation this 8th day of October, 1989.

THE GOLDEN STRAND CONDOMINIUMS
ASSOCIATION, INC.

By: [Signature]
President

GOLDEN STRAND CONDOMINIUMS ASSOCIATION
North Carolina
ATTEST:
[Signature]

Secretary

STRAND SOUTH OWNERS
ASSOCIATION, INC.

By: [Signature]
President

STRAND SOUTH OWNERS ASSOCIATION
North Carolina
ATTEST:
[Signature]

Secretary

NORTH CAROLINA

DARE COUNTY

I, BEVERLY M. PARKER, a Notary Public in and for said State and County, do hereby certify that G. THOMAS COKER personally appeared before me this day and acknowledged that he is Secretary of Golden Strand Condominiums Association, Inc., a 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, DAVID S. COOKE, sealed with its corporate seal, and attested by himself as its Secretary.

WITNESS my hand and notarial seal this the 8th day of OCTOBER, 1989.

Beverly M. Parker
Notary Public

My commission expires: 7-13-92

NORTH CAROLINA

DARE COUNTY

I, BEVERLY M. PARKER, a Notary Public in and for said State and County, do hereby certify that G. R. SHEPWOOD personally appeared before me this day and acknowledged that he is Secretary of Strand South Owners Association, Inc., a 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, C. L. WILLIS, sealed with its corporate seal, and attested by himself as its Secretary.

WITNESS my hand and notarial seal this the 8th day of OCTOBER, 1989.

Beverly M. Parker
Notary Public

My commission expires: 7-13-92

STATE OF NORTH CAROLINA

COUNTY OF DARE

This is to certify that on this 8th day of OCTOBER, 1989 before me, a Notary Public, personally appeared G. THOMAS COKER and DAVID S. COOKE, each of whom, being by me first duly sworn, declared that he signed the foregoing document in the capacity indicated, that he was authorized so to sign, and that the statements therein contained are true.

WITNESS my hand and official seal this 8th day of OCTOBER 1989.

Beverly M. Parker
Notary Public

My commission expires: 7-13-92

STATE OF NORTH CAROLINA

COUNTY OF DARE

This is to certify that on this 8th day of OCTOBER, 1989
before me, a Notary Public, personally appeared _____
G.R. SHERWOOD and C.L. WILLIS,
each of whom, being by me first duly sworn, declared that he
signed the foregoing document in the capacity indicated, that he
was authorized so to sign, and that the statements therein
contained are true.

WITNESS my hand and official seal this 8th day of OCTOBER
1989.

Beverly D. Parker
Notary Public

My commission expires: 7-13-92

AMENDMENT AND RESTATEMENT OF DECLARATION
OF CONDOMINIUM FOR
GOLDEN STRAND AND STRAND SOUTH CONDOMINIUMS

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NORTH CAROLINA
DARE COUNTY

AMENDMENT AND RESTATEMENT OF
DECLARATIONS OF CONDOMINIUM
FOR GOLDEN STRAND AND STRAND
SOUTH CONDOMINIUMS
KILL DEVIL HILLS, NC

THIS AMENDMENT AND RESTATEMENT OF DECLARATIONS OF CONDOMINIUM FOR GOLDEN STRAND AND STRAND SOUTH CONDOMINIUMS, Kill Devil Hills, Dare County, North Carolina, made this 8th day of October, 1989 by the Golden Strand Condominiums Association, Inc., the Strand South Owners' Association, Inc. and the Golden Strand Interval Owners' Association, Inc. (hereinafter referred to collectively as the "Predecessor Associations");

WITNESSETH THAT:

1. WHEREAS, the Golden Strand and Strand South Condominiums have been created and established pursuant to the following instruments:

(a) Golden Strand Condominium, by that certain Declaration of Unit Ownership for the Golden Strand Condominiums executed by Lifestyle Homes, Inc., and recorded in Book 324, at page 260, Dare County Registry; and AMENDED by that certain Declaration of Unit Ownership recorded in Book 325, page 962, Dare County Registry, and that certain Supplemental Declaration of Covenants, Conditions and Restrictions of the Golden Strand Condominiums Interval Ownership Program recorded in Book 331, page 1039, Dare County Registry;

(b) Strand South Condominium, by that certain Declaration of Unit Ownership of Strand South executed by Strand South, Ltd. of Dare County and recorded in Book 413, at page 162, Dare County Registry. (Hereinafter, the aforementioned Declarations are collectively referred to as the "Predecessor Declarations");

2. WHEREAS, the predecessor Associations, the parties hereto, are given the right and power by the predecessor Declarations to amend the said Declarations; and

3. WHEREAS, by proper resolution of the Boards of Directors of the respective predecessor Associations and by approval of the membership of the said Associations, all as required by and in compliance with the provisions of Chapter 47A of the North Carolina General Statutes and the predecessor Declarations, the predecessor Associations have expressed their will and desire to AMEND the respective predecessor Declarations for Golden Strand and Strand South Condominiums and to RESTATE the said Declarations to provide as follows:

(a) To consolidate and merge the predecessor Associations, their powers, rights, obligations, assets and liabilities so as to create and establish two (2) Associations to govern and manage the affairs of the Golden Strand and Strand South Condominiums;

(b) To consolidate, merge, amend, restate and otherwise join into one instrument the respective Declarations of Condominium regimes at Golden Strand and Strand South Condominiums under the Unit Ownership Act, Chapter 47A of the North Carolina General Statutes, with the pre-existing interests in the predecessor condominium regimes to remain the same, but to be governed by this instrument only, the Amended and Restated Declaration of Condominium for Golden Strand and Strand South Condominium.

(c) To reallocate in equivalent proportions the votes assigned to each designated unit, the percentage of undivided interests in the common elements allocated to each unit, and the percentage liability for common expenses and assessments to the units being submitted to the North Carolina Unit Ownership Act (hereinafter sometimes referred to as the "Unit Ownership Act" or Chapter 47A) which were previously allocated to the units by the respective predecessor Declarations; and

(d) To adopt amendments pursuant to authority of N.C.G.S. Section 47C-1-102(b) of the North Carolina Condominium Act, and to otherwise restate and redeclare the easements, covenants, restrictions, conditions, obligations, liabilities, rights and privileges affecting the property and improvements thereon described in the attached Exhibit "A" as is more fully set forth herein.

NOW THEREFORE, the Golden Strand Condominiums Association, Inc., the Strand South Owners' Association, Inc., and the Golden Strand Interval Owners' Association, Inc., by this instrument, do hereby AMEND the Declarations for Golden Strand Condominium recorded in Book 324, page 260, as amended in Book 325, page 962 and in Book 331, page 1039, and the Declaration for Strand South Condominium, recorded in Book 413, page 162, all of the Dare County Registry, by RESTATING the said Declarations as set forth more fully herein, and do DECLARE the terms and provisions contained herein to be in full force and effect as of the date of recordation of this instrument in the Office of the Register of Deeds of Dare County, North Carolina.

The predecessor Associations do hereby declare and acknowledge the existence of two separate Condominium Regimes under the provisions of Chapter 47A of the North Carolina General Statutes, entitled the Unit Ownership Act. A maximum of 48 units constitute the two condominiums located on the property described in the attached Exhibit "A", the said property hereinafter being referred to as the "Submitted Property", and consisting of the Golden Strand and Strand South Condominiums, respectively. The terms and provisions of this Declaration shall supersede and wholly replace the aforementioned predecessor Declarations. The two condominiums shall continue to be two separate and distinct condominiums to be governed by the G.S.C.A. and the G.S.I.O.A. in accordance with this Declaration and the Condominium Instruments.

Furthermore, the predecessor Associations have adopted and do hereby adopt certain terms and provisions of the North Carolina Condominium Act, Chapter 47C of the North Carolina General Statutes, as allowed by N.C.G.S. Section 47C-1-102(b), said terms and provisions being set forth more fully herein.

ARTICLE 1

DEFINITIONS

1.1 Definitions. The terms defined in Section 47C-1-103 of the Condominium Act shall be deemed to have the meanings therein specified whenever they appear in the Condominium Instruments unless the context otherwise requires and except to the extent, if any, that such definitions are changed below. In addition, the other terms defined below shall be deemed to have the meanings specified whenever they appear in the Condominium Instruments unless the context otherwise requires. These definitions shall apply whether or not the defined terms are capitalized.

Whenever the context requires, these defined terms shall be deemed to apply singularly to each of the condominium regimes governed by this Declaration and the Condominium Instruments.

"Assessment" means the share of the Common Expenses from time to time assessed against a Condominium Unit or time share week and its Owner(s) by the Associations in the manner herein provided.

"Associations" means the G.S.C.A. and the G.S.I.O.A. Provided, however, in instances where the word "Associations" is used to refer to both the G.S.C.A. and the G.S.I.O.A., nothing herein shall be construed to give the G.S.I.O.A. any rights and powers of the G.S.C.A. unless, in each instance, said rights and powers are otherwise specifically and expressly delegated to the G.S.I.O.A.

"Board of Directors" or "Board" means the board of directors of the respective Associations, which is the governing body of each

Association.

"Bylaws" means the bylaws of the respective Associations, as amended from time to time, a copy of the Bylaws of the G.S.C.A. being attached hereto as Exhibit C and the Bylaws of the G.S.I.O.A. being attached hereto as Exhibit "D", as the case may be.

"Common Elements" mean all portions of the Condominium other than the Units, to include both the Golden Strand and Strand South Condominiums.

"Common Expenses" means all sums lawfully assessed against the Unit Owners by the Associations; expenses of administration, maintenance, repair or replacement of the Common Elements (including Limited Common Elements); expenses agreed upon as Common Expenses by the Associations; expenses declared Common Expenses by the provisions of the Condominium Act, this Declaration or the Bylaws; and, insurance premiums.

"Condominium" means and shall herein refer to the Submitted Property submitted to the provisions of the Unit Ownership Act by the Condominium Instruments, consisting of both the Golden Strand and Strand South Condominiums, respectively, being two separate and distinct condominiums.

"Condominium Act" means the North Carolina Condominium Act, Chapter 47C of the North Carolina General Statutes, as amended.

"Condominium Association" means the Golden Strand Condominium Association, Inc. a North Carolina incorporated association, formed for the purpose of exercising the powers of the Association under the Unit Ownership Act and/or the Condominium Act and the Condominium Instruments (herein sometimes referred to as the "G.S.C.A.").

"Condominium Instruments" means this Declaration, the Bylaws, the Plats and the Plans, including any and all exhibits, schedules, certifications and amendments thereof, as they may exist from time to time, made and recorded pursuant to the Unit Ownership Act.

"Condominium Unit" means a Unit together with the undivided interest in the Common Elements appertaining to that Unit.

"Declarants" or "Developers" mean, with respect to the Golden Strand Condominium, Lifestyle Homes, Inc., and with respect to the Strand South Condominium, Strand South, Ltd. of Dare County.

"Declaration" means this Declaration as amended from time to time.

"Director" means a member of the Board of Directors of the respective Associations.

"First Mortgagee" means the holder of a first-in-priority Mortgage.

"Foreclosure" includes, without limitation, the judicial foreclosure of a mortgage or the exercise of a power of sale contained in any Mortgage.

"Institutional Mortgagee" means one or more commercial or savings bank, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds, or business trusts including, but not limited to, real estate investment trusts, any other lender regularly engaged in financing the purchase, construction, or improvement of real estate, or any assignee of loans made by such a lender, or any combination of any of the foregoing entities.

"Interval Owners' Association" means the Golden Strand Interval Owners' Association, Inc. , a North Carolina incorporated association, formed for the purpose of governing and administering the affairs of interval owners in the Condominium (hereinafter sometimes referred to as the "G.S.I.O.A.").

"Lease" means any lease, contract, tenancy, sublease, rental contract or other occupancy agreement whether oral or written.

"Limited Common Elements" means a portion of the Common Elements reserved for the exclusive use of one or more, but less than all, of the Units. For example, the heating and air-conditioning system serving a particular unit but located on the common elements are limited common elements.

"Majority" means more than fifty (50%) percent in any context, unless a different percentage is expressly required.

"Mortgage" means a mortgage, deed to secure debt, deed of trust, security agreement or other instrument conveying a lien upon or security title to a Condominium Unit or time share interest in a Condominium Unit as security for a debt or for the performance of an obligation.

"Mortgagee" means the holder, guarantor, insurer of a Mortgage or a beneficiary under a Deed of Trust.

"Occupant" means any person, including, without limitation, any guest, invitee, tenant, lessee or family member of an Owner, occupying or otherwise using or visiting in a Unit.

"Officer" means an officer of the respective Associations.

"Owner" has the same meaning as Unit Owner.

"Plans" mean the plans for the Condominium which are certified and filed for record as is set forth more fully in Exhibit "A".

"Plats" means the plat of survey for the Condominium which is certified and recorded as amended and certified from time to time, as is set forth more fully in Exhibit "A".

"Record" or "file for record" means filing for record in the Office of the Register of Deeds, Dare County, North Carolina.

"Schedule of Unit Information" means the schedule attached hereto as Exhibit "B", which schedule shows for each Condominium Unit its Identifying Number, model type, undivided interest in the Common Elements, number of Votes in the Associations, and share of liability for Common Expenses.

"Size" means the number of square feet of heated, enclosed floor space in a Unit as computed by reference to the Plats and Plans and rounded off to a whole number. Exterior walkways and breezeways are not included.

"Submitted Property" means the property lawfully submitted to the provisions of the Unit Ownership Act and the Condominium Instruments from time to time by the recordation of Condominium Instruments in accordance with the Act. The Submitted Property is the land described in Exhibit "A" and shown on the Plat, together with all improvements thereon and all rights and easements appurtenant thereto, consisting of the Golden Strand and Strand South Condominiums, respectively.

"Unit" means a portion of the Condominium intended for independent ownership and use, as more fully set forth and shown in the Condominium Instruments and the Unit Ownership Act.

"Unit Designation" means one or more numbers and/or letters that identify each Unit, as set forth in the Schedule of Unit Information, and as shown on the Plats and Plans.

"Unit Owner" has the same meaning as Owner and means one or more persons who own an undivided interest in a Condominium Unit, and includes Time Share Owners. This term does not include a Mortgagee in his capacity as such, but shall include any person, firm, corporation or entity capable of holding title to real estate in North Carolina.

"Unit Ownership Act" means the North Carolina Unit Ownership Act, Chapter 47A of the North Carolina General Statutes, as amended.

"Vote" means the vote in the Associations appertaining to each Condominium Unit or each time share interest in a Condominium Unit.

"Whole Unit Owner" shall mean a Unit Owner who is the record owner in fee simple of a Unit not committed to a time share regime.

Certain units in the Golden Strand and Strand South Condominiums have been previously committed to a time share ownership regime. With respect to this time share ownership program, the following definitions shall apply.

"Authorized Users" are time share owners of floating time share weeks who have reserved a specific week in accordance with the rules and regulations therefore as well as guests, invitees and tenants of time share owners and exchange users.

"Common Furnishings" shall mean furniture, appliances and furnishings for the particular condominium unit devoted to Time Share Ownership to which an Owner is granted an interest, or other personal property from time to time held for use by an Owner of the particular condominium unit during occupancy of such property held, leased, or owned by the Association.

"Condominium Unit Committed to Time Share Ownership" means an undivided interest in a condominium unit and the right of limited occupancy and possession of the condominium unit by the owner(s) of an undivided interest therein to a specific limited time period within the year by a method of determining such time (said limitation of occupation and possession constituting an occupancy agreement further defined hereinafter). Accordingly, upon recordation of the first deed conveying an undivided interest in fee simple title in a condominium unit and limiting grantee thereof to occupation and possession to a particular time within the year, said unit has been committed to time share ownership. A unit shall be considered to be no longer committed to time share ownership when the right of occupation, possession or use is not limited to a specific time period. However, owners of an undivided interest in units may convey their undivided interests and their limited rights of occupation, possession and use subject to the terms of this Declaration of Condominium, and amendments thereto.

"Exchange Program" means a service provided by an independent organization whereby owners and owners of time shares in other time share programs may exchange time share or interval weeks in the project or development for time share periods in projects in other locations.

"Exchange User" means an Owner of a time share or time period in another time sharing program who occupies a time share unit and uses the common areas pursuant to an exchange program.

"Fixed Unit Weeks" or Fixed Time Share Weeks" are those unit weeks specifically and expressly identified as a "Fixed Time Share Fixed Unit Week" in the deed of conveyance from the Developer to the Owner(s), and the Owner(s) thereof shall have the right of exclusive occupancy of said unit for said fixed timeshare or unit week.

"Floating Time Share Weeks" and "Floating Unit Weeks" are those weeks which have not been designated as "Fixed Unit Weeks" or "Fixed Time Share Weeks", and an Owner of a time share with an appurtenant "Floating Unit Week" or "Floating Time Share Week" shall be entitled

only to reserve a time share week within the floating week's designated season as designated by the G.S.I.O.A. and in accordance with its rules and regulations.

"Maintenance Weeks". In most of the units committed to time share ownership, only 51 unit weeks will be conveyed. The remaining week in each calendar year (plus any additional days) shall be set aside for maintenance and general repair. During these maintenance weeks, only the G.S.I.O.A, its successors and assigns shall be entitled to possession, occupation and use of the dwelling unit. It is acknowledged that in some instances, 52 unit weeks have previously been conveyed, and any such 52nd week shall be treated, in all respects, as an equal of each and every other unit week in that condominium unit, including pro rata liability for common expenses, percentage interest of common elements and votes in the G.S.I.O.A. and G.S.C.A. The G.S.I.O.A. shall determine, in the case of each unit committed to a time share regime, the time period during any particular year which shall be set aside as a maintenance week for that unit, which time period may not interfere with the right of any particular owner to occupy their unit during the week in question.

"Occupancy Agreement". Owners of any undivided interest in fee simple in a particular condominium unit committed to time share ownership are bound by this Occupancy Agreement. The time share owner of each unit week shall be entitled to the exclusive use and occupancy of the said dwelling unit, and the personal property located therein, as well as the right to use the common elements in the condominium to the exclusion of all other owners of said dwelling unit during the particular unit week purchased by said person. Said exclusive use and occupancy rights shall constitute an agreement among all said owners of fee simple interest in said dwelling unit, which said agreement shall be a covenant appurtenant to said unit which shall run with the title thereto and be enforceable against all parties acquiring any interest therein, and it shall be deemed absolutely and not subject to challenge and all of said parties agree to the provisions thereof by the acquisition of said interest. Each time share owner of an undivided interest in a unit and the time share week or weeks appurtenant thereto, the same having been committed to time share ownership, will relinquish occupancy for the first two (2) hours and the last four (4) hours of each unit week to allow six (6) hours (from 10 o'clock A.M., to 4 o'clock P.M. on each Saturday) for cleaning, repairs, maintenance, and other services to the unit involved. Further, each person owning a time share week shall not be permitted to remove any of the furnishings, appliances, and other items of personal property separated or attached to the unit from the unit at any time.

This occupancy agreement shall be for a term commencing upon the recording of the first deed conveying the unit involved to time share ownership as hereinafter described, and terminating as herein provided.

"Time Share Owner" shall mean the person, whether entirely or jointly, or in common with others, owning an undivided interest in a unit committed to time share ownership and shall include authorized users.

"Time Share Ownership" shall mean the ownership of an undivided interest in fee simple as provided herein in a unit committed to a time share program or regime.

"Time Share Unit" means each Unit in which a time share interest has been conveyed by deed. A condominium unit shall not become a time share unit for any purpose hereunder and shall not be subject to the conditions, covenants, restrictions, agreement, equitable servitudes, liens, and common scheme and plan provided for time share units in this Declaration until it becomes a time share unit by conveyance of a time share interest therein by a deed from the Developer.

"Time Share Week" or "Time Share" or "Unit Week" shall mean the seven (7) day period designated by a number as hereinafter provided appurtenant to each individual one fifty-first (1/51st) (or 1/52nd, as the case may be) ownership interest in fee simple of a unit committed to time share ownership.

Time share week 1 shall be the seven (7) day period commencing at 12 o'clock noon on the first Saturday of each year and ending at 12 o'clock noon on the following Saturday. Time share week 2 shall be the seven (7) day period next succeeding, with each following time share week to and including time share week 51, determined in a like manner. Time share week 52 shall be the seven day period following time share week 51, plus any days remaining prior to the commencement of the following time share week 1.

Pursuant to the occupancy agreement set forth herein the person owning an undivided 1/52nd interest in a unit committed to time share ownership will be entitled to use, occupation and possession of the unit during the time share week purchased by said person or to which he is entitled to occupancy if a floating time share week. The time share week shall be inalienable from the 1/52nd undivided interest in the fee simple title to which it is appurtenant. "Time Share Week" and "Unit Week" are synonymous.

ARTICLE 2

CREATION OF THE CONDOMINIUM

2.1 Submission to the Unit Ownership Act. The predecessor Associations hereby declare and acknowledge the previous submission of the Submitted Property to the Unit Ownership Act. The Submitted Property and every interest therein shall, after the recording of this Declaration, be owned, held, transferred, sold, conveyed, used, leased, occupied, mortgaged and deeded in trust subject to the Unit Ownership Act and the Condominium Instruments. Every person acquiring or having any interest in the Submitted Property, by acceptance of a deed or other instrument of any kind, whether or not such deed or other instrument is signed by such person or otherwise agreed to in writing, shall take such interest subject to the Unit Ownership Act and to the Condominium Instruments and shall be deemed to have agreed to the same.

In addition, the predecessor Associations, which are, by this Declaration, amending and restating the predecessor Declarations, recognize and acknowledge the following:

(a) That units have previously been conveyed in whole fee simple ownership to purchasers and owners other than the Developers by deeds of conveyance heretofore recorded in the office of the Register of Deeds of Dare County;

(b) That units have previously been committed to timeshare ownership and that undivided interests and the rights of occupancy and possession have been granted and conveyed to purchasers and owners other than the Developers by deeds of conveyance heretofore recorded in the office of the Register of Deeds of Dare County;

(c) That certain of the said units and time share interests, along with all right, title and interests therein, and along with all right, title and interest which may now belong to the Developers, Lifestyle Homes, Inc. and Strand South, Ltd. of Dare County, have previously been subjected to a mortgage, lien, deed of trust or similar encumbrance or security interest in favor of certain institutional lenders or other mortgagees or beneficiaries, including, among others, Piedmont Trust Bank;

(d) That certain other easements, licenses, rights, encumbrances, liens, leases and other similar interests in real property have been previously granted or created in and affecting the Submitted Property or the units therein; and

(e) That the Submitted Property consists of two separate and distinct condominium regimes, being the Golden Strand and Strand South Condominiums, respectively, and shall continue to be separate and distinct condominiums to be governed by this Declaration and the Condominium Instruments, as defined herein.

By this AMENDED AND RESTATED DECLARATION, the Associations intend, and, therefore, declare that the aforesaid vested interests in real property referenced in (a) through (e) above shall continue in existence, consistent with this Declaration and the Condominium Instruments which shall govern the condominium regimes established at the Golden Strand and Strand South Condominiums by the predecessor Declarations, and nothing herein is intended to alter or modify the aforesaid vested interests in real property. The votes assigned to each designated unit, the percentage of undivided interests in the common elements allocated to each unit, and the percentage liability for common expenses and assessments are hereby reallocated to the units, as is set forth more fully in the Schedule of Unit Information attached hereto as Exhibit "B" and incorporated by reference herein.

There is also herein created and established two associations, the Golden Strand Condominium Association, Inc. which shall consist of all Unit Owners in the Golden Strand and Strand South Condominiums, and the Golden Strand Interval Owners' Association, Inc., which shall consist of all Time Share Owners in the Golden Strand and Strand South Condominiums, as is set forth more fully herein. All the operations and activities of the predecessor associations shall be merged and consolidated into the two associations herein established, which shall hold all powers, rights, obligations, assets and liabilities of the predecessor associations. The associations herein established shall be the legal successors of the predecessor associations, as is set forth more fully herein, and in the Bylaws of the respective Associations and in their Articles of Incorporation and any Amendments thereto. The associations herein established shall have the power and authority to govern the Submitted Property in accordance with this Declaration and the Condominium Instruments.

2.2 Name and Location. The names of the condominiums are "Golden Strand Condominium" and the "Strand South Condominium". The condominiums are located in the County of Dare, North Carolina, along U.S. 158 Business, near mile post 7, in Kill Devil Hills, and are adjoining one another.

2.3 Governing Provisions. The Condominium, the Associations and each Unit Owner or time share owner shall be governed by the Unit Ownership Act, the Condominium Instruments and any rules and regulations adopted by the Associations pursuant to the Condominium Instruments, and by the Bylaws of the Associations.

ARTICLE 3

DESCRIPTION OF THE CONDOMINIUM

3.1 Submitted Property. The Submitted Property is described on Exhibit "A" and shown on the Plats referenced in Exhibit "A", and includes all improvements thereon and all rights and easements appurtenant thereto. The improvements include one building containing 48 units as of the date of filing this Declaration, being the Golden Strand and Strand South Condominiums, respectively.

3.2 Condominium Units. The Condominium will contain forty-eight (48) Condominium Units, the Identifying Numbers of which are set out on the Schedule of Unit Information and are shown in the Plats and Plans. Thirty six (36) Condominium Units are located in the Golden Strand Condominium and twelve (12) Condominium Units are located in the Strand South Condominium. Each Condominium Unit consists of the Unit together with its undivided interest in the Common Elements. The Schedule of Unit Information sets forth for each Condominium Unit its Identifying Number, model type, and undivided interest

in the Common Elements, votes in the Associations and share of liability for Common Expenses. All Units are situated on a piling foundation with wood flooring and the external covering consists of wood siding. Each Condominium Unit shall constitute for all purposes a separate parcel of real property which may be owned in fee simple and which, subject to the provisions of the Unit Ownership Act and the Condominium Instruments, may be conveyed and encumbered like any other property. The undivided interest in the Common Elements for each Condominium Unit shall not be altered except as expressly provided by the Unit Ownership Act and this Declaration. Such undivided interest shall not be separated from the Unit to which it appertains and shall be deemed to be conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. Each Unit Owner shall automatically be a member of the G.S.C.A., which membership shall continue during the period of ownership of the Condominium Unit by such Unit Owner. Each Time Share Owner shall automatically be a member of the G.S.I.O.A., which membership shall continue during the period of ownership of the time share interest by the Time Share Owner.

3.3 Unit Boundaries. Each Unit shall include all of the space within the boundaries thereof. The perimetrical or vertical boundaries of each Unit are the vertical planes of the interior surfaces of the wood framing of the walls of the Unit, whether such walls are exterior walls or walls separating the Unit from other Units or the Common Elements, and the vertical planes of the interior surfaces of windows and entry doors, including sliding glass doors, if any. The perimetrical unit boundaries include the sheet rock on the unit side of the walls, with the framing being a part of the Common Elements, and they are extended to their intersection with each other and the upper and lower horizontal boundaries of the Unit. The Lower horizontal boundary of each Unit is the plane of the upper surface of the sub-floor of that Unit, and the upper horizontal boundary of each Unit is the lower surface of the ceiling joists of the Unit, with such sub-floor and framing being a part of the Common Elements. The upper and lower boundaries of each Unit include the wood, dry-wall, plaster or other material forming the ceiling or floor, as may be applicable, on the Unit side of such sub-floor or framing as the case may be and extend to their intersection with the perimetrical boundaries of the Units. All fixtures, equipment and appliances located within the boundaries of each Unit, including without limitation, portions of the heating and air-conditioning system and the hot water heater are deemed to be a part of each Unit. If any chutes, flues, ducts, conduits, wires, pipes or any other apparatus lies partially within and partially outside of the designated boundaries of a Unit, any portions thereof which serve only that Unit shall be deemed a Limited Common Element of that Unit, while any portions thereof, which are located wholly outside a Unit or which serve more than one Unit or any portion of the Common Elements shall be deemed a part of the Common Elements. In interpreting the Plans, the existing physical boundaries of a Unit as originally constructed or a Unit reconstructed in substantial accordance with the original Plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in any Plat or Plans, regardless of settling or lateral movement of the building and regardless of minor variance between the boundaries shown on the Plans or in a deed and those variances between the boundaries shown on the Plans or in a deed and those of the Unit. If an Owner acquires an adjoining Unit, thereby becoming the common fee simple whole Owner of adjoining Units, such Owners shall have the right (subject to the prior written approval of the Mortgagees of the Units involved and the Board of Directors of the G.S.C.A.) to remove all or any part of any intervening partition or to create doorways or other apertures therein, notwithstanding the fact that such partition may, in whole or in part, be part of the Common Elements, so long as no portion of any load bearing wall or column is materially weakened or removed and no portion of any Common Elements, other than that partition and any chutes, flues, ducts, conduits, wires or other apparatus contained therein which shall be relocated by such Owner if such facilities serve any other part of the Condominium, is damaged,

destroyed, or endangered. The alternations permitted by the preceding sentence shall not be deemed an alteration or relocation of boundaries between adjoining units, nor an alteration of the allocated interest in the common elements, votes assigned to each unit, share of liability for common expense assessments or other appurtenant rights or interests as such appears on the Schedule of Unit Information attached hereto as Exhibit "B".

3.4 Common Elements. The Common Elements consist of all portions of the Condominium other than Units. Certain portions of the Common Elements are Limited Common Elements, as set out in Section 3.5. The Associations and the Owners agree that said Common Elements shall not be subject to partition or division.

3.5 Limited Common Elements. The Limited Common Elements are those portions of the Common Elements which are reserved for the exclusive use of those persons who are entitled to the use of one or more (but less than all) of the Units. Limited Common Elements are not separate and apart from the Common Elements in general, but are limited only with respect to the exclusive use thereof by the Unit or Units to which they are assigned. Limited Common Elements are assigned as follows and not otherwise:

3.5.1 The exterior doors, windows, porches, stairways, steps, breezeways, walkways, landings, railings and beams associated therewith which serve and are appurtenant to each Unit having any of the foregoing, shall be Limited Common Elements assigned to the Unit or Units having direct access thereto or direct use thereof. If a walkway, steps or other means of access to the door of a Unit is assigned to serve one or more (but less than all) of the Units, then it shall be a Limited Common Element appurtenant to the Unit or Units so served.

3.5.2 All portions of the Common Elements on which there is located any portion of the heating and air-conditioning system exclusively serving a particular Unit or Units shall be Limited Common Elements assigned to that Unit or Units.

3.5.3 Although designated as and restricted to use as Limited Common Elements pursuant to the foregoing provisions, such Limited Common Elements shall be governed by the G.S.C.A., which shall have the obligation to maintain and repair said Limited Common Elements. Provided, however, that the Board of Directors of the G.S.C.A., by two-thirds (2/3rds) majority vote, shall have the ultimate power and responsibility for determining whether particular Limited Common Elements in need of repair are to be the obligation of the entire G.S.C.A. or the obligation of the Owners of the Units which those Limited Common Elements serve. The Board may, by two-thirds (2/3rds) majority vote, determine the amount and levy any special assessments for repairs of particular Limited Common Elements consistent with its determination pursuant to this paragraph, which amount shall be deemed conclusive upon the Unit Owners assessed.

3.5.4 Notwithstanding the provisions of Sections 3.5.2 or 3.5.3 or any other Sections herein to the contrary, those portions of the heating and air conditioning systems exclusively serving a particular Unit or Units but located outside such Unit or Units shall be considered limited Common Elements but the Owners of the Unit or Units served by such Limited Common Elements shall be responsible for the repair, maintenance and replacement thereof.

3.6 Development Rights. The Developers planned for a maximum of forty-eight (48) condominium units to be constructed on the Submitted Property. Reference is hereby made to the plats and plans, which plats and plans show the location, size and dimensions of the condominium as completed. The Developers have reserved certain Development Rights in that Declaration of Unit Ownership recorded in Book 324, page 260, as amended in Book 325, page 962, and in Book 331, page 1039 and the Declaration of Unit Ownership recorded in Book 413, page 162, all of the Dare County Registry. Said Development Rights are incorporated by reference herein as if set forth word for word, and shall be deemed to be applicable to the condominium

regime herein established. These development rights may include, but need not be limited to, the right to use Units still owned by the Developers for sales purposes and as models, the right to erect and maintain signs for sales purposes, the right to participate in the affairs of the Associations to the extent of Units or time share interests owned by the Developers, and the right to use and enjoyment of all easements, licenses and privileges granted or reserved to the Developers in the predecessor Declarations.

3.7 Golden Strand Condominium Association, Inc. There has heretofore been created three associations of unit and time share owners in the Golden Strand and Strand South Condominiums, the Golden Strand Condominiums Association, Inc., the Strand South Owners' Association, Inc., and the Golden Strand Interval Owners' Association, Inc. These said predecessor Associations are the parties hereto, who make and declare this AMENDMENT AND RESTATEMENT OF DECLARATION pursuant to the rights and powers of the said Associations under the predecessor Declarations. The predecessor Associations have approved and consented to a merger and consolidation of their respective affairs and operations into two Associations, the Golden Strand Condominium Association, Inc. and the Golden Strand Interval Owners' Association, Inc.

The Golden Strand Condominium Association, Inc. or G.S.C.A., shall consist of all Owners of Units in the Condominium. The percent or number of votes in the G.S.C.A. appertaining to each Unit is set forth in the Schedule of Unit Information.

The duty of this association is to insure and maintain the overall integrity of the development and to maintain, repair and replace the parking areas, streets, utility facilities and recreational amenities and facilities owned by it or entrusted to it by the Developers and this Declaration. These facilities hereinbefore mentioned will be part of the Common Elements of the condominium regimes. All Unit Owners are members of said Association. The Bylaws of the said Association are attached hereto as Exhibit "C" and incorporated by reference herein.

The duties and powers of the G.S.C.A. shall be those set forth in the Unit Ownership Act and/or the Condominium Act, this Declaration and the other Condominium Instruments. Except to the extent otherwise required by the Unit Ownership Act and/or the Condominium Act, this Declaration or the other Condominium Instruments, the powers herein or otherwise granted to the G.S.C.A. may be exercised by the Board of Directors, by action through the officers, without any further consent or action on the part of the Unit Owners. Subject to and in accordance with the provisions or limitations set forth in the Bylaws, each Director and each officer shall be entitled to be indemnified by the Association in connection with any threatened, pending or completed action, suit or proceeding the respect to which such person was or is a party by reason of the fact that such person is or was a Director or Officer. The Board of Directors shall consist of seven (7) Directors with each having a one (1) year term of office. Each Director and Officer must at all times be a Unit Owner. At least three (3) Directors must at all times be "Whole Unit Owners" and at least three (3) Directors must at all times be "Time Share Owners"; provided, however, that if an insufficient number of Whole Unit Owners or Time Share Owners, as the case may be, are willing to serve as Directors in order to comply with the requirements of the preceding phrase of this sentence, other Unit Owners may be elected to fill the vacancies on the Board of Directors, and, if necessary, the Board may operate with less than seven (7) members as described in the G.S.C.A. Bylaws.

The G.S.C.A. shall have the right and duty to maintain and improve the common streets, roads and parking areas and to charge the Unit Owners for their pro-rata share of the costs of such maintenance and improvements.

In accordance with the Bylaws of the G.S.C.A., each Unit Owner becomes a member of the G.S.C.A. upon conveyance to such Unit Owner of a deed of fee simple title to that unit or deed of a time share interest in a unit.

Sewerage services will be provided by underground sewage systems on-site, which shall receive the highest priority among the expenses of the G.S.C.A. The condominium is supplied water by the Town of Kill Devil Hills and/or the County of Dare, which is a common expense of the G.S.C.A. or the G.S.I.O.A.

The G.S.C.A. shall maintain, repair and replace all such other improvements, amenities, recreational facilities and incidents of the Golden Strand Condominium as should be considered Common Elements. The G.S.C.A., through its Board of Directors, shall administer and govern the maintenance, repair and replacement of the limited common elements as hereinbefore set forth.

The G.S.C.A. is hereby given the right to enforce the terms and provisions of this Declaration and to suspend the rights and privileges of members of said Association. The terms and provisions concerning the suspension of rights and privileges are contained in the Bylaws of the G.S.C.A, which are incorporated by reference herein.

3.8 Golden Strand Interval Owner's Association, Inc. The Golden Strand Interval Owners' Association, Inc., or G.S.I.O.A., shall consist of all Time Share Owners in the Condominium, who shall automatically become members of the said Association upon conveyance of a deed of time share interest. The percent or number of votes in the G.S.I.O.A. appertaining to each time share unit or interest is set forth in the Schedule of Unit Information.

The duties and powers of the G.S.I.O.A. shall be those set forth in the Unit Ownership Act and/or the Condominium Act, this Declaration and the other Condominium Instruments, together with those reasonably implied to effect the purposes of the G.S.I.O.A. Except to the extent otherwise required by the Unit Ownership Act and/or the Condominium Act, this Declaration or the other Condominium Instruments, the powers herein or otherwise granted to the G.S.I.O.A. may be exercised by its Board of Directors, by action through the Officers, without any further consent or action on the part of the interval Owners. Subject to and in accordance with the provisions or limitations set forth in the Bylaws, each Director and each Officer shall be entitled to be indemnified by the Association in connection with any threatened, pending or completed action, suit or proceeding with respect to which such person was or is a party by reason of the fact that such person is or was a Director or Officer of the said Association.

Except in cases where the terms and provisions of this Declaration specifically require a larger majority, all decisions and resolutions from time to time required to be made by the members of the G.S.I.O.A. shall be made by a simple majority of the members of the G.S.I.O.A, and, for all such purposes, the decision and resolution of the simple majority shall control and bind the owners of all of the time shares in the condominium.

The G.S.I.O.A. shall govern and manage the affairs and operations of the Time Share Owners in the Condominium to the extent they are not also governed and managed by the G.S.C.A. The rights, duties and responsibilities of the G.S.I.O.A. shall include, but not be limited to, the following:

(a) from funds collected from the Time Share Owners, hire, in its own name, or in the name of the Time Share Owners, investigate, pay, supervise and discharge the personnel necessary to be employed in order to properly maintain and operate the condominium units committed to time share ownership;

(b) coordinate, to the extent practicable and possible, the plans of the Time Share Owners for moving their personal effects into the condominium units or out of them;

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(c) maintain businesslike relations with the Time Share Owners and make reasonable efforts to secure full, prompt and complete performance by the Time Share Owners of all items of maintenance and repair for which they are or become individually responsible;

(d) exercise reasonable efforts to collect all assessments and charges due from the Time Share Owners and periodically advise the Time Share Owners in writing of all delinquent accounts;

(e) cause the condominium units to be maintained according to standards reasonably acceptable to the Time Share Owners and at a level and in a manner consistent with the plan of operation adopted by the Time Share Owners, including, without limitation, the cleaning, periodic repainting and redecorating and other unusual maintenance of the condominium units;

(f) from funds collected from the Time Share Owners, pay all taxes and assessments on the condominium units, including, without limitation, all ad valorem real estate taxes and all regular and special common expense assessments levied by the G.S.C.A. pursuant to this Declaration, and discharge or contest liens affecting the condominium units;

(g) from funds collected from the Time Share Owners, pay all utilities separately metered to the condominium units and acquire and pay for all materials, supplies, furniture and labor necessary in connection with the orderly maintenance and operation of the condominium units;

(h) maintain a comprehensive system of office records, books and accounts in a manner consistent with customary and reasonable business practices, consistently applied, which records shall be subject to examination by the Time Share Owners, their duly authorized agents and employees, at all reasonable business hours and after reasonable notices;

(i) at least sixty (60) days before the beginning of each new fiscal year, prepare an estimated budget for the maintenance and operation of the condominium units for the next fiscal year, setting forth an itemized statement of anticipated receipts and disbursements for the next fiscal year, including appropriate reserve requirements, which budget, shall serve as the supporting document for the plan of operation and maintenance of the condominium units for the next fiscal year and for the schedule of assessments and charges to be levied against the Time Share Owners during the next fiscal year;

(j) from funds collected from the Time Share Owners, obtain and pay for all legal and accounting services necessary or appropriate for the efficient operation of the condominium units, the enforcement of the terms and provisions of this Declaration and the discharge of the duties and responsibilities of the G.S.I.O.A.

(k) adopt, promulgate and make reasonable efforts to enforce such reasonable rules and regulations relating to the use, enjoyment and possession of the condominium units by the Time Share Owners as may from time to time be considered appropriate for the efficient operation of the condominium units and the discharge of the duties and responsibilities of the G.S.I.O.A.;

(l) Select a manager to manage and conduct the affairs and operations of the G.S.I.O.A. Said manager shall be selected in lieu of any attempt at "self-management" by the G.S.I.O.A. or its Board of Directors. Provided, however, the manager shall be delegated and assigned such of the foregoing duties and responsibilities appearing in (a) through (k) hereinabove as shall be deemed proper by the Board of Directors of the G.S.I.O.A. and in its sole discretion.

The said manager shall have such rights, powers, duties and responsibilities as are delegated or assigned to him by the Board of Directors of the G.S.I.O.A., by contract or otherwise.

Nothing contained in this Declaration shall be construed as a prohibition against the enlargement of the duties and responsibilities of the Manager in any written agreement between the Manager and the G.S.I.O.A., and any such agreement may contain such additional and supplementary terms and provisions not inconsistent with the terms and provisions of this Declaration as may be considered necessary and appropriate by the G.S.I.O.A. and the Manager.

3.9 Relationship of Associations. By the various mergers and consolidations, and in accordance with the terms set forth herein, there exists two (2) Associations in the Condominium, the G.S.C.A. and the G.S.I.O.A. The duties and powers of the G.S.C.A. shall be those set forth in the Unit Ownership Act and/or the Condominium Act, the Declaration, the Bylaws of the G.S.C.A., and the other Condominium Instruments, together with those reasonably implied to effect the purposes of the G.S.C.A. Except to the extent they are otherwise specifically delegated to the G.S.I.O.A. by the N.C. Time Share Act, Chapter 93A, Sections 39 et seq. of the General Statutes of North Carolina, the Unit Ownership Act and/or the Condominium Act, this Declaration, the Bylaws of the G.S.I.O.A., or the other Condominium Instruments, the G.S.C.A. shall exercise all powers, duties, and responsibilities with respect to the governance, operation and maintenance of the Condominium and the Common Elements. Consistent with the Schedule of Unit Information attached hereto as Exhibit "B", of the forty-eight (48) condominium units in the Condominium, twenty-one (21) units are, as of the date of recordation of this Declaration, committed to whole fee simple ownership, and the remaining twenty-seven (27) units are committed to undivided time share ownership. The votes in the G.S.C.A. allocated to the 27 units owned by time share owners, as set forth in the Schedule of Unit Information, shall be voted and cast in the following manner:

The nine (9) members of the duly elected Board of Directors of the G.S.I.O.A. shall be vested with the full power and proxy to vote the votes herein assigned to the 27 time share units in the Condominium in the affairs and decisions of the G.S.C.A. At the meetings of the membership of the G.S.C.A., each of the nine (9) members of the G.S.I.O.A. so vested shall have the right and power to cast one-ninth (1/9th) each of the votes assigned to time share units in the affairs and decisions of the G.S.C.A. In this manner, each of the nine (9) members of the G.S.I.O.A. so vested shall cast (3) votes each in the affairs and decisions of the G.S.C.A., with the remaining twenty-one (21) votes in the G.S.C.A., being cast by the owner(s) of the condominium units not so submitted to time share ownership, as set forth in the Schedule of Unit Information. By majority decision of the membership of the G.S.I.O.A., the said power and proxy to vote in the affairs and decisions of the membership of the G.S.C.A. hereby vested in the nine (9) members so duly vested for such purpose may be limited and directed in any manner in which the majority of the membership of the G.S.I.O.A. may deem proper.

Nothing contained herein shall prohibit any one of the nine (9) directors elected by the G.S.I.O.A., pursuant to its Bylaws from assigning by proxy their 3 votes in the G.S.C.A. to another Time Share Owner, provided, however, that no one Time Share Owner may cast more than nine (9) votes in the G.S.C.A. by assigned proxy.

In the event a conflict or dispute shall arise between Time Share Owner(s), Whole Unit Owner(s) officers, directors, or members of the G.S.C.A, or G.S.I.O.A., or any combination of the foregoing, the said conflict or dispute shall be submitted to the Board of Directors of the G.S.C.A., which shall resolve the conflict or dispute by a two-thirds (2/3rds) majority decision, excluding the vote(s) of any director(s) of the G.S.C.A. initially involved in the said conflict or dispute. The decision and resolution of the Board of Directors of the G.S.C.A. shall be conclusive and binding upon all affected unit or time share owners, and all members, directors and officers of the G.S.C.A. and G.S.I.O.A.

ARTICLE 4

EASEMENTS

In addition to the easements created by the Unit Ownership Act, the easements described in this Article 4 from each Owner to each other Owner, to the Associations, and to the Developer are hereby granted, reserved and established, subject to and in accordance with the following terms and conditions:

4.1 Use and Enjoyment. Every Owner shall have a right and easement of use and enjoyment in and to the Common Elements (including the right to access, ingress and egress to and from his Unit over those portions of the Common Elements designated for such purpose), and such easement shall be appurtenant to and shall pass with the title to every Condominium Unit, subject to the following provisions and limitations:

4.1.1 The right of the G.S.C.A. to control the use and enjoyment thereof as provided by the terms of this Declaration, which shall include, but not be limited to, the right of the G.S.C.A. to limit the use and enjoyment thereof to the Owners and their respective Occupants, as well as to provide for the exclusive use and enjoyment of specific portions thereof at certain designated times by an Owner and his Occupants.

4.1.2 The right of the G.S.C.A. to limit the number of guests of Owners.

4.1.3 The right of Owners to the exclusive use of the Limited Common Elements appurtenant to their respective Units.

4.1.4 The right of the G.S.C.A. to suspend the Vote and rights and the right to use any recreation facilities of the Condominium by the Owner and his Occupants and common area appurtenant thereto for any period of time during which an Assessment against his Condominium Unit remains unpaid or for a reasonable time for infractions of any provisions of the Condominium Instruments or rules and regulations.

4.2 Structural Support. Every portion of a Unit or the Common Elements which contributes to the structural support of another Unit or the Common Elements shall be burdened with an easement of structural support. No Owner shall be permitted to demolish his Unit except to the extent that such demolition may be required to repair or rebuild the Unit when the same has been partially or totally destroyed.

4.3 Utilities. To the extent that any utility line, pipe, wire or conduit serving any Unit, Units or the Common Elements shall lie wholly or partially within the boundaries of another Unit or the Common Elements, such other Unit, Units or Common Elements shall be burdened with an easement for the use, maintenance, repair and replacement of such utility line, pipe, wire or conduit, such easement to be in favor of the Unit, Units or Common Elements served by the same and the Associations.

4.3.1 The following easements have heretofore been granted, created and established in and affecting the submitted property: See Exhibit "A".

4.4 Encroachments. If any portion of the Common Elements encroaches upon any Unit, or if any Unit encroaches upon any other Unit or upon any portion of the Common Elements, as a result of the construction, reconstruction, repair, renovation, restoration, shifting, settlement or movement of any portion of the Condominium, an easement for the encroachment and for the maintenance, repair and replacement thereof shall exist so long as the encroachment exists. In the event that any building, any Unit, any adjoining Unit, or any adjoining portion of the Common Elements shall be partially or totally damaged or destroyed as a result of

fire or other casualty or as a result of condemnation or eminent domain proceedings, and then be repaired or reconstructed, encroachments of portions of the Common Elements upon any Unit, or of any Unit upon any other Unit or upon any portion of the Common Elements, due to such repair or reconstruction, shall be permitted, and easements for such encroachments and the maintenance, repair and replacement thereof shall exist. This easement is intended to apply to only the extent necessary and does not deprive another of a substantial property right of use.

4.5 Maintenance and Repair. There shall be an easement in favor of the Associations and the Unit Owners through the Units and the Common Elements as may be reasonably necessary for the installation, maintenance, repair and replacement of Units and the Common Elements. Use of this easement shall be only upon prior notice during normal business hours, except that access may be had at any time in case of emergency.

4.6 Rights of Associations. There shall be a general easement to the Associations, their Directors, Officers, contractors, agents and employees (including, but not limited to any manager(s) employed by the Associations) to enter upon the Submitted Property or any portion thereof and to enter or take access through the Units and the Common Elements as may be reasonably necessary for the installation, maintenance, repair and replacement thereof, for making emergency repairs and for other work for the proper maintenance and operation of the Condominium and for the performance of their respective duties. Each Owner shall afford to other Owners and to the Associations, their respective contractors, agents, representatives and employees, such access through such Owner's Unit as may be reasonably necessary to enable them to perform such work and to exercise and discharge their respective powers and responsibilities. Except in the event of emergencies, however, such easements are to be exercised only during normal business hours and upon advance notice to and with the permission of the Owner or Occupant of a Unit directly affected thereby. The G.S.C.A. shall have the power to grant and accept permits, licenses and easements on, over, across and through the Common Elements for the installation, maintenance, repair and replacement of utilities, roads and for other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium.

4.7 Rights of Developers. So long as the Developers own any interest in a Condominium Unit primarily for the purpose of sale, Developers and their duly authorized contractors, representatives, agents and employees shall have a transferable easement for the maintenance of signs, promotional facilities and model Units on the Submitted Property, together with such other facilities as in the opinion of the Developer may be reasonably required, convenient or incidental to the completion, renovation, improvement, development or sale of the Condominium Units on the Submitted Property. The Developers may use Units for models, which Units may be changed from time to time. During the period that Developers own any interest in a Condominium Unit, Developers, their duly authorized contractors, representatives, agents and employees, shall have a transferable easement, on, over, through, under and across the Common Elements for the purpose of making improvements on the Submitted Property and for the purpose of doing all things reasonably necessary and proper in connection therewith.

4.8 Easements. There is hereby created a blanket easement upon, across, over and under all of the Submitted Property, subject to this Declaration, for ingress and egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to water, sewer, gas, drainage, telephones, cablevision and electricity. This blanket easement is expressly in favor of, but not limited to, the Developers and the Associations, their directors, officers, employees or agents. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain the necessary underground equipment and other necessary equipment on said property, and to affix and maintain electrical

and/or telephone wires, circuits, and conduits or, above, across and under the roofs and exterior walls of said condominiums. An easement is further granted to all police, fire protection, garbage collectors, ambulance, and all similar persons to enter upon the streets and common elements in the performance of their duties. Further, an easement is hereby granted to the Associations, their officers, agents, employees and to any management company elected by the Associations to enter in or to cross over the common elements provided for herein. Notwithstanding anything to the contrary contained in this paragraph, no sewer, electrical lines, water lines, or other utilities may be installed or relocated on said property except as initially programmed and approved by the G.S.C.A.'s Board of Directors. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable documents, the G.S.C.A. will have the right and authority to grant such easement on said property without conflicting with the terms hereof. The easement provided for in this Section shall in no way affect other recorded easements on said premises.

Easements are hereby granted over and through the submitted property for the use, benefit and enjoyment of the G.S.C.A, its agents, employees, successors and assigns for the maintenance of common roads, streets, parking areas and such other properties or improvements in and adjacent to the Submitted Property owned by or entrusted to the G.S.C.A. Said easement in favor of the G.S.C.A., shall include the rights of access, ingress and egress to fulfill its obligations under the Bylaws of said Association and all applicable Declarations and to enforce said Bylaws and Declarations against all unit owners in the Condominium. Easements of access, ingress and egress are hereby granted to Dare County and the Town of Kill Devil Hills over and through the Submitted Property as are reasonably necessary for the fulfilling of their obligations and purposes as governmental bodies and for the providing of their services and utilities to the Condominium. Any easements and accesses herein granted or reserved by this preceding paragraph shall not obligate the person, corporation, municipality or other entity in whose favor the easement has been granted or reserved to provide the services or improvements for which the easements have been created, unless, in each instance, they are otherwise obligated to provide such service or improvements.

In no event shall the Town or County be responsible for failing to provide any emergency or regular fire, police or other public service to the Condominium Units or their occupants when such failure is due to the lack of access to such areas due to inadequate design or construction, blocking of access routes or any other factor within the control of the Developer, the Associations, or the owners and their occupants.

ARTICLE 5

MAINTENANCE AND REPAIR

5.1 Condominium Association. The G.S.C.A. shall maintain, repair and replace all portions of the Common Elements, including Limited Common Elements, except as may be herein otherwise specifically provided. The G.S.C.A. shall also be responsible for the maintenance of the exterior finished surface of entry doors to Units. No diminution or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the G.S.C.A. to take some action or perform some function required to be taken or performed by the G.S.C.A. under the Unit Ownership Act or this Declaration, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the G.S.C.A., or from any action taken by the G.S.C.A. to comply with any law, ordinance, order or directive of any municipal or other governmental authority.

5.2 Unit Owner. With regard to Units not committed to a time share regime; (1) each Unit Owner shall maintain, repair and replace all portions of his Unit, except those portions, if any, which are to be maintained, repaired or replaced by the G.S.C.A.

(2) Each Unit Owner shall maintain, repair and replace all fixtures, equipment and appliances installed in his Unit or located within the boundaries thereof, and all chutes, flues, ducts, conduits, wires, pipes or other apparatus located within the boundaries of such Owner's Unit or deemed to be a part thereof as provided herein. Each Unit Owner shall perform his responsibilities in such manner so as not to unreasonably disturb other persons in other Units and shall keep the exterior entrance area adjoining his Unit in a neat and clean condition and free of standing water. Each Unit Owner shall promptly report to the G.S.C.A. or its agent any defect or need for repairs for which the G.S.C.A. is responsible. The G.S.C.A. shall have the right but not the obligation to make any repair or replacement or to do any cleaning or maintenance which is the responsibility of the Unit Owner if the Unit Owner fails or refuses to do so, and in such event the Unit Owner shall be obligated to pay for the cost incurred by the G.S.C.A. for such work. The Board of Directors of the G.S.C.A. shall have the sole right by two-thirds (2/3rds) majority vote to determine when any such repairs or replacements are made. The sums spent by the G.S.C.A. pursuant to this authority shall be conclusive upon the unit owner(s) to be assessed. Each Unit Owner shall also be obligated to pay for the cost of repairing, replacing or cleaning any item which although the responsibility of the G.S.C.A., is necessitated by reason of the willful or negligent act of such Unit Owner or any of his Occupants. The cost of any such repair, replacement, maintenance or cleaning shall be paid immediately upon notice and shall constitute a lien against the unit in like manner as other assessments.

With regard to units which have been committed to time share ownership, the terms and provisions of the paragraph immediately preceding pertaining to the rights, duties and obligations of "Unit Owners" shall be deemed to apply to the G.S.I.O.A. and its members, where appropriate. Any costs and assessments for maintenance, repair or replacement to a particular unit committed to time share ownership shall be the pro-rata obligation of the time share owners in that unit, in accordance with their proportionate interest in the common elements.

ARTICLE 6

ASSESSMENTS

6.1 Lien. Each Unit Owner covenants and agrees to pay to the G.S.C.A. all Assessments (general and special, limited common area assessments, or any other assessments properly levied by the G.S.C.A.) provided by the Unit Ownership Act and/or the Condominium Act and by this Declaration which shall be fixed, established and collected from time to time as hereinafter provided. All Assessments and other charges provided by this Declaration, together with interest thereon and costs of collection thereof as hereinafter provided, shall be a charge against and continuing lien on his Unit while he is the Owner. Any unit shall be conveyed subject to a lien for any unpaid Assessments subject to the provisions of Section 47C-3-116 of the Condominium Act and Sections 6.5 and 6.6 hereof. No Owner may waive or otherwise escape liability for Assessments by non-use of the Common Elements or abandonment of his Unit. With respect to units committed to time share ownership, the G.S.C.A. shall collect from the G.S.I.O.A. the assessments collectible from such units for the purposes and expenses of the G.S.C.A. The G.S.I.O.A. shall be responsible for collecting the said Assessments from the Time Share Owners in the units committed to time share ownership, which shall be a common expense of the G.S.I.O.A. Time Share Owners shall be responsible for their share of the common expenses of the G.S.I.O.A. in proportion to their percentage interest in the common elements, as set forth in the Schedule of Unit Information.

6.2 General Annual Assessments of the G.S.C.A. The amount of all Common Expenses of the G.S.C.A. not specially assessed against one or more but less than all of the Condominium Units pursuant to the provisions of this Declaration, less the amount of all

undistributed and unreserved Common Profits, shall be assessed against the Condominium Units in accordance with the Schedule of Unit Information. The general annual Assessment shall be established by the Board of Directors of the G.S.C.A., by two-thirds (2/3rds) majority vote, in the manner set forth in this Section. During that portion of the G.S.C.A.'s fiscal year, the annual Assessment applicable to each Condominium Unit shall be as set forth in the estimated budget for the Condominium delivered to each member of the G.S.C.A. At least fifteen (15) days prior to the annual meeting of the G.S.C.A., the Board of Directors shall prepare and submit in writing to the members an estimated budget of the Common Expenses for the next succeeding fiscal year to be paid by Assessments collected from the Owners, together with the amount of the annual Assessment payable by each Owner during such fiscal year. If the estimated budget proves inadequate for any reason at any time during the year, then the Board of Directors must immediately levy a further Assessment against the Owners and notify the Owners accordingly. If for any reason an annual budget is not made by the Board, a payment of 125% of the amount required by the last prior Assessment shall be due upon each Assessment due date until changed by a new Assessment. Common Expenses of the Association to be paid through annual Assessments shall include, but shall not necessarily be limited to, the following Sections 6.2.1 through 6.2.8, inclusive, and the due date(s) of any such special Assessments shall be specified by the Board of Directors.

6.2.1 Management fees and expenses of administration, including management, legal and accounting fees.

6.2.2 Utility charges for utilities serving the Common Elements and charges for other common services.

6.2.3 The cost of any master or blanket policies of insurance purchased for the benefit of all Owners and the G.S.C.A. as required by this Declaration, including fire and other hazard coverage as the Board of Directors determines to be in the interest of the G.S.C.A. and the Owners.

6.2.4 The expense of maintenance, operation and repair of the Common Elements as well as any maintenance upon the Units which is the responsibility of the G.S.C.A. under the provisions of Article 5, if such expense is not covered by a special Assessment.

6.2.5 Charges for any utilities provided to the Units and not separately metered, which shall be a Common Expense of the G.S.C.A.

6.2.6 Such other expenses as may be determined from time to time by the Board of Directors to be Common Expenses, including, without limitation, taxes and governmental charges not separately assessed against each Condominium Unit, other than ad valorem real property taxes.

6.2.7 The establishment and maintenance of an adequate reserve fund or funds for the periodic maintenance, repair and replacement of those Common Elements (including Limited Common Elements) which the G.S.C.A. may be obligated to maintain and of a reserve to cover operating contingencies or deficiencies arising from unpaid Assessments or liens, emergency expenditures and other matters, as may be authorized from time to time by the Board of Directors.

6.2.8 Expenses declared Common Expenses by the provisions of the Unit Ownership Act and/or the Condominium Act.

The general annual Assessment for Common Expenses described above shall be paid by and collected from the Owners, or the G.S.I.O.A., as the case may be, in accordance with their respective liabilities for Assessments. Each Owner, or the G.S.I.O.A., as the case may be, shall be obligated to pay such Assessments to the G.S.C.A. in quarterly installments on or before the first day of every third month, beginning with January 1 of each year, in the amounts to be determined by the Board of Directors of the G.S.C.A. In any year in which there is an excess of Assessments, and other income over

expenditures, the Board of Directors, by two-thirds (2/3rds) majority vote and without the necessity of a Vote of the G.S.C.A., shall determine either to apply such excess or any portion thereof against and reduce the subsequent year's Assessments or to allocate the same to one or more reserve accounts of the G.S.C.A. described above.

6.3 Special Assessments of the G.S.C.A. Any Common Expenses occasioned by the conduct of less than all Unit Owners or their Occupants may be specially assessed by the Board against the Condominium Unit or Units, the conduct of any Owner or occupant of which occasioned any such Common Expenses. Otherwise, notwithstanding anything to the contrary set forth herein, and except as provided in Section 5.2 and Section 3.5.3, there shall be no special Assessments against any particular Condominium Unit for any Common Expenses associated with the maintenance, repair, restoration, renovation or replacement of any Limited Common Elements; rather, such expenses shall be Common Expenses. The special allocation of assessments provided for in this paragraph shall be levied by the Board of Directors of the G.S.C.A. by two-thirds (2/3rds) majority vote, in its reasonable judgment, and the amount and due date(s) of such Assessments, so specially allocated by the Board shall be as specified by the Board. In no event shall the G.S.C.A. or any member of the Board have any liability for any judgment or decision made reasonably and in good faith under this paragraph.

6.4 Special Assessments for Capital Improvements. In addition to the special and general Assessments authorized above, and in addition to the special Assessments for reconstruction or repair of casualty damage, the Board of Directors of the G.S.C.A. , by two-thirds (2/3rds) majority vote, may levy special Assessments for the purpose of defraying, in whole or in part, the cost of any capital addition to or capital improvement of the Common Elements (including the necessary fixtures and personal property related thereto) , or for the cost of repair or replacement of a portion of the Common Elements (including the necessary fixtures and personal

property related thereto), which is for the benefit of all Owners; provided, however, the total amount of the special Assessment levied by the Board of Directors under and pursuant to the provisions of this Section shall not exceed the sum of \$500.00 per condominium Unit in any one calendar year unless approved by a Majority of the Owners. Owners shall be assessed for special Assessments under this Section in accordance with the liability for Assessments of their respective Condominium Units, and due date(s) of any such special Assessments shall be specified by the Board of Directors.

6.5 Non-Payment of Assessments: Remedies of G.S.C.A. Any Assessment, or portion thereof, not paid when due shall be delinquent, and the Board of Directors of the G.S.C.A. shall have the duty to enforce the collection of all delinquent Assessments. Any Assessment, or portion thereof, not paid within thirty (30) days after the due date shall constitute a lien on such Owner's Condominium Unit when filed of record in the Office of the Clerk of Superior Court, Dare County, in the manner provided for filing statutory liens against real property. If the same is not paid within thirty (30) days after the due date, then a late charge, not in excess of the greater of Ten Dollars (\$10.00) or ten percent (10%) of the amount of each Assessment or installment thereof not paid when due, shall also be due and payable to the G.S.C.A. If any Assessment or portion thereof is delinquent for a period of more than thirty (30) days, and then is not paid within ten (10) days after written notice is given to the Owner to make such payment, the entire unpaid balance of the Assessment for the year in question may be accelerated at the option of the Board of Directors of the G.S.C.A. and be declared due and payable in full, and proceedings may be instituted to enforce such obligation and/or lien. Such notice shall be sent by U.S. Mail, postage prepaid, to the Owner to the address of the Unit or to the address the Owner may have designated to the G.S.C.A. in writing, specifying the amount of the Assessments then due and payable, together with authorized late charges and interest accrued thereon. Any Assessment or portion

thereof, together with authorized late charges, not paid when due shall bear interest from the date of delinquency until paid at eighteen percent (18%) per annum. The Board of Directors of the G.S.C.A. may suspend the Vote of the Owner or the rights of the Owner and his Occupants, invitees and guests, to the recreational facilities of the Condominium during the period in which any Assessment or portion thereof remains unpaid and after at least ten (10) days written notice is given to the Owner as aforesaid and the G.S.C.A. may bring an action at law against the Owner obligated to pay the same or foreclose its lien against such Owner's Condominium Unit, in which event late charges, interest and costs of collection shall be added to and included in such lien, with such costs of collection to include court costs, the expenses of sale, any expenses required for the protection and preservation of the Condominium Unit, and reasonable attorneys' fees. For the purposes of this Article, the amount of delinquent Assessments, late charges, accrued interest and the amount of accelerated Assessments, if any, shall be considered an indebtedness and shall be evidenced by this Section 6.5 and therefore evidence of indebtedness shall exist hereby. All payments on account shall be applied first to the aforesaid costs of collection, then to late charges, then to interest, and then to the Assessment lien first due. All late charges and interest collected shall be part of the Common Profits. Each Owner vests in the Board of Directors of the G.S.C.A. the right and power to bring all actions against him personally for the collection of such Assessments as a debt and to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in this Article shall be in favor of the G.S.C.A. and shall be for the benefit of all Owners. The G.S.C.A., acting through the Board, shall have the power to bid in the Condominium Unit at any Foreclosure sale and to acquire, hold, lease, encumber and convey the same. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Elements or abandonment of his Condominium Unit. The rights and remedies conferred herein shall be in addition to, and not in lieu of, those set forth in Section 47C-3-116 of the Condominium Act.

In order to perfect the lien given by the foregoing provisions, the G.S.C.A. shall file in the Clerk's office of the Dare County Superior Court, North Carolina, a claim of lien, which contains a description of the condominium unit in accordance with the provisions of Section 47C-2-104 of the North Carolina Condominium Act, the names of the record owners of that condominium unit, the amount of unpaid assessments due or past due, together with the date when each fell due pursuant to the provisions of N.C.G.S. Section 47C-3-116 and Article 8 of Chapter 44 of the General Statutes of North Carolina. When payment or satisfaction is made of a debt secured by the foregoing lien, said lien shall be released by the duly authorized agent of the lien creditor.

Notwithstanding anything contained in this Article 6.5 to the contrary, the G.S.I.O.A. shall be responsible for the payment of assessments of the G.S.C.A. chargeable to units committed to time share ownership. The G.S.C.A. shall not have the lien claim rights herein provided for with respect to said units committed to time share ownership unless and until such lien claim rights have been assigned to the G.S.C.A. in writing by the G.S.I.O.A. The G.S.I.O.A. shall be responsible for and shall use its best efforts to collect assessments of the G.S.C.A. chargeable to Time Share Owners, unless the assessment is chargeable to a Time Share Owner by reason of the willful or negligent act of said Time Share Owner or any of his occupants, pursuant to Sections 5.2 or 3.5.3 of this Declaration, in which case the G.S.C.A. shall have lien claim rights against the time share interest of the owner thereof pursuant to this Article 6.5. In the event the G.S.I.O.A., after using diligent effort, is not able to collect an assessment of the G.S.C.A. chargeable to a Time Share Owner, the G.S.I.O.A. shall assign, after being requested to by the G.S.C.A., its lien claim rights to the G.S.C.A. against said Time Share Owner.

6.6 Assessments of the Interval Owners' Association. Each Time Share Owner shall pay to the G.S.I.O.A., annually or as the Board of Directors of the G.S.I.O.A. may otherwise determine, for the use, account and benefit of all Time Share Owners, an amount to be determined by the Board of Directors of the G.S.I.O.A. pursuant to its powers herein. The said amount shall be in proportion to the percentage interest in the common elements allocated to each time share unit and shall be used to cover the common expenses of the G.S.I.O.A. The common expenses of the G.S.I.O.A. shall include, but not be limited to, the following:

(a) any and all costs incurred, accrued or otherwise made necessary for services provided for the specific benefit, use or enjoyment of the owners of the time share unit; and

(b) The cost or estimated cost of operating and maintaining the time share units, including, without limitation, (1) all taxes and other public charges affecting the time share units, and (2) all regular and special common expense assessments levied by all Associations pursuant to this Declaration, and (3) the cost of all utilities separately metered to the time share units, and (4) the cost of funding all reserves established by the Time Share Owners, including, without limitation, a general operating reserve and a reserve for replacements and redecorating, and (5) the cost of any and all casualty, public liability or other insurance placed on the time share units by the G.S.I.O.A., and (6) the compensation of the Manager and other costs for which the Manager is entitled to reimbursement, and (7) the cost of the repair or reconstruction of the time share units in the event of damage or destruction by a casualty not covered by insurance or for which the proceeds of insurance are not sufficient, but only if the G.S.C.A. elects to repair or reconstruct, and (8) any and all other costs incident to the efficient maintenance and operation of the condominium units committed to time share ownership.

Any and all furniture and furnishings within the time share units and available or intended to be available for the Time Share Owners during the periods when such owners are entitled to the exclusive use and enjoyment of the condominium unit shall be considered as a part of the condominium unit for all purposes.

Any assessment or charges levied by the G.S.I.O.A. pursuant to this Declaration, and any installments thereof, which are not paid on the date when they are declared by the G.S.I.O.A. to be due, shall be delinquent and shall entitle the G.S.I.O.A., for the use, account and benefit of all Time Share Owners, to a cause of action and claim, and to an equitable lien on the time share, in the amount of such assessment, together with interest thereon and the actual costs of collection thereof and shall entitle the G.S.I.O.A., for the use, account and benefit of all Time Share Owners, to bring an action at law against the owner personally obligated to pay the same. The personal obligation of a Time Share Owner to pay any assessments or charges of the G.S.I.O.A. levied pursuant to this Declaration shall bind the time share against which such assessment or charge is levied in the hands of the owner of such time share, his heirs, devisees, personal representatives, successors and assigns. The personal obligation of the Time Share Owner to pay the assessment or charge shall remain his personal obligation for the statutory period and a suit to recover a money judgment for the nonpayment of any assessment or charge levied pursuant to this Declaration may be maintained without foreclosing or waiving any other rights established in this Declaration for the benefit of the owners of the other time shares in the condominium.

In the event any proceeding for the collection of any assessment or charge levied by the G.S.I.O.A. pursuant to this Declaration is commenced with respect to any time share in the Condominium, then the owner of such time share may be immediately required to pay a reasonable rental for the continued use and enjoyment of the time share and the party or parties commencing such proceeding shall be immediately entitled to the appointment of a receiver to collect the same.

In addition, the G.S.I.O.A., and its respective Board of Directors shall have the equivalent lien claim rights, rights to suspend rights and benefits of its members, and other rights and powers as are given and granted to the G.S.C.A. for the nonpayment of assessments by Article 6.5 hereinabove.

In addition to the foregoing rights and remedies of the G.S.I.O.A. against its members who are delinquent in the payment of assessments, the Board of Directors of the G.S.I.O.A. is also hereby given and granted the power of attorney and right on behalf of any Time Share Owner(s) who is delinquent in the payment of assessments of the G.S.I.O.A. to rent their unit week(s) and apply the proceeds of rental income first towards satisfying the delinquent assessments, including any late charges, interest, rental expenses and attorney's fees, with the remaining balance being remitted to the said Time Share Owner(s). The power of attorney and right hereby given and granted to the Board of Directors of the G.S.I.O.A. shall not obligate said Board to exercise said power of attorney and right, but such shall be exercised only at the discretion of the Board. A delinquent Time Share Owner shall be notified in writing at their last address made known to the Board that the Board has or will be exercising the aforesaid power of attorney and right to rent their unit week(s) at least thirty (30) days in advance of the first day of occupancy for said unit week(s), and said delinquent Time Share Owner shall pay all delinquent assessments, including late charges, interest, rental expenses and attorney's fees, at least fifteen (15) days before the first day of occupancy of said unit week(s) or the Time Share Owner shall forfeit all right to use and occupancy of the said unit week(s) for himself, his family, guests, invitees or lessees. The exercise by the Board of the aforesaid power of attorney and right to rent the unit week(s) of delinquent Time Share Owners shall not excuse or exempt the delinquent Time Share Owners from the obligation to pay assessments of the G.S.I.O.A., whether the unit week is, in fact, rented or not by the Board of Directors.

6.7 Priority of Liens. The liens for Assessments of the Associations, once perfected, shall be prior to all other liens and encumbrances except only (a) the lien for real estate taxes on that Condominium Unit, and (b) the lien of a Mortgage securing sums unpaid to a Mortgagee or other lien for Assessments. Except as provided in Sections 6.5 and 6.6 hereof and Section 47C-3-116 of the Condominium Act, the sale or transfer of any Condominium Unit shall not affect the Assessment lien.

6.8 Deed in Lieu of Foreclosure. Notwithstanding anything contained in this Declaration or the Act which may be construed to the contrary, in the event any First Mortgagee shall acquire title to any Condominium Unit by virtue of any deed in lieu of Foreclosure of a First Mortgage, such a First Mortgagee shall not be liable for, and such Condominium Unit shall not be subject to a lien for, any Assessment chargeable to such Condominium Unit on account of any period prior to the time such First Mortgagee shall so acquire title to such Condominium Unit; provided, however, that Common Expenses collectible thereafter from all Owners, including such First Mortgagee shall be paid as set forth in this Declaration. The provisions of this Section 6.8 are in addition to, and not in lieu of, the provisions of Section 47C-3-116(f) of the Condominium Act.

6.9 Estoppel Certificates. The Associations, upon demand, shall furnish to the owner of any unit or any time share interest liable for any assessments of the G.S.C.A. or G.S.I.O.A. pursuant to this Declaration, and to any other party legitimately interested in the same, a certificate in writing executed by an officer or agent of the appropriate Association which shall set forth the status of said assessment, i.e., whether any past installments or payments thereof remain unpaid and delinquent as of the due date thereof.

Any such certificate shall be conclusive evidence for all purposes that all assessments levied pursuant to this Declaration, and all installments thereof, which became due prior to the date of such certificate have been paid in full. The Associations shall be

entitled to charge and collect, in advance, a reasonable fee for each certificate so delivered; provided, however, that no charge shall be made by the Association to any Institutional Mortgagee of any condominium unit or time share unit who requests such a certificate in writing.

ARTICLE 7

ADMINISTRATION

7.1 Administration by the Associations. The Associations shall administer the Condominium, and have the rights and duties with respect thereto, as set out in and subject to the Unit Ownership Act and/or the Condominium Act, the N.C. Time Share Act, and the Condominium Instruments.

7.2 Property. All funds received and title of all properties acquired by the Associations and the proceeds thereof, after deducting therefrom the costs incurred by the Associations in acquiring the same, shall be held for the benefit of the Owners as herein provided and for the purposes herein stated. The shares of the Owners in the funds and assets of the Associations cannot be individually assigned, hypothecated or transferred in any manner except as an appurtenance to a Condominium Unit. In any year in which there is an excess of Assessments over expenditures, such surplus shall be applied in accordance with the provision of Article 6.

7.3 Rules and Regulations. Without limiting the generality of this Article, the Boards of Directors of the Associations shall have the power and authority to make, amend and revoke reasonable rules and regulations concerning the use of the Units and the Common Elements as set forth in the Bylaws of the respective Associations.

7.4 Professional Management. The Board of Directors of the G.S.C.A. may employ a professional management firm to manage the operation and affairs of the Condominium and the Association. Any management firm employed shall be employed pursuant to a written agreement executed on behalf of the G.S.C.A. by its President and Secretary. To the extent permitted by law, the Board of Directors of the G.S.C.A. shall be authorized to delegate to such management firm such of the duties and powers of the G.S.C.A. and of its Board of Directors and Officers as the Board of Directors shall determine.

7.5 Enforcement of Directors' Duties. In the event that the Board of Directors of the Associations shall fail to perform any duty or duties which, under the terms and provisions of the Unit Ownership Act and/or the Condominium Act, this Declaration, or the other Condominium instruments, are to be performed by them, any Owner or First Mortgagee who is aggrieved by such failure shall have the right to proceed in equity to compel the appropriate Board of Directors to perform such duty or duties. In no event, however, shall any Director have any liability to any Owner or First Mortgagee for any failure by the appropriate Board of Directors to perform any such duty or duties, except to the extent provided by the laws of North Carolina.

ARTICLE 8

INSURANCE

8.1 General Obligation and Authority. The G.S.C.A. shall obtain and maintain at all times (a) insurance for all of the insurable improvements on the Submitted Property (except improvements and betterments made by the respective Owners or Occupants) against loss or damage by fire or other hazards, pursuant to Section 47C-3-113 of the Condominium Act, and including extended coverage, vandalism, malicious mischief, debris removal, cost of demolition, windstorm and water damage, in an amount consonant with full replacement value of such insurable improvements, (b) any such fidelity coverage against dishonest acts on the part of its Directors, Officers, employees, agents and volunteers responsible for handling funds belonging to or administered by the G.S.C.A. in any amounts as the Board may determine in its sole discretion, (c) comprehensive public liability insurance,

in amounts established by the Board of Directors from time to time, pursuant to Section 47C-3-113 of the Condominium Act, but in no event shall such amount be less than \$1,000,000.00 for single limit coverage, and (d) such other types of insurance either required by the Federal National Mortgage Association, Federal Home Loan Mortgage Association, Veterans Administration, Federal Housing Administration or any other applicable governmental authority or law or authorized by the Board of Directors from time to time. Such casualty, liability and fidelity coverage shall be maintained in accordance with and satisfy all of the applicable provisions of the Federal National Mortgage Association Conventional Home Mortgage Selling Supplement or in accordance with any other requirements of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, Veterans Administration, Federal Housing Administration or any other applicable governmental authority. When any policy of insurance has been obtained by or on behalf of the G.S.C.A., written notice of the obtainment thereof and of any subsequent changes therein or termination thereof shall be furnished to each Unit Owner by the Officer required to send notices of meetings of the G.S.C.A.

ARTICLE 9

RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE

In the event of damage by fire or other casualty to the Submitted Property or any part thereof, the provisions of this Article and Section 47C-3-113 of the Condominium Act shall govern the repair and reconstruction. The terms "repair" or "reconstruction" as used herein shall mean repairing or restoring the Submitted Property to substantially the same condition in which it existed prior to the fire or other casualty (excluding improvements and betterments made by an Owner or Occupant) with each Unit and the Common Elements having the same boundaries as before. Any repair or reconstruction may reasonably take into account changes in construction and design techniques and materials and the cost or availability thereof. The term "substantial loss" relative to the Common Elements not serving exclusively a Unit shall mean a loss involving damage or destruction having a cost of restoration or repair of more than two-thirds (2/3rds) of the replacement cost of the improvements which are damaged or destroyed by casualty.

9.1 Damage and Destruction.

9.1.1 Claims, Adjustments and Repair Estimates. Immediately after any damage or destruction to all or any part of the Submitted Property covered by insurance purchased by the G.S.C.A., its Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance with respect to property losses of Owners and obtain reliable and detailed estimates of the cost of repair or reconstruction of such damaged or destroyed property.

9.1.2 Common Elements. In the case of damage or destruction to Common Elements not serving exclusively a Unit, such damage or destruction shall be repaired or reconstructed unless both (i) there is a substantial loss of the Common Elements not serving exclusively a Unit resulting from such damage or destruction and (ii) within sixty (60) days of the date of such casualty, Owners having four-fifths (4/5ths) of the Votes in the G.S.C.A vote not to repair or reconstruct.

9.1.3 Units. In the case of a casualty causing damage or destruction to a Unit and/or Common Elements serving exclusively a Unit, such damage or destruction (including any damage or destruction to any Common Elements serving exclusively such Unit) shall be repaired or reconstructed unless each of the following occur: (i) there is a substantial loss of all the Unit (including any damage or destruction to any Common Elements serving exclusively such Unit); and (ii) within sixty (60) days of such casualty, 100% of the Owners of the damaged or destroyed Unit, including time share owners, and 80% of all Owners vote and agree in writing not to repair or reconstruct.

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Should the Owners so decide not to repair or reconstruct damaged or destroyed Units, then such damaged or destroyed Units shall not be repaired or reconstructed and the provisions of Section 47C-3-113(h) of the Condominium Act shall govern and control the ownership of such damaged or destroyed Units. The undivided interest in the Common Elements, votes in the Associations and share of liability for Common Expenses appertaining to such Condominium Units shall thenceforth appertain to the remaining Condominium Units on the basis of an equal share per Unit.

9.1.4 Extension of Time. If for any reason the amount of insurance proceeds to be paid as a result of a casualty, or reliable and detailed estimates of the cost of repair or reconstruction of such casualty, are not made available within sixty (60) days after such casualty, then the sixty (60) day period specified above, shall be extended until such information is made available; provided, however, that such period of time shall in no event exceed one hundred twenty (120) days after such casualty.

9.1.5 Application of Proceeds: Common Elements and Units Not Repaired. If it is determined in accordance with the provisions hereof that any damaged Common Elements not serving exclusively a Unit shall not be repaired or restored, then the insurance proceeds appertaining thereto shall be divided among the Owners in accordance with their percentage or fractional interests in the Common Elements. If it is determined in accordance with the provisions hereof that any damaged Unit shall not be repaired or restored, then the insurance proceeds appertaining thereto shall be paid to the Owner of such damaged Unit in proportion to the total damage for which proceeds are received, and thereupon such Owner shall have no further right, title or interest in the Condominium. In all cases where there is a Mortgagee endorsement with respect to a Unit, any insurance proceeds shall be disbursed to the Owner and such Mortgagee jointly, who shall use such proceeds as they alone may determine. This is a covenant for the benefit of any such Mortgagee and may be enforced by any such Mortgagee. The G.S.C.A. shall cause the debris to be removed from any area on which was located a damaged Unit or damaged Common Elements which are not to be repaired or restored and shall landscape and restore such area to a clean, safe and attractive condition, and the Board of Directors shall have the right to levy a special Assessment against all of the Owners of the Condominium Units to raise the funds necessary to defray the costs of such work in excess of any amounts which may be available from any reserve funds of the G.S.C.A. maintained for such purpose.

9.2 Manner of Repair and Reconstruction. All repairs, reconstruction or rebuilding to be made as a consequence of fire or other casualty shall be made in accordance with the following provisions:

9.2.1 Common Elements. If the damage to be repaired or reconstructed is to the Common Elements, and if the insurance proceeds payable as a result of such damage or destruction is less than ten percent (10%) of the total annual revenues anticipated to be received by the G.S.C.A. under the then current budget of the G.S.C.A., such repair or reconstruction shall be substantially in accordance with the plans and specifications for such damaged property prior to the occurrence of such damage, or in accordance with such different plans and specifications as may be approved for such purpose by the Board of Directors. If the damage to be repaired or reconstructed is to the Common Elements, and if the insurance proceeds available as a result of such damage or destruction is greater than ten (10%) percent of the total annual revenues anticipated to be received by the G.S.C.A. under the then current budget of the G.S.C.A., such repair or reconstruction shall be substantially in accordance with the plans and specifications for such damaged property prior to the occurrence of such damage, or in accordance with such different plans and specifications as may be approved for such purpose by the Board of Directors; provided, however, that in the event the Board of Directors shall approve plans and specifications for the repair or reconstruction of such damaged property which differ materially from those of the damaged property prior to the occurrence of such damage, such plans and specifications

shall be submitted for the approval of a two-thirds (2/3rds) majority of the G.S.C.A., if a request to such effect is submitted in writing signed by Owners together possessing at least fifteen percent (15%) of the total Vote of the G.S.C.A. no later than 14 days after the meeting at which the Board of Directors approve such differing plans and specifications.

9.2.2 Units. If the damage to be repaired or reconstructed is to any Unit, such repair, reconstruction or rebuilding shall be substantially in accordance with the plans and specifications for such damaged Unit prior to the occurrence of such damage.

9.2.3 Responsibility for Repair or Reconstruction. All of the work of repairing or reconstructing any portion of the Submitted Property, the damage to or destruction of which resulted in the payment of any insurance proceeds under any insurance policy maintained by the G.S.C.A., shall be the responsibility of the G.S.C.A. and shall be performed under the supervision of the Board of Directors. In discharging such supervisory responsibility, the Board of Directors shall be authorized, but shall not be obligated to employ as its agent or consultant such building supervisors or architects as the Board of Directors shall determine. Any fees which shall be payable to any such building supervisor or architect as shall be employed by the Board of Directors shall be a Common Expense of the G.S.C.A.

9.3 Costs of Repair and Reconstruction.

9.3.1 Common Elements. The costs of repairing or reconstructing any portion of the Common Elements not exclusively serving any Unit which shall be damaged or destroyed shall be paid with any insurance proceeds which shall be paid to the G.S.C.A. on account of such damage or destruction. If such insurance proceeds, together with any amounts as may be available from any reserve funds maintained by the G.S.C.A. for such purposes, are not sufficient to defray such costs of repair or reconstruction, then the Board of Directors, by two-thirds (2/3rds) majority vote, shall levy a special Assessment against all of the Owners of the Condominium Units to raise the excess funds necessary to defray such costs.

9.3.2 Units and Common Elements Exclusively Serving Units. The costs of repairing or reconstructing each Unit which shall be damaged or destroyed, together with any portion of the Common Elements exclusively serving such Unit which shall be damaged or destroyed, shall be paid with the insurance proceeds which shall be paid to the G.S.C.A. on account of such damage or destruction for such Unit. If any amount shall remain after all of the costs and expenses of repairing and reconstructing the Unit are paid, such amounts shall be paid jointly to the owner and his mortgagee. If the amount held by the G.S.C.A. for such Unit is not sufficient to defray such cost of repair and reconstruction, then the Board of Directors, by two-thirds (2/3rds) majority vote, shall levy a special Assessment against the Owners of the Condominium Units so involved to raise the excess funds necessary to defray such costs.

9.3.3 Common Elements Exclusively Serving a Unit. For purposes of this Article, Common Elements shall be deemed to serve exclusively a particular Unit only if they constitute all or a portion of the building in which such Unit is contained or a Limited Common Element assigned to such Unit. This concept is necessary because almost all structural parts of a building technically constitute Common Elements under the Unit boundaries established in Section 3.3 of this Declaration.

ARCHITECTURAL CONTROL, USE RESTRICTIONS
AND SALE OR LEASING OF UNITS

To assure a community of congenial Owners and thus protect the value of the Condominium Units, the Submitted Property shall be subject to the restrictions set forth in this Article and in the rules and regulations of the Associations.

10.1 Approval Required for Changes. To preserve the architectural appearance of the Condominium, no construction, painting or other changes of any nature whatsoever shall be commenced or maintained by any Unit Owner with respect to the exterior of any Unit or any other portion of the Condominium exterior to the Unit, including any Limited Common Elements appurtenant thereto, nor shall any exterior addition to or change or alteration therein be made, unless and until the plans and specifications showing the nature, kind, shape, color, height, materials and location in relation to surrounding structures and topography shall have been submitted to and approved by the Board of Directors of the G.S.C.A. or by an architectural committee appointed by the Board of Directors. An Owner may make improvements and alterations within his Unit; provided, however, that no Owner shall make any structural alterations in a Unit or remove any portion thereof or make any additions thereto or do anything which would or might jeopardize or impair the safety, soundness or structural integrity of that Unit or any other Unit or otherwise materially lessen the support of any portion of the Condominium. No Owner shall impair any easement without first obtaining the written consent of the G.S.C.A. and of the Owner or Owners and their Mortgagees for whose benefit such easement exists.

10.2 Lighting. The design, type, location, size, intensity and color of all exterior lights (including both those mounted as part of the original design of the Submitted Property or otherwise in place at the time of the conveyance of a Unit to an Owner and those mounted with the consent of the Board of Directors) shall be subject to the prior written approval of the Board of Directors of the G.S.C.A.

10.3 Residential Purposes. Except for Developer's rights as set forth herein, all units shall be, and the same hereby are, restricted exclusively to single-family residential use, and the occupancy thereof shall be subject to such restrictions as the Boards of Directors may establish pursuant to the rules and regulations of the Associations. As used herein, the term "single-family" shall mean (1) a group of natural persons related to each other by blood or legally related to each other by marriage or adoption, or (2) a group of not more than six (6) persons not so related who maintain a common household in a unit. This paragraph shall not, however, prevent a corporation, partnership, or other entity from owning a unit.

10.4 Business Activities and Signs. No business activities, other than the development and sales activities of Developer as permitted hereunder shall be conducted on any portion of the Submitted Property. Except as may be required by legal proceedings and except as permitted in accordance with Sections 4.7 and 4.8 hereof, no "For Sale" or "For Rent" signs or other signs or advertising posters of any kind shall be maintained or permitted on any portion of the Submitted Property.

10.5 Pets. No animals or birds, or other pets shall be kept or maintained on any portion of the submitted property.

10.6 Use of Common Elements. The use and enjoyment of the Common Elements by the Owners and their Occupants shall be subject to such reasonable rules and regulations as may be made and amended from time to time in accordance with Section 7.5 of this Declaration. This Section is for the mutual benefit of all Owners and is necessary for the protection of all Owners.

10.7 Antennas. No antenna or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained outdoors on any portion of the Submitted Property, whether attached to a building or structure or otherwise, unless approved by the Board of Directors of the G.S.C.A.

10.8 Motor Vehicles, Trailers, Boats, Etc.. Automobiles shall be operated and parked only upon those portions of the Common Elements designated for such purpose on the Plat, Plans or by the Board of Directors of the G.S.C.A. Other motor vehicles, including, without limitation, mobile homes, motor homes, truck campers, trailers of any kind and boats, shall be kept, placed, stored, parked, maintained or operated only upon those portions of the Submitted Property, if any, designated specifically for such purpose by the Board of Directors of the G.S.C.A. Further, although not expressly prohibited hereby, the Board of Directors of the G.S.C.A. may prohibit mobile homes, motor homes, truck campers, trailers of any kind, motorcycles, motor scooters, motorized bicycles, mo-peds, motorized go-carts and other such contrivances, or any of them, from being kept, placed, stored, maintained or operated upon any portion of the Submitted Property if in the opinion of the Board of Directors such prohibition shall be in the best interest of the Condominium. No boats or trailers of any Owner or member of his family, his tenants, guests or contract purchasers shall be parked within the right-of-way of any street in or adjacent to the property described herein.

10.9 Nuisances. No rubbish or debris of any kind shall be dumped, placed, or permitted to accumulate upon any portion of the Submitted Property, except in containers specifically designated for such purpose, nor shall any odors be permitted so as to render any portion of the Submitted Property unsanitary, unsightly, offensive or detrimental to persons using or occupying other portions of the Submitted Property. No nuisance shall be permitted to exist or operate upon any portion of the Submitted Property so as to be offensive or detrimental to persons using or occupying other portions of the Submitted Property. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horn, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on the Submitted Property.

10.10 Prohibited Activities. Noxious or offensive activities shall not be carried on in any Unit or in any part of the Common Elements. Each Owner and Occupant shall refrain from any act or use of his Unit or the Common Elements which could reasonably cause embarrassment, discomfort, or nuisance to the other Owners and Occupants, or which could result in the cancellation of insurance on any Unit or any portion of the Common Elements, or which would be in violation of any law or governmental code or regulation. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any portion of the Submitted Property.

10.11 Governmental Regulations. All governmental building codes, health regulations, zoning restrictions and the like applicable to the Submitted Property shall be observed and are hereby incorporated by reference herein as if set forth word for word. All unit owners shall acknowledge, adhere to, and comply with any and all such governmental regulations, including the provisions of the Coastal Area Management Act and the regulations of the Division of Environmental Management. In the event of any conflict between any provision of any such governmental code, regulation or restriction and any provisions of this Declaration, the more restrictive provisions shall apply.

10.12 Exterior Appearance. To provide a neat, attractive and harmonious appearance throughout the Condominium, no awnings, shades, screens or other item shall be attached to, hung or used on the exterior of any window of a Unit without the prior written consent of

the Board of Directors of the G.S.C.A. or an architectural committee appointed by the said Board of Directors. Further, no foil or other reflective material shall be used on any windows for sun screens, blinds, shades, or any other purpose. Outside clothes lines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, placed or maintained on any portion of the Submitted Property, nor shall any clothing, rugs or any other item be hung on any exterior railing.

10.13 Sale or Leasing. The following provisions shall apply to sales or leases of Condominium Units.

10.13.1 The right of any owner, including Developer, to sell, transfer, convey, mortgage, encumber or pledge the Condominium Unit owned by such Owner shall not be subject to any right of first refusal or any similar restriction in favor of the Associations or any other Owner.

10.13.2 Any lease shall be subject in all respects to the provisions of the Condominium Instruments and the rules and regulations of the Associations; any failure by the lessee to comply with the terms of such Condominium Instruments shall be a default under the lease, and any lease shall so provide. In the event of non-compliance by any tenant of a Condominium Unit with the terms of the Condominium Instruments, the Board of Directors of the G.S.C.A. shall have the right to require the Owner or lessee of such Condominium Unit to terminate such lease because of such default and to levy a charge or fine against the Owner of such Condominium Unit for such non-compliance.

ARTICLE 11

GENERAL PROVISIONS

11.1 Amendment. This Declaration may be amended at any time and from time to time by the affirmative vote of Owners having at least two-thirds (2/3rds) of the total vote of the G.S.C.A. So long as the same shall not (a) adversely affect the title to any Condominium Unit, (b) change the percentage of undivided ownership interest in and to the Common Elements appurtenant to any Condominium unit, (c) materially alter or change any Owner's right to use and enjoyment of his unit or the Common Elements as set forth in this Declaration, or (d) otherwise make any material change in this Declaration, each Owner agrees that, if requested to do so, such Owner will consent to the amendment of the Condominium Instruments, (i) if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with, or remove any conflict or inconsistency with, the provisions of any applicable governmental statute, rule, regulation, including without limitation the provisions of the Unit Ownership Act and/or the Condominium Act, or judicial determination which shall be in conflict therewith, (ii) if such amendment is required by the governmental statutes, laws, rules or regulations applicable to or promulgated by a governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Veterans Administration or Federal Housing Administration, to enable such lender or purchaser to make or purchase mortgage loans on any Condominium Unit, or (iii) if any such amendment is necessary to enable any governmental agency to insure mortgage loans on the condominium Units based on the statutes, laws, rules or regulations applicable to or promulgated by such agency. Except as expressly permitted or required by the Unit Ownership Act and/or the Condominium Act and this Declaration, any amendment to this Declaration which would change the boundaries of any Unit, the undivided interest in the Common Elements, the number of votes in the Associations or the liability for Common Expenses appertaining to any Condominium Unit shall be approved in writing by all Owners. Any provisions in this Declaration which may be construed to the contrary notwithstanding, any amendment to this Declaration, which would change, alter, modify or rescind any right, title, interest or privilege herein expressly granted to any Mortgagee shall require the prior written approval of such Mortgagee. Amendments to this Declaration or the other Condominium Instruments

may be proposed by the board of Directors, or by petition signed by Owners having at least thirty percent (30%) of the total votes of the G.S.C.A. Agreement of the required percentage of Owners to any amendment of the Condominium instruments shall be evidenced by the certification of the President and Secretary of the G.S.C.A. to be recorded with the amendment. Any such amendment of the Condominium Instruments, including this Declaration, shall become effective only when recorded or at such later date as may be specified in the amendment itself. The written consent of any Mortgagee required with respect to such amendment shall also be recorded with such amendment.

11.2 Eminent Domain. In the event that all or part of the Submitted Property shall be taken by any authority having the power of eminent domain, the allocation of the award for such condemnation and all related matters, such as the reallocation of undivided interest in the Common Elements, liabilities for Assessment and Votes, shall be handled as follows:

11.2.1 If any Unit or portion thereof or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the holder of any First Mortgage on a Condominium Unit will be entitled to timely written notice of any such proceeding or proposed acquisition, and no provision of this Declaration or of any other Condominium Instrument establishing the Condominium will entitle the Owner or other person to priority over any Mortgagee with respect to the distribution of the proceeds of any award or settlement relating to such Condominium Unit.

11.2.2 In the event all or any part of the Submitted Property shall be taken in condemnation or by eminent domain, each Owner hereby grants an irrevocable power of attorney to the G.S.C.A. to represent such Owner in any and all condemnation proceedings, negotiations, settlements and agreements with the condemning authority. The award for such taking shall be payable to the G.S.C.A. for the use and benefit of the Owners and their respective Mortgagees as their interest may appear and shall be disbursed by the Board as hereinafter provided.

11.2.3 If the taking is confined to the Common Elements, the Board of Directors of the G.S.C.A. shall arrange for restoration of the remaining Common Elements and the Board of Directors shall disburse the proceeds of the condemnation award in the same manner as required for the disbursement of insurance proceeds where damage or destruction to the Common Elements is to be repaired or reconstructed, as provided in Article 9 hereof.

11.2.4 If the taking includes any part of a unit, whether or not there is included in the taking any part of the Common Elements, such taking shall be deemed to be and shall be treated as damage or destruction which shall not be repaired or reconstructed as provided in Article 9 hereof, whereupon:

(i) The Board of Directors of the G.S.C.A., using the proceeds of such condemnation award, shall acquire, on behalf of the remaining Owners, the Condominium Unit or Units of the Owner or Owners whose Condominium Unit or Units have been taken in whole or in part, at a price equal to the fair market value of such Condominium Unit or Units as of the date immediately preceding the condemnation thereof. Such price shall be determined by Majority vote of three (3) appraisers, one of whom shall be selected by the Owner or Owners affected, one of whom shall be selected by the Board of Directors of the G.S.C.A. and the third of whom shall be selected by the two (2) appraisers so selected. All appraisers so selected shall be members of the American Institute of Real Estate Appraisers (or any successor association or body of comparable standing if such institute is not then in existence), disinterested, have at least ten (10) years experience in the appraisal of real estate, be familiar with property values in Dare County, North Carolina, and have reasonable experience in the appraisal of Condominium Units.

aforesaid, the undivided interest in the Common Elements, Votes of the Associations and share of liability for Common Expenses appertaining to such Condominium Units shall thenceforth appertain to the remaining Condominium Units on the basis of an equal share per Unit. The method of distributing the remainder of the condemnation award, if any, shall be determined by the Board of Directors of the G.S.C.A.

11.3 Rights of Third Parties. This Declaration shall be recorded pursuant to the provisions of the Unit Ownership Act for the benefit of the Owners and their Mortgagees as herein provided, and by such recording, the Owners shall have the right to cancel, extend, modify, amend or otherwise change the provision of this Declaration without the consent, permission or approval of any adjoining owner or third person.

11.4 Termination. The Common Elements shall remain undivided, and unless the Condominium form or ownership hereby established is terminated in accordance with Section 47C-2-118 of the Condominium Act, no Owner nor any other person shall bring any action for partition or division of the whole or any part of the Condominium Unit or of the whole or any part of the Common Elements. The condominium may be terminated or abandoned only by the agreement of Owners of units to which at least eighty percent (80%) of the votes in the G.S.C.A. are allocated, provided that eighty percent (80%) of all holders of Mortgages encumbering the Condominium Units consent thereto and agree if required by Section 47C-2-118 of the Condominium Act.

11.5 Enforcement. Each owner shall comply strictly with the provisions of the Condominium Instruments and rules and regulations of the Associations. In the event of a violation or breach, or threatened violation or breach, of any of the same, the appropriate Association or, in a proper case, any aggrieved Owner or Owners, jointly and severally, shall have the right to proceed at law or in equity to compel compliance therewith or to prevent a threatened violation or breach thereof. In addition to all other remedies, the appropriate Association, or a duly authorized agent thereof, shall have the right to enter upon any portion of the Common Elements including any Limited Common Elements, where a violation exists and, at the expense of the violating Owner, abate or remove any erection, thing or condition that may be or exist contrary to the intent and meaning of the Condominium Instruments or rules and regulations, if after notice and hearing as set forth in the Bylaws, it shall not have been corrected by such Owner. Neither the Associations, nor their agents, shall be deemed guilty or liable for any manner of trespass for such entry, abatement or removal. Should the appropriate Association employ legal counsel to enforce any of the foregoing or any other rights or remedies of the said Association, all costs incurred in such enforcement, including a reasonable fee for counsel, shall be paid by the violating Owner. Inasmuch as the enforcement of the provisions of the Condominium Instruments and rules and regulations is essential for the protection of present and future Owners, it is hereby declared that any breach thereof cannot be adequately compensated by recovery of damages, and that the appropriate Association or, in any proper case, any aggrieved Owner or Owners, in addition to all other remedies, may require and shall be entitled to the remedy by injunction to restrain any such violation or breach or threatened violation or breach. No delay, failure or omission on the part of an Association or any aggrieved Owner or Owners in exercising any right, power or remedy herein provided shall be construed as an acquiescence thereto or shall be deemed a waiver of the right to do so thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against an Association or its Officers or Directors for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, of the provisions and regulations, however long continued, or for the imposing of provisions which may be unenforceable.

11.6 Exhibits. All exhibits referred to herein and attached to this Declaration or any other Condominium Instrument are hereby incorporated in this Declaration or such other Condominium instrument in full by this reference.

11.7 Duration. Unless the Condominium is terminated as herein otherwise provided, the provisions of this Declaration shall run with and bind the land, shall be binding upon and inure to the benefit of all Owners and Mortgagees, their heirs, executors, legal representatives, successors and assigns, and shall be and remain in effect perpetually to the extent permitted by North Carolina law.

11.8 Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the opinion of the Board of Directors of the G.S.C.A., will best effect the intent of the general plan of the Condominium. The provisions hereof shall be liberally interpreted, and if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The effective date of this Declaration shall be the date it is filed for record. In the event of any conflicts or inconsistencies between the Unit Ownership Act, the Condominium Act, this Declaration or the Bylaws of the Associations, the terms and provisions of the Unit Ownership Act, the Condominium Act and this Declaration, in that order, shall prevail. The Board of Directors of the G.S.C.A. shall be the ultimate interpreter of this Declaration and an opinion of counsel stating that any such interpretation is not unreasonable shall establish the validity of any such interpretation.

11.9 Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

11.10 Rights of Mortgagees and Unit Owners. In addition to the rights of Mortgagees elsewhere provided, each mortgagee shall: (a) be entitled to written notice from the appropriate Association of any default by the Owner of the unit mortgaged in the performance of his obligations under the Condominium Instruments which is not cured within sixty (60) days specifically including any delinquency in payment of an Assessment; (b) be entitled to receive notice of and to designate a representative to attend and observe all meetings of Owners, but not meetings of the Boards of Directors; (c) be entitled to receive written notice of any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which a Mortgagee holds a mortgage; (d) be entitled to receive thirty (30) days prior written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Associations; (e) be entitled to receive written notice of any proposed action which would require the consent of a specified percentage of the Mortgagees; and (f) be furnished copies of annual financial reports within 120 days after the end of the Associations' fiscal years; provided, however, that such Owner or Mortgagee shall first file with the Associations a written request (setting forth the name of such Owner or Mortgagee and the Unit Designation of the Unit with respect to which such request is made) that notices of default, notices of meetings and copies of financial reports be sent to a named agent or representative of the mortgagee or owner at an address stated in such notice. Further, each mortgagee and unit owner shall, upon request, be entitled to inspect the books, records, and financial statements of the Associations (including the Condominium Instruments and other documents) during normal business hours. Any First Mortgagees shall, upon written request, be entitled to an audited financial statement of the Associations for the immediately preceding fiscal year.

11.11 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid,

such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of the Declaration are declared to be severable.

11.12. Captions. The captions of each Article and Section hereof refers to its contents and are inserted only for convenience and are in no way to be construed as defining, extending or otherwise modifying or adding to the particular Article or Section.

11.13 Restrictions on Other Actions. Notwithstanding anything to the contrary contained in the Condominium Instruments, except as provided by the Condominium Act in case of substantial loss to the Units or termination and as provided herein in the case of condemnation, termination, partition or in the case of substantial loss to the Common Elements, unless at least two-thirds (2/3rds) of the First Mortgagees (based upon one vote for each first mortgage owned) and Unit Owners have given their prior written approval, neither the Associations nor the owners shall be entitled to:

11.13.1 Except for special assessments levied pursuant to Article 6 hereof, and except for the distribution of hazard insurance proceeds pursuant to paragraph 9.3.2 hereof, change the pro rata interest or obligations of any Condominium Unit for the purpose of: (i) levying Assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each condominium unit in the Common Elements.

11.13.2 By act or omission, seek to encumber, sell or transfer the Common Elements, except in the case of reassignment of Limited Common Elements pursuant to Section 3.5 hereof (neither the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Condominium nor the transfer, sale or encumbrance of an undivided interest in the Common Elements, as an appurtenance to a Unit, shall be deemed a transfer within the meaning of this subparagraph).

11.13.3 Use hazard insurance proceeds for losses to any part of the Submitted Property (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such Submitted Property.

Notwithstanding anything to the contrary contained in the Condominium Instruments, the provisions of this Section may be amended only by the vote of owners having at least two-thirds (2/3rds) of the total vote of the G.S.C.A.

IN WITNESS WHEREOF, the predecessor Associations have caused this instrument to be executed under seal as of the day and year first above written pursuant to due authority.

Golden Strand Condominiums Association, Inc.

By: [Signature]
(Vice) President



ATTEST: [Signature]
(Asst.) Secretary

Strand South Owners' Association, Inc.

By: [Signature]
(Vice) President



ATTEST: [Signature]



Golden Strand Interval Owners' Association, Inc.

By: [Signature]
(Vice) President

(CORPORATE SEAL)
ATTEST: [Signature]
(~~Asst.~~) Secretary

STATE OF NORTH CAROLINA

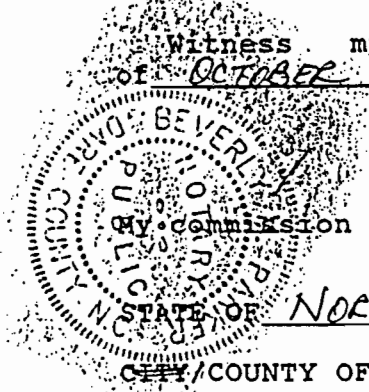
CITY/COUNTY OF DARE

I, BEVERLY M. PARKER, Notary Public, for said County and State, certify that G. THOMAS COKER, personally came before me this day and acknowledged that he/she is (~~Asst.~~) Secretary of Golden Strand Condominiums Association, Inc., a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its (~~Vice~~) President, sealed with its corporate seal, and attested by himself/herself as its (~~Asst.~~) Secretary.

Witness my hand and official seal, this the 8th day of OCTOBER 1989.

Beverly M. Parker
Notary Public

My commission expires: 7-13-92



STATE OF NORTH CAROLINA

CITY/COUNTY OF DARE

I, BEVERLY M. PARKER, Notary Public, for said County and State, certify the G.R. SHEPWOOD personally came before me this day and acknowledged that he/she is (~~Asst.~~) Secretary of Strand South Owners' Association, Inc., a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its (~~Vice~~) President, sealed with its corporate seal, and attested by himself/herself as its (~~Asst.~~) Secretary.

Witness my hand and official seal, this the 8th day of OCTOBER 1989.

Beverly M. Parker
Notary Public

My commission expires: 7-13-92



STATE OF NORTH CAROLINA

CITY/COUNTY OF DARE

I, BEVERLY M. PARKER, Notary Public, for said County and State, certify that R.J. WELCH personally came before me this day and acknowledged that he/she is (~~Asst.~~) Secretary of Golden Strand Interval Owners' Association, Inc., a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its (~~Vice~~) President, sealed with its corporate seal, and attested by himself/herself as its (~~Asst.~~) Secretary.

Witness my hand and official seal, this the 8th day of OCTOBER, 1989.



Beverly M. Parker
Notary Public

My commission expires: 7-13-92

The foregoing certificate of Beverly M. Parker,
a notary public of Dare Co., NC,
and _____, a notary public of _____, and
_____, a notary public of _____,
are certified to be correct.

Presented for registration this the 5th day of April,
1991, at 8:58 o'clock A.m., and recorded in this office in
Book 746, Page 300.

Doris A. Day
Register of Deeds

By: Nama Jean Ward
Assistant/Deputy
Register of Deeds

CERTIFICATION

By their signatures hereto, the respective President and Secretary of each of the predecessor Associations have each certified and do hereby certify that the foregoing Amended and Restated Declaration of Condominium for Golden Strand and Strand South Condominiums was approved by owners of units necessary to meet the provisions and requirements governing their approval at duly noticed and constituted meetings of the said predecessor Associations.

GOLDEN STRAND CONDOMINIUM ASSOCIATION, INC.
President: [Signature] (SEAL)
Secretary: [Signature] (SEAL)

GOLDEN STRAND INTERVAL OWNERS' ASSOCIATION, INC.
President: [Signature] (SEAL)
Secretary: [Signature] (SEAL)

STRAND SOUTH OWNERS' ASSOCIATION, INC..
President: [Signature] (SEAL)
Secretary: [Signature] (SEAL)

EXHIBIT A

All that certain tract or parcel of land, together with all improvements thereon, being known as the Golden Strand and Strand South Condominium, in Kill Devil Hills, Atlantic Township, Dare County, North Carolina and more particularly described as follows:

Parcel A:

BEGINNING at a point located in the Eastern margin right of way of U.S. 158 business highway, said highway having a sixty foot right of way at this point, and said point of beginning marking the intersection of such highway right of way with the Southern marginal right of way of First Street as the same runs between the Atlantic Ocean and U.S. 158 business highway, said Street having a 30 foot right of way; running thence from the point of beginning a course of North 70 degrees 30 minutes East a distance of 395.0 feet to a marker in the Southern margin of First Street; thence continuing a course of North 70 degrees 30 minutes East a distance of 71.78 feet to a point, which point marks the Northern terminus of a tie-line running between the Northern and Southern boundaries of the property described herein; thence running from said point a distance of 85 feet, more or less, to the high water mark of the Atlantic Ocean; thence turning and running in a general Southerly direction along the high water mark of the Atlantic Ocean to a point, which point is located a distance of 99 feet, more or less, from the Southern terminus point of a tie-line referred to above and which point is established by further references herein; thence turning from the high water mark of the Atlantic Ocean and running a course of South 70 degrees 30 minutes West a distance of 99 feet, more or less, to the Southern terminus of the tie-line referred to above, which tie-line is located a distance of 254.0 feet on a course of South 19 degrees 30 minutes 0 seconds East from the Northern terminus of the tie-line as referred to above; running thence from the Southern terminus point of the tie-line as established by the preceding calls a course of South 70 degrees 30 minutes West a distance of 466.78 feet to an iron pin in the Eastern marginal right of way of U.S. 158 business highway; thence turning and running along the Eastern margin of said highway a course of North 19 degrees 30 minutes West a distance of 254.0 feet to the point or place of beginning.

SAME BEING a parcel of land 254 feet in width located at the intersection of First Street and U.S. 158 business highway and bounding the Atlantic Ocean on its Eastern side constituting the property upon which the Golden Strand Condominium is located and formerly consisting of Lots 1 through 5, Block A, Croatan Shores.

BK 746190337

SAME BEING DEPICTED and shown on the Plat attached hereto as Exhibit "A1" and in those certain plats and plans filed for record in Unit Ownership File 2, pages 9-16, Dare County Registry.

PARCEL B:

ALL THOSE CERTAIN lots of land, together with the buildings and improvements thereon, lying and being in the Town of Kill Devil Hills in Atlantic Township, Dare County, North Carolina, adjoining the lands now or formerly belonging to W. R. Deaton, et als and bounded as follows:

BEGINNING at a post or other marker situated in and on the east margin or right of way of U.S. Highway No. 158, heretofore known as North Carolina State Highway No. 34, and also sometimes known as Virginia Dare Trail leading along the Dare Beaches, said beginning point being in and marking the southwest corner of the W. R. Deaton property on the east side of said highway, said beginning point being also 254 feet in a southeasterly direction along the east margin or right of way of said highway from the southeast margin of the intersection of said highway with First Street in the subdivision known as Croatan Shores, referred to hereinafter, thence in a northeasterly direction along the Deaton South line and parallel with First Street to the Atlantic Ocean; thence along the Atlantic Ocean in a southeasterly direction 125 feet to a stake or other marker; thence in a southwesterly direction and parallel with the first call above to the east margin or right of way of said highway; thence along the east margin or right of way of said highway in a northwesterly direction 125 feet to the point of beginning.

SAME BEING Lots Nos. 6, 7 and the north one-half of Lot No. 8 in Block A, Section 1 of the subdivision known as Croatan Shores. Map or plat of said subdivision made by David Cox, Jr., Surveyor, September 1945 and duly recorded in Map Book 1, Page 161, office of the Register of Deeds of Dare County, North Carolina, reference to which is hereby made for a more particular description thereof.

SAME BEING DEPICTED and shown on those certain plats and plans thereof filed for record in Unit Ownership File 3, pages 314 through 331 inclusive.

SUBJECT TO THAT certain Cross-Easement Agreement recorded in Book 429, Page 566, Dare County Registry, by and between Lifestyle Homes, Inc. and Strand South, Ltd. of Dare County.

ALSO SUBJECT TO any utility and highway rights-of-way, easements, permits or licenses pertinent to the property that have been granted to North Carolina Power (formerly VEPCO), Carolina Telephone Company (formerly North Carolina Telephone and

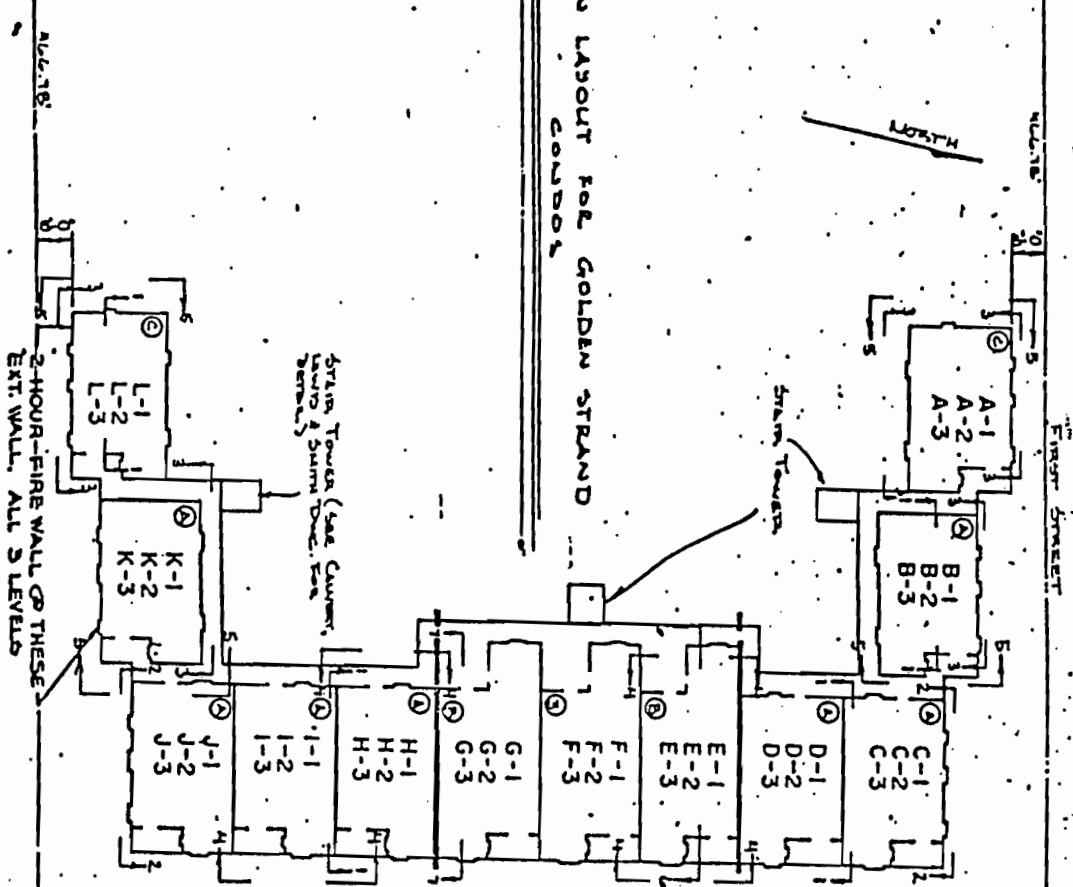
BK 746 PG 0338

Telegraph), the State Highway Commission, the County of Dare, the
Town of Kill Devil Hills or Cable TV supplier.

EXHIBIT A - 1

NOTE: THE REMAINDER OF THE PLANS IS FILED IN THE UNIT OWNERSHIP BOOK

MASTER PLAN LAYOUT FOR GOLDEN STRAND



2-HOUR-FIRE WALL @ THESE EXT. WALL. ALL 3 LEVELS

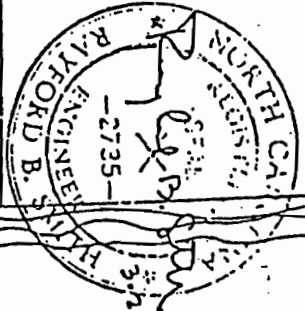
Strain Towers (See Column Layout & Slab Details for Details)

Strain Towers

NOTE: SIDING FACTORY INSTALLED AT AREAS MARKED IN RED.
NOTE: SIDING FIELD INSTALLED AT AREAS MARKED IN BLACK.

Notes:
REFER TO SET, PLANS T-1 ON SHEETS 42-48 FOR TRAFFIC INSTALLATION.

Notes:
REFER TO COLUMN, LEADS & SLAB DETAILS 0-1, 0-2 & 0-3 FOR CONCRETE, FIELDS - BRICK CONCRETE, STRAIN TOWERS & PASSING FIRE WALLS.



<p>P. O. Box 5511 - Martinsville, Va.</p>	DRAWN BY: <i>R. J. Smith</i>	Copyright © 1950 by NATIONWIDE HOMES All Rights Reserved This drawing is not to be used in the construction of any building except that designed or authorized by the copyright owner, Nationwide Homes. Repr.	PLAN NAME:		JOB NAME & NO:	
	CHECK BY: <i>W. J. Lee</i>		ELEVATION NO:	BLOCK NO:	LOT NO:	
	FLOOR PLAN NO:		DATE:			

Unit No.	Percentage Interest in Common Elements	Percentage Liability for Common Expenses		Votes	
		GSCA	GSIOA (per week)	GSCA	GSIOA (per week)

GOLDEN STRAND CONDOMINIUM

A1	2.59 of Parcel A	2.083	.0007	1	1
A2	2.59 of Parcel A	2.083	.0007	1	1
A3	2.59 of Parcel A	2.083	.0007	1	1
B1	2.59 of Parcel A	2.083	.0007	1	1
B2	2.59 of Parcel A	2.083	.0007	1	1
B3	2.59 of Parcel A	2.083	.0007	1	1
C1	2.59 of Parcel A	2.083		1	
C2	2.59 of Parcel A	2.083		1	
C3	2.59 of Parcel A	2.083		1	
D1	2.59 of Parcel A	2.083	.0007	1	1
D2	2.59 of Parcel A	2.083		1	
D3	2.59 of Parcel A	2.083	.0007	1	1
E1	3.34 of Parcel A	2.083		1	
E2	3.34 of Parcel A	2.083	.00077	1	1
E3	3.34 of Parcel A	2.083	.00077	1	1
F1	3.34 of Parcel A	2.083		1	
F2	3.34 of Parcel A	2.083		1	
F3	3.34 of Parcel A	2.083		1	
G1	3.34 of Parcel A	2.083		1	
G2	3.34 of Parcel A	2.083		1	
G3	3.34 of Parcel A	2.083		1	
H1	2.59 of Parcel A	2.083	.0007	1	1
H2	2.59 of Parcel A	2.083	.0007	1	1
H3	2.59 of Parcel A	2.083		1	
I1	2.59 of Parcel A	2.083	.0007	1	1
I2	2.59 of Parcel A	2.083	.0007	1	1
I3	2.59 of Parcel A	2.083	.0007	1	1
J1	2.59 of Parcel A	2.083		1	
J2	2.59 of Parcel A	2.083		1	
J3	2.59 of Parcel A	2.083		1	
K1	2.59 of Parcel A	2.083	.0007	1	1
K2	2.59 of Parcel A	2.083	.0007	1	1
K3	2.59 of Parcel A	2.083	.0007	1	1
L1	2.59 of Parcel A	2.083	.0007	1	1
L2	2.59 of Parcel A	2.083	.0007	1	1
L3	2.59 of Parcel A	2.083	.0007	1	1

STRAND SOUTH CONDOMINIUM

M1	8.33 of Parcel B	2.083	.00077	1	1
M2	8.33 of Parcel B	2.083	.00077	1	1
M3	8.33 of Parcel B	2.083	.00077	1	1
N1	8.33 of Parcel B	2.083	.00077	1	1
N2	8.33 of Parcel B	2.083	.00077	1	1
N3	8.33 of Parcel B	2.083	.00077	1	1
O1	8.33 of Parcel B	2.083		1	
O2	8.33 of Parcel B	2.083		1	
O3	8.33 of Parcel B	2.083		1	
P1	8.33 of Parcel B	2.083		1	
P2	8.33 of Parcel B	2.083		1	
P3	8.33 of Parcel B	2.083		1	

NOTES:

1. The percentage interest in common elements being a vested interest in real property appurtenant to the pre-existing condominium units, said percentage interests are maintained as previously allocated and vested. Condominium units in Golden Strand are allocated a percentage interest in the common

and condominium units in Strand South are allocated a percentage interest in the common elements located on Parcel B described in Exhibit "A" herein.

2. The percentage liability for Common Expenses of the G.S.C.A. is reallocated equally and pro rata among all 48 units in the condominiums.

3. The percentage liability for Common Expenses of the G.S.I.O.A. is reallocated among the 27 units committed to a time share regime based upon the determination by the G.S.I.O.A. of the proportionate difference in actual expenditures necessary to maintain a two bedroom unit as opposed to a three bedroom unit.

4. Votes in the G.S.C.A. are reallocated equally among all 48 units in the condominiums.

5. Votes in the G.S.I.O.A. are reallocated equally among the 1404 time share interval weeks.

6. See Article 3.9 of this Declaration for the method of proxy voting established for time share owners in the G.S.C.A.

7. To the extent that the allocations, terms, notes and provisions of this Exhibit "B" are inconsistent with paragraph 3.(c) of this Declaration, the provisions stated herein in this Exhibit "B" shall prevail and take precedence over any references made in paragraph 3.(c) of the Declaration.

✓

FILED

BK 746 CG 0342

Prepared by and
return to:

Norman W. Shearin, Jr.
Attorney at Law, Kitty Hawk, NC

'91 APR 5 AM 8 59

JOINDER

DOCKETS
REGISTRY OF DEEDS
(hereinafter, "D.C. the

WHEREAS, Piedmont Trust Bank (hereinafter, "Beneficiary"), is as of the date of recordation of the foregoing Amended and Restated Declaration of Condominium (the "Declaration"), the holder of the first lien on the greatest number of units in the property being submitted to said Declaration by virtue of a certain Deed(s) of Trust recorded in the Dare County Registry; and

WHEREAS, the Golden Strand Condominium Association, Inc. and the Golden Strand Interval Owners' Association, Inc., as the successors of the Predecessor Associations named in the foregoing Declaration, have requested that the Beneficiary sign this Joinder for the purposes herein expressed, and the Beneficiary has further requested Thomas L. White, Jr., Trustee, to sign this Joinder;

NOW, THEREFORE, the Beneficiary and Trustee by their signatures hereto do hereby signify their consent and approval of the foregoing Declaration. The Beneficiary and Trustee consent and agree that the lien of their Deed(s) of Trust shall automatically, and by operation of law, be deemed to be transferred to the percentage of undivided interests of the record owners of title thereof, and the submitted property, as it is resubmitted to condominium regimes by the foregoing Declaration. By their Joinder hereto, the Beneficiary and Trustee express no opinion on the content of the Declaration or its validity under applicable law. By their Joinder hereto, neither the Beneficiary nor the Trustee are thereby creating or

intending to create developer liability or joint venture liability with the said associations. The Golden Strand Condominium Association, Inc. and the Golden Strand Interval Owners' Association, Inc. hereby, agree to indemnify and hold harmless the Beneficiary and Trustee jointly and severally from and against any and all claims, demands, actions or causes of action, including reasonable attorneys' fees, arising out of their Joinder hereto, or the foregoing Declaration.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of the 5th day of June, 198~~9~~⁰.

PIEDMONT TRUST BANK

By: [Signature]
(Vice) President

(CORPORATE SEAL)



ATTEST:

[Signature]
(Asst.) Secretary

[Signature]
Thomas L. White, Jr., Trustee

STATE OF Virginia
COUNTY OF Henry

I, the undersigned Notary Public, do hereby certify that Delores B. Johnson personally came before me this day and acknowledged that he/she is (Asst.) Secretary of Piedmont Trust Bank and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its (Vice) President, sealed with its corporate seal, and attested by himself/herself as its (Asst.) Secretary.

WITNESS my hand and notarial seal this 5th day of June, 1990.

Y. Hairston
Notary Public

My commission expires:
July 12, 1991



NORTH CAROLINA
DARE COUNTY

I, the undersigned Notary Public, do hereby certify that Thomas L. White, Jr., Trustee for Piedmont Trust Bank, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal this 13th day of June, 1990.

Mary Lynn Macdonald
Notary Public

My commission expires:
11-12-94

NORTH CAROLINA
DARE COUNTY



The foregoing Certificates of _____
is/are certified to be correct. This instrument and this

NORTH CAROLINA DARE COUNTY
The foregoing certificate(s) of Yonnie Y. Hairston of Commonwealth of Va. & Mary Lynn Macdonald of Dare Co. NC both being Notaries Public is/are certified to be correct. This instrument and this certificate are duly registered at the date and time in the Book and Page shown on the first page hereof.
Dorris A. Fry, Register of Deeds



11.11 1989

BYLAWS
OF
GOLDEN STRAND CONDOMINIUM ASSOCIATION, INC.
A NORTH CAROLINA INCORPORATED ASSOCIATION

THE UNIT OWNERS ASSOCIATION
OF
GOLDEN STRAND AND STRAND SOUTH CONDOMINIUMS
IN KILL DEVIL HILLS,
DARE COUNTY, NORTH CAROLINA

ADOPTED October 8, 1989

BYLAWS

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BYLAWS
OF
GOLDEN STRAND CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the Association is the Golden Strand Condominium Association, Inc. The principal office of the association shall be located at Golden Strand Condominium, Town of Kill Devil Hills, Dare County, North Carolina, but meetings of the Unit Owners and Directors may be held at such places as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 2.1 "Declaration" shall mean that certain Amendment and Restatement of Declaration of Condominium for Golden Strand and Strand South Condominiums recorded in Book 746, Page 300, Dare County Registry, and such amendments to said Declaration as are duly filed for record in the Dare County Registry.

Section 2.2 The terms defined in Article I of the Declaration shall have the same meanings as set forth therein in the Bylaws.

ARTICLE III

MEMBERSHIP

As provided for in the Declaration, an owner of a condominium unit or a time share interest in a condominium unit shall automatically become a member of the Association upon taking title to the condominium unit and shall remain a member for the entire period of ownership. Membership does not include a mortgagee, and the giving of a mortgage shall not terminate the unit owner's membership. Membership shall be appurtenant to the condominium unit to which it appertains, shall be transferred automatically by conveyance of that condominium unit, and may be transferred only in connection with the conveyance of title of that condominium unit.

ARTICLE IV

MEETINGS OF UNIT OWNERS

Section 4.1 Annual Meetings. The annual meeting of the Unit Owners shall be held on the second Sunday of October at the hour of 9:00 a.m. Daylight Savings Time, for the purpose of transacting any business authorized to be transacted by the Unit Owners; provided, however, if that day is a legal holiday, this meeting shall be held at such other time as the Board of Directors may determine.

Section 4.2 Substitute Annual Meetings. If any of the annual meetings of the Unit Owners is not held as provided in Section 4.1, any business, including the election of Directors, which might properly have been acted upon at that meeting may be acted upon at any subsequent Unit Owners meeting held pursuant to these bylaws or to a court order requiring a substitute annual meeting.

Section 4.3 Special Meetings. Special meetings of the Unit Owners may be called at any time by the president, secretary, any two or more directors or upon written request of the Unit Owners who are entitled to vote one-fourth (1/4) of all of the votes in the association.

Section 4.4 Notice of Meetings. Written notice of each meeting of Unit Owners shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than fourteen (14) days nor more than sixty (60) days, unless otherwise stated in the Declaration, before such meeting to each Unit Owner entitled to vote thereat, addressed to the Unit Owner's address last appearing on the books of the Association, or supplied by such Unit Owner to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Proof of such mailings shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings by vote of the Unit Owners of the Association. Notwithstanding the foregoing provisions, notice to Time Share Owners in the Association shall be given only to each member of the Board of Directors of the Golden Strand Interval Owners' Association, Inc.

Section 4.5 Quorum. The presence at the meeting of Unit Owners entitled to cast, or of proxies entitled to cast, a majority of the eligible votes in the Association shall constitute a quorum for any action except as otherwise provided in the Condominium Instruments. If, however, such quorum not be present or represented at any meeting, the Unit Owners entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the

72

meeting, until a quorum as aforesaid shall be present or be represented. The presence of a Unit Owner at the beginning of a meeting shall constitute the presence of such Unit Owner for the purpose of determining a quorum. Provided, however, that in determining a quorum, the presence, in person or by proxy, of the nine (9) members of the Golden Strand Interval Owners' Association, Inc. vested pursuant to Article 3.9 of the Declaration shall be counted as representing, in person or by proxy, the Time Share Owners in the twenty-seven (27) units committed to timeshare ownership. Notwithstanding the foregoing provisions, in the event none of the 27 units committed to timeshare ownership are represented at the meeting, a quorum will be deemed to exist if sixteen (16) of the remaining units are represented in person or by proxy.

For the purpose of this Section 4.5, the term "eligible votes" shall mean all votes that are not suspended pursuant to Section 9.8 hereof.

Section 4.6 Proxies. At all meetings of unit owners each unit owner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the unit owner of his condominium unit. Provided, however that votes allocated to units committed to time share ownership shall be voted pursuant to Article 3.9 of the Declaration. No Unit Owner may vote more than nine (9) votes by proxy. The three (3) votes vested in each Director of the Golden Strand Interval Owners' Association, Inc. pursuant to the Declaration shall not be considered votes by proxy for the purposes of the limitation of the preceding sentence unless and until said votes have been assigned to another by proxy.

Section 4.7 Order. The order of business at annual meetings, and, as far as practical, at all other Unit Owners' meetings, shall be:

- a. Calling of the roll and certifying of proxies.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading and disposal of any unapproved minutes.
- d. Unfinished business.
- e. New business.
- f. Adjournment.

Section 4.8 Conduct of Meetings. The President shall preside over all Unit Owner's meetings. The Secretary shall keep a minute book with all resolutions adopted by the Unit Owners, minutes of all meetings, and all written consents to actions taken without a meeting. Robert's Rules of Order (latest edition) shall govern the conduct of the meeting.

Section 4.9 Adjournments. Any meeting of the Unit Owners, whether or not a quorum is present, may be adjourned by a majority of the votes at the meeting to reconvene at a specific

time and place. It shall not be necessary to give any notice of the reconvened meeting or of the business to be transacted, if the time and place of the reconvened meeting are announced at the meeting which was adjourned. Any business may be transacted which could have been transacted at the meeting which was adjourned, if a quorum is at the reconvened meeting.

Section 4.10 Action of Unit Owners Without a Meeting. Any action which may be taken at a meeting of the Unit Owners may be taken without a meeting if a written consent setting forth the action authorized, is signed by all of the Unit Owners. The consent shall be filed in the minute book or other appropriate records by the Secretary. It shall then have the same effect as a unanimous vote of the Unit Owners at a special meeting called for the purpose of considering the action authorized.

Section 4.11 Vote Required for Action. Except as otherwise provided in the Condominium Instruments or herein, the act of a majority of the Unit Owners at a meeting at which a quorum was present shall be the act of the Unit Owners.

ARTICLE V

BOARD OF DIRECTORS

Section 5.1 General Powers. The business and affairs of the Association shall be managed by the Board of Directors. The Board shall have all powers of the Association that are not required by law, the Condominium Instruments, or these Bylaws to be exercised by the Unit Owners. The powers of the Association include those set forth in Section 47C-3-102 of the North Carolina Condominium Act which is incorporated by reference herein as if set forth word for word.

Section 5.2 Qualifications. Each Director must at all times be a Unit Owner.

Section 5.3 Nomination. Nomination for election to the Board of Directors shall be made by a nominating committee which shall consist of three (3) Unit Owners appointed by the President. The nominating committee may nominate any number of qualified individuals, but no less than the number of Directors to be elected. Separate nominations shall be made for each seat on the Board for which a Director is to be elected. The nominations and the names of those on the nominating committee shall be included with the notice of the meeting. Nominations shall also be allowed from the floor at the meeting.

Section 5.4 Election. Subject to Section 5.5 hereof, election to the Board of Directors shall be by written ballot. At such election the Unit Owners or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to

a quorum of the Board of the Directors. The Director so elected by the Board shall serve until the next annual meeting, at which time a Director shall be elected by the Unit Owners.

In the event that a vacancy occurs, the Board shall determine whether, pursuant to Section 5.4 hereof, the vacancy must be filled by a Whole Unit Owners, a Time Share Owner or either. The Board shall then notice each Whole Unit Owner and each member of the Board of Directors of the G.S.I.O.A., by registered letter, that a vacancy exists and the type of Director (Whole Unit Owner or Time Share Owner) required. The notice will request that interested Unit Owners submit their name for consideration within ten (10) business days. The Board shall then elect the Director(s) from among the candidates. In the event no candidate submits his name for consideration, the Board shall so notify each Whole Unit Owner and each member of the Board of Directors of the G.S.I.O.A., by registered mail. Such notification shall request that any interested Unit Owner submit his name to fill the vacancy without regard to whether he is a Whole Unit Owner or a Time Share Owner. The Board shall then elect new Director(s) from among the candidates. In the event the Board, after following the procedures outlined herein, is unable to fill its seven (7) positions, then it will be empowered to act, with full authority, with its reduced membership until the next annual meeting.

Section 5.8 Compensation. Directors shall not receive compensation for their services as Directors. A Director may serve the Association in another capacity and receive compensation, if disclosed to the Board in advance in writing.

Section 5.9 Committees of the Board of Directors. The Board may designate from among the membership an executive committee and one or more other committees, each consisting of at least two (2) members. Each committee shall have the authority set forth in the resolution establishing the committee.

ARTICLE VI

MEETINGS OF THE BOARD OF DIRECTORS

Section 6.1 Place of Meetings. Directors may hold their meetings at any place within reasonable proximity to the Condominium as the Board may from time to time establish. Telephonic Board meetings are expressly permitted.

Section 6.2 Regular Meetings. Regular meetings of the Board of Directors shall be held at least once every six (6) months on a regular schedule established by the Board.

Section 6.3 Special Meetings. Special meetings of the Board may be called by the President, the Secretary or any two Directors.

Section 6.4 Notice of the Meetings. No notice shall be required for regularly scheduled meetings. Notice of each special meeting shall be given to each Director stating the time, place and purpose of the meeting. The notice shall be given by mail deposited at least five (5) days before the meeting or by telephone, telegram, cablegram or personal delivery at least three (3) days before the meeting. Notice by telegram or cablegram shall be deemed delivered at the time the notice is filed with the transmitting agency. Notice by telephone or personal delivery shall be deemed effective only when actually communicated to the Director.

Section 6.5 Quorum. A quorum shall be deemed present throughout any meeting of the Board of Directors when Directors entitled to cast a majority of the votes on the Board are present at the beginning of the meeting.

Section 6.6 Voting. Except as otherwise provided by law or in the Condominium Instruments, the act of a majority of the Directors present at a meeting at which a quorum is present at the time shall be the act of the Board of Directors. Each Director shall have one equal vote on the Board regardless of the votes attributable to his condominium unit.

Section 6.7 Adjournments. Any meeting of the Board, whether or not a quorum is present, may be adjourned by a majority of the Directors present to reconvene at a specific time and place. It shall not be necessary to give notice of the reconvened meeting or of the business to be transacted, other than by announcement at the meeting which was adjourned. Any business may be transacted which could have been transacted at the meeting which was adjourned, if a quorum is present at the reconvened meeting.

Section 6.8 Action by Directors without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a written consent is signed by all of the Directors and is filed with the minutes of the Board. The consent shall have the same force and effect as a unanimous vote of the Board.

Section 6.9 Conduct of Meetings. The President shall preside over all meetings of the Board. The Secretary shall keep a minute book with all resolutions adopted by the Board, minutes of all meetings, and all written consents to actions taken without a meeting and proceedings occurring at such meetings. Robert's Rules of Order (latest edition) shall govern the conduct of the meetings.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Elements, and the personal conduct of the Unit Owners and their tenants, invitees and guests thereon, and to establish penalties for the infraction thereof;

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

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

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

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

(f) exercise such other powers as are conferred upon the Association by the Declaration;

(g) exercise all powers set forth in Section 47C-3-102 of the North Carolina Condominium Act.

Section 7.2 Duties. It shall be the duty of the Board of Directors to:

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

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

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each condominium unit at least thirty (30) days in advance of each quarterly assessment period;

(2) send written notice of each change in the annual assessment to every Unit Owner subject thereto at least thirty (30) days in advance of each quarterly assessment period; provided, however, that in the case of assessments on Time Share Units, notice need only be given to the members of the Board of Directors of the G.S.I.O.A.; and

(3) foreclose the lien against any condominium unit for which assessments are not paid with thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same in accordance with and as authorized by the Declaration.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate, unless the Board of Directors shall, in their sole discretion, waive the requirement for said bond;

(f) cause the Common Elements to be maintained;

(g) to perform all other duties imposed by the Declaration;

(h) procure the insurance coverages set forth and required by the Declaration on behalf of the Association;

(i) keep financial records sufficiently detailed to enable the Association to comply with the North Carolina Condominium Act, Chapter 47C of the N.C. General Statutes. All financial and other records shall be made reasonably available for examination by any unit owner and his authorized agents; and

(j) to perform such other duties as imposed by the Declaration.

ARTICLE VIII

OFFICERS

Section 8.1 Number. The officers of the Association shall consist of a President, one or more Vice Presidents as designated by the Board, a Secretary, a Treasurer and one or more Assistant Secretaries and Treasurers as designated by the Board; provided, however, that the Association shall not be required to have at any time any officers other than a President, Secretary and Treasurer. Any two or more offices may be held by the same person, except the offices of President and Secretary. If the diversity of membership of the Board permits, at least one of the offices of President, Secretary or Treasurer shall be held by a Whole Unit Owner and at least one shall be held by a Time Share Owner.

Section 8.2 Election and Term. All officers shall be elected by majority vote of the Board and shall serve at the pleasure of the Board. Only Directors shall qualify to hold the offices of President, Secretary and Treasurer.

Section 8.3 Compensation. Any compensation of officers shall be fixed by the Board, subject to the approval of Unit Owners having a 2/3rds majority of votes in the G.S.C.A.

Section 8.4 Removal. Any officer or agent elected by the Board may be removed by the Board at any meeting with respect to which notice of such purpose has been given to the Directors.

Section 8.5 President. The President shall be the chief executive officer of the Association and shall have responsibility for the general supervision of the business of the Association. He shall see that all orders and resolutions of the Board are carried into effect. The President shall perform such other duties as may from time to time be delegated to him by the Board. He shall have all the general powers and duties which are incident to the office of the President of an incorporated association under the laws of North Carolina.

Section 8.6 Vice President. The Vice President shall, in the absence or disability of the President, or at the direction of the President, have the duties and powers of the President. If the Association has more than one Vice President, the Board shall designate one of them to act for the President. Vice Presidents shall have whatever duties and powers the Board may from time to time assign.

Section 8.7 Secretary. The Secretary shall keep accurate and complete records of all meetings of Unit Owners, Directors and committees of Directors, including minutes of the meetings, all resolutions adopted and all consents to actions without a meeting. He shall have authority to give all notices required by

... the Condominium Instruments or these Bylaws. He shall be custodian of the Association's books, records, contracts and other documents. The Secretary shall sign such instruments as may require his signature. The Secretary shall have whatever additional duties and powers the Board may from time to time assign him or may be incident to the office of secretary of an incorporated association organized under the laws of North Carolina.

Section 8.8 Treasurer. The Treasurer shall have custody of all funds and securities belonging to the Association and shall receive, deposit or disburse them under the direction of the Board. The Treasurer shall keep full and true accounts of all receipts and disbursements and shall make reports to the Board and President upon request. He shall perform all duties as may be assigned to him from time to time by the Board. The Treasurer shall prepare or cause to be prepared all required financial statements, tax returns and budgets. If the Association employs a property manager, accountant, attorney or other agent, the duties may be delegated to the agent. However, the Treasurer shall remain responsible for supervising the agent.

Section 8.9 Assistant Secretary and Assistant Treasurer. The Assistant Secretary and Assistant Treasurer shall, in the absence or disability of the Secretary or the Treasurer, respectively, have the duties and powers of those offices. They shall, in general, perform any other duties assigned to them by the Board. Specifically, the Assistant Secretary may attest the signature of any officer.

Section 8.10 Bonds. The Board may require, at its sole discretion, any or all of the officers, agents or employees of the Association to give bonds to the Association, with sufficient surety, conditioned on the faithful performance of the duties of their respective offices or positions.

Section 8.11 Check Signing Authority. The President, Secretary and Treasurer shall each be authorized to sign checks on behalf of the G.S.C.A.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year, unless a different fiscal year is chosen by the Board.

Section 9.2 Inspection of Books and Records. All accounts, books and records of the Association, including the Condominium Instruments, shall be open to inspection by the Unit Owners,

mortgagees and prospective purchasers during normal business hours subject to such reasonable rules as the Board may establish.

Section 9.3 Indemnification. Each Director or Officer shall be indemnified by the Association against those expenses which are allowed by the laws of North Carolina and which are reasonably incurred in connection with any action, suit or proceeding, whether completed, pending or threatened, in which such person may be involved by reason of his being or having been a Director or Officer. Indemnification shall be made only in accordance with the laws of North Carolina. The Association may purchase and maintain insurance on behalf of any such Officers and Directors against any liabilities asserted against them whether or not the Association would have the power to indemnify the Officers and Directors against the liability under the laws of North Carolina. If any expense or other amounts are paid by way of indemnification, other than by court order, by action of unit owners or by an insurance carrier, the Association shall provide notice of such payment to the unit owners in accordance with the laws of North Carolina.

Section 9.4 Waiver of Notice. Whenever any notice is required to be given to any Unit Owner or Director, a waiver signed by the Director or Unit Owner entitled to such notice, whether before or after the meeting to which the waiver pertains, shall be deemed equivalent to proper notice. Attendance at a meeting, whether in person or by proxy, shall be a waiver of notice of the time and place unless specific objection to improper notice is made when the meeting is called to order. Attendance shall also be a waiver as to all business transacted unless specific objection is made before the objectionable business is put to vote.

Section 9.5 Amendment. These Bylaws may be amended in the same manner in which the Declaration may be amended without the filing of record of such amendment in the Dare County Registry.

Section 9.6 Self-Dealing. Each Director and Officer and any property manager shall disclose in the written minutes of the Board any contract or agreement of any kind between the Association and any person or entity to which he is related by blood or marriage or in which he has an interest, whether direct or indirect.

Section 9.7 Conflicts. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 9.8 Suspensions. The failure by a member of the Association to timely pay their pro rata share of common expense assessments and any special assessments or to perform their obligations hereunder shall be grounds for suspending the rights and privileges of the member (their family, guests, invitees and licensees) in default in the Association. These rights and

privileges shall include, but in no wise may be limited to: (1) suspension of the right to use the recreational amenities and facilities of the Association, including the use of any beach access and cabana area located on the Atlantic Oceanfront; (2) suspension of the right to vote in matters of the Association; (3) suspension of right to hold any office or directorship in the Association; and (4) suspension of any other right or privilege which the Board of Directors may by proper resolution deem appropriate in the event of default by a member of the Association.

In the event a Whole Unit Owner shall be more than sixty (60) days overdue in the payment of any regular or special assessment, then he (and any occupant using his unit) shall automatically lose the rights and privileges described in (1), (2) and (3) in the above paragraph until such time as he has made payment in full (together with all fines and interest, if any) or until his default is excused by a unanimous vote of the Board of the G.S.C.A.

In the event the G.S.I.O.A. fails to pay, in full and on time, any regular or special assessment levied on a Time Share Unit (the responsibility of the G.S.I.O.A. to make such payments being described in Section 3.8(f) of the Declaration), then the 27 votes of the Time Share Owners to be cast in the affairs of the G.S.C.A. pursuant to the procedures described in Section 3.9 of the Declaration shall be reduced as follows:

Number of Votes = $27 \times A/B$

Where A = The amount paid by the G.S.I.O.A.
 B = The amount assessed by the G.S.C.A.

The Board of the G.S.C.A. may, by unanimous vote, excuse the default of the G.S.I.O.A. in the payment of assessments.

No Unit Owner who is delinquent in his payment of assessments may be a Director of the G.S.C.A. Vacancies thus created will be filled pursuant to Section 5.7.

Section 9.9 Special Fines and Assessments. To the extent damage is inflicted on any of the property or improvements the Association is required to provide and maintain, the Unit Owner causing the same, or the Association if it caused the same, shall be liable for the prompt repair thereof. A committee of three (3) disinterested members shall be appointed by the Board of Directors whenever damage is inflicted upon any of the property of the Association or on any of the Common Elements of the condominium and such damage is alleged to have been inflicted by a member of the Association, his family, guests, licensees or invitees. Said committee shall accord to the party charged with causing damages notice of the charges, opportunity to be heard and to present evidence, and notice of the decision. The committee shall conduct a hearing open to all members of the

Association, and may assess a liability for each damage incident not in excess of Five Hundred Dollars (\$500.00) against each member charged. The committee may also hear and determine charges against members for violations of the Declarations, these Bylaws or the rules and regulations of the Association. The committee shall accord to the party charged with the violation notice of the charge, opportunity to be heard and to present evidence, and notice of the decision of the committee. The committee may determine any fine(s) to be levied against a member for any such violations, not to exceed One Hundred Fifty Dollars (\$150.00) against each member for each violation or incident.

Any assessments or fines so determined to be owing by the committee shall be assessments against the member as a Unit Owner secured by lien under N.C.G.S. Section 47C-3-116.

Section 9.10 Reserve for Replacements and General Operating Reserve. The Association shall establish and maintain two separate reserve funds, which shall at all times be under the control of the Association, one to be a Reserve Fund for Replacements, and the other to be a General Operating Reserve Fund, by the allocation and payment annually to each of said reserve funds of a sum equivalent to not less than 3% of the annual assessments chargeable to the owners, each of such funds to be deposited by the Association in a separate special account with an insured, safe and responsible bank or savings and loan association. The share of an owner in the funds and other assets of the Association cannot be assigned, hypothecated or transferred except as an appurtenance to his unit. Upon accrual in the Reserve for Replacements Account of an amount equal to 300% of the then current annual amount of assessments chargeable to the owners or upon accrual in the General Operating Reserve Account of an amount equal to 25% of the then current annual amount of assessments chargeable to the owners, the rate of such annual allocation and such annual deposit to the Reserve for Replacements Account, or to the General Operating Reserve Account, as the case may be, may, by appropriate action of the Association, be reduced or be discontinued and no further deposits need be made into that particular Reserve Account so long as, in the case of the Reserve for Replacements Account, said 300% level is maintained, and, in the case of the General Operating Reserve Account, said 25% level is maintained; and provided, further, that in the event withdrawals from either of such Reserve Accounts reduce it below the said level, then upon reduction of such Reserve below said level, the rate of such annual assessments and deposits shall forthwith be immediately restored to 3% and made at the 3% rate until the said level is restored.

The Reserve Fund for Replacements is for the purpose of effecting replacements of any property and improvements the Association is required to provide and maintain and the General Operating Reserve Fund is for the purpose of meeting deficiencies arising from time to time as a result of delinquent payments of

assessments by Unit Owners in the condominium and other contingencies, provided, however, reimbursements shall be made to the General Operating Reserve.

The Association shall not fail to establish and maintain the Reserve Fund for Replacements and General Operating Reserve Fund, as set forth hereinabove.

IN WITNESS WHEREOF, we, being all of the Directors of Golden Strand Condominium Association, Inc., have hereunto set our hands this 8th day of October, 1989.

William
Phillips
J. D. A.
Thomas
Robert
Thomas W. Daniel
L. A. Hansen

CERTIFICATION

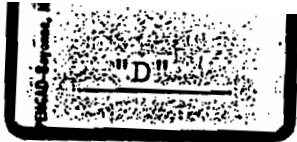
I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of Golden Strand Condominium Association, Inc., a North Carolina incorporated association, and

THAT the foregoing Bylaws constitute the true and lawful Bylaws of such Association, and were duly adopted at a meeting of the Board of Directors thereof, held on the 8th day of October, 1989.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 8th day of October, 1989.

[Signature]
Secretary



77-0-015

BYLAWS
OF
GOLDEN STRAND INTERVAL OWNERS' ASSOCIATION, INC.
A NORTH CAROLINA INCORPORATED ASSOCIATION

THE INTERVAL OWNERS ASSOCIATION
OF
GOLDEN STRAND AND STRAND SOUTH CONDOMINIUMS
IN KILL DEVIL HILLS,
DARE COUNTY, NORTH CAROLINA

ADOPTED September 30, 1989

BYLAWS

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BYLAWS
OF
GOLDEN STRAND INTERVAL OWNERS' ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the Association is the Golden Strand Interval Owners' Association, Inc. The principal office of the association shall be located at Golden Strand Condominium, Town of Kill Devil Hills, Dare County, North Carolina, but meetings of the Unit Owners and Directors may be held at such places as may be designated by the Board of Directors, including the state of Virginia.

ARTICLE II

DEFINITIONS

Section 2.1 "Declaration" shall mean that certain Amendment and Restatement of Declaration of Condominium for Golden Strand and Strand South Condominiums recorded in Book 746, Page 300, Dare County Registry, and such amendments to said Declaration as are duly filed for record in the Dare County Registry.

Section 2.2 The terms defined in Article I of the Declaration shall have the same meanings as set forth therein in the Bylaws.

ARTICLE III

MEMBERSHIP

As provided for in the Declaration, an owner of a time share interest in a condominium unit shall automatically become a member of the Association upon taking title and shall remain a member for the entire period of ownership. Membership does not include a mortgagee, and the giving of a mortgage shall not terminate membership. Membership shall be appurtenant to the time share unit to which it appertains, shall be transferred automatically by conveyance of that time share unit, and may be transferred only in connection with the conveyance of title of that time share unit.

ARTICLE IV

MEETINGS OF INTERVAL OWNERS

Section 4.1 Annual Meetings. The annual meeting of the interval owners shall be held on the Saturday eight days prior to the second Sunday in October of each year at the hour of 1:00 p.m., Eastern Standard Time, for the purpose of transacting any business authorized to be transacted by the interval owners; provided, however, if that day is a legal holiday, this meeting shall be held at such time as the Board of Directors may determine. The annual meeting may be held at any place within the states of North Carolina or Virginia as the Board of Directors may from time to time determine.

Section 4.2 Substitute Annual Meetings. If the annual meeting of the interval owners is not held as provided in Section 4.1, any business, including the election of Directors, which might properly have been acted upon at that meeting may be acted upon at any subsequent interval owners meeting held pursuant to these bylaws or to a court order requiring a substitute annual meeting.

Section 4.3 Special Meetings. Special meetings of the interval owners may be called at any time by the president, secretary, any two or more directors or upon written request of the interval owners who are entitled to vote one-fourth (1/4) of all of the votes in the association.

Section 4.4 Notice of Meetings. Written notice of each meeting of interval owners shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than fourteen (14) days nor more than sixty (60) days, unless otherwise stated in the Declaration, before such meeting to each interval owner entitled to vote thereat, addressed to the interval owner's address last appearing on the books of the Association, or supplied by such interval owner to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Proof of such mailings shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings by vote of the interval owners of the Association.

Section 4.5 Quorum. The presence at the meeting of interval owners entitled to cast, or of proxies entitled to cast, a majority of the votes in the Association shall constitute a quorum for any action except as otherwise provided in the Condominium Instruments. If, however, such quorum shall not be present or represented at any meeting, the interval owners entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be

represented. The presence of a interval owner at the beginning of a meeting shall constitute the presence of such interval owner for the purpose of determining a quorum.

Section 4.6 Proxies. At all meetings of interval owners each interval owner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the interval owner of his time share unit.

Section 4.7 Order. The order of business at annual interval owners' meetings, and, as far as practical, at all other interval owners' meetings, shall be:

- a. Calling of the roll and certifying of proxies.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading and disposal of any unapproved minutes.
- d. Unfinished business.
- e. New business.
- f. Adjournment.

Section 4.8 Conduct of Meetings. The President shall preside over all interval owners meetings. The Secretary shall keep a minute book with all resolutions adopted by the interval owners, minutes of all meetings, and all written consents to actions taken without a meeting. Robert's Rules of Order (latest edition) shall govern the conduct of the meeting.

Section 4.9 Adjournments. Any meeting of the interval owners, whether or not a quorum is present, may be adjourned by a majority of the votes at the meeting to reconvene at a specific time and place. It shall not be necessary to give any notice of the reconvened meeting or of the business to be transacted, if the time and place of the reconvened meeting are announced at the meeting which was adjourned. Any business may be transacted which could have been transacted at the meeting which was adjourned, if a quorum is at the reconvened meeting.

Section 4.10 Action of Interval Owners Without a Meeting. Any action which may be taken at a meeting of the interval owners may be taken without a meeting if a written consent setting forth the action authorized, is signed by all of the interval owners. The consent shall be filed in the minute book or other appropriate records by the Secretary. It shall then have the same effect as a unanimous vote of the interval owners at a special meeting called for the purpose of considering the action authorized.

Section 4.11 Vote Required for Action. Except as otherwise provided in the Condominium Instruments or herein, the act of a majority of the interval owners at a meeting at which a quorum was present shall be the act of the interval owners.

ARTICLE V

BOARD OF DIRECTORS

Section 5.1 General Powers. The business and affairs of the Association shall be managed by the Board of Directors. The Board shall have all powers of the Association that are not required by law, the Condominium Instruments, or these Bylaws to be exercised by the interval owners. The powers of the Association include those set forth in Section 47C-3-102 of the North Carolina Condominium Act which is incorporated by reference herein as if set forth word for word, to the extent such powers are reasonable and necessary to the performance by the Association of its duties.

Section 5.2 Qualifications. Each Director must be an owner of a time share interest in a unit committed to time share ownership.

Section 5.3 Nomination. Nomination for election to the Board of Directors shall be made by a nominating committee which shall consist of three (3) interval owners appointed by the President. The nominating committee may nominate any number of qualified individuals, but no less than the number of Directors to be elected. Separate nominations shall be made for each seat on the Board for which a Director is to be elected. The nominations and the names of those on the nominating committee shall be included with the notice of the meeting. Nominations shall also be allowed from the floor at the meeting.

Section 5.4 Election. Subject to Section 5.5.1 hereof, election to the Board of Directors shall be by written ballot. At such election the interval owners or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The interval owner or owners receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 5.5 Number and Term of Office. The Board shall consist of nine (9) Directors with each having a three (3) year term of office. The election of at least three (3) Directors to succeed the terms of directors whose terms are expiring shall be held at each annual meeting. If not, a special meeting may be called by any interval owner for such purpose. In either case, Section 5.3 shall govern nominations. Each Director shall serve until his term expires and his successor has been elected and qualified, subject to removal, disqualification, or resignation.

Section 5.6 Removal. Any Director may be removed from office with or without cause by a majority of the votes in the Association. Removal action may be taken at any annual or special meeting with respect to which notice of such purpose has been given. A removed Director's successor may be elected at the

same meeting to serve the unexpired term.

Section 5.7 Vacancies. A vacancy occurring on the Board of Directors may be filled by a majority of the Directors remaining in office though less than a quorum of the Board of Directors. The Director so elected by the Board shall serve until the next annual meeting, at which time a Director shall be elected by the interval owners for the remaining term if any.

Section 5.8 Compensation. Directors shall not receive compensation for their services as Directors. A Director may serve the Association in another capacity and receive compensation, if disclosed to the Board in advance in writing.

Section 5.9 Committees of the Board of Directors. The Board may designate from among the membership an executive committee and one or more other committees, each consisting of at least two (2) members. Each committee shall have the authority set forth in the resolution establishing the committee.

ARTICLE VI

MEETINGS OF THE BOARD OF DIRECTORS

Section 6.1 Place of Meetings. Directors may hold their meetings at any place within the States of North Carolina or Virginia as the Board may from time to time establish.

Section 6.2 Regular Meetings. Regular meetings of the Board of Directors shall be held at least once every six (6) months on a regular schedule established by the Board.

Section 6.3 Special Meetings. Special meetings of the Board may be called by the President, the Secretary or any two Directors.

Section 6.4 Notice of Meetings. No notice shall be required for regularly scheduled meetings. Notice of each special meeting shall be given to each Director stating the time, place and purpose of the meeting. The notice shall be given by mail deposited at least five (5) days before the meeting or by telephone, telegram, cablegram or personal delivery at least three (3) days before the meeting. Notice by telegram or cablegram shall be deemed delivered at the time the notice is filed with the transmitting agency. Notice by telephone or personal delivery shall be deemed effective only when actually communicated to the Director.

Section 6.5 Quorum. A quorum shall be deemed present throughout any meeting of the Board of Directors when Directors entitled to cast a majority of the votes on the Board are present at the beginning of the meeting.

Section 6.6 Voting. Except as otherwise provided by law or

in the Condominium Instruments, the act of a majority of the Directors present at a meeting at which a quorum is present at the time shall be the act of the Board of Directors. Each Director shall have one equal vote on the Board regardless of the votes attributable to his time share unit.

Section 6.7 Adjournments. Any meeting of the Board, whether or not a quorum is present, may be adjourned by a majority of the Directors present to reconvene at a specific time and place. It shall not be necessary to give notice of the reconvened meeting or of the business to be transacted, other than by announcement at the meeting which was adjourned. Any business may be transacted which could have been transacted at the meeting which was adjourned, if a quorum is present at the reconvened meeting.

Section 6.8 Action by Directors without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a written consent is signed by all of the Directors and is filed with the minutes of the Board. The consent shall have the same force and effect as a unanimous vote of the Board.

Section 6.9 Conduct of Meetings. The President shall preside over all meetings of the Board. The Secretary shall keep a minute book with all resolutions adopted by the Board, minutes of all meetings, and all written consents to actions taken without a meeting and proceedings occurring at such meetings. Robert's Rules of Order (latest edition) shall govern the conduct of the meetings.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the time share units and the personal conduct of the interval owners and their tenants, invitees and guests therein, and to establish penalties for the infraction thereof;

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

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

(d) declare the office of a member of the Board of

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

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

(f) exercise such other powers as are conferred upon the Association by the Declaration;

(g) exercise all powers set forth in Section 47C-3-102 of the North Carolina Condominium Act, to the extent such powers are reasonable and necessary for the performing by the Association of its duties.

Section 7.2 Duties. It shall be the duty of the Board of Directors to:

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

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

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each time share unit;

(2) send written notice of each change in the annual assessment to every owner subject thereto at least thirty (30) days in advance of its due date; and

(3) file a claim of lien and foreclose the lien against any time share unit for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same in accordance with and as authorized by the Declaration.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate, unless the Board of Directors shall, in their sole discretion, waive the requirement for said bond;

(f) to perform all other duties imposed by the Declaration;

(g) procure the insurance coverages set forth and required by the Declaration on behalf of the Association;

(h) keep financial records sufficiently detailed to enable the Association to comply with the North Carolina Unit Ownership Act, Chapter 47A of the North Carolina General Statutes and the North Carolina Condominium Act, Chapter 47C of the N. C. General Statutes. All financial and other records shall be made reasonably available for examination by any interval owner and his authorized agents.

ARTICLE VIII

OFFICERS

Section 8.1 Number. The officers of the Association shall consist of a President, one or more Vice Presidents as designated by the Board, a Secretary, a Treasurer and one or more Assistant Secretaries and Treasurers as designated by the Board. The Association shall not be required to have at any time any officers other than a President, Secretary and Treasurer. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 8.2 Election and Term. All officers shall be elected by the Board and shall serve at the pleasure of the Board. Only Directors shall qualify to hold the offices of President, Secretary and Treasurer.

Section 8.3 Compensation. Any compensation of officers shall be fixed by the Board, subject to the approval of interval owners having a majority of votes in the Association.

Section 8.4 Removal. Any officer or agent elected by the Board may be removed by the Board at any meeting with respect to which notice of such purpose has been given to the Directors.

Section 8.5 President. The President shall be the chief executive officer of the Association and shall have responsibility for the general supervision of the business of the Association. He shall see that all orders and resolutions of the Board are carried into effect. The President shall perform such other duties as may from time to time be delegated to him by the Board. He shall have all the general powers and duties which are incident to the office of the President of an incorporated association under the laws of North Carolina.

Section 8.6 Vice Presidents. The Vice President shall, in the absence of disability of the President, or at the direction

of the President, have the duties and powers of the President. If the Association has more than one Vice President, the Board shall designate one of them to act for the President. Vice Presidents shall have whatever duties and powers the Board may from time to time assign.

Section 8.7 Secretary. The Secretary shall keep accurate and complete records of all meetings of interval owners, Directors and committees of Directors, including minutes of the meetings, all resolutions adopted and all consents to actions without a meeting. He shall have authority to give all notices required by law, the Condominium Instruments or these Bylaws. He shall be custodian of the Association's books, records, contracts and other documents. The Secretary shall sign such instruments as may require his signature. The Secretary shall have whatever additional duties and powers the Board may from time to time assign him or may be incident to the office of secretary of an incorporated association organized under the laws of North Carolina.

Section 8.8 Treasurer. The Treasurer shall have custody of all funds and securities belonging to the Association and shall receive, deposit or disburse them under the direction of the Board. The Treasurer shall keep full and true accounts of all receipts and disbursements and shall make reports to the Board and President upon request. He shall perform all duties as may be assigned to him from time to time by the Board. The Treasurer shall prepare or cause to be prepared all required financial statements, tax returns and budgets. If the Association employs a property manager, accountant, attorney or other agent, the duties may be delegated to the agent. However, the Treasurer shall remain responsible for supervising the agent.

Section 8.9 Assistant Secretary and Assistant Treasurer. The Assistant Secretary and Assistant Treasurer shall, in the absence or disability of the Secretary or the Treasurer, respectively, have the duties and powers of those offices. They shall, in general, perform any other duties assigned to them by the Board. Specifically, the Assistant Secretary may attest the signature of any officer.

Section 8.10 Bonds. The Board may require, at its sole discretion, any or all of the officers, agents or employees of the Association to give bonds to the Association, with sufficient surety, conditioned on the faithful performance of the duties of their respective offices or positions.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year.

Section 9.2 Inspection of Books and Records. All accounts, books and records of the Association, including the Condominium Instruments, shall be open to inspection by the interval owners, mortgagees and prospective purchasers during normal business hours subject to such reasonable rules as the Board may establish.

Section 9.3 Indemnification. Each Director or Officer shall be indemnified by the Association against those expenses which are allowed by the laws of North Carolina and which are reasonably incurred in connection with any action, suit or proceeding, whether completed, pending or threatened, in which such person may be involved by reason of his being or having been a Director or Officer. Indemnification shall be made only in accordance with the laws of North Carolina. The Association may purchase and maintain insurance on behalf of any such Officers and Directors against any liabilities asserted against them whether or not the Association would have the power to indemnify the Officers and Directors against the liability under the laws of North Carolina. If any expense or other amounts are paid by way of indemnification, other than by court order, by action of interval owners or by an insurance carrier, the Association shall provide notice of such payment to the interval owners in accordance with the laws of North Carolina.

Section 9.4 Waiver of Notice. Whenever any notice is required to be given to any interval owner or Director, a waiver signed by the Director or interval owner entitled to such notice, whether before or after the meeting to which the waiver pertains, shall be deemed equivalent to proper notice. Attendance at a meeting, whether in person or by proxy, shall be a waiver of notice of the time and place unless specific objection to improper notice is made when the meeting is called to order. Attendance shall also be a waiver as to all business transacted unless specific objection is made before the objectionable business is put to vote.

Section 9.5 Amendment. These Bylaws may be amended in the same manner in which the Declaration may be amended without the filing of record of such amendment in the Dare County Registry.

Section 9.6 Self-Dealing. Each Director and Officer and any property manager shall disclose in the written minutes of the Board any contract or agreement of any kind between the Association and any person or entity to which he is related by blood or marriage or in which he has an interest, whether direct or indirect.

Section 9.7 Conflicts. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 9.8 Suspensions. The failure by a member of the Association to timely pay their pro rata share of common expense

assessments and any special assessments or to perform their obligations hereunder shall be grounds for suspending the rights and privileges of the member (their family, guests, invitees and licensees) in default in the Association. These rights and privileges shall include, but in no wise may be limited to: (1) suspension of the right to use the recreational amenities and facilities at the Condominium, including the use of any beach access and cabana area located on the Atlantic Oceanfront; (2) suspension of the right to vote in matters of the Association; (3) suspension of right to hold any office or directorship in the Association; and (4) suspension of any other right or privilege which the Board of Directors may by proper resolution deem appropriate in the event of default by a member of the Association.

Section 9.9 Special Fines and Assessments. To the extent damage is inflicted on any of the property or improvements the Association is required to provide and maintain, the interval owner causing the same, or the Association if it caused the same, shall be liable for the prompt repair thereof. A committee of three (3) disinterested members shall be appointed by the Board of Directors whenever damage is inflicted upon any of the property of the Association or on any of the Common Elements of the condominium and such damage is alleged to have been inflicted by a member of the Association his family, guests, licensees or invitees. Said committee shall accord to the party charged with causing damages notice of the charges, opportunity to be heard and to present evidence, and notice of the decision. The committee shall conduct a hearing open to all members of the Association, and may assess a liability for each damage incident not in excess of Five Hundred Dollars (\$500.00) against each member charged. The committee may also hear and determine charges against members for violations of the Declarations, these Bylaws or the rules and regulations of the Association. The committee shall accord to the party charged with the violation notice of the charge, opportunity to be heard and to present evidence, and notice of the decision of the committee. The committee may determine any fine(s) to be levied against a member for any such violations, not to exceed One Hundred Fifty Dollars (\$150.00) against each member for each violation or incident.

Any assessments or fines so determined to be owing by the committee shall be assessments against the member as an interval owner secured by lien under N.C.G.S. Section 47C-3-116.

Section 9.10 Reserve for Replacements and General Operating Reserve. The Association shall establish and maintain two separate reserve funds, which shall at all times be under the control of the Association, one to be a Reserve Fund for Replacements, and the other to be a General Operating Reserve Fund, by the allocation and payment annually to each of said reserve funds of a sum equivalent to not less than 3% of the annual assessments chargeable to the owners, each of such funds to be deposited by the Association in a separate special account

with an insured, safe and responsible bank or savings and loan association. The share of an owner in the funds and other assets of the Association cannot be assigned, hypothecated or transferred except as an appurtenance to his unit. Upon accrual in the Reserve for Replacements Account of an amount equal to 300% of the then current annual amount of assessments chargeable to the owners or upon accrual in the General Operating Reserve Account of an amount equal to 25% of the then current annual amount of assessments chargeable to the owners, the rate of such annual allocation and such annual deposit to the Reserve for Replacements Account, or to the General Operating Reserve Account, as the case may be, may, by appropriate action of the Association, be reduced or be discontinued and no further deposits need be made into that particular Reserve Account so long as, in the case of the Reserve for Replacements Account, said 300% level is maintained, and, in the case of the General Operating Reserve Account, said 25% level is maintained; and provided, further, that in the event withdrawals from either of such Reserve Accounts reduce it below the said level, then upon reduction of such Reserve below said level, the rate of such annual assessments and deposits shall forthwith be immediately restored to 3% and made at the 3% rate until the said level is restored.

The Reserve Fund for Replacements is for the purpose of effecting replacements of any property and improvements the Association is required to provide and maintain and the General Operating Reserve Fund is for the purpose of meeting deficiencies arising from time to time as a result of delinquent payments of assessments by owners in the condominium and other contingencies, provided, however, reimbursements shall be made to the General Operating Reserve.

The Association shall not fail to establish and maintain the Reserve Fund for Replacements and General Operating Reserve Fund, as set forth hereinabove.

IN WITNESS WHEREOF, we, being all of the Directors of Golden Strand Interval Owners' Association, Inc., have hereunto set our hands this 30th day of September, 1989.

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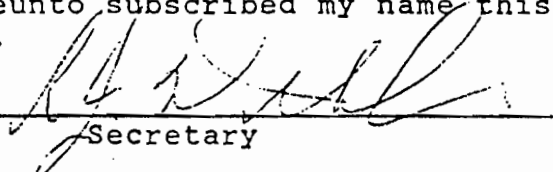
CERTIFICATE

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of Golden Strand Interval Owners' Association, Inc., a North Carolina incorporated association, and

THAT the foregoing Bylaws constitute the true and lawful Bylaws of such Association, and were duly adopted at a meeting of the Board of Directors thereof, held on the 30th day of September, 1989.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 8th day of October, 1989.


Secretary